



LRB104 13801 AAS 26574 a

AMENDMENT TO HOUSE BILL XXXX

AMENDMENT NO. _____. Amend House Bill XXXX by replacing everything after the enacting clause with the following:

"Section 5. The Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is amended by changing Section 605-1075 as follows:

(20 ILCS 605/605-1075)

Sec. 605-1075. Energy Transition Assistance Fund.

(a) The General Assembly hereby declares that management of several economic development programs requires a consolidated funding source to improve resource efficiency. The General Assembly specifically recognizes that properly serving communities and workers impacted by the energy transition requires that the Department of Commerce and Economic Opportunity have access to the resources required for the execution of the programs for workforce and contractor

1 development, just transition investments and community
2 support, and the implementation and administration of energy
3 and justice efforts by the State.

4 (b) The Department shall be responsible for the
5 administration of the Energy Transition Assistance Fund and
6 shall allocate funding on the basis of priorities established
7 in this Section. Each year, the Department shall determine the
8 available amount of resources in the Fund that can be
9 allocated to the programs identified in this Section, and
10 allocate the funding accordingly. The Department shall, to the
11 extent practical, consider both the short-term and long-term
12 costs of the programs and allocate funding so that the
13 Department is able to cover both the short-term and long-term
14 costs of these programs using projected revenue.

15 The available funding for each year shall be allocated
16 from the Fund in the following order of priority:

17 (1) for costs related to the Clean Jobs Workforce
18 Network Program, up to \$21,000,000 annually prior to June
19 1, 2023; ~~and~~ \$24,333,333 annually from June 1, 2023 to May
20 30, 2026; and \$26,020,736 annually thereafter;

21 (2) for costs related to the Clean Energy Contractor
22 Incubator Program, up to \$21,000,000 annually prior to
23 June 1, 2026 and up to \$22,687,403 thereafter;

24 (3) for costs related to the Clean Energy Primes
25 Contractor Accelerator Program, up to \$9,000,000 annually;

26 (4) for costs related to the Barrier Reduction

1 Program, up to \$21,000,000 annually prior to June 1, 2026
2 and up to \$22,143,079 annually thereafter;

3 (5) for costs related to the Jobs and Environmental
4 Justice Grant Program, up to \$34,000,000 annually;

5 (6) for costs related to the Returning Residents Clean
6 Jobs Training Program, up to \$6,000,000 annually;

7 (7) for costs related to Energy Transition Navigators,
8 up to \$6,000,000 annually;

9 (8) for costs related to the Illinois Climate Works
10 Preapprenticeship Program, up to \$10,000,000 annually;

11 (9) for costs related to Energy Transition Community
12 Support Grants, up to \$40,000,000 annually;

13 (10) for costs related to the Displaced Energy Worker
14 Dependent Scholarship, upon request by the Illinois
15 Student Assistance Commission, up to \$1,100,000 annually;

16 (11) up to \$10,000,000 annually shall be transferred
17 to the Public Utilities Fund for use by the Illinois
18 Commerce Commission for costs of administering the changes
19 made to the Public Utilities Act by this amendatory Act of
20 the 102nd General Assembly;

21 (12) up to \$4,000,000 annually shall be transferred to
22 the Illinois Power Agency Operations Fund for use by the
23 Illinois Power Agency; and

24 (13) for costs related to the Clean Energy Jobs and
25 Justice Fund, up to \$1,000,000 annually.

26 The Department is authorized to utilize up to 10% of the

1 Energy Transition Assistance Fund for administrative and
2 operational expenses to implement the requirements of this
3 Act.

4 (c) Within 30 days after the effective date of this
5 amendatory Act of the 102nd General Assembly, each electric
6 utility serving more than 500,000 customers in the State shall
7 report to the Department its total kilowatt-hours of energy
8 delivered during the 12 months ending on the immediately
9 preceding May 31. By October 31, 2021 and each October 31
10 thereafter, each electric utility serving more than 500,000
11 customers in the State shall report to the Department its
12 total kilowatt-hours of energy delivered during the 12 months
13 ending on the immediately preceding May 31.

14 (d) The Department shall, within 60 days after the
15 effective date of this amendatory Act of the 102nd General
16 Assembly:

17 (1) determine the amount necessary, but not more than
18 \$180,000,000, to meet the funding needs of the programs
19 reliant upon the Energy Transition Assistance Fund as a
20 revenue source for the period between the effective date
21 of this amendatory Act of the 102nd General Assembly and
22 December 31, 2021;

23 (2) determine, based on the kilowatt-hour deliveries
24 for the 12 months ending May 31, 2021 reported by the
25 electric utilities under subsection (c), the total energy
26 transition assistance charge to be allocated to each

1 electric utility for the period between the effective date
2 of this amendatory Act of the 102nd General Assembly and
3 December 31, 2021; and

4 (3) report the total energy transition assistance
5 charge applicable until December 31, 2021 to each electric
6 utility serving more than 500,000 customers in the State
7 and the Illinois Commerce Commission for purposes of
8 filing the tariff pursuant to Section 16-108.30 of the
9 Public Utilities Act.

10 (e) The Department shall by November 30, 2021, and each
11 November 30 thereafter:

12 (1) determine the amount necessary, but not more than
13 \$180,000,000, to meet the funding needs of the programs
14 reliant upon the Energy Transition Assistance Fund as a
15 revenue source for the immediately following calendar
16 year;

17 (2) determine, based on the kilowatt-hour deliveries
18 for the 12 months ending on the immediately preceding May
19 31 reported to it by the electric utilities under
20 subsection (c), the total energy transition assistance
21 charge to be allocated to each electric utility for the
22 immediately following calendar year; and

23 (3) report the energy transition assistance charge
24 applicable for the immediately following calendar year to
25 each electric utility serving more than 500,000 customers
26 in the State and the Illinois Commerce Commission for

1 purposes of filing the tariff pursuant to Section
2 16-108.30 of the Public Utilities Act.

3 (f) The energy transition assistance charge may not exceed
4 \$180,000,000 annually. If, at the end of the calendar year,
5 any surplus remains in the Energy Transition Assistance Fund,
6 the Department may allocate the surplus from the fund in the
7 following order of priority:

8 (1) for costs related to the development of the
9 Stretch Energy Codes and other standards at the Capital
10 Development Board, up to \$500,000 annually, at the request
11 of the Board;

12 (2) up to \$7,000,000 annually shall be transferred to
13 the Energy Efficiency Trust Fund and Clean Air Act Permit
14 Fund for use by the Environmental Protection Agency for
15 costs related to energy efficiency and weatherization, and
16 costs of implementation, administration, and enforcement
17 of the Clean Air Act; and

18 (3) for costs related to State fleet electrification
19 at the Department of Central Management Services, up to
20 \$10,000,000 annually, at the request of the Department.

21 (Source: P.A. 102-662, eff. 9-15-21.)

22 "Section 6. The Illinois Finance Authority Act is amended
23 by adding Section 850-20 as follows:

24 (20 ILCS 3501/850-20 new)

1 Sec. 850-20. Thermal Energy Network Revolving Loan
2 Program.

3 (a) As used in this Section:

4 "Program" means the Thermal Energy Network Revolving Loan
5 Program established under this Section.

6 "Thermal energy network" has the meaning given to that
7 term in subsection (a) of Section 8-513 of the Public
8 Utilities Act. "Thermal energy network" includes, but is not
9 limited to, a community geothermal system.

10 (b) In its role as the Climate Bank for the State, the
11 Authority may, subject to available funding, establish and
12 administer a Thermal Energy Network Revolving Loan Program.
13 The Program shall provide access to capital for thermal energy
14 network projects that take into consideration the risks
15 involved in the development of shared heating and cooling
16 systems and the required coordination among multiple
17 customers, as well as the benefits of enabling low-cost
18 decarbonization of residential, commercial, and industrial
19 buildings and processes.

