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**ILLINOIS ALLIANCE FOR
CLEAN TRANSPORTATION**

**Illinois' U.S. Department of Energy
Designated Clean Cities Coalition**

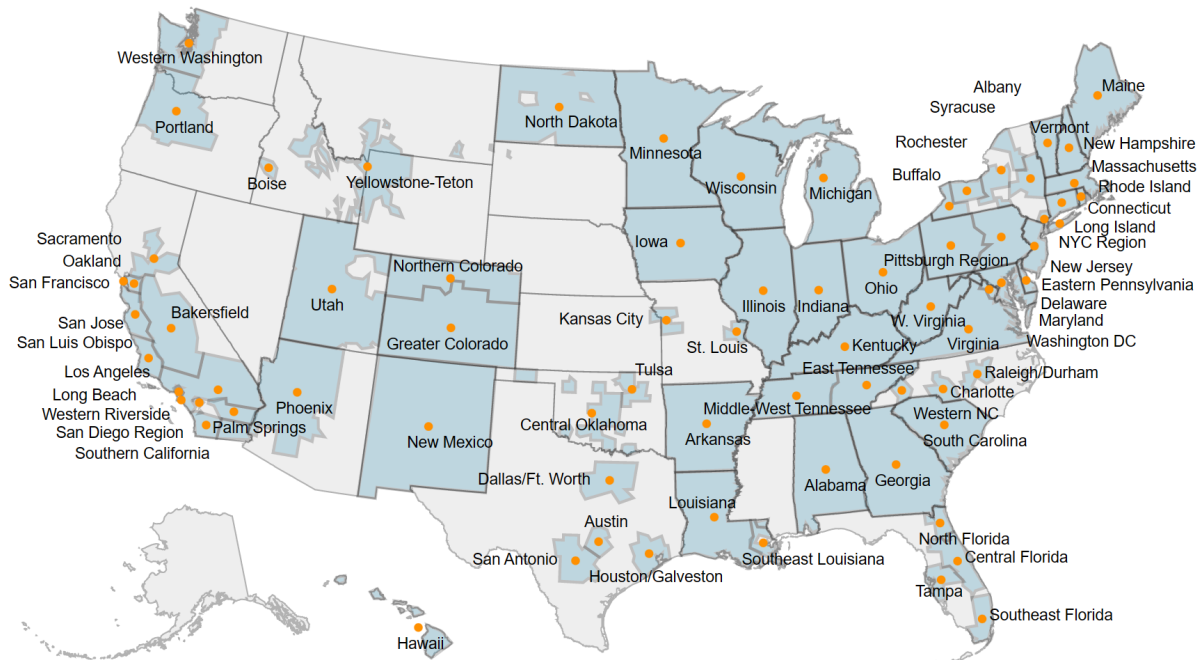
National Department of Energy Network of Clean Cities Coalitions

More than 75 active coalitions covering nearly every state with thousands of stakeholders

cleancities.energy.gov



Clean Cities Coalitions



Fuel-neutral to help their stakeholders identify cost-effective solutions that work locally



Grants – Rebates – Incentives – Tax Credits - Partnerships

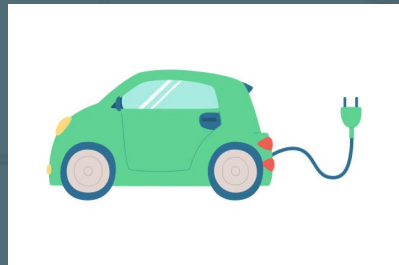
Study Guide (fact sheet)

- ✓ Federal (USDOE / USEPA / USDA)
- ✓ State (IEPA / DCEO / IDOT)
- ✓ Local (Metropolitan mayor's caucus / City of Chicago)
- ✓ Partnerships (Ameren / IACT / ALA / I-80 Initiative)

Who / what / when (expect to continue 2024 and 2025):

- ✓ Vehicle / equipment
- ✓ Grant cycles
- ✓ Eligibility criteria / requirements / due date
- ✓ Equipment specifications
- ✓ Partnership requirements
- ✓ Match dollar amounts





Vehicle Funding



EV and FCEV **Federal** Tax Credit Evolution **(who)**

Jan 1, 2009, to
Aug 16, 2022

- \$2,500-7,500 Qualified Plug-in Electric Drive Motor Vehicles tax credit, limited to manufacture sales caps for EVs

