



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2689

Introduced 10/14/2025, by Sen. Willie Preston

SYNOPSIS AS INTRODUCED:

20 ILCS 3501/825-65
20 ILCS 3501/825-70
20 ILCS 3501/825-75

Amends the Illinois Finance Authority Act. In provisions regarding clean coal, coal, energy efficiency, PACE, and renewable energy project financing, adds provisions regarding energy storage project financing. Makes changes in provisions concerning project bond authorizations and financing limits. Makes conforming changes to related provisions regarding findings, definitions, creation of reserve funds, powers and duties of the Illinois Finance Authority, criteria for program participation, securitization of bonds issued by the Authority, and other related provisions.

LRB104 14818 JDS 27961 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Finance Authority Act is amended
5 by changing Sections 825-65, 825-70, and 825-75 as follows:

6 (20 ILCS 3501/825-65)

7 Sec. 825-65. Clean Coal, Coal, Energy Efficiency, Energy
8 Storage, PACE, and Renewable Energy Project Financing.

9 (a) Findings and declaration of policy.

10 (i) It is hereby found and declared that Illinois has
11 abundant coal resources and, in some areas of Illinois,
12 the demand for power exceeds the generating capacity.
13 Incentives to encourage the construction of coal-fueled
14 electric generating plants in Illinois to ensure power
15 generating capacity into the future and to advance clean
16 coal technology and the use of Illinois coal are in the
17 best interests of all of the citizens of Illinois.

18 (ii) It is further found and declared that Illinois
19 has abundant potential and resources to develop renewable
20 energy resource projects and energy storage projects and
21 that there are many opportunities to invest in
22 cost-effective energy efficiency projects throughout the
23 State. The development of those projects will create jobs

1 and investment as well as decrease environmental impacts
2 and promote energy independence in Illinois. Accordingly,
3 the development of those projects is in the best interests
4 of all of the citizens of Illinois.

5 (iii) The Authority is authorized to issue bonds to
6 help finance Clean Coal, Coal, Energy Efficiency, Energy
7 Storage, PACE, and Renewable Energy projects pursuant to
8 this Section.

9 (b) Definitions.

10 (i) "Clean Coal Project" means (A) "clean coal
11 facility", as defined in Section 1-10 of the Illinois
12 Power Agency Act; (B) "clean coal SNG facility", as
13 defined in Section 1-10 of the Illinois Power Agency Act;
14 (C) transmission lines and associated equipment that
15 transfer electricity from points of supply to points of
16 delivery for projects described in this subsection (b);
17 (D) pipelines or other methods to transfer carbon dioxide
18 from the point of production to the point of storage or
19 sequestration for projects described in this subsection
20 (b); or (E) projects to provide carbon abatement
21 technology for existing generating facilities.

22 (ii) "Coal Project" means new electric generating
23 facilities or new gasification facilities, as defined in
24 Section 605-332 of the Department of Commerce and Economic
25 Opportunity Law of the Civil Administrative Code of
26 Illinois, which may include mine-mouth power plants,

1 projects that employ the use of clean coal technology,
2 projects to provide scrubber technology for existing
3 energy generating plants, or projects to provide electric
4 transmission facilities or new gasification facilities.

5 (iii) "Energy Efficiency Project" means measures that
6 reduce the amount of electricity or natural gas required
7 to achieve a given end use, consistent with Section 1-10
8 of the Illinois Power Agency Act. "Energy Efficiency
9 Project" also includes measures that reduce the total Btus
10 of electricity and natural gas needed to meet the end use
11 or uses consistent with Section 1-10 of the Illinois Power
12 Agency Act.

13 (iv) "Energy Storage Project" means a project that
14 uses technology for the storage of energy, including,
15 without limitation, the use of battery or electrochemical
16 storage technology for mobile or stationary applications.