20 (c) The Authority may establish internal accounts
21 necessary to administer the Program, identify sources of
22 public and private funding and financial capital, and develop
23 any requirements or agreements necessary to successfully
24 execute the Program.

25 (d) The Authority shall coordinate and enter into any
26 necessary agreements with the Illinois Commerce Commission to

1 (i) develop and offer funding and financing to thermal energy
2 network pilot projects approved by the Commission under
3 subsection (c) of Section 8-513 of the Public Utilities Act,
4 (ii) receive funds as necessary and as approved by the
5 Commission under subsection (d) of Section 8-513 of the Public
6 Utilities Act, and (iii) establish any requirements necessary
7 to ensure compliance with the objectives of any federal
8 funding sources secured to support the Program.

9 (e) All repayments of loans made under the Program shall
10 be used or leveraged to provide additional capital to thermal
11 energy network pilot projects that support the clean energy
12 goals of the State, in coordination with any rules established
13 by the Illinois Commerce Commission under subsection (i) of
14 Section 8-513 of the Public Utilities Act.

15 (f) The Authority shall adopt any resolutions, plans, or
16 rules necessary to administer the Program under this Section.

17 Section 10. The Illinois Power Agency Act is amended by
18 changing Sections 1-10, 1-20, 1-56, 1-75, and 1-125 as
19 follows:

20 (20 ILCS 3855/1-10)

21 Sec. 1-10. Definitions.

22 "Agency" means the Illinois Power Agency.

23 "Agency loan agreement" means any agreement pursuant to
24 which the Illinois Finance Authority agrees to loan the

1 proceeds of revenue bonds issued with respect to a project to
2 the Agency upon terms providing for loan repayment
3 installments at least sufficient to pay when due all principal
4 of, interest and premium, if any, on those revenue bonds, and
5 providing for maintenance, insurance, and other matters in
6 respect of the project.

7 "Authority" means the Illinois Finance Authority.

8 "Brownfield site photovoltaic project" means photovoltaics
9 that are either:

10 (1) interconnected to an electric utility as defined
11 in this Section, a municipal utility as defined in this
12 Section, a public utility as defined in Section 3-105 of
13 the Public Utilities Act, or an electric cooperative as
14 defined in Section 3-119 of the Public Utilities Act and
15 located at a site that is regulated by any of the following
16 entities under the following programs:

17 (A) the United States Environmental Protection
18 Agency under the federal Comprehensive Environmental
19 Response, Compensation, and Liability Act of 1980, as
20 amended;

21 (B) the United States Environmental Protection
22 Agency under the Corrective Action Program of the
23 federal Resource Conservation and Recovery Act, as
24 amended;

25 (C) the Illinois Environmental Protection Agency
26 under the Illinois Site Remediation Program; or

1 (D) the Illinois Environmental Protection Agency
2 under the Illinois Solid Waste Program; or

3 (2) located at the site of a coal mine that has
4 permanently ceased coal production, permanently halted any
5 re-mining operations, and is no longer accepting any coal
6 combustion residues; has both completed all clean-up and
7 remediation obligations under the federal Surface Mining
8 and Reclamation Act of 1977 and all applicable Illinois
9 rules and any other clean-up, remediation, or ongoing
10 monitoring to safeguard the health and well-being of the
11 people of the State of Illinois, as well as demonstrated
12 compliance with all applicable federal and State
13 environmental rules and regulations, including, but not
14 limited, to 35 Ill. Adm. Code Part 845 and any rules for
15 historic fill of coal combustion residuals, including any
16 rules finalized in Subdocket A of Illinois Pollution
17 Control Board docket R2020-019.

18 "Clean coal facility" means an electric generating
19 facility that uses primarily coal as a feedstock and that
20 captures and sequesters carbon dioxide emissions at the
21 following levels: at least 50% of the total carbon dioxide
22 emissions that the facility would otherwise emit if, at the
23 time construction commences, the facility is scheduled to
24 commence operation before 2016, at least 70% of the total
25 carbon dioxide emissions that the facility would otherwise
26 emit if, at the time construction commences, the facility is

1 scheduled to commence operation during 2016 or 2017, and at
2 least 90% of the total carbon dioxide emissions that the
3 facility would otherwise emit if, at the time construction
4 commences, the facility is scheduled to commence operation
5 after 2017. The power block of the clean coal facility shall
6 not exceed allowable emission rates for sulfur dioxide,
7 nitrogen oxides, carbon monoxide, particulates and mercury for
8 a natural gas-fired combined-cycle facility the same size as
9 and in the same location as the clean coal facility at the time
10 the clean coal facility obtains an approved air permit. All
11 coal used by a clean coal facility shall have high volatile
12 bituminous rank and greater than 1.7 pounds of sulfur per
13 million Btu content, unless the clean coal facility does not
14 use gasification technology and was operating as a
15 conventional coal-fired electric generating facility on June
16 1, 2009 (the effective date of Public Act 95-1027).

17 "Clean coal SNG brownfield facility" means a facility that
18 (1) has commenced construction by July 1, 2015 on an urban
19 brownfield site in a municipality with at least 1,000,000
20 residents; (2) uses a gasification process to produce
21 substitute natural gas; (3) uses coal as at least 50% of the
22 total feedstock over the term of any sourcing agreement with a
23 utility and the remainder of the feedstock may be either
24 petroleum coke or coal, with all such coal having a high
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million Btu content unless the facility reasonably determines

1 that it is necessary to use additional petroleum coke to
2 deliver additional consumer savings, in which case the
3 facility shall use coal for at least 35% of the total feedstock
4 over the term of any sourcing agreement; and (4) captures and
5 sequesters at least 85% of the total carbon dioxide emissions
6 that the facility would otherwise emit.

7 "Clean coal SNG facility" means a facility that uses a
8 gasification process to produce substitute natural gas, that
9 sequesters at least 90% of the total carbon dioxide emissions
10 that the facility would otherwise emit, that uses at least 90%
11 coal as a feedstock, with all such coal having a high
12 bituminous rank and greater than 1.7 pounds of sulfur per
13 million Btu content, and that has a valid and effective permit
14 to construct emission sources and air pollution control
15 equipment and approval with respect to the federal regulations
16 for Prevention of Significant Deterioration of Air Quality
17 (PSD) for the plant pursuant to the federal Clean Air Act;
18 provided, however, a clean coal SNG brownfield facility shall
19 not be a clean coal SNG facility.

20 "Clean energy" means energy generation that is 90% or
21 greater free of carbon dioxide emissions.

22 "Commission" means the Illinois Commerce Commission.

23 "Community renewable generation project" means an electric
24 generating facility that:

25 (1) is powered by wind, solar thermal energy,
26 photovoltaic cells or panels, biodiesel, crops and

1 untreated and unadulterated organic waste biomass, and
2 hydropower that does not involve new construction of dams;

3 (2) is interconnected at the distribution system level
4 of an electric utility as defined in this Section, a
5 municipal utility as defined in this Section that owns or
6 operates electric distribution facilities, a public
7 utility as defined in Section 3-105 of the Public
8 Utilities Act, or an electric cooperative, as defined in
9 Section 3-119 of the Public Utilities Act;

10 (3) credits the value of electricity generated by the
11 facility to the subscribers of the facility; and

12 (4) is limited in nameplate capacity to less than or
13 equal to 5,000 kilowatts, as measured through the
14 aggregate size of installed capacity on the same or
15 adjacent parcels.

