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# **Buildex Chicago 2010**

## ***Navigating Incentive Programs: How to Secure Funds for Your Energy Project***

***June 14, 2010***

# Speakers

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- ❑ Stephen Konya, Chief of Staff, IL DCEO
- ❑ Steve Baab, Manager Business Programs, ComEd
- ❑ Steve Trout, Vice President, Illinois Finance Authority
- ❑ Bob Romo, Senior Program Officer, Illinois Clean Energy Community Foundation

# Green Business Forum: *What and Why*

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The Chamber's green initiative - the Green Business Forum

- ❑ Bringing together Chamber members and partners, along with technology and investment, to further green business opportunities in Chicagoland
- ❑ To create the conditions (policy, legislation, incentives, private and public partnerships) for Chicagoland to derive the benefits of a green economy

# Green Business Forum: *How*

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- ❑ Web portal
  - Greening guidance and tools
  - Data and information to assist green projects
- ❑ Event programming
  - The Business Case for Green series with Deloitte: Next event July 9.
  - The Green Business Clinics: *Curing Your Waste Issues by Increasing Efficiencies* with TAG and e-One
  - Clean tech symposiums with Credit Suisse and the Clean Energy Trust
  - Global green symposium
- ❑ Facilitating working groups
- ❑ Commercial office greening campaign ‘Five Actions’

# Contact

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**Claire Woolley, Green Business Consultant**  
[cwoolley@chicagolandchamber.org](mailto:cwoolley@chicagolandchamber.org)/312.494.6724



# Illinois Energy Initiatives

Warren Ribley, Director

Pat Quinn,  
Governor

# *DCEO Renewable and Sustainability Programs*

- ▶ **Renewable Energy**
  - Solar/Small Wind Rebates
  - Biomass/Biogas
  - Green Manufacturing
- ▶ **Biofuels Development**
  - Research
  - Commercialization
  - Pilot Demonstration Projects
- ▶ **Renewable Fuels Development Program**
  - Construction of large Biofuels plants
- ▶ **Retrofit of Renewable Fuels Plants**
  - Funded by Capital Bill
  - Would be new program
  - Add efficiency/environmental improvements to plants
- ▶ **Recycling**
  - Collection and Processing
  - Business Recycling Expansion
- ▶ **IL Sustainable Education**
  - School Curricula
  - Industry Training

# Illinois Energy Plan (SEP)

*Promote renewable energy, energy efficiency, biofuels and sustainability*

- ▶ Green Roofs Program
- ▶ Electric Efficiency Program
- ▶ Thermal Efficiency Program for Public Facilities
- ▶ Large Customer Energy Efficiency Program
- ▶ Renewable Energy Production Program
- ▶ Community Renewable Energy Program
- ▶ Green Industry Business Development Program
- ▶ Next Generation Biofuels Production Program

# Energy Efficiency Portfolio Standard (EEPS)

EEPS is a group of energy efficiency programs that provide for incentives in the form of rebates and/or grants for ComEd and/or Ameren Illinois Utilities customers to encourage them to purchase and install high efficiency equipment and systems to reduce electricity use.

- ▶ Sets goals of 0.2% reduction in electricity load, rising to 2.0% reduction by 2015
- ▶ 75% ComEd & Ameren Illinois Utilities, 25% DCEO
- ▶ DCEO Portfolio consists of public sector, low income, and market transformation programs.
- ▶ For further information go to:
- ▶ [www.ileeps.org](http://www.ileeps.org)

# Key Web Links

Link	Information
<a href="http://www.illinoisenergy.org">www.illinoisenergy.org</a>	DCEO Energy Programs: guidelines, RFPs, contacts, applications, and other resources
<a href="http://www.ActOnEnergy.com">www.ActOnEnergy.com</a>	Info on Ameren Illinois Utilities ActOnEnergy Business Programs
<a href="http://www.ComEd.com">www.ComEd.com</a>	Info on ComEd Smart Ideas Business Solutions Programs
<a href="http://www.ileeps.org">www.ileeps.org</a>	EEPS Information for DCEO, ComEd and Ameren Illinois Utilities EEPS programs
<a href="http://www.sedac.org">www.sedac.org</a>	Smart Energy Design Assistance Center: Technical assistance for businesses and public sector providing energy information, news and trainings, energy service provider list
<a href="http://www.illinoisrecycles.com">www.illinoisrecycles.com</a>	DCEO Recycling Programs for local government, businesses and non-profits
<a href="http://www.illinoiscleanenergy.org">www.illinoiscleanenergy.org</a>	IL Clean Energy Community Foundation: grants for energy efficiency, renewable energy and natural areas for local government and non-profits

