

Transitioning Illinois to Clean Energy & EVs

July 13, 2023

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Illinois is already home to some of the world's most innovative players across the EV ecosystem

Legacy OEMs	Recent investors	Battery start-ups

Source: McKinsey, Automotive Industry Panel

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Highly qualified workforce

Illinois leads in automotive industry talent

- 1st** highest workforce productivity in the Midwest
- 2nd** largest automotive assembly employee base in the Midwest



Source: Lightcast Bureau of Economic Analysis, HighSource.com

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Robust logistics networks

Illinois has unparalleled infrastructure and expansive transportation networks

- 1st** in US for freight volume by rail
- 2nd** in US for largest import and export port by value (O'Hare)
- 3rd** in US for number of interstate miles



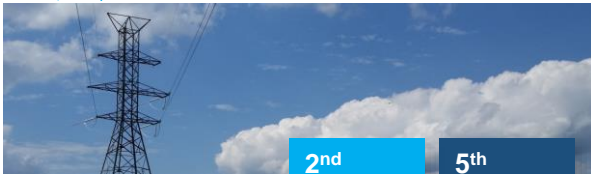
Source: Association of American Railroads, US Trade Forum, Brookings Institute, HighSource.com, Office of Tourism

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Clean, reliable power

Illinois can provide companies with clean, reliable energy sources

- 2nd** in US for total production of renewable / low-carbon energy
- 5th** in US for power reliability



Source: US Energy Information Administration, EIA, Energy Information Administration, Energy, Source Data HighSource.com, Illinois Commerce Commission

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State of Illinois' Commitment

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Sustainability commitments

Illinois is leading in sustainability commitments

<p>100% clean energy by 2050</p>	<p>1M passenger EVs on the road by 2030</p>	<p>\$19M + \$21 M First tranche of \$4k passenger rebates and \$1500 motorcycle rebates and next FY24 allocation</p>
<p>\$148M allocated in NEVI funding for charging infrastructure through 2027</p>	<p>\$27M made available in 2023 by Illinois EPA to fund replacement of diesel school buses with electric buses</p>	<p>\$12.6M awarded in 2023 by Illinois EPA to fund Direct Current Fast Charging ports across the state</p>

Source: Illinois Electric Vehicle Infrastructure Department; EPA; Illinois Department of Transportation; Illinois Department of Commerce & Economic Opportunity

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Illinois government is working together in an unprecedented way to meet this moment



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- Reimagining Energy and Vehicles (REV) in Illinois Act
- Climate and Equitable Jobs Act (CEJA)
- Manufacturing Illinois Chips for Real Opportunity (MICRO) Act
- State Finance Authority as Climate Bank
- Invest in Illinois Fund

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Illinois is investing heavily to become the best state in the nation for EV & renewables manufacturers



Workforce development



Legislative victories



Support for businesses



Sustainability commitments



Infrastructure improvements



Megasite development

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What is the eligibility for REV?

No "But for" test required for eligibility

Tiers	Entities	CAPEX threshold	New jobs threshold	Timeframe to be placed in service
Tier 1	Smaller projects in the EV or renewables sectors	\$2.5M	≥ 50 jobs (or 10% of global employment, whichever is less)	Within 4 years
Tier 2	Electric vehicle manufacturer	\$1.5B	≥ 500 jobs	Within 5 years
Tier 2	EV component parts manufacturer or renewables manufacturer	\$300M	≥ 150 jobs	Within 5 years
Tier 2	Traditional manufacturers converting to EV or renewables production	\$100M	≥ 50 new jobs (or new jobs equivalent to 10% of statewide baseline for taxpayer, whichever is less)	Within 5 years

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Summary of REV incentives by type