16 "Costs incurred in connection with the development and
17 construction of a facility" means:

18 (1) the cost of acquisition of all real property,
19 fixtures, and improvements in connection therewith and
20 equipment, personal property, and other property, rights,
21 and easements acquired that are deemed necessary for the
22 operation and maintenance of the facility;

23 (2) financing costs with respect to bonds, notes, and
24 other evidences of indebtedness of the Agency;

25 (3) all origination, commitment, utilization,
26 facility, placement, underwriting, syndication, credit

enhancement, and rating agency fees;

(4) engineering, design, procurement, consulting, legal, accounting, title insurance, survey, appraisal, escrow, trustee, collateral agency, interest rate hedging, interest rate swap, capitalized interest, contingency, as required by lenders, and other financing costs, and other expenses for professional services; and

(5) the costs of plans, specifications, site study and investigation, installation, surveys, other Agency costs and estimates of costs, and other expenses necessary or incidental to determining the feasibility of any project, together with such other expenses as may be necessary or incidental to the financing, insuring, acquisition, and construction of a specific project and starting up, commissioning, and placing that project in operation.

"Delivery services" has the same definition as found in Section 16-102 of the Public Utilities Act.

"Delivery year" means the consecutive 12-month period beginning June 1 of a given year and ending May 31 of the following year.

"Department" means the Department of Commerce and Economic Opportunity.

"Director" means the Director of the Illinois Power Agency.

"Demand response" ~~"Demand response"~~ means measures that decrease peak electricity demand or shift demand from peak to

1 off-peak periods.

2 "Distributed renewable energy generation device" means a
3 device that is:

4 (1) powered by wind, solar thermal energy,
5 photovoltaic cells or panels, biodiesel, crops and
6 untreated and unadulterated organic waste biomass, tree
7 waste, and hydropower that does not involve new
8 construction of dams, waste heat to power systems, or
9 qualified combined heat and power systems;

10 (2) interconnected at the distribution system level of
11 either an electric utility as defined in this Section, a
12 municipal utility as defined in this Section that owns or
13 operates electric distribution facilities, or a rural
14 electric cooperative as defined in Section 3-119 of the
15 Public Utilities Act;

16 (3) located on the customer side of the customer's
17 electric meter and is primarily used to offset that
18 customer's electricity load; ~~and~~

19 (4) (blank); and

20 (5) for purposes of application to the programs
21 described in paragraph (2) of subsection (b) of Section
22 1-56 and subparagraphs (K) through (M) of paragraph (1) of
23 subsection (c) of Section 1-75 of this Act, is limited in
24 nameplate capacity to less than or equal to 5,000
25 kilowatts, as measured through the aggregate size of
26 installed capacity on the same or adjacent parcels.

1 "Energy efficiency" means measures that reduce the amount
2 of electricity or natural gas consumed in order to achieve a
3 given end use. "Energy efficiency" includes voltage
4 optimization measures that optimize the voltage at points on
5 the electric distribution voltage system and thereby reduce
6 electricity consumption by electric customers' end use
7 devices. "Energy efficiency" also includes measures that
8 reduce the total Btus of electricity, natural gas, and other
9 fuels needed to meet the end use or uses.

10 "Energy storage system" has the meaning given to that term
11 in Section 16-135 of the Public Utilities Act. "Energy storage
12 system" does not include technologies that require combustion.

13 "Energy storage resources" means the operational output or
14 capabilities of energy storage systems. "Energy storage
15 resources" includes, but is not limited to, energy, capacity,
16 and energy storage credits.

17 "Electric utility" has the same definition as found in
18 Section 16-102 of the Public Utilities Act.

19 "Equity investment eligible community" or "eligible
20 community" are synonymous and mean the geographic areas
21 throughout Illinois which would most benefit from equitable
22 investments by the State designed to combat discrimination.
23 Specifically, the eligible communities shall be defined as the
24 following areas:

- 25 (1) R3 Areas as established pursuant to Section 10-40
26 of the Cannabis Regulation and Tax Act, where residents

1 have historically been excluded from economic
2 opportunities, including opportunities in the energy
3 sector; and

4 (2) environmental justice communities, as defined by
5 the Illinois Power Agency pursuant to the Illinois Power
6 Agency Act, where residents have historically been subject
7 to disproportionate burdens of pollution, including
8 pollution from the energy sector.

9 "Equity eligible persons" or "eligible persons" means
10 persons who would most benefit from equitable investments by
11 the State designed to combat discrimination, specifically:

12 (1) persons who graduate from or are current or former
13 participants in the Clean Jobs Workforce Network Program,
14 the Clean Energy Contractor Incubator Program, the
15 Illinois Climate Works Preapprenticeship Program,
16 Returning Residents Clean Jobs Training Program, or the
17 Clean Energy Primes Contractor Accelerator Program, and
18 the solar training pipeline and multi-cultural jobs
19 program created in paragraphs (1) and (3) of subsection
20 (a) ~~(a)(1) and (a)(3)~~ of Section 16-108.12 ~~16-208.12~~ of
21 the Public Utilities Act;

22 (2) persons who are graduates of or currently enrolled
23 in the foster care system;

24 (3) persons who were formerly incarcerated;

25 (4) persons whose primary residence is in an equity
26 investment eligible community.

1 "Equity eligible contractor" means a business that is
2 majority-owned by eligible persons, or a nonprofit or
3 cooperative that is majority-governed by eligible persons, or
4 is a natural person that is an eligible person offering
5 personal services as an independent contractor.

6 "Facility" means an electric generating unit or a
7 co-generating unit that produces electricity along with
8 related equipment necessary to connect the facility to an
9 electric transmission or distribution system.

10 "General contractor" means the entity or organization with
11 main responsibility for the building of a construction project
12 and who is the party signing the prime construction contract
13 for the project.

14 "Governmental aggregator" means one or more units of local
15 government that individually or collectively procure
16 electricity to serve residential retail electrical loads
17 located within its or their jurisdiction.

18 "High voltage direct current converter station" means the
19 collection of equipment that converts direct current energy
20 from a high voltage direct current transmission line into
21 alternating current using Voltage Source Conversion technology
22 and that is interconnected with transmission or distribution
23 assets located in Illinois.

24 "High voltage direct current renewable energy credit"
25 means a renewable energy credit associated with a renewable
26 energy resource where the renewable energy resource has

1 entered into a contract to transmit the energy associated with
2 such renewable energy credit over high voltage direct current
3 transmission facilities.

4 "High voltage direct current transmission facilities"
5 means the collection of installed equipment that converts
6 alternating current energy in one location to direct current
7 and transmits that direct current energy to a high voltage
8 direct current converter station using Voltage Source
9 Conversion technology. "High voltage direct current
10 transmission facilities" includes the high voltage direct
11 current converter station itself and associated high voltage
12 direct current transmission lines. Notwithstanding the
13 preceding, after September 15, 2021 (the effective date of
14 Public Act 102-662), an otherwise qualifying collection of
15 equipment does not qualify as high voltage direct current
16 transmission facilities unless its developer entered into a
17 project labor agreement, is capable of transmitting
18 electricity at 525kv with an Illinois converter station
19 located and interconnected in the region of the PJM
20 Interconnection, LLC, and the system does not operate as a
21 public utility, as that term is defined in Section 3-105 of the
22 Public Utilities Act.

23 "Hydropower" means any method of electricity generation or
24 storage that results from the flow of water, including
25 impoundment facilities, diversion facilities, and pumped
26 storage facilities.

1 "Index price" means the real-time energy settlement price
2 at the applicable Illinois trading hub, such as PJM-NIHUB or
3 MISO-IL, for a given settlement period.

