

To: Members of the Illinois Finance Authority
From: Chris Meister, Executive Director
Date: May 14, 2024
Subject: Executive Director Message

Congratulations – Public Finance Team

As a follow-up to prior bond resolutions approved by the Members, a brief note of congratulations to both Brad Fletcher and Sara Perugini. Brad and Sara have each spent the past several months collaborating with longstanding conduit borrowers of the Authority and their respective transaction teams on particularly complex and time-consuming debt financings. These debt financings have met significant milestones within the past few days, and as appropriate, I will share details with the Members soon.

This Month's Agenda

This month's agenda includes bond resolutions on behalf of *Endeavor Health Clinical Operations* and *American College of Surgeons*, as well as a resolution approving a revised fee schedule for taxable private activity bonds. Members will also consider a resolution to approve the Illinois Finance Authority Compliance Examination for the Two Fiscal Years Ended June 30, 2023.

U.S. Environmental Protection Agency (EPA) Launches \$7 Billion Competition to Bring Low-Cost Solar Energy to More Hard-Working American Families

On April 22, U.S. EPA Administrator Michael Rega and U.S. Senator Bernie Sanders (VT) announced selections for the \$7 billion Solar for All competition, which was created under the Inflation Reduction Act. This competition is “just the latest way that the Inflation Reduction Act is expanding access to solar for hard-working American families. Solar is the cheapest form of power available, so it helps lower energy costs while creating good-quality jobs, advancing environmental justice, and tackling the climate crisis.” ([EPA Launches \\$7 Billion Competition to Bring Low-Cost Solar Energy to More Hard-Working American Families | Clean Energy | The White House](#)).

Governor JB Pritzker responded to this news:

The Biden-Harris administration recognizes the same truth I did when I signed the Climate and Equitable Jobs Act into law—we cannot rely on any sort of clean energy future that doesn't make space for those who have historically been left on the margins. This award will help businesses and households throughout Illinois invest in solar, creating jobs and reducing reliance on traditional energy sources. [The State of Illinois Newsroom \(prezly.com\)](#)

The Illinois Finance Authority/Climate Bank was named as one of 60 awardees, winning \$156 million to expand existing solar programs – including the existing Illinois Solar for All program – and increase solar adoption rates. The Illinois Finance Authority/Climate Bank is grateful for Governor JB Pritzker's leadership and strong policy foundation under the Clean and Equitable Jobs Act (CEJA) that made the Authority's application possible.

As touched upon last month, I am viewing Fiscal Year 2024 as the second year in a three-year transformation process to turn the Authority into a Climate Bank. Fiscal Year 2023 set the foundation by focusing on stakeholder engagement and federal application development, both of which continued into Fiscal Year 2024. Fiscal Year 2024 was the first year with significant federal awards resulting in estimated total of **\$340 million**, whereas twelve months ago, IFA had federal awards totaling **\$0!** The April 2024 meeting of the Members gave a broad approach to the upcoming Fiscal Year 2025 budget that will be considered by the Members at the June 2024 meeting. Enclosed is a description of the direction we expect to take for the Fiscal Year 2025 budget.

Today's Guests

Naomi Davis, Founder/CEO of Blacks in Green

Dr. Cris Valdez, Board President of Economic Development Corporation of Decatur-Macon County

Rev. Courtney Carson, Associate Vice President of External Affairs of Richland Community College

Josh Sapp, Board President of Economic Development Corporation of Decatur-Macon County

Matt Posner, Principal of The Court Street Group

Attachments:

Exhibit A: Illinois Finance Authority May 14, 2024 Presentation

ILLINOIS CLIMATE BANK
**EXCEPTIONAL
ALIGNMENT:**

**BIL, IRA, and
CEJA**

The Illinois Climate Bank integrates five key elements when pursuing funding and developing new initiatives:



PARTNERSHIPS



QUANTIFIABLE PROGRESS ON CLIMATE



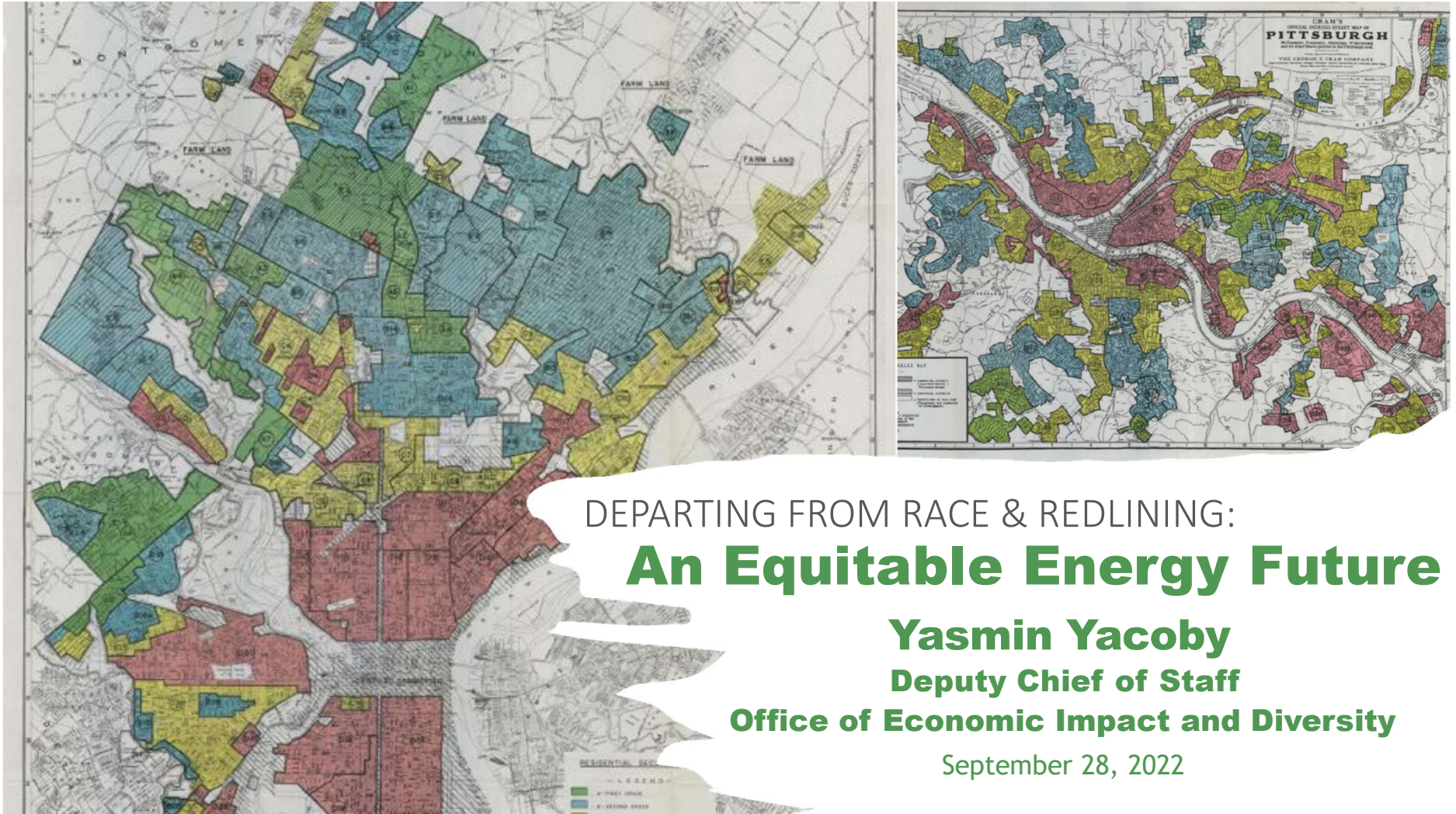
BUILD IT HERE (USA/ILLINOIS)



JUSTICE40 BENEFITS & INVOLVEMENT



LABOR INVOLVEMENT & PARTICIPATION



DEPARTING FROM RACE & REDLINING:

An Equitable Energy Future

Yasmin Yacoby
Deputy Chief of Staff

Office of Economic Impact and Diversity

September 28, 2022



U.S. DEPARTMENT OF
ENERGY

OFFICE OF
ECONOMIC IMPACT AND DIVERSITY

Climate Bank Federal Funding - Awards/Documentation to Date

Other EV federal resources:

- Direct/Elective Pay Transferable Tax Credits
- Climate Pollution Reduction Grant
- Port Funding

\$340M



\$156 million

Solar for All

- Expands Illinois Solar for All for low-income residential and community solar
- Enable upgrades & storage



\$100+ million

National Clean Investment Fund

- EV Fleets & Associated Infrastructure (public/private)
- Tax credit bridge loans to local governments & nonprofits
- Carbon-Free Schools
- Building Electrification



\$14 million

Revolving Loan Fund

- Tax credit bridge loans for renewable/efficiency in buildings



\$15 million

Charging and Fueling Infrastructure

- State-wide - 40+ partners/250+ sites; many public partners; community EV charging sites not addressed by market



\$40 million

Grid Resilience Grants

- Grid resilience-public and other small utilities



\$20 million

State Small Business Credit Initiative

- Participation loans through private lenders to small businesses.

FY 2025 – Road to IFA/Climate Bank



1. Foundation

Investment, accounting, budget, legal, HR, IT, procurement, concierge/stakeholder, compliance, audit