Aug 17 to Dec
31, 2022

- Clean Vehicle Tax Credit available as described above, BUT limited to EVs with final assemble in North America
- Eligible vehicles list available at afdc.energy.gov/laws/electric-vehicles-for-tax-credit

2023 - 2032

- Clean Vehicle Tax Credit eliminates manufacturer sales caps, adds eligible FCEVs, adds vehicle MSRP and household income limits, and requires domestic critical sourcing and battery component manufacturing and assembly.
- Commercial EV and FCEV Tax Credit becomes available
- Pre-Owned EV and FCEV Tax Credit becomes available

2024

- Clean Vehicle Tax Credit expected to make “on the hood” tax credits available at time of vehicle purchase



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Federal **Commercial** EV and FCEV Tax Credit

TAX CREDIT AMOUNTS



- Beginning January 1, 2023 through 2032
- Tax credit calculated as the lesser of the following, up to the maximum amounts listed on next slide:
 - 15% of the vehicle purchase price for PHEVs
 - 30% of the vehicle purchase price for EVs and FCEVs
 - The incremental cost of the vehicle compared to an equivalent internal combustion engine vehicle.

Link: <https://afdc.energy.gov/laws/409>



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Federal Commercial EV and FCEV Tax Credit

VEHICLE ELIGIBILITY

- New vehicles with a GVWR below 14,000 lbs must have a battery capacity of at least 7kWh
- Maximum tax credit of **\$7,500**
- New vehicles with a GVWR above 14,000 lbs must have a battery capacity of at least 15kWh
- Maximum tax credit of **\$40,000**

Link: <https://afdc.energy.gov/laws/409>



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Federal Commercial EV and FCEV Tax Credit

ELIGIBILITY ENTITIES

- Available for businesses and may not be combined with the individual Clean Vehicle Tax Credit
- Additional requirements may apply. Further guidance if forthcoming.

What is the credit for commercial clean vehicles?

If you are interested in claiming the commercial clean vehicle credit for purchasing a commercial clean vehicle or vehicles, beginning in 2023, a tax credit is available for each qualifying commercial clean vehicle purchased each year through Dec. 31, 2032.

Here is what you should know:

- The credit is available for businesses and certain tax-exempt entities; tax-exempt entities can receive the credit as an elective payment.
- There is no price limit on the cost of the commercial vehicle.
- No commercial clean vehicle credit will be allowed if a taxpayer already claimed the new clean vehicle credit for the same vehicle.
- The vehicle manufacturer must be a Qualified Manufacturer. A Qualified Manufacturers list is on IRS.gov.



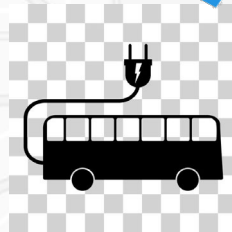
Link: <https://afdc.energy.gov/laws/409>



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Illinois (VW) Environmental Mitigation Trust Fund

- Established as part of the VW Settlement to address Clean Air Act violations related to certain Volkswagen diesel vehicles. Illinois received an initial allocation of approximately \$108 million. The funds are to be used for projects that reduce nitrogen oxide (NOx) emissions in Illinois.
- Up to \$27,023,485 in Volkswagen funding is available for all-electric school buses. Applications are due on **September 5, 2023**. Funding is available for replacing old, diesel **school buses** with new all-electric school buses. Pre-qualification is required before application submission.



Link: <https://epa.illinois.gov/topics/air-quality/driving-a-cleaner-illinois/vw-settlement.html>

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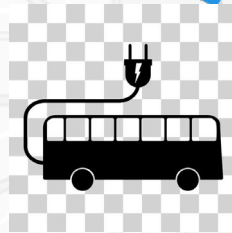




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Driving a Cleaner Illinois Grants Round 5

- Provided by Illinois EPA VW Mitigation Trust Funds
- Over \$27M now available to replace old, diesel school buses with new all-electric school buses
 - Applications due **September 5, 2023 at 5pm CT**
 - Class 4-6: \$190,000 per school bus
 - Class 7-8: \$250,000 per school bus
 - Infrastructure: \$20,000 per location
- Applicants must pre-qualify prior to application submission



Link: <https://www2.illinois.gov/epa/topics/ceja/Pages/Electric-Vehicle-Rebates.aspx>



