



# Illinois Energy Efficiency Revolving Loan Fund

## Outreach, Engagement, and Marketing Plan

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# Table of Contents

Introduction.....	3
The Illinois Energy Efficiency Revolving Loan Fund Overview.....	3
Direct Pay Tax Credits and the Need for Bridge Loans.....	3
Outreach, Engagement, and Marketing Plan Goals.....	4
Direct Pay Bridge Loans in the Landscape of Illinois Clean Energy Resources.....	4
Past Outreach and Engagement Efforts.....	5
Outreach, Engagement, and Marketing Goals.....	5
Key Stakeholders.....	6
Community Stakeholders.....	6
Clean Energy Industry Stakeholders.....	6
Other Public and Nonprofit Sector Stakeholders.....	6
Messages that Resonate.....	7
Cross-Marketing with Complementary Programs.....	7
Strategies and Methods.....	7
Outreach and Engagement During the Program Development Stage.....	7
Outreach, Engagement, and Marketing After Direct Pay Bridge Loans are Available.....	9
Evaluation and Ongoing Improvement.....	9
Program Metrics.....	9
Gathering Feedback from Program Beneficiaries and Coordinating Programs.....	9
Appendix A: Definitions and Acronyms.....	11

# Introduction

Illinois has been hard at work to address the problem of climate change. The centerpiece of that work is the Climate and Equitable Jobs Act (CEJA), signed into law in 2021, which commits the state to 100% carbon-free power by 2045 while also supporting energy efficiency, electric vehicles, and building electrification, and reforming utility planning and regulation. CEJA also named the Illinois Finance Authority as the state's Climate Bank, giving it new authority to implement programs to further equitable clean energy projects in the state. In addition, Governor Pritzker signed an executive order in 2019 committing the state to the principles of the Paris Climate Agreement. Meeting Illinois' commitment to the Paris Climate Agreement would require cutting emissions about 39% from current levels to 139 MMTCO<sub>2</sub>e. Before that, Illinois has been implementing emissions reduction measures and supporting clean energy, with the Illinois Renewable Portfolio Standard dating to 2007.

## **The Illinois Energy Efficiency Revolving Loan Fund Overview.**

Illinois has also been successful in attracting federal funding to create programs to help the state meet these goals. The Illinois Energy Efficiency Revolving Loan Fund (EE RLF) is a new mechanism to help Illinois' public sector and non-profit building owners, particularly those serving Low Income / Disadvantaged Communities (LIDACs), finance energy efficiency and clean energy upgrades to their buildings. The fund will create a Direct Pay Bridge Loan to give these entities upfront funding for upgrades, which will then be paid back with proceeds from direct pay tax credits. The fund will be administered by the Illinois Finance Authority, in its role as Illinois' Climate Bank (ICB or Climate Bank), under an agreement with the Illinois Environmental Protection Agency's Office of Energy (IEPA). The fund was created and capitalized by a grant from the US Environmental Protection Agency's (US EPA) Energy Efficiency Revolving Loan Fund Capitalization Grant program.

## **Direct Pay Tax Credits and the Need for Bridge Loans.**

Under normal circumstances, public-sector entities, like counties and school districts, and nonprofits are exempt from income taxes. However, most of the clean energy funding under the Inflation Reduction Act will come in the form of income tax credits. To ensure that this funding is accessible to the public sector and nonprofits, the Inflation Reduction Act essentially gives a rebate (called a direct-, or elective-, pay tax credit) to public sector and nonprofit entities who undertake projects that would qualify for tax credits if they were not exempt. However, as with other tax credits, there is a time lag between the time the direct pay tax credit is earned and the time that tax return forms are filed and the funding is received. Since clean energy projects like energy efficiency projects and solar installations require buying equipment and paying contractors, this lag time can make it difficult for projects to move forward, even if they will ultimately save the building owner money. Consequently, a bridge loan to span the time gap between the project's installation and receipt of the direct pay tax credit can help Illinois' public sector and nonprofits invest in cost-saving clean energy projects.

