



Appendix B: Budget Narrative

This appendix provides a detailed justification for each cost element within the attached Budget Spreadsheets. The Budget Spreadsheets include tabs for each measure and for each task.

Budget narrative applicable to all tasks and measures

Personnel and Indirect Costs: Personnel costs across all measures and initiatives are derived from standard compensation rates, factoring in a projected 6% annual increase. Staffing for each initiative is optimized, and does not necessarily assign personnel as full-time. The following table details the standard compensation rates and indirect cost calculations for each state agency.

Table B.1. Personnel and Indirect Costs by Agency

	IEPA	IFA/ICB	DCEO	IDOA
Project Manager	\$120,000	\$120,000	\$120,000	\$120,000
Project Manager-SME		\$145,000		
Project Staff	\$75,000	\$75,000	\$80,000	\$75,000
Indirect Costs	37.04% of personnel + fringe for Air Division. 30.62% of personnel + fringe for SEO.	De minimus 10% of direct costs.	De minimus 10% of direct costs.	42.62% of salaries only.

Fringe Benefits: All measures and tasks project fringe benefits to constitute 25% of personnel expenses, encompassing health insurance, retirement plans, paid leave, and various other insurances and benefits.

Equipment: No measures require equipment.

Supplies: No measures require supplies.

Travel, Contractual, and Other costs: Discussion of travel, contractual, and other costs are included below only for measures and tasks that require them.

GHG Measure 1. Accelerating Clean & Efficient Building Adoption

Task 1.1 Clean Building Gap Closing and Incentive Stacking Catalyst Fund						
Year	1	2	3	4	5	Total
Federal Funds	\$16,259,500	\$16,264,000	\$16,268,770	\$16,281,326	\$ 16,286,686	\$81,360,282

Approach: This initiative expands residential grant program offerings, which currently include funding for energy efficiency, electrification, enabling upgrades, and energy storage rebates, to include two additional program categories.



Other:

- **Whole-Building Electrification Incentives** of up to \$12,000 (average \$7,500) to fund gaps remaining after state and federal incentives for 10,312 low income home decarbonization projects.
- **Low-cost Equitable Bridge Loans** for residential and small commercial decarbonization projects, offered at the point of sale of contractor and outreach engagement with households, to cover financial gaps with rebates and other grants.

Task 1.2 Clean Building Navigator Program for Consumer Outreach Project Support						
Year	1	2	3	4	5	Total
Federal Funds	\$ 6,686,707	\$ 6,709,807	\$ 6,484,293	\$ 6,510,248	\$ 6,537,760	\$32,928,815

Approach: This initiative builds the pipeline for electrification projects by engaging community based organizations (CBOs) to educate residents and refer them to incentives and by educating the real estate industry in the value of efficiency, solar, and electrification. The program will build trust in the contractor ecosystem by vetting contractors, ensuring consistent standards for installations and technical assistance, and providing quality assurance and control services. The program will ease customer acquisition by assisting with income qualification.

Travel: This initiative includes travel and related expenses for about three workshops per year and multiple in person meetings and trainings.

Contractual:

- **Statewide Community Input Facilitator Contract:** A \$200,000 contract for professional services to facilitate community input sessions in 13 communities to ensure community benefits from clean buildings programs are shared equitably.
- **Contract for Materials, Consistent Standards, and QA/QC:** A \$3,000,000 contract over 5 years for professional services to develop materials and assessment, installation, and technical assistance standards for electrification contractors, and ensure contractors are providing a high quality electrification experience for residential and small business customers.
- **Contract for Program Infrastructure and Building Owner Technical Assistance:** A \$3,000,000 contract for each of the program's 5 years to demonstrate contractor qualifications, income qualify customers, provide home assessments where not provided by other programs, facilitate coordination between building owners and electrification and solar contractors, and provide other services necessary to facilitate comprehensive whole home electrification retrofits.

Other:

- **Participation Stipends:** Up to \$15,000 stipends for up to 8 CBOs in each of 13 communities.
- **CBO Grassroots Educators Grants:** \$975,000 per year for grants to CBOs in 13 communities for grassroots education on residential and small business electrification. Cost and scope based on similar work by the existing Illinois Solar for All program, to be coordinated with this effort.

