



What is the Illinois Clean Energy Fund?

The Illinois Clean Energy Fund (“the Fund”) is a revolving equity fund that was formed by the State of Illinois with \$2.3 million from an allocation of federal funds approved for investing in clean energy businesses. This initial State investment will be matched by \$2.3 million in private investment. The purpose of the Fund is to help fill the gap in seed funding for energy innovation in the State, thereby fueling commercialization and helping small businesses expand and create jobs.

What is the current clean energy funding landscape in Illinois?

On average, over the past 13 years only \$1.8 million in annual investment has gone into Illinois energy start-ups as seed investment. This is considerably less than the Midwest average – \$5.5 million – and far behind the national average (source: PricewaterhouseCoopers). In order to support the commercialization of leading energy science at Argonne National Laboratory and the State’s world-class universities, earlier risk capital must be deployed to enable startups to cross the Valley of Death that swallows many promising early stage companies.

How will the Illinois Clean Energy Fund Solve this problem?

The Fund will award convertible notes initially ranging from \$100,000 to \$500,000 to high-potential Illinois domiciled companies that have commercially available products and services in the clean energy sectors of renewable energy, transmission and distribution (e.g., smart grid), transportation, energy efficiency, and water and resource management. As a revolving fund, proceeds and investment returns recognized by the Fund will be re-invested in future high-potential Illinois companies.

Has Illinois done this before?

An analog to this fund is the \$10.4 million Illinois Innovation Accelerator Fund (I2A) established in 2007 to make venture investments by two founding investors: Illinois Department of Commerce & Economic Opportunity (DCEO) and JB Pritzker. I2A made 14 investments over five years with the average investment totaling \$650K. The I2A Fund’s first successful exit was the solar energy company SoCore Energy which recently completed its sale to Edison Electric at a premium return for I2A, thereby validating the State’s leadership and foresight in the sector.

Who is involved with the Illinois Clean Energy Fund?

The fund will be managed by Clean Energy Trust (“CET”), a Chicago-based 501(c)3 organization that is accelerating the pace of clean energy innovation in the Midwest. CET will use its proven Clean Energy Challenge platform for sourcing and vetting promising companies. CET portfolio companies have raised over \$42 million in private and public funding to date, translating to 6X leverage on CET’s prior funding. Fund investment decisions will be made twice per year by a highly qualified panel of judges in a highly transparent process. Companies will receive ongoing support including business development, mentorship, fundraising assistance, marketing and demonstration project support. In addition to CET and DCEO’s involvement, Freshwater Advisors will advise fund investment and administration.