# Contact Information



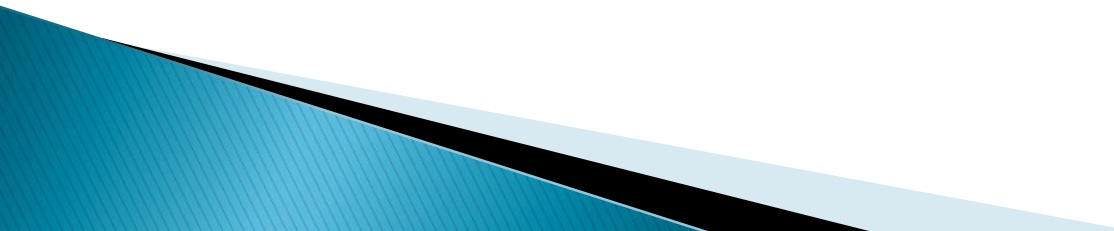
Stephen J. Konya III

Chief of Staff

Illinois Department of Commerce and Economic Opportunity

Email: [Stephen.Konya@illinois.gov](mailto:Stephen.Konya@illinois.gov)

Phone: (312) 814-6954



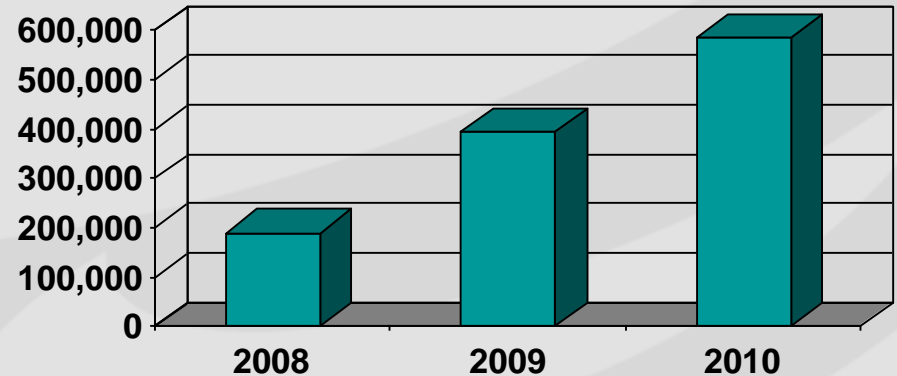
# *Smart Ideas for Your Business*

Steve Baab  
*Smart Ideas for Your Business*

## What is the *Smart Ideas* Program?

- Provides incentives for energy efficiency upgrades and equipment
- Part of Illinois energy legislation passed in 2007
- Program implemented by ComEd, Ameren Illinois, and the Illinois Department of Commerce and Economic Opportunity
- ComEd Goal: Reduce energy consumption by 1.2 million MWh (over 3 years)

Smart Ideas for Your Business  
Energy Efficiency Goal (MWh)



## What's Eligible for an Incentive?

### Prescriptive Measures

- Equipment upgrades:
  - Lighting
  - Cooling
  - Refrigeration
  - Motors

### Custom Measures

- Incentives apply to:
  - Retrofits
  - Industrial process improvements
  - Efficiency improvements not captured by the prescriptive program

### Operational Upgrades (Low Cost)

- Retro-commissioning Commercial Bldgs
- Retro-commissioning Compressed Air

### New Construction

- Comprehensive Track
- Systems Track
- Small Buildings Track



### Ineligible Measures

- ❌ Fuel switching
- ❌ Solar / Wind projects  
(other incentives available)
- ❌ Residential applications  
(other incentives available)
- ❌ Onsite Generation
- ❌ Peak Shifting