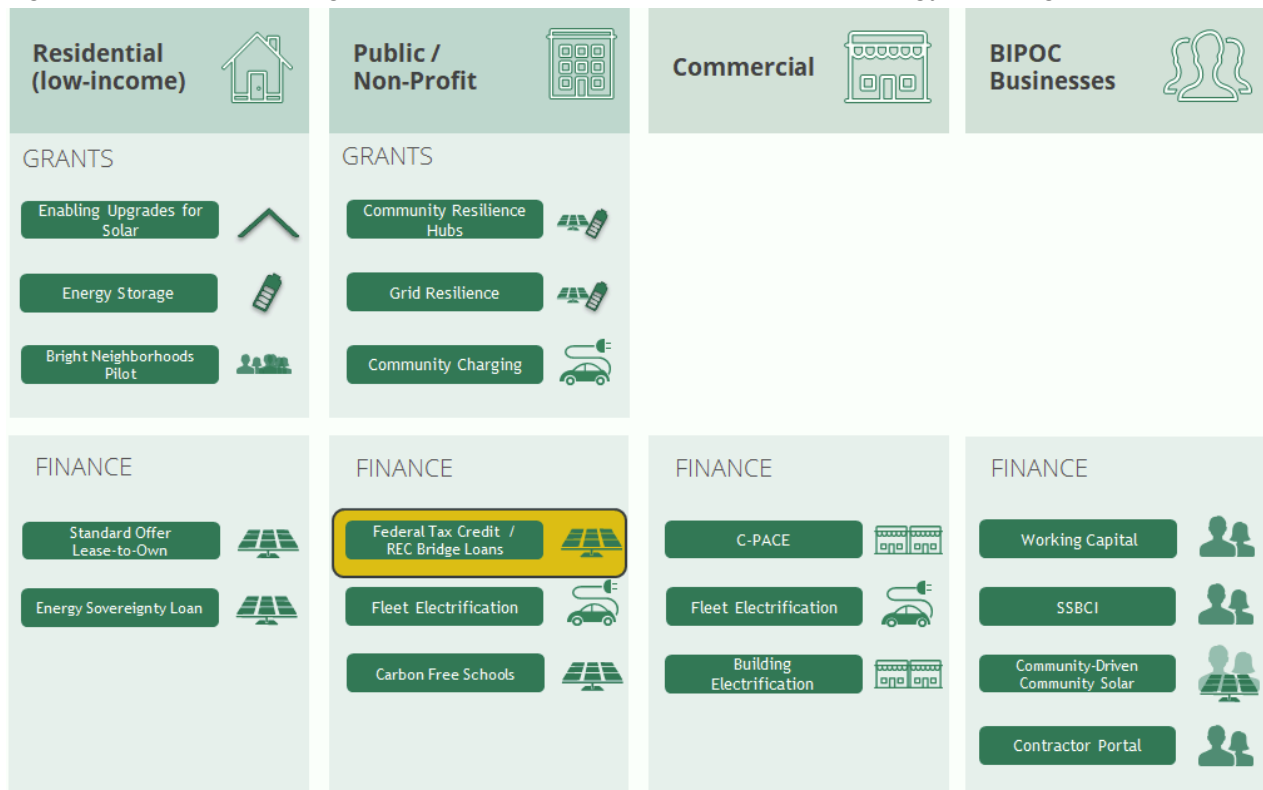
This document will outline the outreach, engagement, and marketing activities that the Illinois Climate Bank will engage in as it creates and implements the Illinois Energy Efficiency Revolving Loan Fund. The document will discuss the Climate Bank's goals for outreach, engagement, and marketing; key stakeholders; messaging; and strategies and methods for disseminating those messages. Finally the document will discuss evaluation of the effectiveness of the Climate Bank's outreach, engagement and marketing work and continuous Improvement efforts.

## Outreach, Engagement, and Marketing Plan Goals

### Direct Pay Bridge Loans in the Landscape of Illinois Clean Energy Resources.

CEJA and the Inflation Reduction Act are creating an ecosystem of clean energy funding and workforce development opportunities in Illinois. The Direct Pay Bridge Loan is only one part of this landscape, but fills an important role: allowing public sector and nonprofit building owners to take advantage of federal direct pay tax credits. Figure 1, below, gives an overview of existing - and needed - funding opportunities to help Illinois make a successful transition to a carbon-free economy.