4 "Indexed renewable energy credit" means a tradable credit
5 that represents the environmental attributes of one megawatt
6 hour of energy produced from a renewable energy resource, the
7 price of which shall be calculated by subtracting the strike
8 price offered by a new utility-scale wind project or a new
9 utility-scale photovoltaic project from the index price in a
10 given settlement period.

11 "Indexed renewable energy credit counterparty" has the
12 same meaning as "public utility" as defined in Section 3-105
13 of the Public Utilities Act.

14 "Local government" means a unit of local government as
15 defined in Section 1 of Article VII of the Illinois
16 Constitution.

17 "Modernized" or "retooled" means the construction, repair,
18 maintenance, or significant expansion of turbines and existing
19 hydropower dams.

20 "Municipality" means a city, village, or incorporated
21 town.

22 "Municipal utility" means a public utility owned and
23 operated by any subdivision or municipal corporation of this
24 State.

25 "Nameplate capacity" means the aggregate inverter
26 nameplate capacity in kilowatts AC.

1 "Person" means any natural person, firm, partnership,
2 corporation, either domestic or foreign, company, association,
3 limited liability company, joint stock company, or association
4 and includes any trustee, receiver, assignee, or personal
5 representative thereof.

6 "Project" means the planning, bidding, and construction of
7 a facility.

8 "Project labor agreement" means a pre-hire collective
9 bargaining agreement that covers all terms and conditions of
10 employment on a specific construction project and must include
11 the following:

12 (1) provisions establishing the minimum hourly wage
13 for each class of labor organization employee;

14 (2) provisions establishing the benefits and other
15 compensation for each class of labor organization
16 employee;

17 (3) provisions establishing that no strike or disputes
18 will be engaged in by the labor organization employees;

19 (4) provisions establishing that no lockout or
20 disputes will be engaged in by the general contractor
21 building the project; and

22 (5) provisions for minorities and women, as defined
23 under the Business Enterprise for Minorities, Women, and
24 Persons with Disabilities Act, setting forth goals for
25 apprenticeship hours to be performed by minorities and
26 women and setting forth goals for total hours to be

1 performed by underrepresented minorities and women.

2 A labor organization and the general contractor building
3 the project shall have the authority to include other terms
4 and conditions as they deem necessary.

5 "Public utility" has the same definition as found in
6 Section 3-105 of the Public Utilities Act.

7 "Qualified combined heat and power systems" means systems
8 that, either simultaneously or sequentially, produce
9 electricity and useful thermal energy from a single fuel
10 source. Such systems are eligible for "renewable energy
11 credits" in an amount equal to its total energy output where a
12 renewable fuel is consumed or in an amount equal to the net
13 reduction in nonrenewable fuel consumed on a total energy
14 output basis.

15 "Real property" means any interest in land together with
16 all structures, fixtures, and improvements thereon, including
17 lands under water and riparian rights, any easements,
18 covenants, licenses, leases, rights-of-way, uses, and other
19 interests, together with any liens, judgments, mortgages, or
20 other claims or security interests related to real property.

21 "Renewable energy credit" means a tradable credit that
22 represents the environmental attributes of one megawatt hour
23 of energy produced from a renewable energy resource.

24 "Renewable energy resources" includes energy and its
25 associated renewable energy credit or renewable energy credits
26 from wind, solar thermal energy, photovoltaic cells and

1 panels, biodiesel, anaerobic digestion, crops and untreated
2 and unadulterated organic waste biomass, and hydropower that
3 does not involve new construction of dams, waste heat to power
4 systems, or qualified combined heat and power systems. For
5 purposes of this Act, landfill gas produced in the State is
6 considered a renewable energy resource. "Renewable energy
7 resources" does not include the incineration or burning of
8 tires, garbage, general household, institutional, and
9 commercial waste, industrial lunchroom or office waste,
10 landscape waste, railroad crossties, utility poles, or
11 construction or demolition debris, other than untreated and
12 unadulterated waste wood. "Renewable energy resources" also
13 includes high voltage direct current renewable energy credits
14 and the associated energy converted to alternating current by
15 a high voltage direct current converter station to the extent
16 that: (1) the generator of such renewable energy resource
17 contracted with a third party to transmit the energy over the
18 high voltage direct current transmission facilities, and (2)
19 the third-party contracting for delivery of renewable energy
20 resources over the high voltage direct current transmission
21 facilities have ownership rights over the unretired associated
22 high voltage direct current renewable energy credit.

23 "Retail customer" has the same definition as found in
24 Section 16-102 of the Public Utilities Act.

25 "Revenue bond" means any bond, note, or other evidence of
26 indebtedness issued by the Authority, the principal and

1 interest of which is payable solely from revenues or income
2 derived from any project or activity of the Agency.

3 "Sequester" means permanent storage of carbon dioxide by
4 injecting it into a saline aquifer, a depleted gas reservoir,
5 or an oil reservoir, directly or through an enhanced oil
6 recovery process that may involve intermediate storage,
7 regardless of whether these activities are conducted by a
8 clean coal facility, a clean coal SNG facility, a clean coal
9 SNG brownfield facility, or a party with which a clean coal
10 facility, clean coal SNG facility, or clean coal SNG
11 brownfield facility has contracted for such purposes.

12 "Service area" has the same definition as found in Section
13 16-102 of the Public Utilities Act.

14 "Settlement period" means the period of time utilized by
15 MISO and PJM and their successor organizations as the basis
16 for settlement calculations in the real-time energy market.

17 "Sourcing agreement" means (i) in the case of an electric
18 utility, an agreement between the owner of a clean coal
19 facility and such electric utility, which agreement shall have
20 terms and conditions meeting the requirements of paragraph (3)
21 of subsection (d) of Section 1-75, (ii) in the case of an
22 alternative retail electric supplier, an agreement between the
23 owner of a clean coal facility and such alternative retail
24 electric supplier, which agreement shall have terms and
25 conditions meeting the requirements of Section 16-115(d) (5) of
26 the Public Utilities Act, and (iii) in case of a gas utility,

1 an agreement between the owner of a clean coal SNG brownfield
2 facility and the gas utility, which agreement shall have the
3 terms and conditions meeting the requirements of subsection
4 (h-1) of Section 9-220 of the Public Utilities Act.

5 "Strike price" means a contract price for energy and
6 renewable energy credits from a new utility-scale wind project
7 or a new utility-scale photovoltaic project.

8 "Subscriber" means a person who (i) takes delivery service
9 from an electric utility, and (ii) has a subscription of no
10 less than 200 watts to a community renewable generation
11 project that is located in the electric utility's service
12 area. No subscriber's subscriptions may total more than 40% of
13 the nameplate capacity of an individual community renewable
14 generation project. Entities that are affiliated by virtue of
15 a common parent shall not represent multiple subscriptions
16 that total more than 40% of the nameplate capacity of an
17 individual community renewable generation project.

18 "Subscription" means an interest in a community renewable
19 generation project expressed in kilowatts, which is sized
20 primarily to offset part or all of the subscriber's
21 electricity usage.

22 "Substitute natural gas" or "SNG" means a gas manufactured
23 by gasification of hydrocarbon feedstock, which is
24 substantially interchangeable in use and distribution with
25 conventional natural gas.