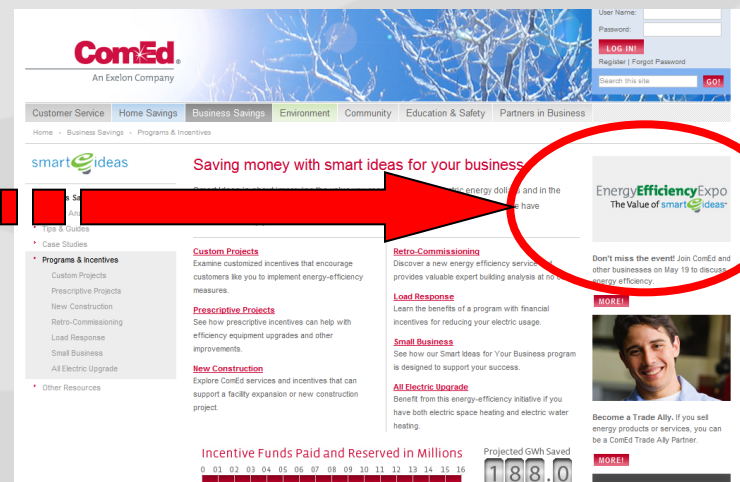
**Don't miss out!**

# Energy **Efficiency** Expo

Presented by **ComEd**

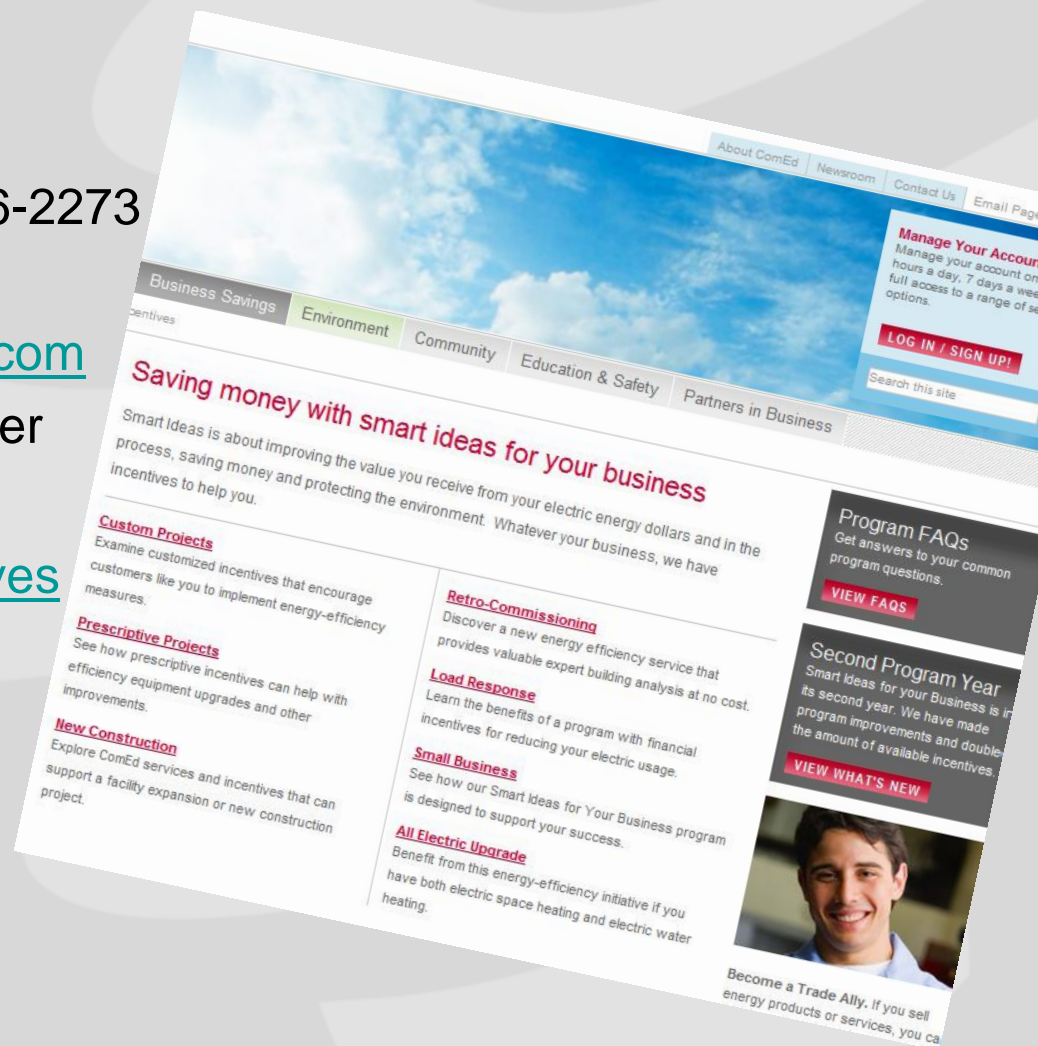
The Value of  ideas™

- Learn about energy efficiency opportunities
- Over 50 exhibitors and 1000 attendees
- May 19, 2010 at the Donald E. Stephens Convention Center in Rosemont