Task 1.3 Clean Buildings Access Portal						
Year	1	2	3	4	5	Total
Federal Funds	\$962,500	\$417,450	\$422,697	\$373,259	\$351,654	\$2,527,560

Approach: This initiative will develop and launch a shared online portal to help contractors administer multiple agency incentives quickly, easily, and with a minimum of paperwork for the customer.

Contractual:



- **Contract to Develop Portal:** A \$2,500,000 agreement over the 5-year program period to develop and maintain a contractor portal.

Task 1.4 Clean Buildings Contractor Training

Year	1	2	3	4	5	Total
Federal Funds	\$3,160,000	\$3,169,900	\$3,180,394	\$3,191,518	\$3,203,309	\$15,905,120

Approach: This initiative expands the Clean Jobs Workforce Network and Clean Energy Contractor Incubator Programs in specific communities to include electrification and new service areas.

Other:

- **Clean Jobs Workforce Network Program Grants:** \$3,900,000 over 5 years for grants to expand the Clean Jobs Workforce Network Program's training programs to include electrification for 2 contractors per year in each of 13 communities. Cost based on comparable previous work.
- **Clean Energy Contractor Incubator Program Grants:** \$11,050,000 over 5 years for grants to expand the Clean Energy Contractor Incubator and Primes Accelerator Programs to serve 2 electrification contractors per year in each of 13 communities. Cost based on comparable previous work.

Task 1.5 Large Building Owner Outreach and Clean Buildings Concierge

Year	1	2	3	4	5	Total
Federal Funds	\$524,043	\$528,993	\$534,240	\$539,802	\$545,698	\$2,672,777

Approach: This initiative will provide specialized technical assistance to mid-sized commercial buildings in areas not served by existing utility programs.

Travel: Includes travel and related expenses for one workshop per year and several in-person meetings.

Contractual:

- **Contract for Building Concierge Services:** A \$440,000 per year agreement to provide planning assistance for building owners, contractor support, and stakeholder engagement.

Task 1.6 Community Geothermal Planning and Pilots

Year	1	2	3	4	5	Total
Federal Funds	\$3,041,449	\$5,722,330	\$5,519,164	\$2,982,008	\$335,923	\$17,600,874

Approach: ICB will conduct a competitive solicitation for Community Geothermal projects to receive grant funding, and will create and develop a loan program offering.

Travel: Includes travel and related expenses for one workshop per year and multiple in-person meetings.

Contractual:

- **Contract for Program Development:** A \$1,000,000 agreement with a consultant over the 5-year program period for community geothermal program design, RFP development, project selection, and project management.

Other:

- **Grant Program:** \$15,000,000 over 4 years for competitive grants to community geothermal pilot projects. Grants support community system cost, enabling 1,100 households to decarbonize.

Task 1.7 Accelerate Stretch Code Adoption by Local Governments



Year	1	2	3	4	5	Total
Federal Funds	\$3,799,800	\$3,811,556	\$3,824,017	\$3,837,226	\$3,851,227	\$19,123,826

Approach: ICB will make available grants to local governments through an open process to facilitate the learning and internal education efforts needed to encourage stretch code adoption.

Travel: Includes travel and related expenses for two workshops per year and several in-person meetings.

Other:

- **Community Grants:** \$18,000,000 over the 5-year program period in grants to about 18 communities/year to fund staff time to understand the Illinois stretch code, engage their community, and advise decision makers in advance of potential adoption.

GHG Measure 2. Deploying Clean Transportation & Freight

Task 2.1 Create a Heavy Duty Vehicle Charging Infrastructure Program for Small and Medium Fleet Operators

Year	1	2	3	4	5	Total
Federal Funds	\$4,656,655	\$10,311,647	\$10,338,139	\$10,269,862	\$ 8,748,796	\$44,325,099

Approach: This initiative establishes a grant and low-cost loan program aimed at facilitating the deployment of charging infrastructure for heavy-duty vehicles, prioritizing the location and economic requirements of small and medium-sized fleet operators.

