ILLINOIS CLIMATE BANK

COMMUNITY GEOTHERMAL PLANNING + PILOTS PHASE ONE PLANNING GRANTS WEBINAR

Climate Pollution Reduction Grant Program

December 2025

AGENDA

Illinois Finance Authority, in its role as the Illinois Climate Bank, has secured federal funding for climate finance and to further state goals under the Climate and Equitable Jobs Act of 2021.

- Illinois Climate Bank Overview
- CPRG Background
- Community Geothermal Planning + Pilots Overview
- Phase One Planning Grants
- Q&A
- Next Steps and Resources
- Other IFA Resources

IFA
ILLINOIS FINANCE AUTHORITY

ILLINOIS
CLIMATE
BANK

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)

OVERVIEW
Climate Pollution Reduction Grant

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

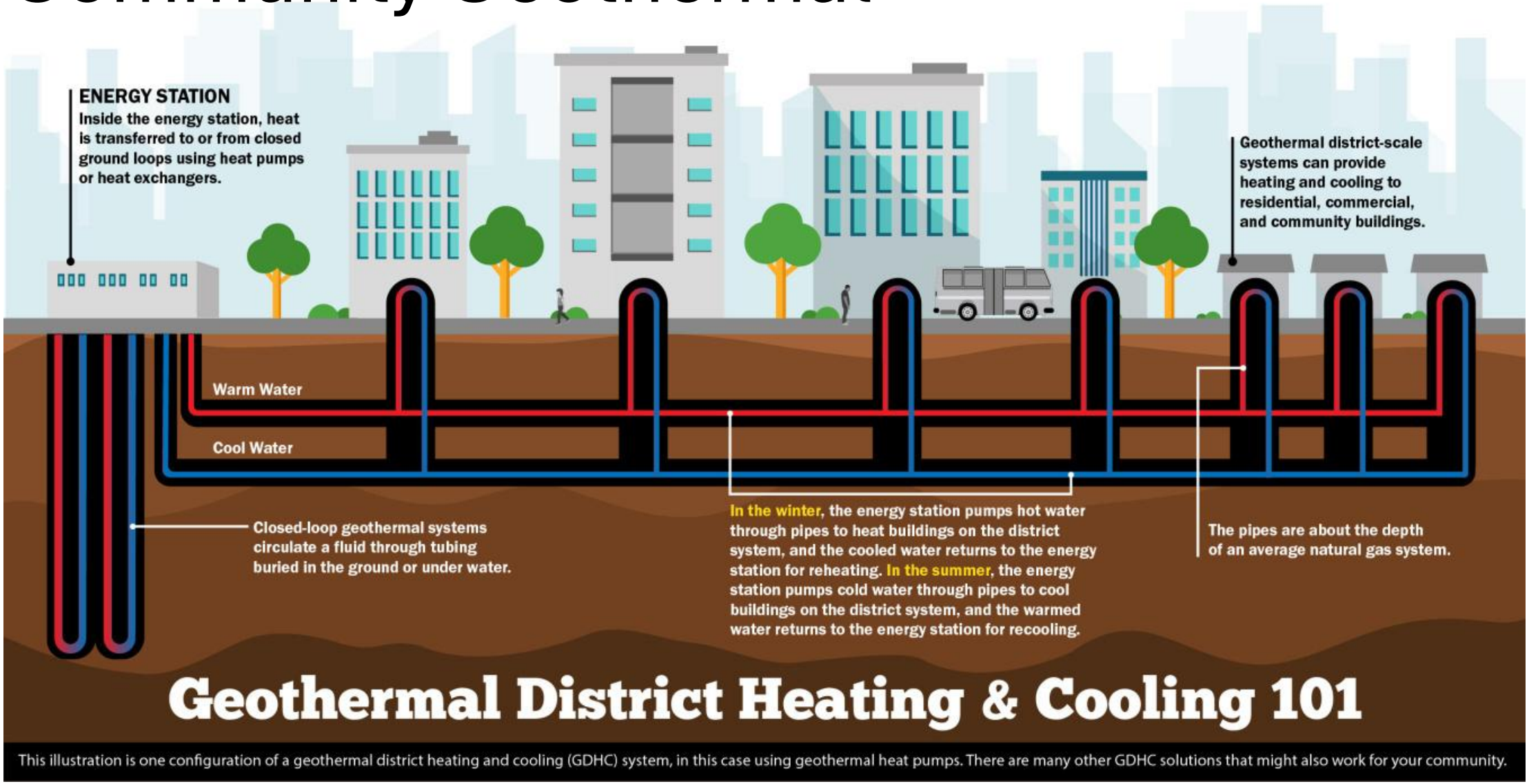
The Illinois Climate Bank received a subaward of $137,000,000 to implement several initiatives and programs under the CPRG award that aligns with Illinois state policy and CEJA.