CLOSED

Illinois Electric Vehicle Rebate Program

REBATE AMOUNTS

- **Provided by Illinois EPA \$4,000** for the purchase of an all-electric vehicle, not an electric motorcycle
 - ✓ Beginning July 1, 2026: \$2,000
 - ✓ Beginning July 1, 2028: \$1,500
- **\$1,500** for the purchase of an all-electric motorcycle

Link: <https://www2.illinois.gov/epa/topics/ceja/Pages/Electric-Vehicle-Rebates.aspx>





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Illinois Electric Vehicle Rebate Program

REBATE AMOUNTS

- Available from **Nov 1, 2023 to Jan 31, 2024**
- Provided by Illinois EPA
- Application and instructions **October 18, 2024**



Link: <https://www2.illinois.gov/epa/topics/ceja/Pages/Electric-Vehicle-Rebates.aspx>



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Propane Vehicle Rebate Program

- Provided by Illinois **Propane** Education & Research Council
- **\$4,000** per new propane vehicle or vehicle converted to propane
 - Applications accepted January 1, 2023 – **December 31, 2023**
 - First come, first served while funds last
- Vehicle must be registered and operated in Illinois

Link: <https://ilsaveswithpropane.com/rebate-program/propane-vehicle-incentives/>





Current and Proposed Timelines (what & when)

Diesel Emissions Reductions Act (DERA)

FY2022/2023 Combined NOFO – July 2023

Inflation Reduction Act (IRA)

-\$3B Clean Ports- (TBD)

-\$1B Medium- and Heavy-Duty Vehicles - (TBD)

-RFI for both programs open until June 5

CLOSED

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Bipartisan Infrastructure Law (BIL) \$5B Clean School Bus program

-2023 BIL CSB Grant Program – NOFO NOW OPEN April 24 to August 22

-2023 BIL CSB Rebate Program – Fall 2023*

EPA Ports Program: <https://www.epa.gov/ports-initiative>

EPA Medium- and Heavy-Duty Clean Truck Program: <https://www.epa.gov/inflation-reduction-act/clean-heavy-duty-vehicle-program>



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Diesel Emission Reduction Act (DERA) Funds

- **Participating states** can support grant, rebate, and loan programs to achieve significant reductions in diesel emissions. States enter into Cooperative Agreements with the U.S. Environmental Protection Agency to administer their allocation of DERA funds for eligible project types.
- **NGOs** doing transportation / air quality work can apply on behalf of fleets (**ALA**)

Application due: 12/1/23

Link: Diesel Emission Reduction Act (DERA)





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DERA: What will EPA Fund?

Clean Alternative Fuel Conversion

Certified Vehicle/Equipment Replacement:

- 25% of a vehicle powered by a diesel or alternative fueled engine (including hybrids) certified to EPA emission standards;
- 35% of a vehicle powered by an engine certified to meet CARB's Optional Low-NOx Standards;
- 45% of a vehicle powered by a zero tailpipe emission power source.
- Replacement of Drayage Trucks: 50%

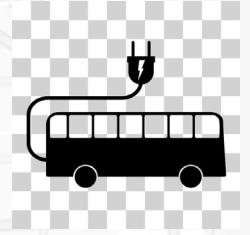
Certified Engine Replacement:

- 40% of a diesel or alternative fueled engine (including hybrids) certified to EPA emission standards
- 50% of the cost of an engine certified to meet CARB's Optional Low-NOx Standards
- 60% of the cost of a zero tailpipe emission power source

Verified Idle Reduction Technologies:

- **On-Highway Idle Reduction Technologies:** 100% if combined*, 25% if stand-alone.
- **Locomotive Idle Reduction Technologies:** 40%
- **Marine Shore Connection Systems:** 25%
- **Electrified Parking Spaces:** 30%





Clean School Bus Rebates (**closed**) vs. Grants

<https://www.epa.gov/cleanschoolbus/clean-school-bus-program-grants>



FY23 Clean School Bus Grants NOFO Important Dates

April 24, 2023	Notice of Funding Opportunity (NOFO) Opened
May 10, 2023 at 3:00 p.m. (ET)	1st Webinar Information Session <i>Webinar links and additional session dates can be found at: www.epa.gov/cleanschoolbus/clean-school-bus-program-grants</i>
August 9, 2023	Final Date to Submit Questions
August 22, 2023 at 11:59 p.m. (ET)	NOFO Closes – Application Deadline <i>Application packages must be submitted electronically to EPA through Grants.gov (www.grants.gov) no later than Tuesday, August 22, 2023, at 11:59 p.m. Eastern Time (ET) in order to be considered for funding</i>
November 2023 to January 2024	Anticipated Notification of Selection
February to March 2024	Anticipated Awards



Application packages must be submitted to EPA via Grants.gov no later than 8/22/23 at 11:59 p.m. ET.
For more information, please visit www.epa.gov/cleanschoolbus.



