Sole Source Justification Form

Bulletin Reference Number: 26-532EPA-ASSOC-B-51996

Requesting Agency/University: Illinois Environmental Protection Agency (Illinois EPA)

Sole Source Justification Form - Part I

Section I - General Information

Department/Bureau/Section: Associate Director's Office/Office of Energy

Need Identified Date: Dec 4, 2025

Supply/Service Need By Date: Apr 1, 2026

Project Title: Illinois Clean Energy Innovation Fund

Vendor: Evergreen Climate Innovations

Provide a description of the supplies or services required: Evergreen Climate Innovations, formerly Clean Energy Trust (CET), to provide continued management of the Clean Energy Innovation Fund as required by the U.S. Department of Energy.

Value: Not to Exceed

Value of Initial Term, this Change Order or Amendment: 1,000,000

Will this Sole Source amend a Professional or Artistic Services contract? ☐ Yes ☒ No

*Sole Source may not be used for amendments for Professional or Artistic Services if the amendment would increase the value by more than 5% of the initial award or extend the term by more than 60 days.

Type: New Sole Economically Feasible Source

Section II - Proposed Term

☐ One-Time Purchase ☒ Term Contract

Estimated Contract Begin Date: Jul 1, 2026

Estimated Contract End Date: Jun 30, 2027

Number of Potential Renewals: 0

Length of Each Renewal in Months:

Total Value of All Renewals: 0

If a Term Contract, does the term, including renewals, exceed 12 months? ☐ Yes ☒ No

Section III - Funding Source

Select the type of funding to be used (Check all that apply): ☐ State Appropriate Funds ☒ Federal Funds ☐ Other (Explain):

Section IV - Sole Source Justification

This purchase is economically only available from a single source **primarily** because it is: (If "Other" explain in one sentence)

The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.

Are there secondary justification(s) for this sole source? ☐ Yes ☒ No

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Section V - Purchase History

Has the Agency or University Purchased these supplies or services in the past? ☒ Yes ☐ No

Term	Term From	Term To	Value	Description	Contract Number	Type
1	3/31/2025	3/30/2026	750,000	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	B-46986	Sole Source
2	03/31/2024	03/31/2025	750,000	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	P-83625	Sole Source
3	12/28/2023	12/30/2024	750,000	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	P-48546	Sole Source
4	12/28/2022	12/30/2023	750,000	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	P-33732	Sole Source
5	12/28/2021	12/30/2022	750,000	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	B-19018	Sole Source
6	12/28/2020	12/27/2021	0	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	B-11865	Sole Source
7	12/28/2019	12/27/2020	0	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.		Sole Source
8	12/28/2018	12/27/2019	0	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	B-4665	Sole Source
9	12/28/2017	12/27/2018	0	The Federal/State Cooperative Agreement between U.S. Department of Energy and Illinois EPA requires Contract with Vendor.	22041489	Sole Source
10						

If more than 10, or if other comments, explain:

Section VI - Business Rationale

Sole Source Justification Form

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1. Provide a detailed explanation of the need for the supplies or services:

Evergreen Climate Innovations, formerly Clean Energy Trust (CET), to provide management of the Fund as required by U.S. Department of Energy. Evergreen Climate Innovations (Evergreen) is an Illinois Not-For-Profit Corporation in good standing with the IL Secretary of State. Evergreen is a clean tech accelerator that fuels innovation to create a healthier environment and more prosperous future. Evergreen is the administrator of the Illinois Clean Energy Innovation Fund (Fund) which was funded through two U.S. Department of Energy State Energy Program (SEP) awards. Both SEP awards were granted to CET when the IL Department of Commerce and Economic Opportunity housed the SEP for the State of Illinois. The SEP was transferred to the Illinois Environmental Protection Agency (Agency) by Executive Order of the Governor (Executive Order 17-3) effective July 1, 2017. This contract governs the Fund. Some Department of Energy provisions are a necessary part of the contract because the Fund originated from Department of Energy grant funds.

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2. Provide a list and describe in detail the specifications required to satisfy the need:

SUPPLIES AND/OR SERVICES REQUIRED: Evergreen will use a restricted revolving funding model to identify and invest in early-stage clean energy businesses and will manage the Clean Energy Innovation Fund (Fund) to provide financial assistance to select, high-growth Illinois-based companies that will hire skilled employees, expand production, export technology, and perform other value-added activities benefiting the Illinois economy and environment.

Any company receiving investment must be an Illinois-based business in good standing with the IL Secretary of State and have passed through CET's application review and due diligence process. CET's review and due diligence process must focus on the following factors: adequate capitalization with potential for investment; active development of products or services that address market need; unit economics that show pathway to profitability; documented customer interest; and an established governance structure. This list of considerations is not inclusive. Targeted sectors will include renewable energy, energy efficiency, energy storage, water resource management, next-generation transportation, alternative fuels, bioproducts, precision agriculture, and smart grid technologies.