## For More Information

- Program questions (888) 806-2273
- Fax: 1-630-480-3436
- [ComEdSmartIdeas@KEMA.com](mailto:ComEdSmartIdeas@KEMA.com)
- Bill Beattie, Outreach Manager  
630-480-3434 ext. 14222
- [www.ComEd.com/bizincentives](http://www.ComEd.com/bizincentives)
  - Program information
  - Application forms
  - Policy and Procedures Manual



# FINANCING GREEN

## RENEWABLE & ENERGY EFFICIENCY FINANCING TOOLS

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Panelist / Presenter:

**Steve Trout**

Vice President

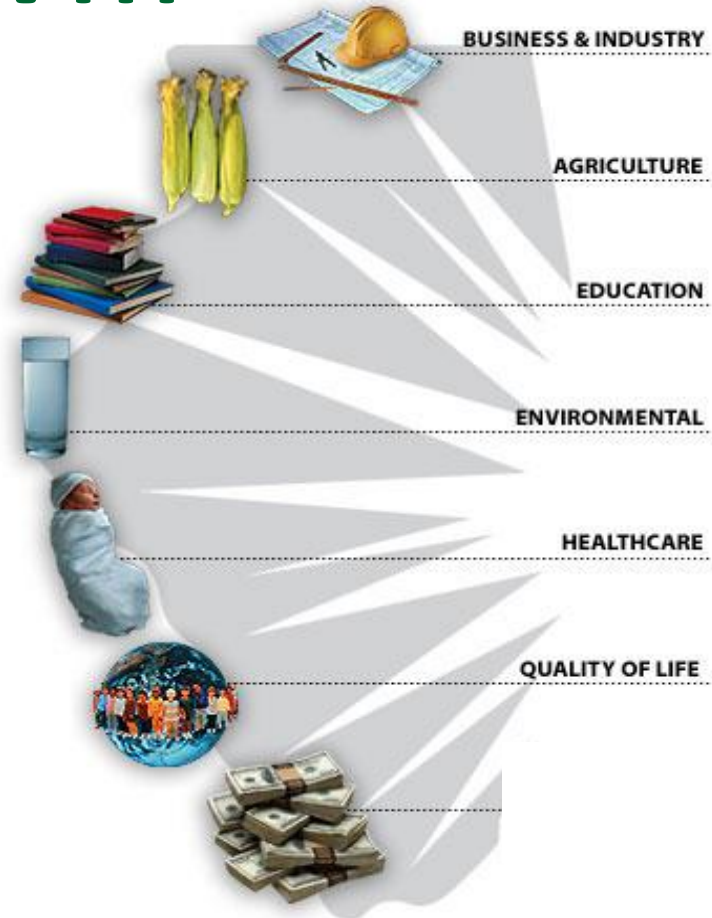
Illinois Finance Authority

# HELPS BUILD PARTNERSHIPS TO FINANCE GROWTH



## Serving:

- ❑ Businesses
- ❑ 501(c)(3)'s
- ❑ Local Governments
- ❑ Agriculture
- ❑ Energy Development



# FOR-PROFIT SECTOR



## Renewable Energy Incentives

- U.S. Treasury Grants in Lieu Of Tax Credits  
(Section 1603) (geothermal, solar, small wind)
- State Credit Enhancement (“Additional Security” Moral Obligation)
- Federal Loan Guarantees
- Possible Tax Exemption (IRB’s)
- Potential State and Federal Grant Support

# GREEN LEGISLATION – IL



## IFA ASSISTS ENERGY EFFICIENCY

- Senate Bill 1906 – Renewable Energy Credit Enhancement (“Additional Security” Moral Obligation)
- Senate Bill 390 – Energy Efficiency Credit Enhancement (“Additional Security” Moral Obligation)
- Property Assessed Clean Energy Bonds (PACE) Legislation
  - Senate Bill 583 (Public Act 96-0841)
  - Senate Bill 2505

# ENERGY EFFICIENCY FINANCING MATRIX



	<b>Governments</b>	<b>Not-For-Profits</b>	<b>Business &amp; Industry</b>
<b>ESCOs</b>	X	X	X
<b>State Loan “Guarantees”</b>	X	X	X
<b>Collateral Loans</b>	X	X	X
<b>Dual Exemption</b>	X		
<b>State and Federal Grants</b>	X	X	X
<b>Other Tax-Exempt Bonds (IRBs, 501(c)(3), etc.</b>	X	X	X