17 (v) ~~(iv)~~ "Renewable Energy Project" means (A) a
18 project that uses renewable energy resources, as defined
19 in Section 1-10 of the Illinois Power Agency Act; (B) a
20 project that uses environmentally preferable technologies
21 and practices that result in improvements to the
22 production of renewable fuels, including but not limited
23 to, cellulosic conversion, water and energy conservation,
24 fractionation, alternative feedstocks, or reduced
25 greenhouse gas emissions; or (C) transmission lines and
26 associated equipment that transfer electricity from points

1 of supply to points of delivery for projects described in
2 this subsection (b); ~~or (D) projects that use technology~~
3 ~~for the storage of renewable energy, including, without~~
4 ~~limitation, the use of battery or electrochemical storage~~
5 ~~technology for mobile or stationary applications.~~

6 (c) Creation of reserve funds. The Authority may establish
7 and maintain one or more reserve funds to enhance bonds issued
8 by the Authority for a Clean Coal Project, a Coal Project, an
9 Energy Efficiency Project, an Energy Storage Project, a PACE
10 Project, or a Renewable Energy Project. There may be one or
11 more accounts in these reserve funds in which there may be
12 deposited:

13 (1) any proceeds of the bonds issued by the Authority
14 required to be deposited therein by the terms of any
15 contract between the Authority and its bondholders or any
16 resolution of the Authority;

17 (2) any other moneys or funds of the Authority that it
18 may determine to deposit therein from any other source;
19 and

20 (3) any other moneys or funds made available to the
21 Authority. Subject to the terms of any pledge to the
22 owners of any bonds, moneys in any reserve fund may be held
23 and applied to the payment of principal, premium, if any,
24 and interest of such bonds.

25 (d) Powers and duties. The Authority has the power:

26 (1) To issue bonds in one or more series pursuant to

1 one or more resolutions of the Authority for any Clean
2 Coal Project, Coal Project, Energy Efficiency Project,
3 Energy Storage Project, PACE Project, or Renewable Energy
4 Project authorized under this Section, within the
5 authorization set forth in subsection (e).

6 (2) To provide for the funding of any reserves or
7 other funds or accounts deemed necessary by the Authority
8 in connection with any bonds issued by the Authority.

9 (3) To pledge any funds of the Authority or funds made
10 available to the Authority that may be applied to such
11 purpose as security for any bonds or any guarantees,
12 letters of credit, insurance contracts or similar credit
13 support or liquidity instruments securing the bonds.

14 (4) To enter into agreements or contracts with third
15 parties, whether public or private, including, without
16 limitation, the United States of America, the State or any
17 department or agency thereof, to obtain any
18 appropriations, grants, loans or guarantees that are
19 deemed necessary or desirable by the Authority. Any such
20 guarantee, agreement or contract may contain terms and
21 provisions necessary or desirable in connection with the
22 program, subject to the requirements established by the
23 Act.

24 (4.5) To make loans under subsection (i) of Section
25 801-40 to finance loans for PACE Projects.

26 (5) To exercise such other powers as are necessary or

1 incidental to the foregoing.

2 (e) Clean Coal Project, Coal Project, Energy Efficiency
3 Project, Energy Storage Project, PACE Project, and Renewable
4 Energy Project bond authorization and financing limits. In
5 addition to any other bonds authorized to be issued under
6 Sections 801-40(w), 825-60, 830-25 and 845-5, the Authority
7 may have outstanding, at any time, bonds for the purpose
8 enumerated in this Section 825-65 in an aggregate principal
9 amount that shall not exceed \$3,000,000,000, subject to the
10 following limitations: (i) up to \$300,000,000 may be issued to
11 finance projects, as described in ~~clause (C) of~~ subsection
12 (b) (iv) ~~(i)~~ and clause (C) of subsection (b) (v) ~~(iv)~~ of this
13 Section 825-65; (ii) up to \$500,000,000 may be issued to
14 finance projects, as described in clauses (D) and (E) of
15 subsection (b) (i) of this Section 825-65; (iii) up to
16 \$2,000,000,000 may be issued to finance Energy Storage
17 Projects ~~Clean Coal Projects~~, as described in ~~clauses (A) and~~
18 ~~(B) of~~ subsection (b) (iv) ~~(b) (i)~~ of this Section 825-65 ~~and~~
19 ~~Coal Projects, as described in subsection (b) (ii) of this~~
20 ~~Section 825-65~~; and (iv) up to \$2,000,000,000 may be issued to
21 finance Clean Coal Projects, as described in subsection (b) (i)
22 of this Section 825-65, Coal Projects, as described in
23 subsection (b) (ii) of this Section 825-65, Energy Efficiency
24 Projects, as described in subsection (b) (iii) of this Section
25 825-65, Renewable Energy Projects, as described in clauses
26 (A), (B), and (D) of subsection (b) (v) ~~(iv)~~ of this Section