CET will conduct an application review process and perform in-depth business reviews and due diligence on applicants that are selected in an initial vetting process. Applicants must successfully pass through CET's due diligence evaluation process before advancing to present before the "Investment Committee" of subject matter experts and investors charged with critiquing select applicants. The Investment Committee will provide feedback to CET regarding the applicants and may make recommendations regarding recovery of investment, conversion to equity or the withdrawal of equity to be redeposited into the Fund, in appropriate circumstances. CET will subsequently inform the Agency of potential investments and select awardees for investment. CET, through its agents, employees and subcontractors, will provide all equipment, supplies, services and other items of support which are necessary for its effective performance, unless the contract specifically sets forth items of support to be provided by the Agency.

Revolving Investment Fund Program Requirements: CET may continue its operation of the Fund beyond the period of performance of the Recovery Act and SEP awards to an unspecified date. To ensure the continuation of the required reporting and DOE oversight of the federal requirements that apply to this federally funded revolving investment fund program in perpetuity or so long as CET continues to operate the program, CET is subject to the U.S. Department of Energy terms and conditions (U.S. DOE Terms) of the SEP formula award and the Recovery Act terms and conditions set forth in CET's original Recovery Act award. Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) terms and conditions and U.S. Dept. of Energy requirements, CET cannot commingle ARRA funds with SEP funds. CET must provide separate accounting and reporting for ARRA funds and SEP funds.

Investment proceeds resulting from capitalization/monetization events must be deposited into the Fund for future investment cycles. CET may use up to, but not exceed, 20% of investment proceeds to cover future fund management and administrative costs. CET may also use up to, but not exceed, 10% of investment proceeds to implement programming to support the businesses that have received investment from the Fund. CET will adhere to reporting requirements provided in the SEP Program Notice 10-008 series (currently 10-008E (May 20, 2016), but updated on a rolling basis), "Guidance for State Energy Program Grantees on Financing Programs." All federal funds used to establish and perpetuate the Clean Energy Innovation Fund—inclusive of interest earned and program income generated—are subject to the terms of this contract, will be re-invested in the Fund, must retain their federal character in perpetuity and must be used for the same SEP-eligible purposes as the original grant money.

CET must provide detailed program and financial reporting in accordance with U.S. Department of Energy guidance, including SEP Program Notice 10-008 series (currently 10-008E (May 20, 2016), but updated on a rolling basis). CET must collect quarterly data for all Fund recipients including, but not limited to, company location, county, investment amount, and targeted sector. CET must track all recipient progress through quarterly reviews and may provide recommendations to the Agency regarding decisions to convert funds into equity or request recovery of the investment. CET will notify the Agency of any upcoming investments that will automatically be converted to equity because of a qualified financing event. In the event that a qualified financing has not been completed by the maturity date of an investment, CET must decide whether the Fund recipient should repay the investment with interest, the investment should be converted to equity, or the maturity date of the investment should be extended.

CET must provide quarterly tracking reports including the following information to the Agency: a) the applicants being considered for an award from the Fund; b) fund recipients; and c) status of follow-on investments in Fund recipients by third-party investors. CET must compile two sets of quarterly data (one set for ARRA funds, another for SEP funds) for overall program metrics. CET must submit the information required in Section 1.2, except the annual update in Section 1.2.6, to the Agency on forms supplied by the Agency on a quarterly basis. The completed forms must be submitted electronically to epa.energy@illinois.gov each quarter.

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3. Provide detail explaining the justification selected in Section IV to explain why the requested supplies or services are the only ones available that can satisfy the agency or university requirements?

Evergreen Climate Innovations, formerly Clean Energy Trust (CET), was granted the Federal money used to create the Fund along with the requirements that flow with that money outside of the Illinois Environmental Protection Agency's control. Evergreen is the only organization that can provide continued management of the created Fund.
Evergreen Climate Innovations, formerly Clean Energy Trust (CET), was granted the Federal money used to create the Fund along with the requirements that flow with that money outside of the Illinois Environmental Protection Agency's control. Evergreen is the only organization that can provide continued management of the created Fund.

4. What are the unique features of the supplies or services that are not available in any other product or by any other vendor? Provide specific quantifiable factors/qualifications:

The preexistence of the Fund at Evergreen Climate Innovations: $2,341,697 of ARRA funds was conveyed to Evergreen for this purpose in 2014. SEP funds were conveyed to CET in three separate transactions ($600,000, $400,000, and $112,427) between August 2016 and June 2017 totaling $1,112,427. In SFY21, an additional $750,000 was transferred into the Fund from the State Energy Program. Total ARRA and SEP funds invested is $4,204,124.