# LEGISLATIVE FINANCING TOOLS:



## APPLICATION BY CLASSIFICATION

### ENERGY EFFICIENCY

Examples:

Insulation

Windows, Doors &  
Skylights

HVAC

Lighting

Reflective Roofs

### RENEWABLE ENERGY

Examples: Wind

Solar/  
Photovoltaic

Hydro

Nuclear

Agri-Based Fuels

Geo-Thermal

### MICRO R.ENERGY

Solar  
Photovoltaic  
Geo-thermal

SB 1906 / SB 390 – State of IL MO Credit Enhancement

US DOE – Federal Guarantees

SB 583 / SB 2505 - St of IL MO Credit Enhancement

# IL ENERGY EFFICIENCY LEGISLATION

## (SB 390)



- Authorizes the IFA to issue bonds to help finance Clean Coal, Coal, Energy Efficiency, and Renewable Energy projects to develop renewable energy resource projects.
- States that there are many opportunities to invest in cost-effective energy efficiency projects throughout the State.
- “Energy Efficiency Project” means measures that reduce the amount of electricity or natural gas required to achieve a given end use, consistent with Section 1-10 of the Illinois Power Agency Act: “Energy efficiency” means measures that reduce the amount of electricity required to achieve a given end use.”



# Energy Efficiency Program

## Guidelines--Overview



- Approved April 13, 2010 ([www.il-fa.com/energy](http://www.il-fa.com/energy))
- Available for new construction or retrofits, commercially available or innovative technology
- Requirements:
  - **Quantifiable and verifiable energy savings**
  - **Third party guarantor of savings**
  - **Up to 100% of financing, net of any grants & tax rebates**
  - **Term generally limited to 7 years**
  - **Minimum 1.05 times debt service coverage**
  - **Payable from energy savings or other acceptable sources**
  - **Security: Pledge of project assets. A second mortgage or other additional security may be required.**
  - **Acceptable contractors and other participants**

# IL SPECIAL SERVICE AREA TAX

Financing Legislation Created by SB 583 (PA 096-0481)



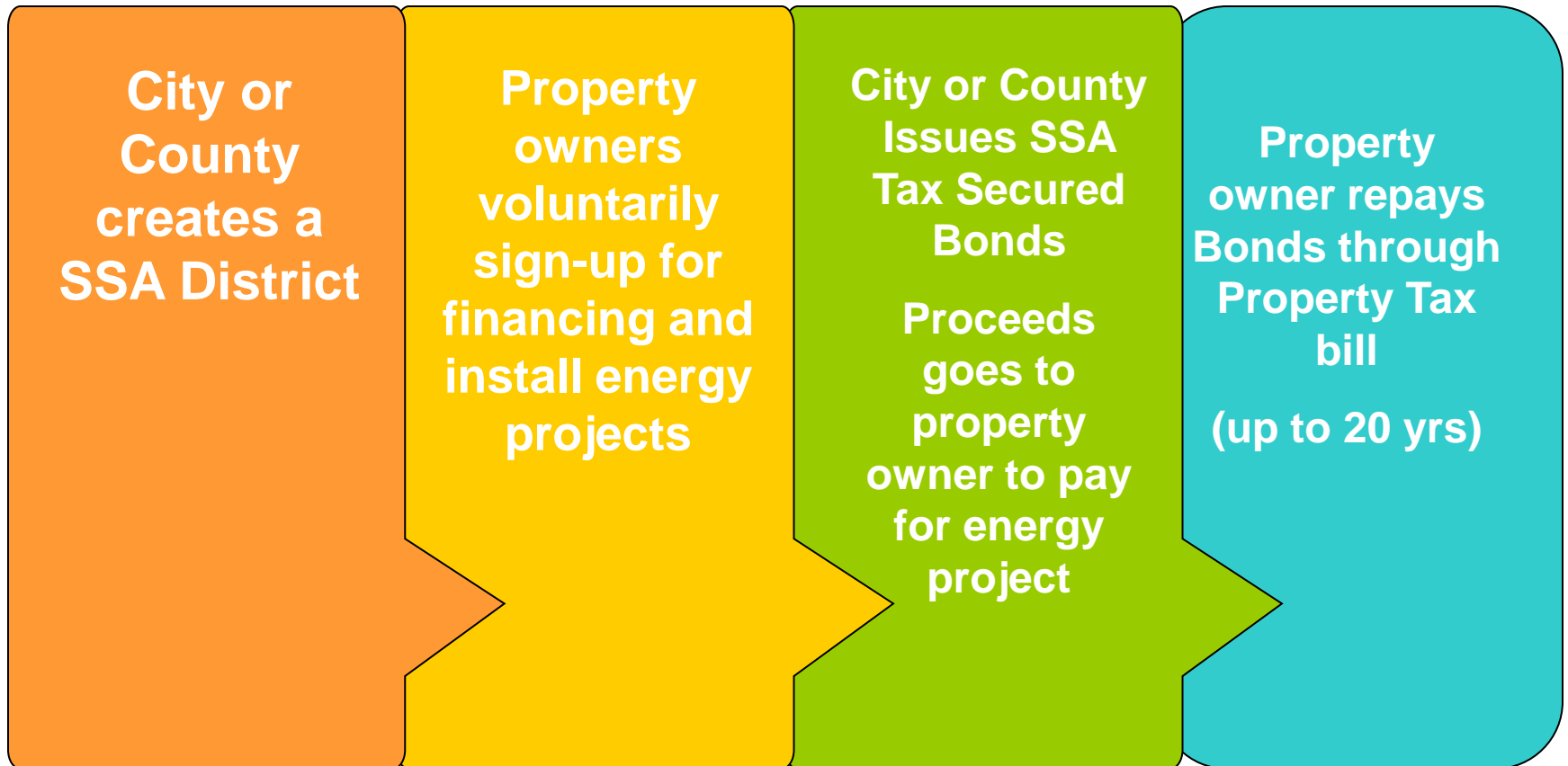
## Contractual Assessments to Finance Energy Efficiency