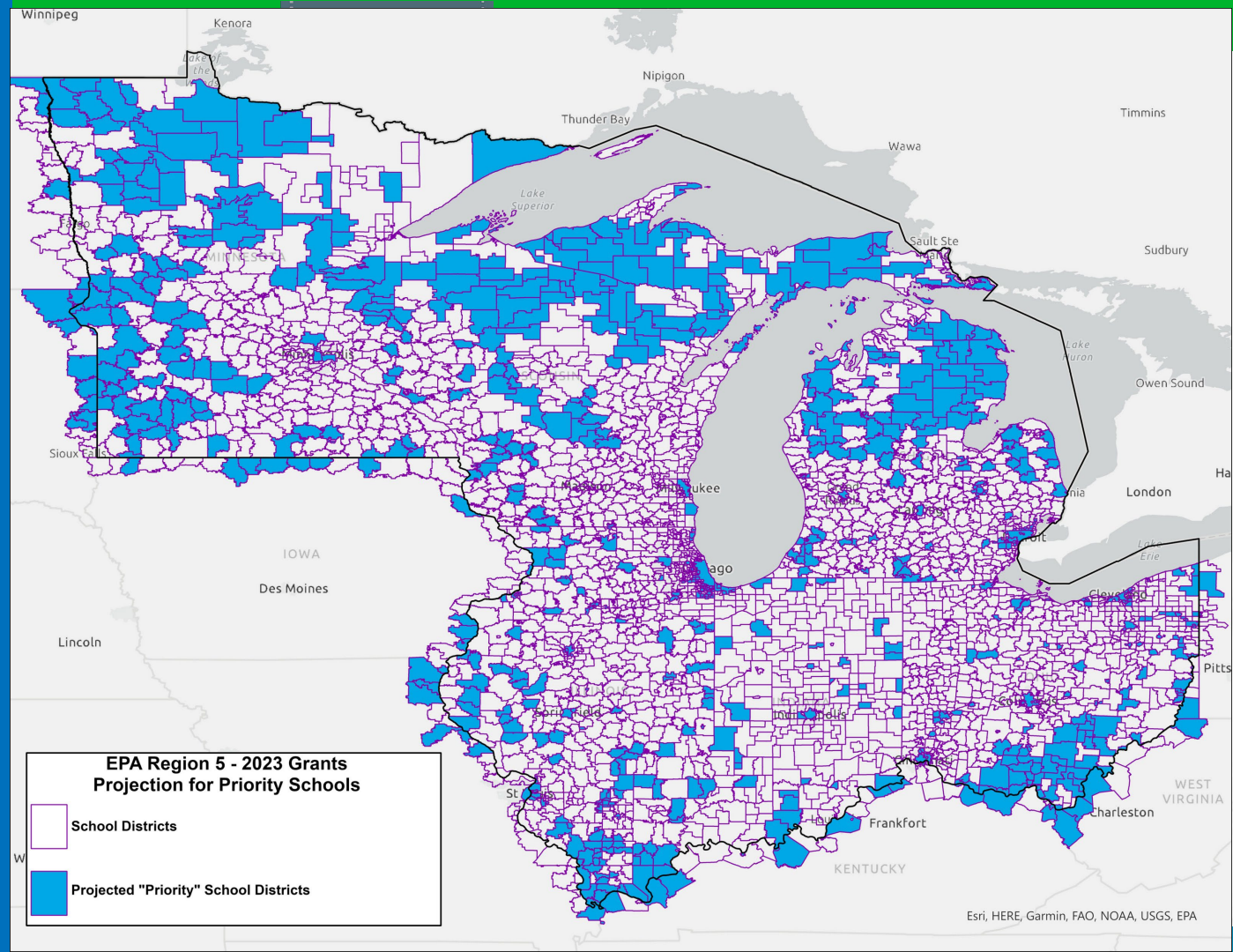
**EPA CLEAN
SCHOOL BUS**

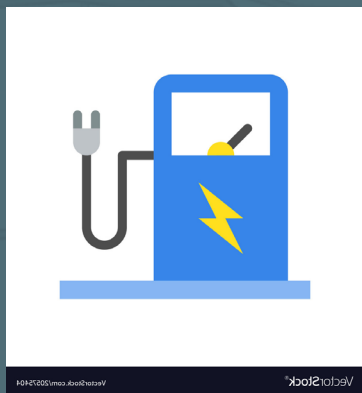
Prioritization Criteria

2023 CSB Grants

Priority School Districts PDF and
Excel files available at:

<https://www.epa.gov/cleanschoolbus/clean-school-bus-program-grants>





Infrastructure Funding



USDA Higher Blends Incentive Program

Purpose: to increase significantly the sales and use of higher blends of ethanol and biodiesel by expanding the infrastructure for renewable fuels derived from U.S. agricultural products.

Who may apply: Transportation fueling facilities **Fuel-neutral** to help their stakeholders i

- **Fueling stations**, convenience stores, hypermarket fueling stations, fleet facilities (including rail and marine), and similar entities with capital investments;
- **Fuel distribution facilities**, such as: Terminal operations, depots, and midstream partners, and similarly equivalent operations.
- **Home heating oil distribution facilities**



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USDA Higher Blends Incentive Program

- What Funding is Available:** Under HBIIIP, approximately **\$90 million per quarter** to:
- Fueling stations, convenience stores, hypermarket fueling stations, fleet facilities, and similar entities with capital investments) for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, such as E15 or higher, and biodiesel greater than 5 percent biodiesel, such as B20 or higher; and
 - Terminal operations, depots, midstream partners, and home heating oil distributors for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, such as E15 or higher, and biodiesel greater than 5 percent biodiesel, such as B20 or higher.



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USDA Higher Blends Incentive Program

What are the terms: Awards to successful applicants will be in the form of cost-share grants for up to **75%** of total eligible project costs, but not to exceed \$5M, whichever is less.

Links: [HBIP webpage](#), [Federal Register](#), [Grants.gov](#), [Inflation Reduction Act](#), [USDA Rural Development](#)



Alternative Fuel Infrastructure Federal Tax Credit Evolution

Jan 1 to Dec
31, 2022

- Expired tax credit has been retroactively extended through 2022, see [IRS Form 8911](#)

2023 - 2032

- Program funding increases with a new equity requirement
- New residential fueling tax credit

Link: <https://afdc.energy.gov/laws/10513>

Alternative Fuel Infrastructure Federal Tax Credit Evolution



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- Eligible fuels remain natural gas, propane, hydrogen, electricity, E85, and B20+
- Key changes:
 - Tax credit for 30% of station cost remains, with new caveats:
 - Limited to 6% of station costs if the property is subject to depreciation
 - Maximum rebate increases from \$30,000 to \$100,000
 - Eligible fueling equipment **MUST** be installed in locations that meet census tract requirements:
 - A population census tract where the poverty rate is at least 20%; or
 - Metropolitan and non-metropolitan area census tract where the median family income is less than 80% of the state medium family income level.
 - Eligible projects must meet apprenticeship and prevailing wage requirement
 - Residential fueling equipment will be eligible for a tax credit up to \$1,000
- Further guidance, including census tract maps, is forthcoming.

Link: <https://afdc.energy.gov/laws/10513>

National Electric Vehicle Infrastructure Program



- Formula program: \$5 billion to states; \$148 million to Illinois
- Initially, funding under this program is **directed to designated Alternative Fuel Corridors**
 - **stations every 50 miles** and **no more than 1 mile off the designated corridor**
- **Public Charging** = stations available to the public **24 hours a day, 7 days a week**
- At minimum, **4 vehicles will be charge at the same time**, at a charging speed that will **fully charge an average EV in under a half hour**
- Prioritize **Justice 40** communities