Figure 1. Tax Credit Bridge Loans in the Context of Illinois Clean Energy Funding Initiatives



The Climate Bank's outreach, engagement, and marketing efforts will acknowledge the variety of funding sources available to public sector and nonprofit organizations. This plan includes

opportunities to seek input on how best to coordinate program design and workflows to ensure that the Direct Pay Bridge Loan can be stacked with other funding sources to move clean energy projects to completion. The plan also includes efforts to co-market bridge loans with other funding sources for public and nonprofit sector projects.

### Past Outreach and Engagement Efforts.

This program's activities will build upon extensive work already done in the state to identify and pursue climate action, including the Climate and Equitable Jobs Act, passage of which required months of stakeholder process around topics including electricity generation, energy efficiency, and incorporating equity and environmental justice considerations into climate action. To identify market barriers to equitable GHG emission reductions in Illinois, the Illinois Climate Bank, in partnership with other state agencies, held a series of stakeholder meetings, small group meetings and workshops, and virtual presentations throughout 2023 and early 2024 on topics including energy efficiency, renewable generation, and building decarbonization. More than 150 different entities gave their perspectives on market gaps. The need for a tax credit bridge loan, specifically, was identified during these discussions. The topic was again discussed during the development of the state's Priority Climate Action Plan in early 2024, when the Climate Bank convened community organizations, including organizations representing disadvantaged communities; non-governmental organizations with expertise in climate mitigation; private businesses; higher education institutions; and trade associations to prepare the plan.

In addition, in the Spring 2024 Illinois legislative session, the Climate Bank supported successful legislation to remove ambiguity around the ability of governmental units, such as towns and counties, to borrow from the Climate Bank. [SB 3597](#) will ease the process of using Climate Bank programs, including the Direct Pay Bridge Loan, for counties. In the process of moving through the legislature, both counties and legislators were informed about the bill and the Climate Bank's forthcoming activities.

### Outreach, Engagement, and Marketing Goals

The Illinois Climate Bank has several goals for the Direct Pay Bridge Loan outreach and engagement efforts:

- First, the Climate Bank hopes to **educate interested stakeholders and public sector and nonprofit leaders** on the existence and use of Direct Pay Bridge Loans.
- Second, the Climate Bank hopes to **gain additional input into the Direct Pay Bridge Loan's design and marketing**, to ensure their success in bringing new projects to fruition.
- Third, as details of the new Direct Pay Bridge Loans are developed, the Climate Bank will begin **identifying public sector and nonprofit building owners** who are actively considering clean energy upgrades to their buildings, and entities that could be persuaded to do so by a more robust set of financing opportunities.
- And finally, the Climate Bank's outreach will **coordinate program design with Illinois' existing network of energy efficiency and clean energy programs**, to ensure that the

Direct Pay Bridge Loan works with those programs to create an attractive and holistic financing package for building owners.

There will be two phases to outreach and engagement efforts. Before the Direct Pay Bridge Loan product becomes available, outreach and engagement will be concentrated on gathering input for the Initial Direct Pay Bridge Loan Strategy, to be published in early September; on ensuring that the program design is coordinated with other, complementary, programs; and on initial marketing efforts. The Climate Bank will then continue to engage with stakeholders after the loans are available, as part of its ongoing marketing, evaluation, and continuous improvement efforts.

## Key Stakeholders

### Community Stakeholders.

Illinois has a robust network of community stakeholders with a keen interest in clean energy. In addition to the many community organizations who own buildings and are seeking to reduce their energy costs and GHG emissions, the clean energy advocate community is knowledgeable and will provide useful input into program design and marketing. The Climate Bank will reach out to community stakeholders to inform them of the Direct Pay Bridge Loan and ensure they are aware of opportunities for input into the program, including:

- Local governmental groups;
- Regional municipal planning organizations;
- Environmental advocacy organizations;
- Faith based groups;
- Workforce development organizations;
- Environmental justice organizations; and
- Philanthropic networks.