REV Illinois program	Tax base	Description	Duration	Carryforward
REV Jobs Credits	Corporate income tax	Credit equivalent to 75% or 100% of new or retained employee payroll tax withholding; can claim immediately upon collecting withholding	15-30 years	N/A
REV Construction Credits	Corporate income tax	Credit equivalent to 50% or 75% of payroll tax withholding for construction workers during construction of facility to applicant	15 years	5 years
REV Training Credits	Corporate income tax	Credits that applies to 10-25% of employer training costs for facility employees	15-30 years	5 years
REV Investment Credit	Corporate income tax	Credit that applies to 0.5% of qualified capital investment (construction & equipment)	15 years	5 years
REV Utility Exemptions	Utility excise tax	Exemption for all on-site electricity and natural gas consumption	10 years	N/A
REV Building Materials Exemption	Sales & use tax	Exemption for all facility building materials	5 years	N/A

Source: [taxnet.com](#)

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Summary of related incentives by type

Local benefits	Tax base	Description	Duration
Local Property Tax Abatement	Local Property Tax	Reduction of Local Property tax owed	Up to 30 years
Local Sales Tax Exemption	Local Sales tax	Exemption for building materials in Enterprise Zones	5 years

Manufacturers' Programs	Tax base	Description	Duration
R&D Credit	Corporate Income Tax	Credit for R&D spending in Illinois; uses federal definition of qualifying R&D expenses	Ongoing
Manufacturing Machinery and Equipment Exemption	Sales & Use Tax	Exemption for manufacturing machinery, equipment, tools, and consumables	Ongoing
Apprenticeship Tax Credit	Corporate Income Tax	Credit value up to \$3,500, per apprentice per tax year, for tuition, book fees, and lab fees with additional \$1,500 possible in Underserved Area	Ongoing
No Personal Property Tax	Local Property Tax	There is no personal property tax in Illinois	Ongoing

Source: [taxnet.com](#)

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Support for businesses

Illinois has hundreds of millions of dollars available for clean energy businesses

\$400M

available in Invest in Illinois economic development closing fund

\$100M+

available in grants for diesel emission reduction projects since 2017 (Driving a Cleaner Illinois)

Source: [Illinois Economic Development Authority](#)

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Infrastructure improvements

Illinois is building state-of-the-art infrastructure through Rebuild Illinois, a \$45B, 6-year plan

Since 2020:

\$11B

Invested in infrastructure

709

safety improvements

4,913

highway miles built or modernized

479

structures built or modernized

Source: [Illinois Department of Transportation](#)

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Megasite development

Illinois is supporting site development across the state

\$40M

available in DCEO megasite development grants in 2023

Up to \$25M

per applicant through Business Attraction Prime Sites Capital Grant Program

Source: [Illinois DCEO](#)

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Support for businesses

Innovate Illinois is our public-private coalition to win "more than our fair share" of federal funding

\$30M+

State's ask of Community Alternative Fuel Infrastructure (CFI) grants to fill in gaps in access to charging

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Working with academic institutions and industry to win Tech Hubs, Manufacturing Leadership centers, Domestic Manufacturing Conversion grants and more

Source: [Illinois DCEO](#)

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Shoring Up the Supply Chain

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Thriving automotive industry

Illinois has a world-class automotive supply chain

- 500+** players across automotive supply chain, including **50+** chassis suppliers and **35+** power electronics suppliers
- 100+** passenger and commercial vehicle assembly plants within 500 miles of Illinois

Illinois is taking steps to build an even stronger automotive industry

This coalition will conduct targeted outreach to automotive suppliers to help navigate the EV transition and match them with the best option among 10+ relevant state incentive programs

Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages, US Census Mapping, US Bureau of Economic Analysis, Mankiw's OEM Parts Map, Transportation Access, US Federal Aviation Administration, OGE, Farsi, Google Earth

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Supply chain connections

Illinois Manufacturing Supply Chain Center Launched

Find New Suppliers

Find potential suppliers in Illinois and across the country by filling out a short questionnaire that details your specific needs and requirements.

Become a Supplier

Take the first step towards expanding your business by accessing a catalog of potential customers across the country who are seeking a trustworthy supplier.

Economic Development Partners

Economic leaders, representatives, or organizations, collaborate with IMEC to strengthen your local and regional manufacturing supply chain.