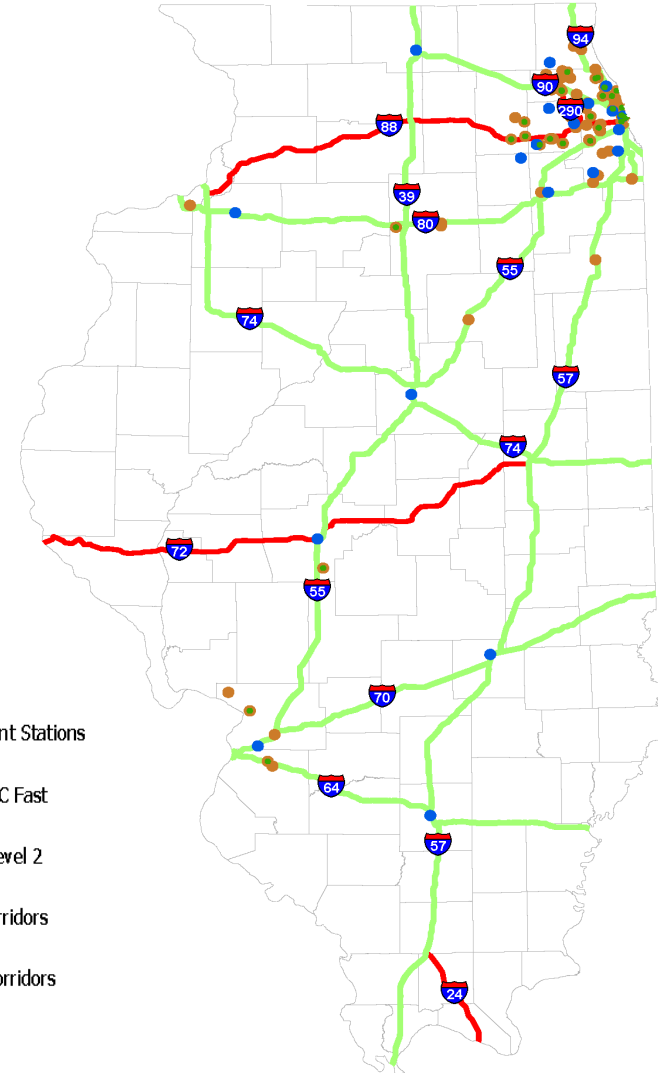


Illinois Alternative Fuel Corridors

- **Electric Vehicle Signage Ready**
 - **I-39** from Rockford IL to Sun Prairie WI
 - **I-55** from Chicago IL to Bolingbrook, IL
 - **I-74** from IL/IA border to IL/IN border
 - **I-80** from IL/IN border to Joliet IL
 - **I-90** from IL/IN border to Sun Prairie WI; and, from La Crosse WI to Sparta WI
 - **I-94** from Sun Prairie WI to IL/IN border
- **Electric Vehicle Signage Pending**
 - **I-39** from Normal IL to Rockford IL
 - **I-55** from Joliet IL to St. Louis
 - **I-80** from Joliet IL to IL/IA border
 - **I-70** from St. Louis to Indiana boarder
 - **I-57** from Chicago to Missouri border
 - **I-64** from St. Louis to Indiana boarder

Legend

- IL NEVI Compliant Stations
- IL EV Stations DC Fast
- IL EV Stations Level 2
- NEVI Eligible Corridors
- Undesignated Corridors
- Illinois Counties



Program Timeline

- **July 28, 2022**- NEVI public meeting #1
- **August 1, 2022**- Illinois submitted NEVI plan to Federal Highways
- **August 22, 2022**- Comment period closed on Notice of Proposed Rulemaking for NEVI minimum standards and requirements
- **September 9, 2022**- NEVI public meeting #2
- **September 27, 2022**- Federal Highway Administration approved Illinois NEVI plan
- **November 29, 2022**- NEVI public meeting #3
- **February 2, 2023**- IDOT Releases RFP for project manager for NEVI in Illinois
- **February 28, 2023**- NEVI Final Rule
- **March 2023**- Release of solicitation for project manager
- **April 2023**- Hired consultant to run NEVI
- **May 2023**- Release of Request for Information (RFI)

- **Next Steps:**
 - **Develop NEVI Grant Program**
 - New NEVI plan due in August



Discretionary Grant Program for Charging and Fueling Infrastructure

CLOSED

- For EV charging, hydrogen, propane, and natural gas fueling infrastructure
- Divided into two distinct \$1.25 billion grant programs to support EV charger deployment
- Eligible entities include states, local governments, MPOs, etc.
 - **Corridor Charging Grant Program**
Strategically deploy publicly accessible EV charging infrastructure and alternative fueling infrastructure along designated Alternative Fuel Corridors
 - **Community Charging Grant Program**
Strategically deploy publicly accessible EV charging infrastructure and alternative fueling infrastructure in communities

driveelectric.gov



Keeping Up with Funding Opportunities

- No one-stop shop
- IACT's website,
- funder websites / site list-serv,
- weekly email,
- social media;
- conferences



Link: <https://afdc.energy.gov/>



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