

To: Members of the Illinois Finance Authority
From: Will Hobert, Chair
Chris Meister, Executive Director
Date: April 9, 2024
Subject: Joint Chair/Executive Director Message

Biden-Harris Administration Announces Historic \$20 Billion in Awards to Clean Energy Solutions and Lower Energy Costs Across the Nation

On April 4, Vice President Kamala Harris and EPA Administrator Michael Regan announced selections for \$20 billion, through the Greenhouse Gas Reduction Fund (GGRF) under the Inflation Reduction Act, “in awards to stand up a national financing network that will fund tens of thousands of climate and clean energy projects across the country, especially in low-income and disadvantaged communities.” ([Biden-Harris Administration Announces Historic \\$20 Billion in Awards to Expand Access to Clean Energy and Climate Solutions and Lower Energy Costs for Communities Across the Nation | The White House](#)).

Governor JB Pritzker responded to this news:

Here in Illinois, we are working to build an equitable clean energy future that works for all of our residents and with the Climate and Equitable Jobs Act (CEJA), we have made tremendous progress. On behalf of our state, I thank President Biden, Vice President Kamala Harris, and USEPA Administrator Regan for helping us build on this success with the Greenhouse Gas Reduction Fund. The State of Illinois looks forward to partnering with the USEPA and the Coalition for Green Capital to use this financing to invest in communities that need it most and further expand our clean energy economy.

As the Members know, the Illinois Finance Authority/Climate Bank is a subrecipient/sub-awardee of a \$5 billion award to the Coalition for Green Capital (CGC), a national not-for-profit. ([EPA Selects Coalition for Green Capital for an Award of \\$5 Billion to Establish National Green Bank - Coalition for Green Capital](#)). Under the leadership of Governor Pritzker and standing upon the strong policy foundation of CEJA, we are proud to be a partner of CGC’s successful application and we thank Reed Hundt and Bryan Garcia and their CGC colleagues for their effective advocacy and successful national application. At this time, we do not yet know the size of the Illinois GGRF allocation, but we know that it will be significant. [WHAT THEY ARE SAYING: Biden-Harris Administration Announces Historic \\$20 Billion in Awards to Expand Access to Clean Energy and Climate Solutions and Lower Energy Costs for Communities Across the Nation | The White House](#)

To prepare to properly deploy the GGRF money as well as modernize our core conduit bond products, we understand that we will need to use accumulated savings to invest in our organization. Some, but not all, of these organizational investments will be offset by the federal money. As we approach the consideration of our Fiscal Year 2025 budget on June 11, 2024, we share a high-level overview of the timeline and purpose of these investments between now and December 31, 2024. See attached.

This Month's Conduit Bond Agenda

This month's agenda includes final bond resolutions for *The Chicago School – California, Inc.*, *Sarah Bush Lincoln Health Center*, and *St. Ignatius College Prep.*, as well as two first-time farmers. Members will also consider a preliminary bond resolution for *West End Tool & Die, Inc.*, and resolutions regarding amendments to outstanding bonds issued by the Authority on behalf of *Clark-Lindsey* and *Loyola Academy*. Finally, Members will consider a resolution authorizing the Executive Director to enter into one or more participation loan agreements to fund a community solar project developed by the *Green Energy Justice Cooperative, Inc.*

IFA Financial Products – Conduit Bonds



Tax-Exempt Conduit

- **Benefits:**
 - Federal economic benefit from tax exemption
 - Attracts private capital
- **Blockers:**
 - IFA revenues inadequate when combined with State-mandated goals
 - Investment needed to comprehensively rewrite standard bond documents and JCAR (circa 2004) to reduce input costs

C-PACE Conduit

- **Benefits:**
 - No federal or State subsidy
 - Attracts private capital
 - Enhanced security for debt
- **Blockers:** Need market development investment

State Revolving Fund

- **Benefits:**
 - Federal economic benefit from grant *and* tax exemption
 - Attracts private capital
- **Blockers:**
 - IFA revenues inadequate to facilitate effective procurement of diverse vendors resulting in the best executive, market acceptance, and ongoing IFA debt management (current arrangement adopted in 2013).

None of these debts are the obligation of the IFA or the State.