“A municipality may enter into voluntary agreements with the owners of property within the municipality to provide for contractual assessments to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property.”

- ❑ IL SSA property tax “SB 583” similar to “PACE” financing
  - **PACE** (Property Assessed Clean Energy) Bonds
- ❑ “Opt In” only participation of the property owners
- ❑ Full upfront cost of improvements is loaned
- ❑ Complements existing tax credit and incentive programs



# HOW PACE WORKS



# PACE FINANCING BENEFITS FOR PROPERTY OWNERS



**Saves \$  
on utility  
bills**



**Not based  
on  
personal  
credit**



**Repayment  
can transfer  
to new owner**



# PACE FINANCING BENEFITS FOR LOCAL GOVERNMENTS



**Helps meet energy and climate goals**



**Benefits homeowners and businesses**



**Promotes local jobs**



# PACE FINANCING BENEFITS FOR EXISTING MORTGAGE LENDERS



Energy savings >  
Annual tax cost

Borrowers'  
CF/Credit improves



Property Tax  
Assessment not  
viewed as debt  
against property  
owner



Property &  
Collateral  
Value  
Increases



# IFA ENERGY PROGRAM CONTACTS



## ■ Energy Efficiency

- Kim DuPrey - 312-651-1364  
[kduprey@il-fa.com](mailto:kduprey@il-fa.com)

## ■ Local Governments & Higher Ed

- Kim DuPrey - 312-651-1364  
[kduprey@il-fa.com](mailto:kduprey@il-fa.com)

## ■ Business / Commercial & 501(c)(3)

- Steven Trout - 312-651-1331  
[strout@il-fa.com](mailto:strout@il-fa.com)
- Mauricio Nares - 312-651-1344  
[mnares@il-fa.com](mailto:mnares@il-fa.com)

## ■ Healthcare

- Bill Claus - 312-651-1334  
[wclaus@il-fa.com](mailto:wclaus@il-fa.com)

## ■ Agriculture

- Eric Reed - 618-316-4679  
[ereed@il-fa.com](mailto:ereed@il-fa.com)



# Buildex Chicago 2010



June 11, 2010

# Illinois Clean Energy Community Foundation

- Independent, Private charitable organization
- Created in 1999 with an endowment of \$225 Million from Commonwealth Edison Company.
- Grants available to local governments and 501c3 charitable organizations in Illinois.
- Mission to invest in clean energy development and land preservation efforts.
- Mission is supported by programs/projects to:
  - Improve energy efficiency
  - Develop renewable energy resources
  - Preserve natural areas & wildlife habitats

