



**ILLINOIS
FINANCE
AUTHORITY**



**ILLINOIS
CLIMATE
BANK**

Grant Funding Opportunities
December 11, 2025

Agenda:

- Climate Bank Overview
- Grant Funding Opportunities Overview
- Stretch Code Adoption Grants
- Small Utility Clean Energy Planning Grants
- Energy Efficiency Revolving Loan Fund Program
- Q&A
- Other IFA Resources



THE IFA WAS DESIGNATED AS THE CLIMATE BANK BY CEJA



CLIMATE BANK PURPOSE

- (1) the distribution of the benefits of clean energy in an equitable manner;
- (2) making clean energy accessible to all; and
- (3) *accelerating the investment of private capital into clean energy projects in a manner reflective of the geographic, racial, ethnic, gender, and income-level diversity of the State.*

– Climate & Equitable Jobs Act,
2021 (20 ILCS 3501/850-15)



In October 2024, U.S. Environmental Protection Agency (US EPA) lawfully awarded the State of Illinois' Environmental Protection Agency (IL EPA), \$430,000,000 under the congressionally approved Climate Pollution Reduction Grant (CPRG) to implement several initiatives and programs across 5 key sectors. These sectors include buildings, transportation, agriculture, power, and industry.



The Illinois Climate Bank received a subaward of \$137,000,000 to implement several initiatives and programs under the CPRG award that aligns with Illinois state policy and CEJA.

Grant Funding Opportunities Overview

The Illinois Climate Bank currently has two open competitive grant solicitations; each aligned with Illinois' climate and equity goals. Both solicitations are open, subject to availability of funds.

Grant Opportunity Name	Funding Source	Estimated Total Current Program Funding	Award Range	NOFO Posted Date	Application Due Date	Eligible Applicants
Stretch Code Adoption Grants	CPRG	\$3,200,000	Up to \$200,000 per award	July 15, 2025	December 31, 2025	Municipalities
Small Utility Clean Energy Planning	CPRG	\$400,000	Up to \$200,000 per award	July 16, 2025	December 31, 2025	Municipal and cooperative electric utilities

Stretch Code Adoption Grants

Program Summary and Objectives

The Stretch Building Code Grant Program is designed to facilitate the adoption, implementation, and enforcement of the Illinois Stretch Energy Code by supporting municipalities with the necessary resources to navigate this process. The program will provide financial support for education, community engagement, and technical assistance to ensure that municipalities are well-equipped to integrate the stretch code into their regulatory frameworks.

The program objectives include:

1. Municipal awareness and capacity building,
2. Community engagement and education,
3. Incremental code modernization, and
4. Emissions reductions and energy efficiency improvements

Notice of Funding Opportunity

- Open to municipalities
- \$3,200,000 currently available, awards up to \$200,000
- Application window: Accepting rolling applications until December 31, 2025, or until funding is depleted
- NOFO located at: https://illinoisclimatebank.com/wp-content/uploads/IFA_CPRG_STRETCH-CODE-ADOPTION_NOFO_DRAFT_Rolling-Application_CORRECTION.pdf
- Requirement to report on key metrics including GHG emissions reductions and building square footage



Eligible Activities

- Staff time, and municipal leadership/city council education and training on the stretch energy code
- Community outreach and public engagement on stretch energy code adoption and implementation
- A staged approach to code modernization with an update to key base codes that enables the stretch energy code
- Tracking and reporting energy savings and GHG emissions reductions
- Please see the NOFO for more information

December 11, 2025

Small Utility Clean Energy Planning Grant

Program Summary and Objectives

The Small Utility Clean Energy Planning Grant Program will support municipal electric utilities and cooperative electric utilities in aligning power generation planning and procurement with Illinois' Climate and Equitable Jobs Act (CEJA's) goal of 100% carbon-free power by 2045.

The program objectives include:

1. Clean energy roadmap and strategy development,
2. Utility capacity building and procurement readiness, and
3. Greenhouse gas emissions reductions

Notice of Funding Opportunity

- Open municipal and cooperative electric utilities
- \$400,000 currently available, awards up to \$200,000
- Applications open on rolling basis until December 31, 2025
- NOFO located at:
https://illinoisclimatebank.com/wp-content/uploads/SMALL-UTILITY-CLEAN-POWER-PLANNING_NOFO_ROLLING-APPLICATION.pdf
- Requirement to report on key metrics including GHG emissions reductions



Eligible Activities

- Conducting technical and financial assessments
- Technical assistance or consultant support for clean energy procurement
- Clean energy procurement strategy development
- Securing renewable PPA's or clean power agreements
- Clean energy roadmap development and reporting
- GHG emissions tracking
- Please see the NOFO for more information

Energy Efficiency Revolving Loan Fund Program



In May 2024, U.S. Department of Energy (US DOE) allocated \$15,963,220 to the Illinois Climate Bank through an agreement with Illinois Environmental Protection Agency (IEPA) for purposes of establishing an Energy Efficiency Revolving Loan Fund.