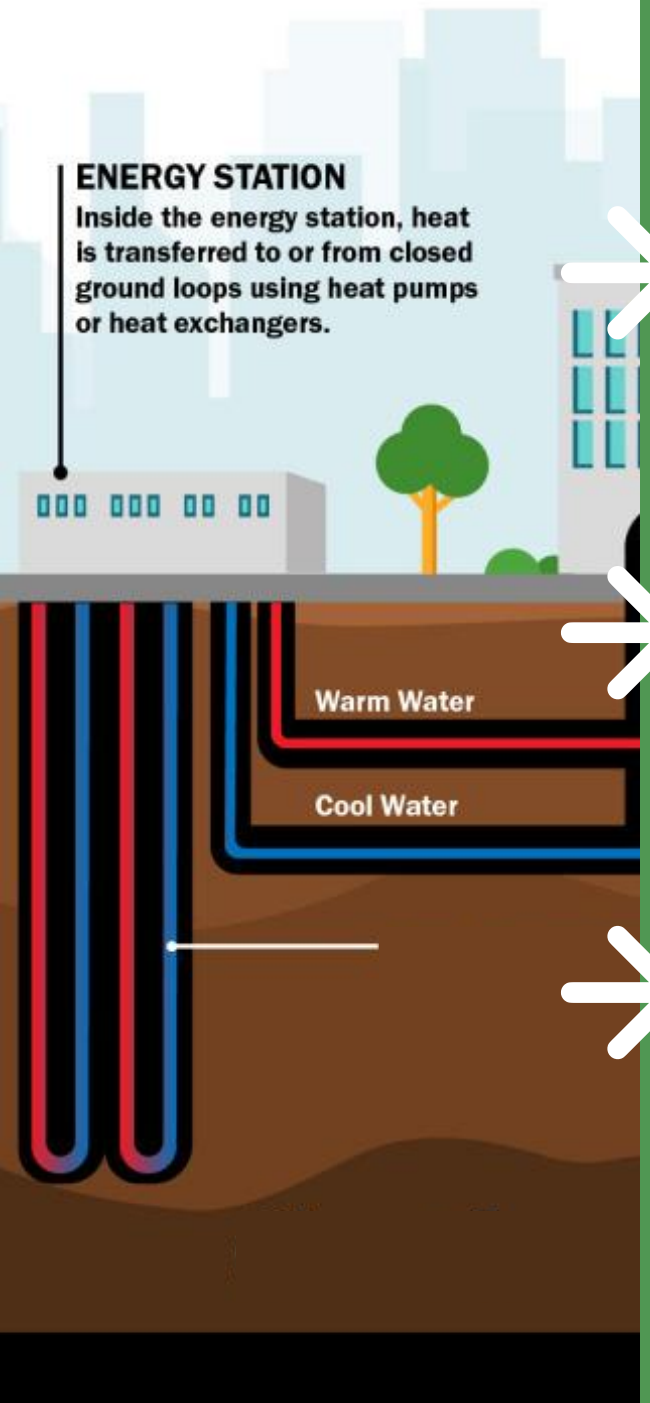
OVERVIEW
Community Geothermal

Geothermal heat pump applications rely on the stable, moderate temperature conditions that are found within the subsurface layers of the earth's crust. Once below the frost line, the temperature within the earth maintains an average temperature around 55-65°F. In geothermal heat pump applications, the thermal energy within the ground is transferred to a heat pump by a series of looped piping filled with a fluid energy exchange medium, most often water or a water-based solution. The heat pump converts this energy to provide heating or cooling in a building.

Community Geothermal deploys this technology at scale, through connection from multiple buildings to a shared geothermal ground loop.

OVERVIEW
Community Geothermal





$15 MILLION AVAILABLE

A total of $15 million is available over 4 years

EARLY-STATE PLANNING AND CONSTRUCTION

Two-part process to support early-stage and ready projects

TARGET: 1,100 HOUSEHOLDS

The funding is intended to help connect 1,100 Illinois households to community geothermal systems by 2030

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COMMUNITY GEOTHERMAL PLANNING + PILOTS

GRANT PROGRAM OVERVIEW

The Community Geothermal Planning + Pilots Program is designed to support the development and deployment of community-scale geothermal systems. As set forth in the CPRG program goals, this initiative aims to:

- Reduce carbon pollution by 15,099 metric tons of CO_2 equivalent (mt CO_2e) by 2030,
- Achieve cumulative reductions of 128,562 mt CO_2e by 2050, and
- Serve 1,100 Illinois households with community geothermal systems by 2030.

Structure and Approach

In November 2025, IFA/ICB launched the Community Geothermal Grant Plan which outlines the program design, project eligibility, and project design criteria. All projects submitted under the NOFOs will be scored based on alignment with the plan and CPRG goals.

