



2026 Climate Ready Energy Grant Study Session

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Overview



- **Introduction to Energy Fee and Sustainability Credits for the Building Permits.**
- **Review the results of the 2025 Energy Grants**
- **Staff recommendations for 2026 Energy Grant guidelines and other programs.**

CLIMATE READY ✓

Energy Grants



CLIMATE READY ✓ Construction

Permit

Fees and Credits



Building Construction Permit Fee and Credits



- **Add a “energy fee” to building permits related to new development and alterations for both residential and commercial buildings.**
 - **Approximately 2,700 permits in 2025**
 - **\$40/permit = \$108,000 in revenue**
- **Create a “Sustainability Credit” to cover permit fees for projects of interest.**
- **Benefits:**
 - **Allows for better tracking of projects of interest.**
 - **The fee creates a revenue stream to support the sustainability credits.**
 - **Provides an incentive for electrification.**

Sustainability Credits



Credit Category	Description	Value
Electric Heat Pump Credit	All-electric air or ground source heat pump systems which are replacing a gas system.	\$190
Hybrid Heat Pump Credit	A hybrid gas-electric (97% efficient) heating and cooling systems.	\$95
Insulation Credit	Added insulation in attics and walls (R10 exterior, R60 attic)	\$190
Renewable Energy Credit – Generation	Installation of solar panels (owned by property owner)	\$190
Renewable Energy Credit – Storage	Installation of battery backup systems for renewable energy systems	\$190
Electric Panel Credit	Upgrade of Electric Panel and associated electrical work	\$190
Water Heater Credit	Replacement of a gas water heater with electric	\$190

The allocated \$100,000 in FY26 will cover approximately 667 credits. The Energy Fee will generate enough revenue to fund credits in future years.

Credits will be offered on a first-come first serve basis and will be discontinued should the funding be exhausted.

CLIMATE READY ✓

Energy Grants

2026 Grant Guidelines



Outreach in 2025



- **Contract with One Earth Collective and COOP**
 - **Over 1,800 interactions**
 - **Online (newsletters/social/blog posts/email lists): 1,400+**
 - **In-person (Day In Our Village, Farmers Market, First Friday, Juneteenth, other): 400+**
- **Village Outreach**
 - **Four issues of OP/FYI including a full-page insert in Oct./Nov. issue.**
 - **21 social media posts with three boosted.**
 - **Six mentions in the Enews.**
 - **Events: Eco-Extravaganza, Electrification Expo, Barrie Fest, Tour de Proviso, Civics Fair.**
 - **Promo Video – “Old Man Winter”.**