Travel: Includes travel and related expenses for about three workshops and multiple in-person meetings.

Contractual:

- **EV Charging Grant Contract:** A \$1,100,000 agreement with a consultant over 5 years to structure and support the IL EPA in implementing the EV charging grant program. Cost based on comparable previous work.
- **Loan Program Contract:** An \$800,000 contract for professional services over 5 years to support loan program development, including the creation of loan contracts and documents, loan design, and establishing loan origination and servicing structures.

Other:

- **Shared EV Charging Grants.** Direct grant incentives will support establishing on-site or shared EV charging for small and medium fleets. The State has conducted a gaps analysis, identifying an expected needed average subsidy of \$60,000 per charger. The program will allocate \$30,000,000 over 5 years resulting in approximately 500 heavy duty chargers being deployed.
- **Low-Cost Loans.** A low-cost loan program, featuring bridge loans, targeting small to medium fleet operators and installers unable to use federal tax credits. The State's gap analysis identified an expected average loan interest of \$14,064.59. This program, with a \$10,000,000 fund over 5 years, will speed the addition of 770 heavy-duty chargers in priority communities.

Task 2.2 Support Deployment of Trackage Power to Reduce Diesel Engine Idling

Year	1	2	3	4	5	Total
Federal Funds	\$ 83,509	\$ 88,519	\$ 7,093,830	\$ 8,399,460	\$ 255,428	\$ 15,592,747

Approach: This initiative launches a competitive grant program to install trackage and traction power systems (such as substations, switching stations, and electrical feeds) at high-traffic train hubs, targeting areas with significant GHG emissions and substantial community impacts.



Contractual:

- **Competitive Grant Program Contract:** A \$950,000 contract with a consultant over 3-years to develop the competitive grant RFP, perform technical review of competitive applications, and provide ongoing support to grant recipients. Cost is based on comparable previous work.

Other:

- **Competitive Grants:** This competitive grant program, with two solicitations and a \$14.5 million budget, anticipates funding 5-7 projects with application values between \$1-\$3M. Selection will prioritize GHG reductions, contract value, and community benefits.

Task 2.3 Support Zero-Emissions On-Road and Off-Road Vehicle Deployment for Small and Medium Fleet Operators

Year	1	2	3	4	5	Total
Federal Funds	\$6,815,405	\$6,577,922	\$6,326,790	\$6,352,090	\$6,328,909	\$32,401,116

Approach: This initiative provides rebates for medium and heavy-duty vehicles and forklifts, and low-cost loans for heavy-duty vehicles, targeting small/medium fleet operators unable to use tax credits.

Travel: Includes travel and related expenses for about three workshops and multiple in-person meetings.

Contractual:

- **Loan Program Contract:** An \$600,000 contract for professional services over the 5-year program period to support loan program development, including the creation of loan contracts and documents, loan design, and establishing loan origination and servicing structures. This contract will leverage already established processes at ICB for loan administration.
- **Vehicle Rebate Contract:** A \$1,100,000 agreement with a consultant over the 5-year program period to structure and support the IL EPA in implementing the vehicle rebate programs. Cost is based on comparable previous work.

Other:

- **Medium Duty Vehicle Rebates.** Rebates to quickly replace diesel with medium duty electric vehicles. The State's cost analysis identified an average expected rebate of \$50,000. The program will allocate \$10,000,000 over 5 years, replacing approximately 200 diesel vehicles with electric.
- **Heavy Duty Vehicle Rebates.** Rebates to quickly replace diesel with heavy duty electric vehicles. The State's cost analysis identified an average expected rebate of \$100,000. The program will allocate \$10,000,000 over 5 years, replacing 100 diesel vehicles with electric.
- **Off-Road (Forklift) Vehicle Rebates.** Rebates to quickly deploy electric forklifts. The State's cost analysis identified an expected rebate of \$2,790. The program will allocate \$2,500,000 over 5 years, replacing 896 combustion forklifts with electric.
- **Low-Cost Loans for Heavy Duty Vehicles.** The low-cost loan program targets small to medium fleet operators that may be unable to use federal tax credits. The State's gap analysis identified an average loan interest amount of \$25,532.65. This program, with a \$6,000,000 fund over 5 years, aims to replace 175 diesel vehicles with electric.

