



FOR IMMEDIATE RELEASE
October 27, 2010

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New Incentives for Energy Efficiency Projects Statewide

Low-cost financing, flexible repayment terms means energy savings pay for themselves. Literally.

Illinois businesses, non-profits and governments looking for innovative ways to reduce energy costs and improve energy efficiencies within their operations can turn to the Illinois Finance Authority for help.

IFA is offering access to low-cost financing for energy-saving projects by making available \$1.5 billion in moral obligation bonds that will lower borrowing costs for businesses, non-profits and local governments seeking to reduce energy costs and conserve natural resources. Eligible projects include those that utilize energy-saving improvements such as new windows, lighting systems, boilers or intelligent motor controllers (such as those utilized by manufacturing plants). This new financing package was developed after the basic tools were put in place last year. Governor Quinn signed into law Senate Bill 390, urging IFA to find the broadest possible mechanism to use this bonding authority as a tool to create jobs and generate economic activity, while reducing energy consumption and reliance on foreign sources of energy.

“This is the kind of program that affirms Illinois’ commitment to reducing our environmental footprint,” said Quinn. “It’s the kind of program that helped Illinois earn one of only ten Green Power Leadership Awards given out this year by the U.S. Environmental Protection Agency.” The awards are given to government agencies, non-profits and corporations that significantly advance the development of green power sources.

From the borrower’s perspective, the best part of the new financing program is the terms, said IFA Board Member and Energy Committee Chair, Dr. Roger D. Herrin. “Many businesses find they can’t afford the up-front costs to retrofit their businesses, and can’t reap the long-term benefits of lower energy costs,” he said. “Our program helps manage cash flow by allowing repayment of principal over as long as seven years so borrowers can repay the loan with energy savings.”

Borrowers can submit a qualified project by contacting one of nearly nine partners selected as [Energy Efficiency Service Companies](#) around the state. Based upon a detailed energy audit, they will calculate potential energy savings from the improvements. Borrowers would then work with their local lender to coordinate IFA financing.

Another unique element that helps make the program attractive to borrowers is an insurance component that guarantees projected savings. The insurance package will also be coordinated by the ESCOs.

Critical access hospitals that serve rural communities are one set of borrowers who may benefit most from the program. They are invited to apply for up to \$5 million in financing for eligible energy efficiency costs.

“The health care industry, like so many others, has felt the pinch of the economic downturn, and we can’t afford to have our critical access facilities waste money on inefficient energy usage,” said IFA Executive Director Chris Meister. “This program helps them cut costs while also conserving dwindling energy resources.”

Additional beneficiaries of this program are schools, municipalities, park districts, museums, and wide variety of non-profit and commercial organizations.

About the Illinois Finance Authority

The Illinois Finance Authority provides expert, hands-on support to help businesses get the capital they need for growth. To strengthen Illinois businesses and the State’s economic development agenda, the IFA provides access to low-cost, non-conventional financing, through banks and other sources. IFA secures financing for farms, industries, businesses, local governments, hospitals and other non-profits. The agency is continually seeking new opportunities and invites developers, financiers and community partners to see how IFA can help. Go to www.il-fa.com to learn more.

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