## Distribution of Foundation Grants by Program (thru 2009)

### Funding

#### **Energy Efficiency**

\$99,104,388

#### **Renewable Energy**

\$20,681,828

#### **Natural Areas**

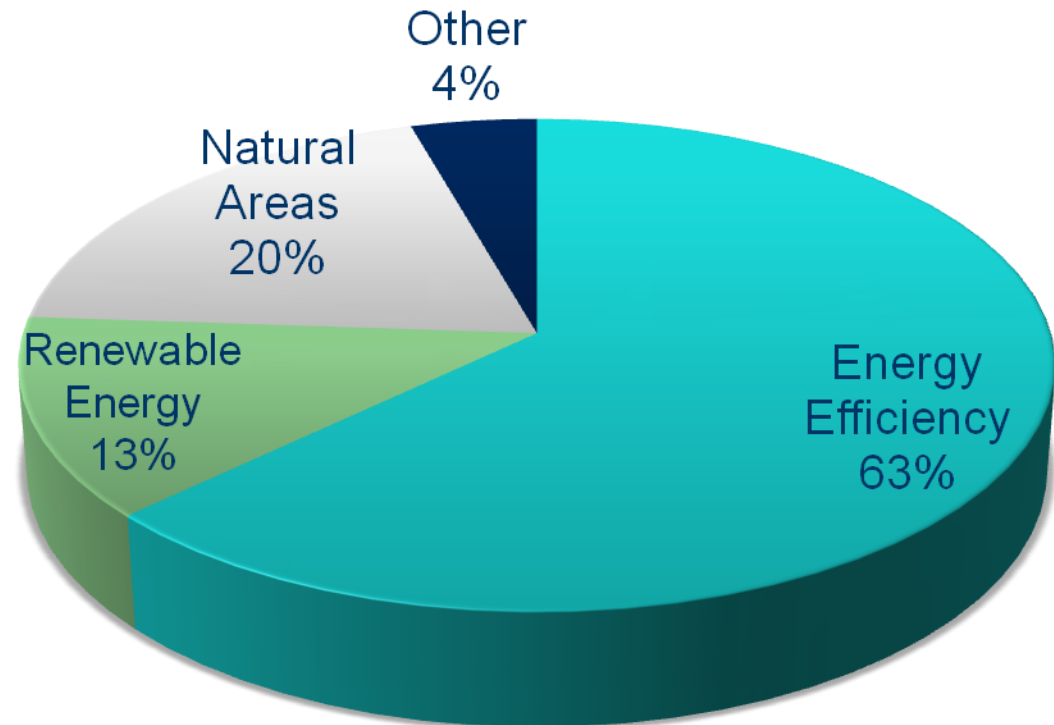
\$30,661,633

#### **Other**

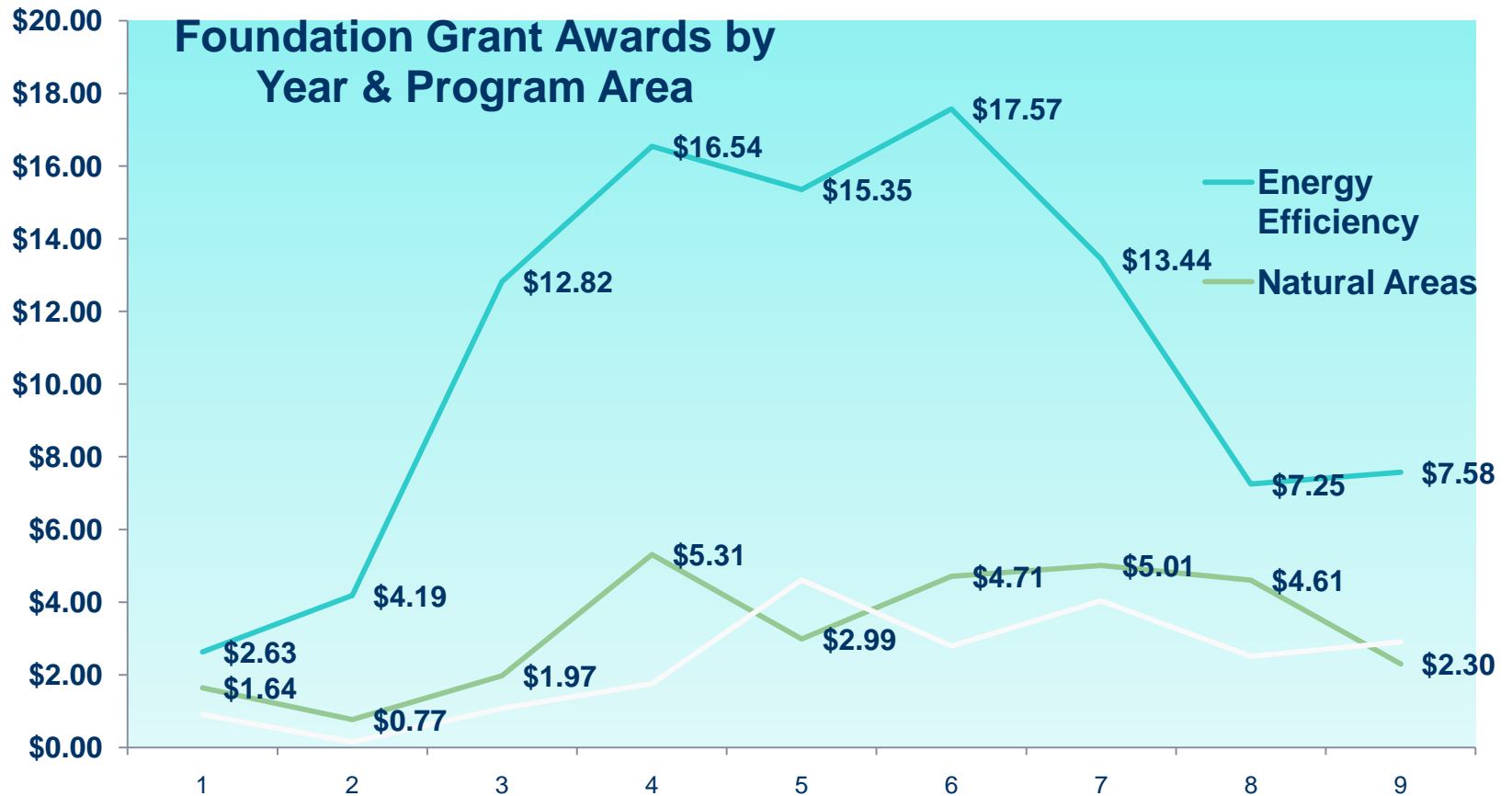
\$7,000,000

### **Total**

\$ 157,447,849



## Foundation Grant Awards by Year & Program Area



# Energy Efficiency Funding Opportunities

- **Green Buildings - Design & Commissioning Program**
  - Up to \$150,000 for incremental design and commissioning costs
- **Innovative energy saving equipment/systems**
  - Geothermal Heat Pumps
  - Other HVAC systems
- **Lighting Upgrades (Targeted Programs)**
  - Public Safety Facilities, Historic Courthouses, New Programs (?)
- **Building Energy Code Program**
  - For local energy efficiency building code adoption and implementation

# Energy Efficiency Impacts

- Over **3,700** facilities upgraded to date and saving energy
- Over **125 MEGAWATTS** of electricity saved
  - Power savings equivalent to
    - Electrical demand of **46,000** Illinois households
    - Taking **31,000** cars off the road
    - Planting over **7.2 million** trees

# Renewable Energy Funding Opportunities

- **Solar**
  - Photovoltaic
    - Traditional rack-mounted or building-integrated
    - K-12 Solar Schools Program-Educational (\$10,000)
  - Solar Thermal (\$/ft or \$/%)