26 "Total resource cost test" or "TRC test" means a standard

1 that is met if, for an investment in energy efficiency or
2 demand-response measures, the benefit-cost ratio is greater
3 than one. The benefit-cost ratio is the ratio of the net
4 present value of the total benefits of the program to the net
5 present value of the total costs as calculated over the
6 lifetime of the measures. A total resource cost test compares
7 the sum of avoided electric utility costs, representing the
8 benefits that accrue to the system and the participant in the
9 delivery of those efficiency measures and including avoided
10 costs associated with reduced use of natural gas or other
11 fuels, avoided costs associated with reduced water
12 consumption, and avoided costs associated with reduced
13 operation and maintenance costs, as well as other quantifiable
14 societal benefits, to the sum of all incremental costs of
15 end-use measures that are implemented due to the program
16 (including both utility and participant contributions), plus
17 costs to administer, deliver, and evaluate each demand-side
18 program, to quantify the net savings obtained by substituting
19 the demand-side program for supply resources. In calculating
20 avoided costs of power and energy that an electric utility
21 would otherwise have had to acquire, reasonable estimates
22 shall be included of financial costs likely to be imposed by
23 future regulations and legislation on emissions of greenhouse
24 gases. In discounting future societal costs and benefits for
25 the purpose of calculating net present values, a societal
26 discount rate based on actual, long-term Treasury bond yields

1 should be used. Notwithstanding anything to the contrary, the
2 TRC test shall not include or take into account a calculation
3 of market price suppression effects or demand reduction
4 induced price effects.

5 "Utility-scale solar project" means an electric generating
6 facility that:

7 (1) generates electricity using photovoltaic cells;
8 and

9 (2) has a nameplate capacity that is greater than
10 5,000 kilowatts.

11 "Utility-scale wind project" means an electric generating
12 facility that:

13 (1) generates electricity using wind; and

14 (2) has a nameplate capacity that is greater than
15 5,000 kilowatts.

16 "Waste Heat to Power Systems" means systems that capture
17 and generate electricity from energy that would otherwise be
18 lost to the atmosphere without the use of additional fuel.

19 "Zero emission credit" means a tradable credit that
20 represents the environmental attributes of one megawatt hour
21 of energy produced from a zero emission facility.

22 "Zero emission facility" means a facility that: (1) is
23 fueled by nuclear power; and (2) is interconnected with PJM
24 Interconnection, LLC or the Midcontinent Independent System
25 Operator, Inc., or their successors.

26 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;

1 103-380, eff. 1-1-24.)

2 (20 ILCS 3855/1-20)

3 Sec. 1-20. General powers and duties of the Agency.

4 (a) The Agency is authorized to do each of the following:

5 (1) Develop electricity procurement plans to ensure
6 adequate, reliable, affordable, efficient, and
7 environmentally sustainable electric service at the lowest
8 total cost over time, taking into account any benefits of
9 price stability, for electric utilities that on December
10 31, 2005 provided electric service to at least 100,000
11 customers in Illinois and for small multi-jurisdictional
12 electric utilities that (A) on December 31, 2005 served
13 less than 100,000 customers in Illinois and (B) request a
14 procurement plan for their Illinois jurisdictional load.
15 Except as provided in paragraph (1.5) of this subsection
16 (a), the electricity procurement plans shall be updated on
17 an annual basis and shall include electricity generated
18 from renewable resources sufficient to achieve the
19 standards specified in this Act. Beginning with the
20 delivery year commencing June 1, 2017, develop procurement
21 plans to include zero emission credits generated from zero
22 emission facilities sufficient to achieve the standards
23 specified in this Act. Beginning with the delivery year
24 commencing on June 1, 2022, the Agency is authorized to
25 develop carbon mitigation credit procurement plans to

1 include carbon mitigation credits generated from
2 carbon-free energy resources sufficient to achieve the
3 standards specified in this Act.

4 (1.5) Develop a long-term renewable resources
5 procurement plan in accordance with subsection (c) of
6 Section 1-75 of this Act for renewable energy credits in
7 amounts sufficient to achieve the standards specified in
8 this Act for delivery years commencing June 1, 2017 and
9 for the programs and renewable energy credits specified in
10 Section 1-56 of this Act. Electricity procurement plans
11 for delivery years commencing after May 31, 2017, shall
12 not include procurement of renewable energy resources.

13 (2) Conduct competitive procurement processes to
14 procure the supply resources identified in the electricity
15 procurement plan, pursuant to Section 16-111.5 of the
16 Public Utilities Act, and, for the delivery year
17 commencing June 1, 2017, conduct procurement processes to
18 procure zero emission credits from zero emission
19 facilities, under subsection (d-5) of Section 1-75 of this
20 Act. For the delivery year commencing June 1, 2022, the
21 Agency is authorized to conduct procurement processes to
22 procure carbon mitigation credits from carbon-free energy
23 resources, under subsection (d-10) of Section 1-75 of this
24 Act.

25 (2.5) Beginning with the procurement for the 2017
26 delivery year, conduct competitive procurement processes

1 and implement programs to procure renewable energy credits
2 identified in the long-term renewable resources
3 procurement plan developed and approved under subsection
4 (c) of Section 1-75 of this Act and Section 16-111.5 of the
5 Public Utilities Act.

6 (2.10) Oversee the procurement by electric utilities
7 that served more than 300,000 customers in this State as
8 of January 1, 2019 of renewable energy credits from new
9 renewable energy facilities to be installed, along with
10 energy storage facilities, at or adjacent to the sites of
11 electric generating facilities that burned coal as their
12 primary fuel source as of January 1, 2016 in accordance
13 with subsection (c-5) of Section 1-75 of this Act.

14 (2.15) Oversee the procurement by electric utilities
15 of renewable energy credits from newly modernized or
16 retooled hydropower dams or dams that have been converted
17 to support hydropower generation.

18 (3) Develop electric generation and co-generation
19 facilities that use indigenous coal or renewable
20 resources, or both, financed with bonds issued by the
21 Illinois Finance Authority.

22 (4) Supply electricity from the Agency's facilities at
23 cost to one or more of the following: municipal electric
24 systems, governmental aggregators, or rural electric
25 cooperatives in Illinois.

26 (5) Develop a long-term energy storage resources

1 procurement plan and conduct competitive procurement
2 processes in accordance with subsection (d-20) of Section
3 1-75.

4 (b) Except as otherwise limited by this Act, the Agency
5 has all of the powers necessary or convenient to carry out the
6 purposes and provisions of this Act, including without
7 limitation, each of the following:

8 (1) To have a corporate seal, and to alter that seal at
9 pleasure, and to use it by causing it or a facsimile to be
10 affixed or impressed or reproduced in any other manner.

11 (2) To use the services of the Illinois Finance
12 Authority necessary to carry out the Agency's purposes.

13 (3) To negotiate and enter into loan agreements and
14 other agreements with the Illinois Finance Authority.

15 (4) To obtain and employ personnel and hire
16 consultants that are necessary to fulfill the Agency's
17 purposes, and to make expenditures for that purpose within
18 the appropriations for that purpose.

19 (5) To purchase, receive, take by grant, gift, devise,
20 bequest, or otherwise, lease, or otherwise acquire, own,
21 hold, improve, employ, use, and otherwise deal in and
22 with, real or personal property whether tangible or
23 intangible, or any interest therein, within the State.

24 (6) To acquire real or personal property, whether
25 tangible or intangible, including without limitation
26 property rights, interests in property, franchises,

1 obligations, contracts, and debt and equity securities,
2 and to do so by the exercise of the power of eminent domain
3 in accordance with Section 1-21; except that any real
4 property acquired by the exercise of the power of eminent
5 domain must be located within the State.

6 (7) To sell, convey, lease, exchange, transfer,
7 abandon, or otherwise dispose of, or mortgage, pledge, or
8 create a security interest in, any of its assets,
9 properties, or any interest therein, wherever situated.

10 (8) To purchase, take, receive, subscribe for, or
11 otherwise acquire, hold, make a tender offer for, vote,
12 employ, sell, lend, lease, exchange, transfer, or
13 otherwise dispose of, mortgage, pledge, or grant a
14 security interest in, use, and otherwise deal in and with,
15 bonds and other obligations, shares, or other securities
16 (or interests therein) issued by others, whether engaged
17 in a similar or different business or activity.