5. Has the Agency or University considered alternative supplies or services to satisfy their need? ☐ Yes ☒ No

5a. If no, why weren't alternatives evaluated?

Alternative services cannot be considered because Evergreen holds the funds that satisfy the U.S. Dept. of Energy grant.

6. Are there resellers or distributors?

☐ Yes ☐ No ☒ N/A

7. What efforts were made to get the best possible price (i.e. did the agency/university negotiate) and how did you determine the price for this purchase is considered fair and reasonable?

Evergreen will receive no more than $1,000,000.00 with this contract, as that is the amount that has been approved by U.S. Department of Energy for the FY26 State Energy Program Grant. Investment proceeds resulting from capitalization/monetization events must be deposited into the Fund for future investment cycles. Evergreen may use up to, but not exceed, 20 percent of investment proceeds to cover future fund management and administrative costs. An additional 10 percent of investment proceeds may be utilized by Evergreen for capacity-building efforts in order to support the Illinois businesses which have received investment through the fund. These capacity-building efforts may include but are not limited to: programming to support fundraising efforts for these companies; flexible funding to provide case-by-case project support related to marketing, government relations, or business strategy consulting; or resources to assist with recruiting and hiring new employees for these companies.

8. Will this purchase obligate the State to this vendor for future purchases such as maintenance, licensing or continuing need?

☐ Yes ☒ No

9. What will be the financial or other impact to the State if this sole source is not approved and a competitive bid is required?

The structure of the Fund, the U.S. Dept. of Energy award process, and investment-dependent nature of administrative expenses make competitive bidding akin to termination of the Fund in this case. If Evergreen lost control over the Evergreen created fund, the State would have to first recapture the principal, interest, and return on all investments made by them, thus removing the money from active investments, before giving the money to a third party. Neither of these consequences were contemplated by U.S. Dept. of Energy when it granted Illinois the funds.

10. Is there any additional information you would like to add to justify this sole source?

The federal funds sent to Evergreen could range from $0 up to $1,000,000 depending on the completion of other federal programs and any funds remaining afterward.

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Section VII

Requesting Department Signature Required

I know and understand the contents of this Sole Source Justification and attest that all statements are true and correct and the fairness and reasonableness of the price was adequately confirmed.

Requesting Department Representative: Amy Roderick — Digitally signed by Amy Roderick Date: 2025.12.03 11:44:07 -06'00' | Phone Number: 217-785-2892 | Date: 12/3/2025

Printed Name: Amy Roderick | E-mail Address: Amy.Roderick@illinois.gov

State Agency Bureau/Division Head or University Purchasing Director Approval and Signature Required

I know and understand the contents of this Sole Source Justification and attest that all statements are true and correct and the fairness and reasonableness of the price was adequately confirmed. (All prior form fields will lock once this e-signature is completed)

Agency Bureau/Division Head or University Purchasing Director and Not a Designee: Andrew Shackelford — Digitally signed by Andrew Shackelford Date: 2026.04.28 10:36:27 -05'00' | Phone Number: 2177821249 | Date: Apr 28, 2026

Printed Name: Andrew Shackelford | E-mail Address: andrew.g.shackelford@illinois.gov

SPO Approval and Signature Required

☒ I have reviewed and understand the contents of this Sole Source Justification and agree with the State Agency or University determination.

☐ I have reviewed and understand the contents of this Sole Source Justification and do not agree with the State Agency or University determination. As a result, the State Agency or University must explore other sourcing methods to satisfy their need.

State Purchasing Officer Signature: Robert Brice — Digitally signed by Robert Brice Date: 2026.04.28 11:47:18 -05'00' | Phone Number: 217-441-1798 | Date: Apr 28, 2026

Printed Name: Robert Brice | E-mail Address: robert.brice@illinois.gov

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Requesting Agency/University	Illinois Environmental Protection Agency (Illinois EPA)

Sole Source Justification Form - Part II

Section I - General Information

Project Title	
Vendor	
Initial Date of Procurement Bulletin Posting	

Was a Sole Source hearing held per 30 ILCS 500/20-25?

- ☐ Yes - Complete Section II and III below (Section II will only be visible when this option is selected)
- ☐ No - Section II not required, go to Section III below

Section III - CPO Approval and Signature Required

- ☐ Based on my review, I authorize the Agency/University to proceed in accordance with the published Notice referenced above.
- ☐ Based upon my review, I authorize the Agency/University to proceed with the following Changes.
- ☐ Based on my review, the Agency/University is not authorized to proceed with this sole source as presented and my recommendation is that it be cancelled.
- ☐ Other

CPO Signature		CPO Phone	
Printed Name		Date	
CPO E-mail			