- Estimated 60% of current revenues from investment of balance sheet funds

2. Public Finance

Private Activity/conduit bonds, C-PACE, SRF, 1st-time farmer

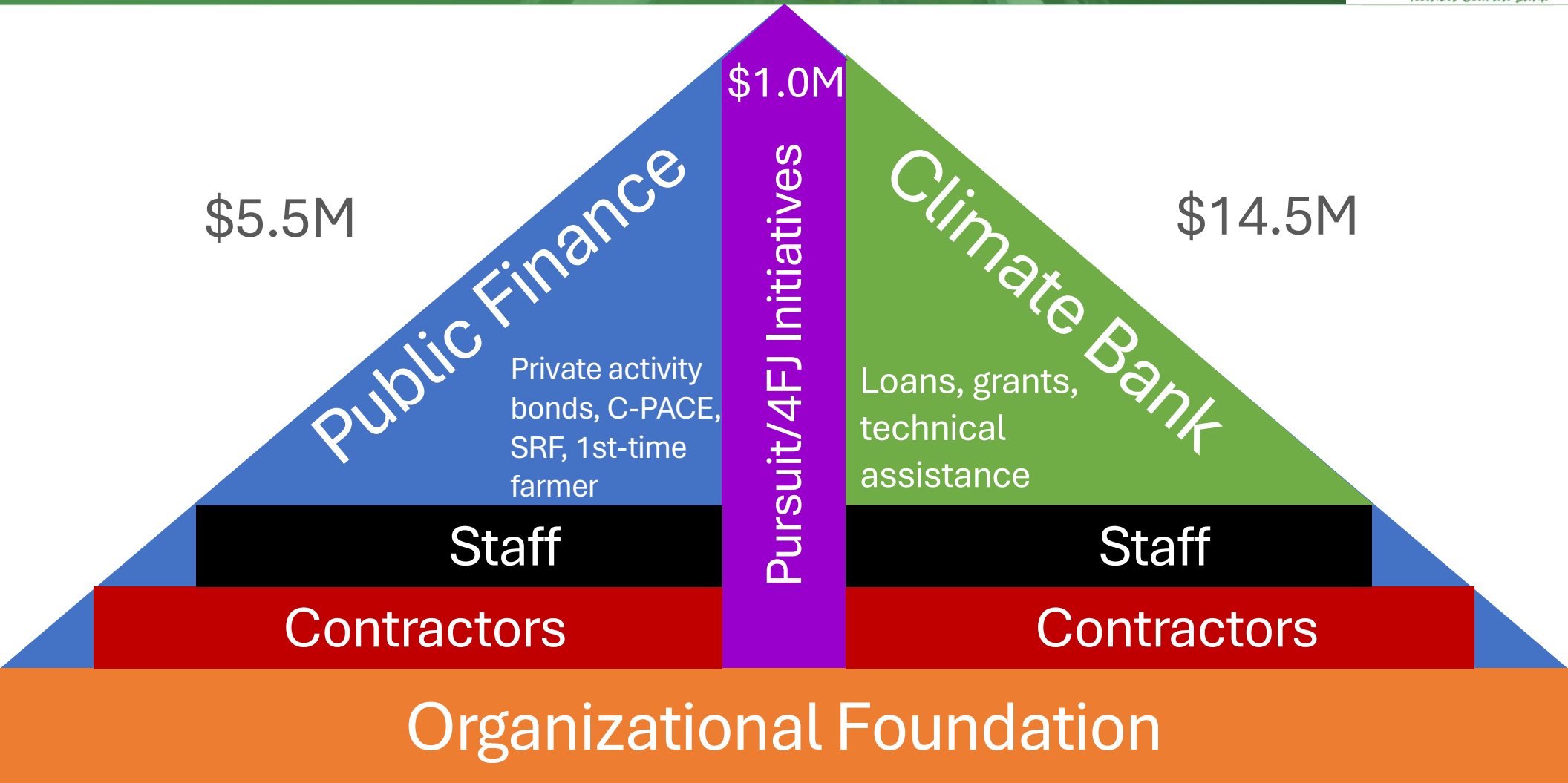
3. Implementation

Climate Bank: grants, loans, technical help/a new business model for IFA/CB

4. Pursuit/4FJ Initiatives

Use federal resources to make Illinois more competitive for economic development and move Illinois toward CEJA market transformation

Rough Draft: \$21M FY 2025 - IFA/Climate Bank Budget



FY24 4FJ

Potential FY25 Pursuit

Economic Development

Tech Hubs

Recompete

Additional Assistance

If successful, \$190M + up to \$1.3B in non-federal leverage expected ROI on \$1.2M of IFA/Climate Bank direct investment for the State

Federal Inflation Reduction Act (IRA) Tax Credits

State Incentives

Climate Bank bridge loans to local governments and nonprofit organizations with U.S. EPA GGRF