18 (9) To make and execute agreements, contracts, and
19 other instruments necessary or convenient in the exercise
20 of the powers and functions of the Agency under this Act,
21 including contracts with any person, including personal
22 service contracts, or with any local government, State
23 agency, or other entity; and all State agencies and all
24 local governments are authorized to enter into and do all
25 things necessary to perform any such agreement, contract,
26 or other instrument with the Agency. No such agreement,

1 contract, or other instrument shall exceed 40 years.

2 (10) To lend money, invest and reinvest its funds in
3 accordance with the Public Funds Investment Act, and take
4 and hold real and personal property as security for the
5 payment of funds loaned or invested.

6 (11) To borrow money at such rate or rates of interest
7 as the Agency may determine, issue its notes, bonds, or
8 other obligations to evidence that indebtedness, and
9 secure any of its obligations by mortgage or pledge of its
10 real or personal property, machinery, equipment,
11 structures, fixtures, inventories, revenues, grants, and
12 other funds as provided or any interest therein, wherever
13 situated.

14 (12) To enter into agreements with the Illinois
15 Finance Authority to issue bonds whether or not the income
16 therefrom is exempt from federal taxation.

17 (13) To procure insurance against any loss in
18 connection with its properties or operations in such
19 amount or amounts and from such insurers, including the
20 federal government, as it may deem necessary or desirable,
21 and to pay any premiums therefor.

22 (14) To negotiate and enter into agreements with
23 trustees or receivers appointed by United States
24 bankruptcy courts or federal district courts or in other
25 proceedings involving adjustment of debts and authorize
26 proceedings involving adjustment of debts and authorize

1 legal counsel for the Agency to appear in any such
2 proceedings.

3 (15) To file a petition under Chapter 9 of Title 11 of
4 the United States Bankruptcy Code or take other similar
5 action for the adjustment of its debts.

6 (16) To enter into management agreements for the
7 operation of any of the property or facilities owned by
8 the Agency.

9 (17) To enter into an agreement to transfer and to
10 transfer any land, facilities, fixtures, or equipment of
11 the Agency to one or more municipal electric systems,
12 governmental aggregators, or rural electric agencies or
13 cooperatives, for such consideration and upon such terms
14 as the Agency may determine to be in the best interest of
15 the residents of Illinois.

16 (18) To enter upon any lands and within any building
17 whenever in its judgment it may be necessary for the
18 purpose of making surveys and examinations to accomplish
19 any purpose authorized by this Act.

20 (19) To maintain an office or offices at such place or
21 places in the State as it may determine.

22 (20) To request information, and to make any inquiry,
23 investigation, survey, or study that the Agency may deem
24 necessary to enable it effectively to carry out the
25 provisions of this Act.

26 (21) To accept and expend appropriations.

1 (22) To engage in any activity or operation that is
2 incidental to and in furtherance of efficient operation to
3 accomplish the Agency's purposes, including hiring
4 employees that the Director deems essential for the
5 operations of the Agency.

6 (23) To adopt, revise, amend, and repeal rules with
7 respect to its operations, properties, and facilities as
8 may be necessary or convenient to carry out the purposes
9 of this Act, subject to the provisions of the Illinois
10 Administrative Procedure Act and Sections 1-22 and 1-35 of
11 this Act.

12 (24) To establish and collect charges and fees as
13 described in this Act.

14 (25) To conduct competitive gasification feedstock
15 procurement processes to procure the feedstocks for the
16 clean coal SNG brownfield facility in accordance with the
17 requirements of Section 1-78 of this Act.

18 (26) To review, revise, and approve sourcing
19 agreements and mediate and resolve disputes between gas
20 utilities and the clean coal SNG brownfield facility
21 pursuant to subsection (h-1) of Section 9-220 of the
22 Public Utilities Act.

23 (27) To request, review and accept proposals, execute
24 contracts, purchase renewable energy credits and otherwise
25 dedicate funds from the Illinois Power Agency Renewable
26 Energy Resources Fund to create and carry out the

1 objectives of the Illinois Solar for All Program in
2 accordance with Section 1-56 of this Act.

3 (28) To ensure Illinois residents and business benefit
4 from programs administered by the Agency and are properly
5 protected from any deceptive or misleading marketing
6 practices by participants in the Agency's programs and
7 procurements.

8 (c) In conducting the procurement of electricity or other
9 products, beginning January 1, 2022, the Agency shall not
10 procure any products or services from persons or organizations
11 that are in violation of the Displaced Energy Workers Bill of
12 Rights, as provided under the Energy Community Reinvestment
13 Act at the time of the procurement event or fail to comply the
14 labor standards established in subparagraph (Q) of paragraph
15 (1) of subsection (c) of Section 1-75.

16 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24.)

17 (20 ILCS 3855/1-56)

18 Sec. 1-56. Illinois Power Agency Renewable Energy
19 Resources Fund; Illinois Solar for All Program.

20 (a) The Illinois Power Agency Renewable Energy Resources
21 Fund is created as a special fund in the State treasury.

22 (b) The Illinois Power Agency Renewable Energy Resources
23 Fund shall be administered by the Agency as described in this
24 subsection (b), provided that the changes to this subsection
25 (b) made by Public Act 99-906 shall not interfere with

1 existing contracts under this Section.

2 (1) The Illinois Power Agency Renewable Energy
3 Resources Fund shall be used to purchase renewable energy
4 credits according to any approved procurement plan
5 developed by the Agency prior to June 1, 2017.

6 (2) The Illinois Power Agency Renewable Energy
7 Resources Fund shall also be used to create the Illinois
8 Solar for All Program, which provides incentives for
9 low-income distributed generation and community solar
10 projects, and other associated approved expenditures. The
11 objectives of the Illinois Solar for All Program are to
12 bring photovoltaics to low-income communities in this
13 State in a manner that maximizes the development of new
14 photovoltaic generating facilities, to create a long-term,
15 low-income solar marketplace throughout this State, to
16 integrate, through interaction with stakeholders, with
17 existing energy efficiency initiatives, and to minimize
18 administrative costs. The Illinois Solar for All Program
19 shall be implemented in a manner that seeks to minimize
20 administrative costs, and maximize efficiencies and
21 synergies available through coordination with similar
22 initiatives, including the Adjustable Block program
23 described in subparagraphs (K) through (M) of paragraph
24 (1) of subsection (c) of Section 1-75, energy efficiency
25 programs, job training programs, ~~and~~ community action
26 agencies, and agencies that administer the Low-Income Home

1 Energy Assistance Program. The Agency shall strive to
2 ensure that renewable energy credits procured through the
3 Illinois Solar for All Program and each of its subprograms
4 are purchased from projects across the breadth of
5 low-income and environmental justice communities in
6 Illinois, including both urban and rural communities, are
7 not concentrated in a few communities, and do not exclude
8 particular low-income or environmental justice
9 communities. The Agency shall include a description of its
10 proposed approach to the design, administration,
11 implementation and evaluation of the Illinois Solar for
12 All Program, as part of the long-term renewable resources
13 procurement plan authorized by subsection (c) of Section
14 1-75 of this Act, and the program shall be designed to grow
15 the low-income solar market. The Agency or utility, as
16 applicable, shall purchase renewable energy credits from
17 the (i) photovoltaic distributed renewable energy
18 generation projects and (ii) community solar projects that
19 are procured under procurement processes authorized by the
20 long-term renewable resources procurement plans approved
21 by the Commission.

