NEWS RELEASE

Illinois Awarded Nearly $15 Million in Federal Funding through the Energy Efficiency Revolving Loan Fund Program

Illinois Finance Authority's Illinois Climate Bank Will Administer New Program

SPRINGFIELD – The Illinois Environmental Protection Agency (EPA) has been awarded a federal grant totaling $14,963,220 from the United States Department of Energy's (U.S. DOE) Energy Efficiency Revolving Loan Fund (EE RLF) Grant Program. The federal funding will have a project period from June 1, 2024, through May 31, 2029. The Illinois EPA's Office of Energy has partnered with the Illinois Finance Authority's (IFA) Illinois Climate Bank to administer the new EE RLF Program. The IFA will use EE RLF program funding to establish a sustainable energy efficiency revolving loan fund, particularly focused on Equity Investment Eligible Communities and federally designated Disadvantaged Communities. These funds will complement State of Illinois dollars to reduce energy costs in public/non-profit sector buildings by allowing cost-saving projects to go forward where they previously would not have been financially feasible.

"We know that accessible financing programs can accelerate clean energy adoption," **said Governor JB Pritzker**. "Thanks to the Biden Administration, Illinois can now establish a revolving loan fund to help commercial building owners finance energy efficiency capital projects. This loan fund will not only help small businesses maximize their energy savings, but it will also benefit local communities by advancing our state's climate and energy goals."

The U.S. DOE's EE RLF Capitalization Grant Program provides capitalization grants to states to establish a revolving loan fund (RLF) under which the state provides loans for energy efficiency audits, upgrades, and retrofits to increase energy efficiency and improve the comfort of buildings. The initial offering under Illinois' EE RLF will be a Bridge Loan designed to make the Inflation Reduction Act's Direct Pay provision immediately accessible to owners of non-profit and public commercial buildings in disadvantaged communities, pursuant to the Biden Administration's Justice 40 Initiative. As capacity allows and demand dictates, the EE RLF may expand to other commercial loans and the residential sector.

- more -

"We look forward to once again partnering with the Illinois Finance Authority on this opportunity, further expanding our energy efficiency reach to the communities that need it in Illinois," **said Illinois EPA Director John J. Kim**. "The EE RLF Program aligns perfectly with our Office of Energy's strategy of supporting energy efficiency, resiliency and clean energy through public partnerships and interagency collaborations to reduce the energy burden and improve energy equity in Illinois.

"This federal award demonstrates how Governor JB Pritzker's nation-leading legislation, the Climate and Equitable Jobs Act (CEJA), has fully prepared Illinois to leverage new federal funding opportunities to reduce the cost of the clean energy transition for the people of Illinois**," said Chris Meister, Executive Director of the Illinois Finance Authority/Climate Bank**. "The Climate Bank and the Illinois Environmental Protection Agency have long partnered to successfully attract private capital using the revolving fund model, having together attracted over $2.5 billion through the State Water Revolving Fund (SRF). While $15 million may seem small – it will grow exponentially by attracting private capital and maximizing the use of federal direct pay tax credits through the Inflation Reduction Act, now newly available to local governments and not-for-profit organizations."

Under the Illinois EPA/IFA partnership, the IFA is required to conduct statewide stakeholder engagement and outreach to inform design of the EE RLF program to best meet the primary objectives of the EE RLF Program as reflected by Illinois residents. Stakeholder engagement includes community-based organizations, business groups, municipalities, utilities, financial institutions, black, indigenous, and other people of color (BIPOC) energy efficiency contractors, BIPOC renewable energy developers, labor organizations, units of local government, environmental organizations, and consumer advocates. The IFA has already conducted stakeholder engagement for initial program design.

Through CEJA, Governor JB Pritzker designated IFA as the Illinois Climate Bank in 2021 to accelerate Illinois' climate, equity, and energy goals. The Illinois Climate Bank's purpose is to ensure the equitable distribution of and access to clean energy benefits and accelerate private capital investment in clean energy projects that reflect the geographic, racial, ethnic, gender, and income-level diversity of the State.

Building on CEJA, and preparing for anticipated federal funds, Illinois is ready with legislation, including Senate Bill 3597, which was recently passed by the Illinois General Assembly, and the previously enacted Public Act 103-187, which became effective January 1, 2024. Illinois will utilize the EE RLF award and Greenhouse Gas Reduction Fund grant funding with a focus on public buildings and the Inflation Reduction Act Direct Pay tax credits for public and nonprofit borrowers. In many cases, the tax credits facilitated by these loans will reduce the total cost of projects which would otherwise be funded through Illinois Solar for All, state capital expenditure, or other public funds.

For more information on the Energy Efficiency Revolving Loan Fund Capitalization Grant Program, visit: https://www.energy.gov/scep/energy-efficiency-revolving-loan-fund-capitalization-grant-program. Information on the Greenhouse Gas Reduction Fund is available at: https://www.epa.gov/greenhouse-gas-reduction-fund. Information on the Illinois Climate Bank can be found at: https://www.il-fa.com/programs/cb.

<div align="center">###</div>