### Clean Energy Industry Stakeholders.

Illinois' robust ecosystem of clean energy programs provide excellent opportunities to cross-market programs and coordinate to ensure it is easy for customers to stack incentives. The Climate Bank will reach out to clean energy industry stakeholders, including those below, to inform them about the Direct Pay Bridge Loan, seek input on its design, and ensure they have what they need to talk with their public and nonprofit sector customers about the opportunity:

- Electric utilities, including rural electric cooperatives, and their trade associations;
- Energy efficiency program implementers;
- Trade groups for HVAC and insulation contractors, electricians, and others who install energy efficiency measures;
- Solar industry associations and their members; and
- Labor unions whose members work on clean energy projects.

### **Other Public and Nonprofit Sector Stakeholders.**

In addition to community stakeholders who have an interest in GHG emission reduction and clean energy generally, there is a much wider community of public and nonprofit sector stakeholders who may benefit from the Direct Pay Bridge Loan. The Climate Bank will engage these stakeholders, including those below, to inform them about the Direct Pay Bridge Loan, seek input on its design, and identify other resources that this community may need to move potential projects forward:

- Community colleges and universities;
- Associations of nonprofit entities with members that serve LIDACs;
- Philanthropic networks;
- Food banks;
- Shelters;
- Affordable housing organizations; and
- Cultural institutions.

## **Messages that Resonate**

One of the goals of the forthcoming outreach and engagement efforts is to identify messages that resonate with public sector and nonprofit organizations in Illinois that own buildings. Messaging will then be tailored to appeal to a variety of public sector and nonprofit organizations, depending on their needs. Based on a review of marketing literature, however, we expect to find that messages emphasizing cost savings, health, reliability, and climate goals will resonate with many public and nonprofit sector audiences.

### **Cross-Marketing with Complementary Programs.**

Once a message resonates enough with a building owner that they start to consider a clean energy project, they will be immediately confronted with two difficulties: determining what to do to their building, and implementing the upgrade itself. While the Direct Pay Bridge Loan cannot overcome these barriers, the program will coordinate and cross-market with other programs that address the need for a qualifying energy assessment and that can assist with implementing the upgrade. For example, Illinois' investor-owned utilities already operate successful programs to connect commercial building owners, including public and nonprofit sector owners, with energy assessments and significant funding to assist with the cost of the retrofits. These programs may also provide technical assistance to building owners.

In addition, Illinois' application to the federal Climate Pollution Reduction Grant program included a proposal to provide technical assistance to commercial building owners of this kind, where it is not already provided by utilities or other programs. If that grant proposal is successful, it will be coordinated with the Direct Pay Bridge Loan as it is developed.

# Strategies and Methods

## Outreach and Engagement During the Program Development Stage.

During the development of the Direct Pay Bridge Loan program, the Climate Bank will engage in the following outreach and engagement activities:

- Host an **initial stakeholder engagement kickoff webinar**. The event's announcement will refer to this plan and a set of initial fact sheets describing the Direct Pay Bridge Loan and the process for finalizing its development. The webinar will introduce stakeholders to the Direct Pay Bridge Loan concept and the timeline for developing and launching the loan program, and will solicit written feedback on a list of questions. The event will also include the announcement of future input opportunities.
- Convene a **working group of industry, nonprofit, and government stakeholders** with knowledge of existing efficiency and clean energy programs that interact with the public and nonprofit sectors. This working group will address program design questions to ensure programs work together to effectively deliver a package of financing and incentives to the target customers.
- Convene a **working group of lenders** interested in originating direct pay tax credit bridge loans.
- Post program design questions to its website to collect **written feedback from any interested party**.
- Host a **public input session** to take oral feedback from interested stakeholders.
- **Consider written and oral comments** gathered from stakeholders as the details of the Direct Pay Bridge Loan program are finalized before its launch.

Each of these activities will be announced via the Climate Bank's website and its email list of stakeholders who have expressed interest or been engaged in past Climate Bank outreach activities.

In addition, the Climate Bank will be designing and implementing a new website at [www.IllinoisClimateBank.com](http://www.IllinoisClimateBank.com), which will be used to communicate with stakeholders and as an informational and program intake portal for the community and potential borrowers. The Climate Bank will engage a contractor to build out the website that will be accessible to potential borrowers no later than the launch of the Direct Pay Bridge Loan. Key elements of the website will include:

- General information on the Climate Bank's history, programs, and funding sources, including descriptions of the IRA and CEJA.
- Public notices of opportunities for input into Climate Bank programs, with all presentations and recordings of past webinars, briefings, and public input opportunities.
- News releases and links to articles about the Climate Bank and its programs.
- Descriptions of each of the Climate Bank's clean energy related programs, including the Direct Pay Bridge Loans, with links to relevant federal and state agency websites.
- Updates on clean energy program implementation timelines.
- Frequently Asked Questions related to each of the Climate Bank's clean energy programs.