Phase 1: Planning Grants Released December 2025	Engineering and system design, community engagement, financial modeling, permitting support, and other planning activities to align with the key features and requirements of the program.	Up to $250,000 per award Competitive Grants	Applications Due February 13, 2026
Phase 2: Pilot and Project Deployments Winter 2026 and beyond	Construction and deployment of community geothermal projects.	$1,000,000-$5,000,000 Competitive Grants	

Phase 1 Planning Grants: Purpose and Intent

- Phase 1 grants are designed to support targeted planning work that will culminate in a completed **Community Geothermal Project Plan** aligned with the Community Geothermal Planning + Pilots Program Plan.

- All Phase 1 activities must clearly build toward the **scope, scale, and eligibility criteria** required for Phase 2 Pilot & Deployment Grants.

- **Grants are not intended to fund all planning activities.**

- Competitive applications will demonstrate **progress already underway** and a clear 12-month path to completing the Project Plan.

- Applicants must upload documentation showing **work already completed**, including feasibility analysis, community engagement, conceptual site work, partnerships, etc.

- Using Attachment A & Attachment B, applicants must clearly describe:
    - What Phase 1 funds *will* support
    - What activities are funded through *other resources*
    - How the full plan leads to a Phase 2-ready project

COMMUNITY GEOTHERMAL PHASE ONE PLANNING GRANTS

Phase 1 Planning Grants: Community Geothermal Project Plan

At the end of the 12-month grant period, each awardee must submit a completed **Community Geothermal Project Plan** that includes the following key elements

- **Scope and Scale.** Projects must use geothermal as the primary technology and demonstrate a community-scale design that serves multiple residential or mixed-use buildings across one or more neighborhoods or census blocks.
- **Community-scale design concept.** Projects must show a customer base of roughly 100 households or equivalent units and demonstrate that a minimum of 25% of households or customers within the project's neighborhood or census-block footprint are committed participants or actively engaged in the planning and development process.
- **Funding and Financing.** Provide 20-year pro-forma financials, show how the project leverages complementary funding sources without double-counting emissions reductions, and clearly describe the ownership structure for the system.
- **Engineering, Design, and Feasibility.** Includes mechanical and civil drawings, technical engineering reports, permitting and environmental plans, square footage and building-type details, and system Coefficient of Performance (COP).
- **Community Engagement.** Includes a community engagement plan and documentation of engagement activities completed to date, demonstrating alignment with Phase 2 eligibility criteria.
- **Consumer Protections.** Includes contracts and recommended disclosures.
- **Workforce Development and Contractor Strategy.** Includes required PLAs for projects above the applicable threshold and a plan for meeting apprenticeship requirements.
- **Bill Savings.** No increase in total household energy bills.
- **Compliance Strategy.** Provides a clear plan for complying with applicable federal and state requirements.

Phase 1 Planning Grants: Eligible & Ineligible Activities

Eligible Activities

- Engineering + design
- Community engagement
- Feasibility studies
- Financial modeling
- Environmental + permitting planning
- Workforce planning
- Consumer protections
- Ownership structuring
- Business model strategy
- Partnership development
- Other planning related activities

Ineligible Activities

- Construction
- Equipment Purchases
- System Installation
- Planning work unrelated to a Phase 2 community geothermal system
- Projects located outside of Illinois
- Other activities outlined in the NOFO

Phase 1 Planning Grants: Competitive Proposals

Competitive Proposals will:

- Demonstrate meaningful work already underway, supported by documentation uploaded with the application.
- Clearly articulate a community-driven approach aligned with the Community Geothermal Planning + Pilots Program Plan.
- Present a realistic 12-month plan for completing the Community Geothermal Project Plan.
- Show clear alignment with Phase 2 requirements for scope, scale, and project readiness.
- Distinguish Phase 1-funded tasks from those supported by other funding sources, showing a complete pathway to Phase 2 readiness.

Attachment A and Attachment B will play a critical role in Phase 1 evaluations. Projects will be assessed based on how clearly these documents communicate a complete and viable plan.

- Attachment A: Applicant Information and Qualifications, Project Alignment and Progress to Date, Proposed Use of Funding and Remaining Tasks
- Attachment B: 12-month Milestones and Deliverables

Q&A

Next Steps and Resources

Community Geothermal Planning + Pilots Phase One Planning Grant applications are due February 13, 2026.

The presentation and Q&A from today's webinar will be posted on the Climate Bank website: https://illinois-climate-bank.web.app/financing-programs/local-governments-nonprofits/community-geothermal-planning-pilots/

If you have further questions, please send them to climatebank@il-fa.com by the date that questions are closing, listed in the program NOFO.

Resources:

Community Geothermal Grant Plan
Phase One Planning Grant NOFO
NOFO Attachment A
NOFO Attachment B

Other IFA Resources

The Illinois Climate Bank currently has two other open competitive grant solicitations under CPRG; 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