1 825-65, and PACE Projects. An application for a loan financed
2 from bond proceeds from a borrower or its affiliates for a
3 Clean Coal Project, a Coal Project, Energy Efficiency Project,
4 PACE Project, or a Renewable Energy Project may not be
5 approved by the Authority for an amount in excess of
6 \$450,000,000 for any borrower or its affiliates. A Clean Coal
7 Project, Coal Project, Energy Storage Project, or PACE Project
8 must be located within the State. An Energy Efficiency Project
9 may be located within the State or outside the State, provided
10 that, if the Energy Efficiency Project is located outside of
11 the State, it must be owned, operated, leased, or managed by an
12 entity located within the State or any entity affiliated with
13 an entity located within the State. These bonds shall not
14 constitute an indebtedness or obligation of the State of
15 Illinois and it shall be plainly stated on the face of each
16 bond that it does not constitute an indebtedness or obligation
17 of the State of Illinois, but is payable solely from the
18 revenues, income or other assets of the Authority pledged
19 therefor.

20 (f) The bonding authority granted under this Section is in
21 addition to and not limited by the provisions of Section
22 845-5.

23 (Source: P.A. 100-201, eff. 8-18-17; 100-919, eff. 8-17-18.)

24 (20 ILCS 3501/825-70)

25 Sec. 825-70. Criteria for participation in the program.

1 Applications to the Authority for financing of any Clean Coal,
2 Coal, Energy Efficiency Project, Energy Storage Project, or
3 Renewable Energy Project shall be reviewed by the Authority.
4 Upon submission of any such application, the Authority staff
5 shall review the application for its completeness and may, at
6 the discretion of the Authority staff, request such additional
7 information as it deems necessary or advisable to aid in
8 review. If the Authority receives applications for financing
9 for Clean Coal, Coal, Energy Efficiency Project, Energy
10 Storage Project, or Renewable Energy Projects in excess of the
11 bond authorization available for such financing at any one
12 time, it shall consider applications in the order of priority
13 as it shall determine, in consultation with other State
14 agencies, and consistent with State policy to promote reliable
15 energy supply, affordable energy prices, environmentally
16 preferable technology, and energy independence.

17 (Source: P.A. 96-103, eff. 1-1-10; 96-817, eff. 1-1-10.)

18 (20 ILCS 3501/825-75)

19 Sec. 825-75. Additional Security. In the event that the
20 Authority determines that monies of the Authority will not be
21 sufficient for the payment of the principal of and interest on
22 any bonds issued by the Authority under Sections 825-65
23 through 825-75 of this Act for Clean Coal Projects, Coal
24 Projects, Energy Efficiency Projects, Energy Storage Projects,
25 or Renewable Energy Projects during the next State fiscal

1 year, the Chairperson, as soon as practicable, shall certify
2 to the Governor the amount required by the Authority to enable
3 it to pay such principal, premium, if any, and interest on such
4 bonds. The Governor shall submit the amount so certified to
5 the General Assembly as soon as practicable, but no later than
6 the end of the current State fiscal year. This subsection
7 shall apply to any bonds or notes as to which the Authority
8 shall have determined, in the resolution authorizing the
9 issuance of the bonds or notes, that this subsection shall
10 apply. Whenever the Authority makes such a determination, that
11 fact shall be plainly stated on the face of the bonds or notes
12 and that fact should also be reported to the Governor. In the
13 event of a withdrawal of moneys from a reserve fund
14 established with respect to any issue or issues of bonds of the
15 Authority to pay principal, premium, if any, and interest on
16 such bonds, the Chairman of the Authority, as soon as
17 practicable, shall certify to the Governor the amount required
18 to restore the reserve fund to the level required in the
19 resolution or indenture securing those bonds. The Governor
20 shall submit the amount so certified to the General Assembly
21 as soon as practicable, but no later than the end of the
22 current State fiscal year. The Authority shall obtain written
23 approval from the Governor for any bonds and notes to be issued
24 under this Section.

25 (Source: P.A. 95-470, eff. 8-27-07; 96-103, eff. 1-1-10;
26 96-817, eff. 1-1-10.)