22 The Illinois Solar for All Program shall include the
23 program offerings described in subparagraphs (A) through
24 (E) of this paragraph (2), which the Agency shall
25 implement through contracts with third-party providers
26 and, subject to appropriation, pay the approximate amounts

1 identified using monies available in the Illinois Power
2 Agency Renewable Energy Resources Fund. Each contract that
3 provides for the installation of solar facilities shall
4 provide that the solar facilities will produce energy and
5 economic benefits, at a level determined by the Agency to
6 be reasonable, for the participating low-income customers.
7 The monies available in the Illinois Power Agency
8 Renewable Energy Resources Fund and not otherwise
9 committed to contracts executed under subsection (i) of
10 this Section, as well as, in the case of the programs
11 described under subparagraphs (A) through (E) of this
12 paragraph (2), funding authorized pursuant to subparagraph
13 (O) of paragraph (1) of subsection (c) of Section 1-75 of
14 this Act, shall initially be allocated among the programs
15 described in this paragraph (2), as follows: 35% of these
16 funds shall be allocated to programs described in
17 subparagraphs (A) and (E) of this paragraph (2), 40% of
18 these funds shall be allocated to programs described in
19 subparagraph (B) of this paragraph (2), and 25% of these
20 funds shall be allocated to programs described in
21 subparagraph (C) of this paragraph (2). The allocation of
22 funds among subparagraphs (A), (B), (C), and (E) of this
23 paragraph (2) may be changed if the Agency, after
24 receiving input through a stakeholder process, determines
25 incentives in subparagraphs (A), (B), (C), or (E) of this
26 paragraph (2) have not been adequately subscribed to fully

1 utilize available Illinois Solar for All Program funds.

2 Contracts that will be paid with funds in the Illinois
3 Power Agency Renewable Energy Resources Fund shall be
4 executed by the Agency. Contracts that will be paid with
5 funds collected by an electric utility shall be executed
6 by the electric utility.

7 Contracts under the Illinois Solar for All Program
8 shall include an approach, as set forth in the long-term
9 renewable resources procurement plans, to ensure the
10 wholesale market value of the energy is credited to
11 participating low-income customers or organizations and to
12 ensure tangible economic benefits flow directly to program
13 participants, except in the case of low-income
14 multi-family housing where the low-income customer does
15 not directly pay for energy. Priority shall be given to
16 projects that demonstrate meaningful involvement of
17 low-income community members in designing the initial
18 proposals. Acceptable proposals to implement projects must
19 demonstrate the applicant's ability to conduct initial
20 community outreach, education, and recruitment of
21 low-income participants in the community. Projects must
22 include job training opportunities if available, ~~with the~~
23 ~~specific level of trainee usage to be determined through~~
24 ~~the Agency's long-term renewable resources procurement~~
25 ~~plan,~~ and the Illinois Solar for All Program Administrator
26 shall coordinate with the job training programs described

1 in paragraph (1) of subsection (a) of Section 16-108.12 of
2 the Public Utilities Act and in the Energy Transition Act.

3 The Agency shall make every effort to ensure that
4 small and emerging businesses, particularly those located
5 in low-income and environmental justice communities, are
6 able to participate in the Illinois Solar for All Program.
7 These efforts may include, but shall not be limited to,
8 proactive support from the program administrator,
9 different or preferred access to subprograms and
10 administrator-identified customers or grassroots
11 education provider-identified customers, and different
12 incentive levels. The Agency shall report on progress and
13 barriers to participation of small and emerging businesses
14 in the Illinois Solar for All Program at least once a year.
15 The report shall be made available on the Agency's website
16 and, in years when the Agency is updating its long-term
17 renewable resources procurement plan, included in that
18 Plan.

19 (A) Low-income single-family and ~~small~~ multifamily
20 solar incentive. This program will provide incentives
21 to low-income customers, either directly or through
22 solar providers, to increase the participation of
23 low-income households in photovoltaic on-site
24 distributed generation at residential buildings
25 ~~containing one to 4 units~~. Companies participating in
26 this program that install solar panels shall commit to

1 meeting minimum equity standards as described in
2 paragraph (1) of subsection (c-10) of Section 1-75
3 ~~hiring job trainees for a portion of their low income~~
4 ~~installations,~~ and an administrator shall facilitate
5 partnering the companies that install solar panels
6 with entities that provide solar panel installation
7 job training. It is a goal of this program that a
8 minimum of 25% of the incentives for this program be
9 allocated to projects located within environmental
10 justice communities. Contracts entered into under this
11 paragraph may be entered into with an entity that will
12 develop and administer the program and shall also
13 include contracts for renewable energy credits from
14 the photovoltaic distributed generation that is the
15 subject of the program, as set forth in the long-term
16 renewable resources procurement plan. Additionally:

17 (i) The Agency shall reserve a portion of this
18 program for projects that promote energy
19 sovereignty through ownership of projects by
20 low-income households, not-for-profit
21 organizations providing services to low-income
22 households, affordable housing owners, community
23 cooperatives, or community-based limited liability
24 companies providing services to low-income
25 households. Projects that feature energy ownership
26 should ensure that local people have control of

1 the project and reap benefits from the project
2 over and above energy bill savings. The Agency may
3 consider the inclusion of projects that promote
4 ownership over time or that involve partial
5 project ownership by communities, as promoting
6 energy sovereignty. Incentives for projects that
7 promote energy sovereignty may be higher than
8 incentives for equivalent projects that do not
9 promote energy sovereignty under this same
10 program.

11 (ii) Through its long-term renewable resources
12 procurement plan, the Agency shall consider
13 additional program and contract requirements to
14 ensure faithful compliance by applicants
15 benefiting from preferences for projects
16 designated to promote energy sovereignty. The
17 Agency shall make every effort to enable solar
18 providers already participating in the Adjustable
19 Block Program under subparagraph (K) of paragraph
20 (1) of subsection (c) of Section 1-75 of this Act,
21 and particularly solar providers developing
22 projects under item (i) of subparagraph (K) of
23 paragraph (1) of subsection (c) of Section 1-75 of
24 this Act to easily participate in the Low-Income
25 Distributed Generation Incentive program described
26 under this subparagraph (A), and vice versa. This

1 effort may include, but shall not be limited to,
2 utilizing similar or the same application systems
3 and processes, similar or the same forms and
4 formats of communication, and providing active
5 outreach to companies participating in one program
6 but not the other. The Agency shall report on
7 efforts made to encourage this cross-participation
8 in its long-term renewable resources procurement
9 plan.

10 (iii) To maximize equitable participation in
11 this program and overcome challenges facing the
12 development of residential solar projects, the
13 Agency may propose a payment structure for
14 contracts executed pursuant to this subparagraph
15 (A) under which applicant firms are advanced
16 capital that is disbursed after contract execution
17 but before the contracted project's energization,
18 upon a demonstration of qualification or need
19 under criteria established by the Agency that are
20 focused on supporting the small and emerging
21 businesses and the businesses that most acutely
22 face barriers to capital access, which severely
23 limits the businesses' participation in the
24 program described in this subparagraph (A). The
25 amount or percentage of capital advanced before
26 project energization shall be designed to overcome

1 the barriers in access to capital that are faced
2 by an applicant. The amount or percentage of
3 advanced capital may vary under this subparagraph
4 (A) by an applicant's demonstration of need, with
5 such levels to be established through the
6 Long-Term Renewable Resources Procurement Plan and
7 any application requirements or evaluation
8 criteria developed under that Plan.

9 (B) Low-Income Community Solar Project Initiative.