Task 2.4 Create a Clean Fleet and Freight Concierge



Year	1	2	3	4	5	Total
Federal Funds	\$1,373,130	\$780,068	\$787,422	\$695,217	\$703,480	\$4,339,315

Approach: This initiative focuses on enhancing coordination and support for freight companies, especially those that don't have the internal resources to access programs and incentives.

Travel: Includes travel and related expenses for about three workshops, two conferences, and multiple in-person meetings.

Contractual:

- **Contractor Tools and Contractor Outreach:** A \$650,000 agreement with one or more service providers to create tools to aid contractors, and engage with those contracts in the heavy freight and fleet sector. Cost is based on comparable previous work.
- **Clean Freight Third Party Implementer(s):** A \$3,000,000 contract, split between northern and southern Illinois implementers, will engage with fleet and freight operators on clean freight initiatives. These implementers will also contribute to workforce training and planning efforts.

Task 2.5 Create a Freight Hub Data Collections and Analysis Program Emphasizing Monitoring and Metrics in Local Communities

Year	1	2	3	4	5	Total
Federal Funds	\$497,953	\$1,956,730	\$220,734	\$224,978	\$229,476	\$3,129,871

Approach: This initiative aims to implement comprehensive air pollution monitoring at key distributed freight hubs and in homes located in close proximity to monitor, track, and subsequently enhance local health outcomes and air quality associated with the clean freight transition.

Contractual:

- **CBOs:** \$750,000 to contract with several CBOs to engage and educate communities on the indoor air quality monitors. These CBOs will assist with deploying indoor air quality monitors and continued education across a 5-year period.
- **Air Quality Monitoring Station Installation:** \$100,000 to install state of the art air quality monitoring stations at various freight hubs over a two year period.
- **GHG Data Monitoring:** \$125,000 agreement with a consultant or research institution to develop a publicly available data analysis and monitoring tool. This tool will assess the impact of emissions reductions initiatives utilizing data from the monitoring stations.

Other:

- **Deploy Indoor Air Quality Monitors:** Distribute 2,000 indoor air quality monitors, each costing an average of \$150, via CBOs to EJ and disadvantaged communities within a two-year timeframe.
- **Deploy State of the Art Air Quality Monitoring Stations:** Collaborate with the planning initiative and the clean freight concierge to deploy at least 6 state of the art air quality monitoring stations at high traffic freight hubs. The program will allocate \$1,500,000 to this initiative.

Task 2.6 Develop Workforce Training for Fleet and Freight Operators and to Maintain Heavy-Duty Charging Infrastructure

Year	1	2	3	4	5	Total
Federal Funds	\$1,775,781	\$1,327,328	\$828,968	\$680,706	\$32,548	\$4,645,331

Approach: This program leverages existing clean jobs workforce programs to 1) develop a specialized workforce for maintaining heavy-duty electric charging infrastructure, enhancing operational reliability



and promoting local economic growth and 2) concentrate on training fleet operators, dispatchers, and drivers to optimize EV use from operational, logistical, and environmental perspectives.

Other:

- **Fleet Operator Workforce Training:** A \$1,500,000 grant over three years to the workforce training hubs will support training for fleet operators, dispatchers, and drivers on optimized EV use.
- **Heavy Duty Electric Charging Infrastructure Workforce Training:** A four-year, \$3,000,000 grant to existing workforce training hubs for vocational training, job creation, and curriculum development to build a specialized workforce for heavy-duty vehicle charging infrastructure maintenance, emphasizing opportunities in disadvantaged and low-income communities.