90% of the funds allocated (\$14,366,898) have been received by the Illinois Climate Bank and are available for project use.



The loan is intended to help finance energy efficiency projects throughout Illinois.

Energy Efficiency Revolving Loan Fund (EE RLF) Capitalization Grant Program

- The fund will provide Direct Bridge Loans to finance costs eligible for **federal IRA Tax Credits/Direct Pay provisions** for projects in Illinois that need financing for qualifying energy efficiency projects.
- Owners can use these loans to **bridge the gap between project installation and receiving their Direct Pay/Tax Credit**. The loan shall be repaid upon receipt of its refundable tax credit payment or incentive payment or maturity, whichever occurs first.
- The Bridge Loan will also finance other short-term incentives, such as utility rebates, grants, and ILSFA incentives.

Buildings Eligible for the EE RLF Bridge Loan include:

- Nonprofit and publicly-owned commercial buildings,
- Privately-owned commercial buildings, and
- Multifamily buildings with **five or more units** located in Illinois.
- *Single-family residential projects are not eligible for financing for this program.*

Units of Local Government



Other Public & Non-Profit



Commercial Buildings and Clean Energy Project Developers



Energy Efficiency Requirements

To qualify, the project *must* address at least one of the following:

1. Energy efficiency of the building or facility
2. Physical comfort of the building or facility occupants
3. Quality of the air in the building or facility

Solar + energy storage or **solar + energy efficiency** (but not solar on its own) projects meet these requirements.

Audits

- Each project **must be recommended by a qualifying Energy Audit** and demonstrate that anticipated lifetime energy savings will equal or exceed the total cost of such improvements. If your project includes solar, it must be recommended by an audit.
- The audit must have been completed within the last five years.
- For more information, check out the [Audit Guide](#) linked on [IFA's website](#).
- Check with your utility – energy audits may be available for free or low cost.

Loan Program Details

Key Features

- **Loan Amounts:** Ranging from \$50,000 to \$1,000,000.
- **Term:** Up to 24 months for Bridge Loans, 7 years for participation loans
- **Interest Rate:** Below market, low interest rate (3-6%)
- **Fees:** Upfront origination fee capped at 2% for Bridge Loans
- **Payments:**
 - For Bridge Loans: Interest shall be due at time of the final payment of principal on the Bridge Loan or at maturity, whichever occurs first. The Borrower shall be required to make payment on principal within 30 days of receipt of any tax credit/direct payments or other incentives for the amount received or at maturity, whichever occurs first.
 - For participation loans: will depend on the lender.

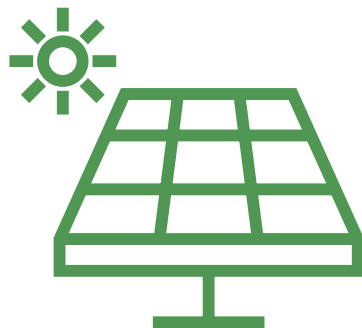
***All Eligible Projects must comply with laborer wage and benefit requirements and reporting under the Davis-Bacon Act.**

Q&A

Contact for Further Questions

This presentation and questions and answers from today's webinar will be posted on the Climate Bank's website: www.illinoisclimatebank.com.

If you have further questions, please send them to ClimateBank@IL-FA.com.





Community Geothermal - Phase 1 Planning Grants

See [the Illinois Climate Bank website](#) for the Notice of Funding Opportunity, which is now open. IFA will host a webinar on the NOFO on December 15, 2025 at 11am CT. [Register here.](#)

Private Activity Bonds

IFA issues tax-exempt qualified private activity bonds for 501(c)(3) organizations and other conduit borrowers. Borrowers work with banks, underwriters, or placement agents of their own choosing.



State Small Business Credit Initiative

IFA provides low-cost financing to small businesses for eligible climate-related projects.

Commercial Property Assessed Clean Energy Bonds

IFA has statewide authorization to issue bonds and notes to fund eligible building improvements in any PACE area. Eligible improvements include energy efficiency, renewable energy, water use, and EV charging stations. Projects located in Cook County are not currently eligible.



Energy Efficiency Revolving Loan Fund

IFA provides short-term financing to cover the period between funding an energy efficiency project and receiving federal tax credits (including elective pay), renewable energy credits (RECs), or other financial incentives. Loans may be used for solar and battery storage installations, geothermal, energy efficiency, and other clean energy upgrades.