- Detailed instructions on how to apply for the Direct Pay Bridge Loan, and to other clean energy programs, as they are developed.
- The online portal where potential borrowers can apply for a Direct Pay Bridge Loan.
- Public notices of any Climate Bank invitations for bid and career opportunities, with links to relevant procurement and human resources information.
- Contact information for obtaining help with the website and online application portal, clean energy program customer service, and for more information.

### **Outreach, Engagement, and Marketing After Direct Pay Bridge Loans are Available.**

After the Direct Pay Bridge Loan product launches, the Climate Bank will engage in the following continuous outreach, engagement, and marketing activities:

- **Update its Direct Pay Bridge Loan web page** with news regarding the program and feedback opportunities.
- **Work with local government groups, associations of nonprofit organizations, philanthropic networks**, and others to ensure members are aware of the program.
- Work with **utilities, state agencies, efficiency program providers, contractor groups, and lenders** to ensure the Direct Pay Bridge Loan remains well coordinated with other stackable sources of project funding, to publicize its availability and to gather feedback on its implementation.
- **Host periodic public webinars** for stakeholders to publicize and explain the program and gather feedback.
- Develop a standard presentation and slide deck for use in **public presentations**.
- Develop **program marketing materials for a variety of interested audiences**, including public and nonprofit sector organizations and energy efficiency contractors.
- Develop a simple and sustainable **social media presence** to publicize the Climate Bank's programs, including the Direct Pay Bridge Loan.

## **Evaluation and Ongoing Improvement**

### **Program Metrics.**

The Direct Pay Bridge Loan process will be designed to collect a number of program metrics, which will help guide program evaluation and ongoing improvement efforts, including:

- Number and type of energy assessments;
- Number and type of equipment and building shell upgrades;
- Financial incentives provided by the program;
- Private funding leveraged for program-related upgrades;
- Energy and cost savings from program-related upgrades;
- Education and outreach;
- Technical assistance; and
- Workforce and wage.

The Climate Bank will report many of these metrics to IEPA and US DOE quarterly, allowing regular opportunities to evaluate program uptake and make adjustments as necessary.

### **Gathering Feedback from Program Beneficiaries and Coordinating Programs.**

In addition, the Climate Bank will incorporate opportunities for ongoing feedback specifically related to the loan process into the Direct Pay Bridge Loan workstream. Because of the importance of coordination and cross-marketing among clean energy programs, the Climate Bank will also explore opportunities to gather input, at least annually, from related program providers, clean energy contractors whose customers use the program, and others related to the effectiveness of the Direct Pay Bridge Loan product, informational materials, and loan-related processes.

## Appendix A: Definitions and Acronyms

**Climate and Equitable Jobs Act (CEJA):** an Illinois law which, among other things, set a statewide target of 100% clean energy by 2050. It was passed by the General Assembly and signed into law by Governor Pritzker on September 15, 2021.

**Illinois Environmental Protection Agency (IEPA):** Houses the state's energy office, the recipient of the US EPA's Energy Efficiency Revolving Loan Fund Capitalization Grant.

**Illinois Finance Authority (IFA) / Illinois Climate Bank (ICB):** Will implement the Direct Pay Bridge Loan under an intergovernmental agreement with IEPA.

**Inflation Reduction Act (IRA):** a 2022 federal law which supports clean energy and climate Investments.

**Low Income / Disadvantaged Communities (LIDACs):** communities with residents that have low incomes, limited access to resources, and disproportionate exposure to environmental or climate burdens. Although the Inflation Reduction Act does not formally define LIDACs, EPA strongly recommends grantees use the Climate and Economic Justice Screening Tool and the Environmental Justice Screening and Mapping Tool to identify LIDACs in their communities. These tools identify LIDACs by assessing indicators for categories of burden: air quality, climate change, energy, environmental hazards, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.