Task 2.7 Facilitate Statewide and Interagency Coordination Around Critical Freight Planning and Engagement

Year	1	2	3	4	5	Total
Federal Funds	\$3,087,628	\$2,957,670	\$2,028,914	\$1,651,434	\$925,304	\$10,650,949

Approach: This initiative aims to establish a comprehensive planning and engagement framework for critical freight projects across the state and will act as a central architecture that will inform and support the other initiatives within the clean freight area.

Travel: Includes travel and related expenses for about three workshops and multiple in-person meetings.

Contractual:

- **CBO Compensation:** \$5,500,000 to compensate CBOs and support disadvantaged and low income communities involved in clean freight planning and projects. This includes compensation for participation, engagement, outreach, and collaborative clean freight project development.
- **Strategic Planning Contract:** A \$1,850,000 agreement with a consultant over a four-year period to help the state craft and implement a clean freight strategic plan.
- **Overcoming Barriers Contract:** A three-year, \$1,400,000 agreement with a consultant to organize working groups, forums, and workstreams addressing challenges like interconnection, land use, and building codes with various stakeholders.

GHG Measure 3. Kick-starting Industry Decarbonization

Task 3.1 Create a Clean Industry Concierge

Year	1	2	3	4	5	Total
Federal Funds	\$364,948	\$421,561	\$628,570	\$886,000	\$ 343,876	\$2,644,955

Approach: The Clean Industry Concierge initiative will help Illinois industrial facilities to navigate, coordinate and access funding opportunities, get support in designing and implementing decarbonization measures, and provide strong guidance on industry best practices in efficient and cost-effective low-carbon technologies and processes with a focus on small- and medium-sized industrial facilities and operators that often fall through the cracks.

Travel: Includes travel and related expenses for about three workshops, and multiple in-person meetings.

Contractual:

- **Clean Industry Third Party Implementer:** A \$2,000,000 contract with a consultant to act as the Clean Concierge, will engage with contractors, industrial facilities and industrial operators,



supporting them in designing and implementing decarbonization measures. This implementer will also contribute to workforce training and planning efforts.

Task 3.2 Fluorinated Gas Reduction Program						
Year	1	2	3	4	5	Total
Federal Funds	\$4,733,509	\$4,488,519	\$4,493,830	\$4,249,460	\$4,255,428	\$22,220,747

Approach: This competitive grant initiative will fund projects that facilitate adoption of lower carbon alternatives and reduce emissions from leaks, servicing and disposal of equipment utilizing fluorinated gases. The program will focus on the food sector and commercial refrigeration.

Contractual:

- **Competitive Grant Contract:** A \$2,250,000 agreement with a consultant over a 5 year period to structure and support the IL EPA in creating and implementing the competitive grant program. Responsibilities include outreach and education, material and resource development, technical grant application development, technical application review, establishing technical grant agreements, and assisting the grantees with the implementation of their projects. Cost is based on comparable previous work.

Other:

- **Competitive Grant Program:** This competitive grant program, allocated \$19,500,000 over 5 years, expects to fund up to 390 projects. Cost analysis indicates an expected average project award of \$50,000. Priority will be given to projects that demonstrate replicability and scalability, and projects that demonstrate significant reduction in use of fluorinated gases.

GHG Measure 4. Expanding Climate-Smart Agriculture

Task 4.1 Expanding Deployment and Improving Efficiency of Low-Till, No-Till, and Cover Crop Practices						
Year	1	2	3	4	5	Total
Federal Funds	\$14,156,880	\$14,473,474	\$14,748,564	\$14,793,660	\$15,214,142	\$73,386,721

Approach: This initiative significantly expands the acreage under the current Illinois Cover Crop Program and creates pathways for various lands to participate in no-till practices.

Travel: Includes travel and related expenses for about two workshops and multiple in-person meetings.

Contractual:

- **Outreach and Education Contracts:** \$2,250,000 for three contracts (Northern, Central, and Southern IL) with trusted partners to conduct outreach and education over the 5-year period.
- **Carbon Credit Facilitation Contract:** A \$350,000, 18-month portion of a contract with a consultant to create tools and resources helping farmers capitalize on carbon credits.