Source: IMEC, IMA, IMEC, IMA, IMEC, IMA

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Workforce Investments

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Highly qualified workforce

Illinois has the most diverse talent base for automotive-related roles among neighboring states

Share of people who identify as Asian, Black or African American, and Hispanic or Latino among the top-20 automotive assembly-related roles in Illinois and neighboring states with recent EV assembly and EV battery projects

Source: Lightcast

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Workforce development

Illinois is training the next generation of EV workers

- 1st** in Midwest for workforce development
- \$30M+** invested so far in EV training academies at community colleges since 2021

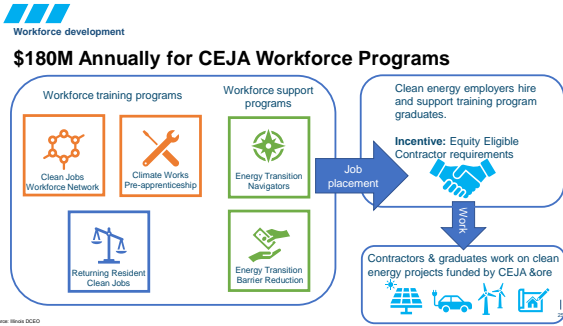
EVES Manufacturing Training Academy

EV Workforce Training Academy

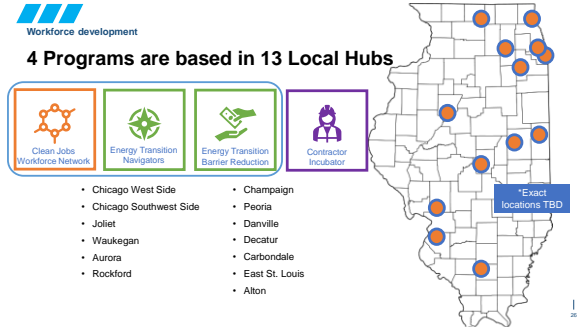
EV Workforce Training Academy

Source: Site Selection Magazine, Richland Community College, SWIC

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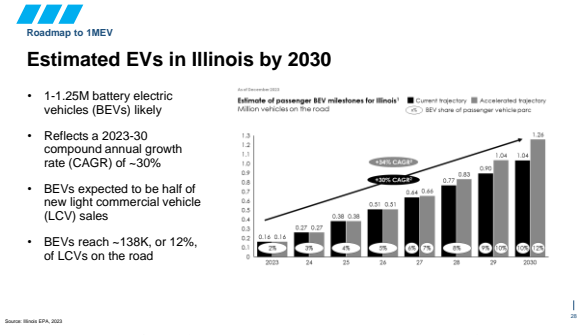
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Chargers to accommodate electrification growth will require an additional ~36K public and ~70K fleet hub charging ports.

Image Source: Shutterstock

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Roadmap to 1MEV

State Charging Infrastructure Grants

\$12.6M

Funded 348 new, public DCFC ports at 87 locations statewide

\$70M

Program coming: 80% funding for public and private organizations and companies to install and maintain publicly-available Level 2 & Level 3 charging stations

\$12.3M

From IDOT thanks to a federal grant to deploy 50 battery-electric paratransit vehicles with charging infrastructure

CPACE

State option for financing managed by Illinois Finance Authority which includes EV charging stations as eligible energy efficiency improvement

Source: Illinois Electric Vehicle Infrastructure Deployment Plan: [Chapter 2004.02](#); [Section 2004.02](#); [Section 2024](#); [Work Requirements 27](#); [Transportation](#)

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Focus on Fleet/Freight

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Roadmap to 1MEV

Working to reduce emissions using VW Settlement

\$27M for new school buses and charging infrastructure due 10/5	\$16M For all-electric Class 4-8 local freight trucks coming 2023-24
\$27M For all electric public transit buses and public commuter trains coming 2023-24	

Source: Illinois EPA, Image courtesy: Lisa Stott



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Thank you for your time

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