    - Water heating systems for buildings
- **Community and Small Scale Wind**
  - Wind Feasibility Studies
  - Hardware Funding
- **Biomass**
  - Must be 100% biomass
- **Other**
  - Innovative Technologies, Conferences, Market Development, Etc.

# Renewable Energy Impacts

- **10 MW of new community scale wind generation**
  - 5 projects in operation
    - Bureau Valley High School – 660kW
    - Illinois Rural Electric Cooperative -- 1.65 MW
    - Erie School District – 1.2 MW
    - Sherrard School District – 600kW
    - Illinois Rural Electric Convenience Cooperative – 900kW
- **Over 1 MW of Solar Photovoltaic Electric Generating Capacity**
  - Includes over 140 solar schools
- **31 Solar Thermal grants (over 50 installations)**
- **12 Biomass grants**

# Deadlines

- **Energy Efficiency**

- Lighting: March 24, 2010
- Green Buildings Design and Commissioning: Rolling Review
- Building Codes: Rolling Review
- All Others: Competitive Cycle (January 20 or July 20)

- **Renewables**

- Solar Schools: March 2010
- All Others: Competitive Cycle (January 20 or July 20)

- **Natural Areas**

- Competitive Cycle (January 20 or July 20)

# Contact Information

Bob Romo

Senior Program Officer

**Illinois Clean Energy Community Foundation**

**2 North LaSalle**

**Suite 1140**

**Chicago, Illinois 60602**

[bromo@illinoiscleanenergy.org](mailto:bromo@illinoiscleanenergy.org)