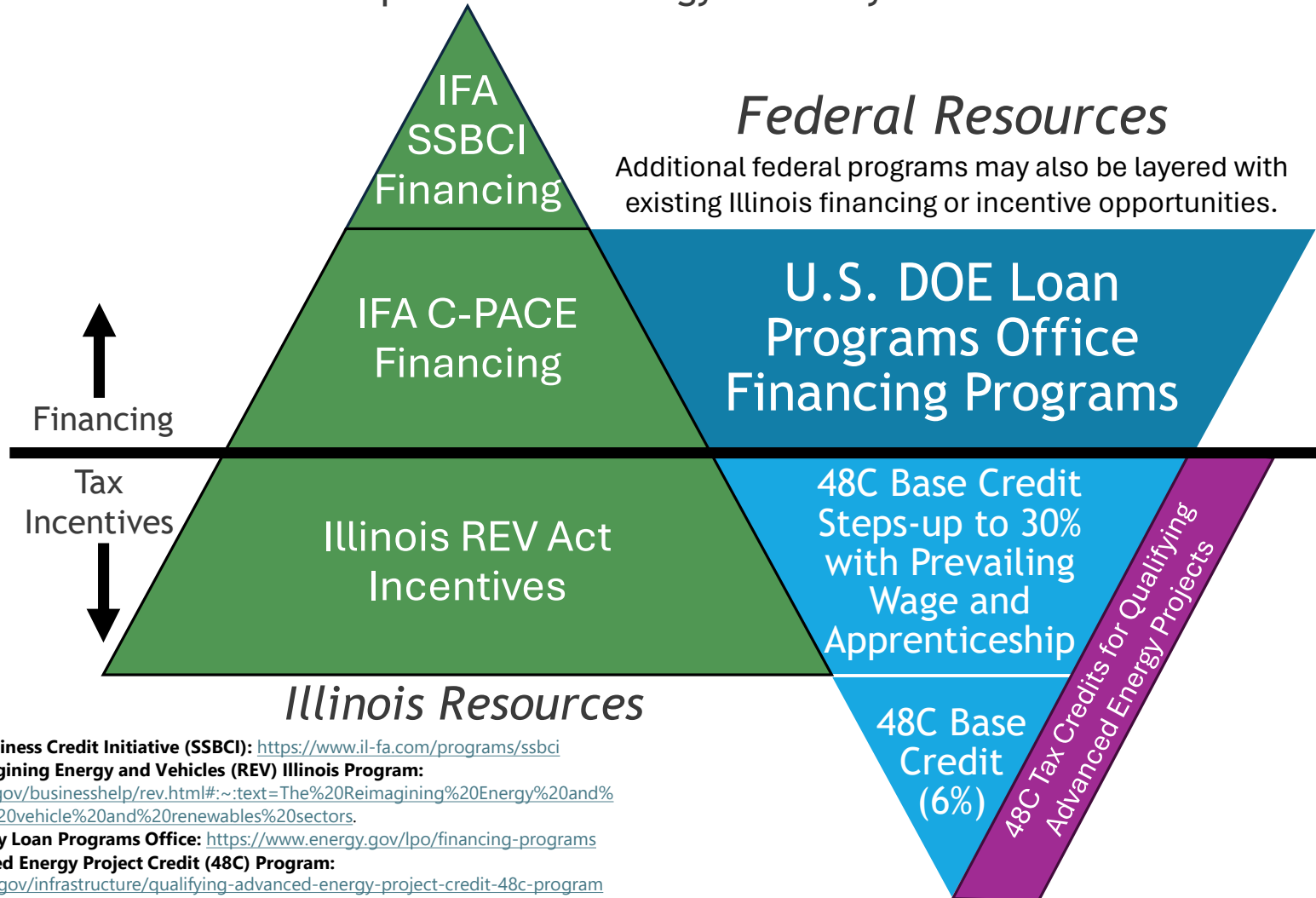
Nationally, \$259B of IRA's total \$394B is in the tax incentives (66% of the total IRA) – an opportunity to use federal resources to advance State economic development goals

U.S. DOE Loan Programs Office

State Energy Financing Institution (SEFI)

Nationally, up to \$367B in U.S. DOE Loan Authorization

Economic Development: Layering Financing and Tax Credit Programs to Develop the Clean Energy Economy in Illinois



- **IFA State Small Business Credit Initiative (SSBCI):** <https://www.il-fa.com/programs/ssbci>
- **IFA C-PACE: Reimagining Energy and Vehicles (REV) Illinois Program:** <https://dceo.illinois.gov/businesshelp/rev.html#:~:text=The%20Reimagining%20Energy%20and%20Vehicles,electric%20vehicle%20and%20renewables%20sectors.>
- **U.S. Dept. of Energy Loan Programs Office:** <https://www.energy.gov/lpo/financing-programs>
- **Qualifying Advanced Energy Project Credit (48C) Program:** <https://www.energy.gov/infrastructure/qualifying-advanced-energy-project-credit-48c-program>

Disclaimer: Neither IFA/CB nor DCEO offer tax, financing, or incentive advice; this diagram is for informational purposes only.

ILLINOIS CLIMATE BANK ANTICIPATED 2024 TIMELINE

NOW

C-PACE



SSBCI



JUNE

IFA/Climate Bank
Budget



Community Resilience
Hubs



Grid Resilience



Community Charging



JULY

Federal Tax Credit /
REC Bridge Loans



Working Capital



Fleet Electrification



Community-Driven
Community Solar



Enabling Upgrades for
Solar



Energy Storage



Bright Neighborhoods
Pilot



Standard Offer
Lease-to-Own



Energy Sovereignty Loan



Building
Electrification



Contractor Portal