Other:

- **Expand the Illinois Cover Crop Program.** Address the current program's demand gap by enrolling up to 230,702 additional acres over five years, at \$55 per acre.
- **No-Till Program.** Following a gap analysis, the state will offer \$35 per acre to include up to an additional 324,000 acres into a no-till program.

Task 4.2 Biomethane Emissions Reduction, Capture, and Utilization in High-Value End Uses						
Year	1	2	3	4	5	Total



Federal Funds	\$4,088,655	\$3,658,697	\$5,884,271	\$6,298,129	\$6,312,818	\$26,242,570
----------------------	-------------	-------------	-------------	-------------	-------------	--------------

Approach: This competitive grant initiative prioritizes the development of localized, distributed biomethane utilization systems, aiming to significantly reduce local greenhouse gas emissions and develop regional supply chains specifically for its deployment in high-value end uses.

Travel: Includes travel and related expenses for about three workshops and multiple in-person meetings.

Contractual:

- **Outreach and Education Contracts:** \$2,250,000 allocated for three contracts (Northern, Central, and Southern IL) with trusted partners to conduct outreach, education, and facilitate supply chains over the 5-year period.
- **Carbon Credit Facilitation Contract:** A \$350,000, 18-month portion of a contract with a consultant to create tools and resources helping farmers capitalize on carbon credits.
- **Competitive Grant Contract:** A \$1,300,000 agreement with a consultant over the 5-year program period to structure and support the IL EPA in creation and implementing the biomethane competitive grant program. Cost is based on comparable previous work.

Other:

- **Competitive Grant Program.** This \$20,660,000 competitive grant program anticipates funding up to 28 projects over the 5-year period. Selection will prioritize GHG reductions, contract value, community benefits, and innovative supply chain solutions.

Task 4.3 Accelerating Clean Landscaping and Small Engine Equipment						
Year	1	2	3	4	5	Total
Federal Funds	\$2,411,984	\$2,415,067	\$2,418,336	\$2,421,800	\$2,425,472	\$12,092,659

Approach: This rebate program which promotes sustainable professional landscaping through adoption of all-electric equipment fills a gap in tax incentives which are currently only available for very large, commercial scale landscaping equipment.

Contractual:

- **Utility Rebate Contract:** A \$1,000,000 contract with utilities to include this equipment in their in-store rebate programs and integrate it into their existing rebate management system.

Other:

- **Clean Landscaping Rebate.** A five-year, \$10,000,000 rebate program for small commercial landscapers who recycle and replace gas-powered lawn mowers and tools with electric. The program will incentivize recycling and replacement of more than 45,000 pieces of commercial landscaping equipment.

GHG Measure 5. Keeping Clean Power Goals on Track

Task 5.1 Statewide Clean Energy Modeling						
Year	1	2	3	4	5	Total
Federal Funds	\$ 2,469,500	\$ 284,350	\$ 300,091	\$ 316,776	\$ 334,463	\$ 3,705,181

Approach: IEPA will work with IPA to conduct a modeling exercise, the outcome of which will be incorporated into the IPA's existing biennial Long-Term Renewable Resources Procurement Plans.

Contractual:



- **Contract for Clean Energy Modeling:** \$2,000,000 for a consultant to conduct a statewide clean energy modeling exercise to develop alternative paths to address resource capacity constraints.

Other:

- **Software and Data:** \$200,000 per year for the 5-year program period for software licenses and data acquisition costs.

Task 5.2 Public Utility Clean Energy Planning and Support						
Year	1	2	3	4	5	Total
Federal Funds	\$611,250	\$501,250	\$501,250	\$501,250	\$ 501,250	\$2,616,250

Approach: ICB will develop a technical assistance resource and make strategic planning grants to help municipal and co-op utilities assess needs and identify ways to replace fossil fuels with renewable energy.

Contractual:

- **Contract for Technical Expertise:** \$350,000 over 5 years to develop a technical reference and provide ongoing support to utilities.

Other:

- **Grants to Municipal and Co-op Utilities:** Two annual grants of \$200,000 each to help municipal and co-op utilities secure power system and generation plans and renewable energy purchase agreements.