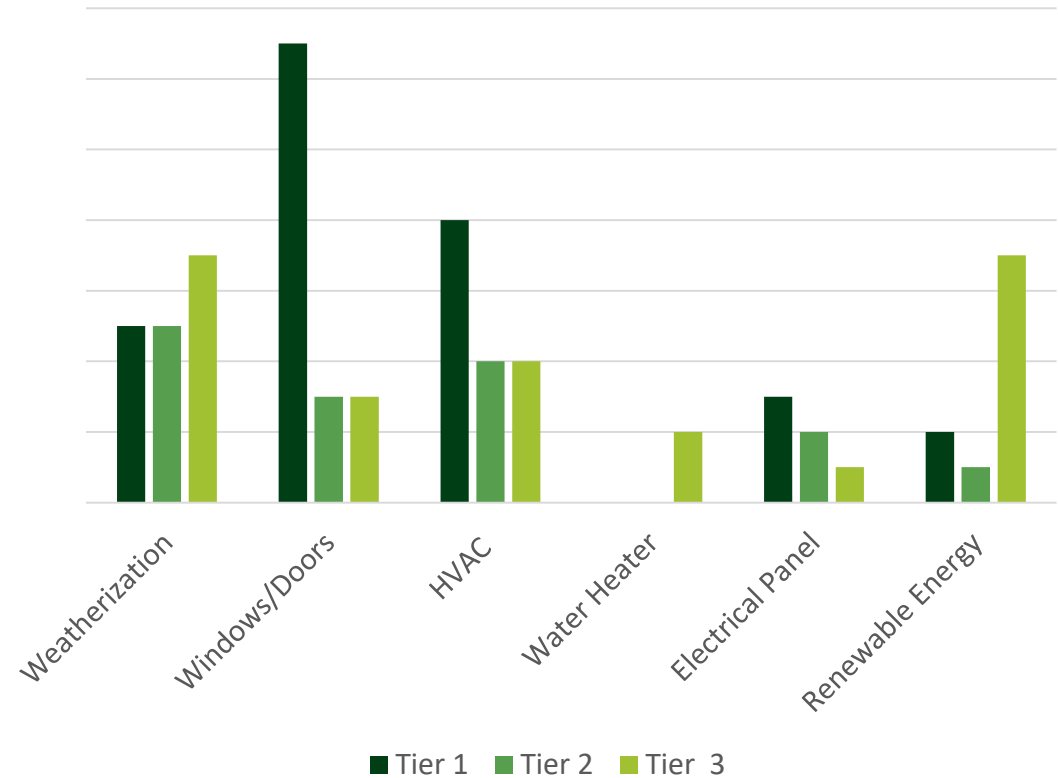


Photos showing screenshot of promo video

Results of 2025 Grant Program



Grants in 2025 by Project Type



Number of Submitted Applications		84
Tier 1		34
Tier 2		15
Tier 3		35

2025 Grant Guidelines



Tier	Qualification	Benefit (match)	Total Funding Allocation (# of grants)
Tier 1*	<80% AMI**	\$10,000 (no match)	\$300,000 (30)
Tier 2	80% - 120% AMI	\$5,000 (50% match)	\$300,000 (60)
Tier 3	>120% AMI	\$1,000 (50% match)	\$150,000 (150)

* Tier 1 applicants may also qualify for CDBG funding up to \$5,000 for a total grant amount not to exceed \$10,000.

** AMI is based on the Chicago-Naperville-Joliet, IL HUD Metro FMR Area.

Lessons Learned from 2025

- **Paying contractors directly was beneficial for all income levels.**
- **The application process could be a challenge.**
- **OPCAN shared that, even at higher income levels, initial capital outlay was a challenge.**
- **There is interest in supporting appliances (stoves, window heat pumps) not currently allowed.**
- **A study conducted by Argonne National Laboratory demonstrated the benefit of focusing efficiency programs on small to mid-sized multifamily homes.**

Recommended Changes to Guidelines



- **Changes to Eligible Costs:**
 - **Clarify eligible HVAC systems**
 - **Electric Heat Pump (if combined with a gas furnace, only the costs related to the electric unit)**
 - **Air Conditioner with higher SEER**
 - **Smart Thermostats**
 - **Clarify water heaters to include replacement of existing electric with a higher efficiency.**
 - **Add the installation of EV chargers and other EV related infrastructure**
- **Remove the matching requirement for all grants.**
- **Encourage (not require) energy assessments.**
- **Encourage (not require) three bids.**
- **Remove the requirement for 12 months of energy bills with application.**

Staff Recommendation for 2026



Program Element	Description	Total Funding Allocation (# of households)
Energy Grants	For households <80% AMI, up to \$20,000	\$300,000 (15)
	For households between 80% - 120% AMI \$5,000 grants	\$80,000 (16)
Energy Loans	Any household, \$10,000 no-interest 5-year loan.	\$200,000 (20)
Multi-Family Loans	Multifamily property with more than 4 units, 5-year, no-interest loans up to \$150,000 or \$10k per unit.	\$150,000 (15+)
Equipment Rebate	Rebates for equipment not covered under grant programs, including window heat pumps.	\$20,000*
Total		\$750,000**

* \$10,000 earmarked in Sustainability Budget under “Community Health and Environmental Quality” for stoves

** **\$350,000** are allocated to 5-year loans –can be reallocated to future grants/loans

Next Steps



- **At January 27 Board meeting:**
 - **Approve Grant and Loan guidelines**
 - **Approve Sustainability Credit guidelines**
- **Future dates:**
 - **Review program design for Multifamily Loans**
 - **Review program design for Energy Rebates**



Feedback?

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