10 Incentives shall be offered to low-income customers,
11 either directly or through developers, to increase the
12 participation of low-income subscribers of community
13 solar projects. The developer of each project shall
14 identify its partnership with community stakeholders
15 regarding the location, development, and participation
16 in the project, provided that nothing shall preclude a
17 project from including an anchor tenant that does not
18 qualify as low-income. Companies participating in this
19 program that develop or install solar projects shall
20 commit to hiring job trainees for a portion of their
21 low-income installations, and an administrator shall
22 facilitate partnering the companies that install solar
23 projects with entities that provide solar installation
24 and related job training. It is a goal of this program
25 that a minimum of 25% of the incentives for this
26 program be allocated to community photovoltaic

1 projects in environmental justice communities. The
2 Agency shall reserve a portion of this program for
3 projects that promote energy sovereignty through
4 ownership of projects by low-income households,
5 not-for-profit organizations providing services to
6 low-income households, affordable housing owners, or
7 community-based limited liability companies providing
8 services to low-income households. Projects that
9 feature energy ownership should ensure that local
10 people have control of the project and reap benefits
11 from the project over and above energy bill savings.
12 The Agency may consider the inclusion of projects that
13 promote ownership over time or that involve partial
14 project ownership by communities, as promoting energy
15 sovereignty. Incentives for projects that promote
16 energy sovereignty may be higher than incentives for
17 equivalent projects that do not promote energy
18 sovereignty under this same program. Contracts entered
19 into under this paragraph may be entered into with
20 developers and shall also include contracts for
21 renewable energy credits related to the program.

22 (C) Incentives for non-profits and public
23 facilities. Under this program funds shall be used to
24 support on-site photovoltaic distributed renewable
25 energy generation devices to serve the load associated
26 with not-for-profit customers and to support

1 photovoltaic distributed renewable energy generation
2 that uses photovoltaic technology to serve the load
3 associated with public sector customers taking service
4 at public buildings. Master-metered multifamily
5 buildings that primarily house income-eligible
6 residents may also qualify under this subparagraph
7 (C). Non-profits and public facilities that can
8 demonstrate that the non-profit or public facility
9 serves income-qualified or environmental justice
10 communities shall also qualify for the program,
11 regardless of physical location. Qualification shall
12 be determined using the same procedures applied to
13 critical service provider requests for the purpose of
14 establishing project eligibility in areas that are not
15 designated as income-eligible or environmental justice
16 communities. Companies participating in this program
17 that develop or install solar projects shall commit to
18 hiring job trainees for a portion of their low-income
19 installations, and an administrator shall facilitate
20 partnering the companies that install solar projects
21 with entities that provide solar installation and
22 related job training. Through its long-term renewable
23 resources procurement plan, the Agency shall consider
24 additional program and contract requirements to ensure
25 faithful compliance by applicants benefiting from
26 preferences for projects designated to promote energy

1 sovereignty. It is a goal of this program that at least
2 25% of the incentives for this program be allocated to
3 projects located in environmental justice communities.
4 Contracts entered into under this paragraph may be
5 entered into with an entity that will develop and
6 administer the program or with developers and shall
7 also include contracts for renewable energy credits
8 related to the program.

9 (D) (Blank).

10 (E) (Blank). ~~Low-income large multifamily solar~~
11 ~~incentive. This program shall provide incentives to~~
12 ~~low-income customers, either directly or through solar~~
13 ~~providers, to increase the participation of low-income~~
14 ~~households in photovoltaic on site distributed~~
15 ~~generation at residential buildings with 5 or more~~
16 ~~units. Companies participating in this program that~~
17 ~~develop or install solar projects shall commit to~~
18 ~~hiring job trainees for a portion of their low income~~
19 ~~installations, and an administrator shall facilitate~~
20 ~~partnering the companies that install solar projects~~
21 ~~with entities that provide solar installation and~~
22 ~~related job training. It is a goal of this program that~~
23 ~~a minimum of 25% of the incentives for this program be~~
24 ~~allocated to projects located within environmental~~
25 ~~justice communities. The Agency shall reserve a~~
26 ~~portion of this program for projects that promote~~

~~energy sovereignty through ownership of projects by low income households, not-for-profit organizations providing services to low income households, affordable housing owners, or community-based limited liability companies providing services to low income households. Projects that feature energy ownership should ensure that local people have control of the project and reap benefits from the project over and above energy bill savings. The Agency may consider the inclusion of projects that promote ownership over time or that involve partial project ownership by communities, as promoting energy sovereignty. Incentives for projects that promote energy sovereignty may be higher than incentives for equivalent projects that do not promote energy sovereignty under this same program.~~

The requirement that a qualified person, as defined in paragraph (1) of subsection (i) of this Section, install photovoltaic devices does not apply to the Illinois Solar for All Program described in this subsection (b).

In addition to the programs outlined in paragraphs (A) through (E), the Agency and other parties may propose additional programs through the Long-Term Renewable Resources Procurement Plan developed and approved under paragraph (5) of subsection (b) of Section 16-111.5 of the Public Utilities Act. Additional programs may target

1 market segments not specified above and may also include
2 incentives targeted to increase the uptake of
3 nonphotovoltaic technologies by low-income customers,
4 including energy storage paired with photovoltaics, if the
5 Commission determines that the Illinois Solar for All
6 Program would provide greater benefits to the public
7 health and well-being of low-income residents through also
8 supporting that additional program versus supporting
9 programs already authorized.

10 (3) Costs associated with the Illinois Solar for All
11 Program and its components described in paragraph (2) of
12 this subsection (b), including, but not limited to, costs
13 associated with procuring experts, consultants, and the
14 program administrator referenced in this subsection (b)
15 and related incremental costs, costs related to income
16 verification and facilitating customer participation in
17 the program, through referrals and other methods, costs
18 related to obtaining feedback on the program from parties
19 that do not have a financial interest, and costs related
20 to the evaluation of the Illinois Solar for All Program,
21 may be paid for using monies in the Illinois Power Agency
22 Renewable Energy Resources Fund, and funds allocated
23 pursuant to subparagraph (O) of paragraph (1) of
24 subsection (c) of Section 1-75, but the Agency or program
25 administrator shall strive to minimize costs in the
26 implementation of the program. The Agency or contracting

1 electric utility shall purchase renewable energy credits
2 from generation that is the subject of a contract under
3 subparagraphs (A) through (E) of paragraph (2) of this
4 subsection (b), and may pay for such renewable energy
5 credits through an upfront payment per installed kilowatt
6 of nameplate capacity paid once the device is
7 interconnected at the distribution system level of the
8 interconnecting utility and verified as energized. Unless
9 otherwise provided in the Agency's long-term renewable
10 resources procurement plan, payments ~~Payments~~ for
11 renewable energy credits shall be in exchange for all
12 renewable energy credits generated by the system during
13 the first 15 years of operation and shall be structured to
14 overcome barriers to participation in the solar market by
15 the low-income community. The incentives provided for in
16 this Section may be implemented through the pricing of
17 renewable energy credits where the prices paid for the
18 credits are higher than the prices from programs offered
19 under subsection (c) of Section 1-75 of this Act to
20 account for the additional capital necessary to
21 successfully access targeted market segments. The Agency
22 or contracting electric utility shall retire any renewable
23 energy credits purchased under this program and the
24 credits shall count toward the obligation under subsection
25 (c) of Section 1-75 of this Act for the electric utility to
26 which the project is interconnected, if applicable.

1 The Agency shall direct that up to 5% of the funds
2 available under the Illinois Solar for All Program to
3 community-based groups and other qualifying organizations
4 to assist in community-driven education efforts related to
5 the Illinois Solar for All Program, including general
6 energy education, job training program outreach efforts,
7 and other activities deemed to be qualified by the Agency.
8 Grassroots education funding shall not be used to support
9 the marketing by solar project development firms and
10 organizations, unless such education provides equal
11 opportunities for all applicable firms and organizations.

12 The Agency shall direct up to 25% of the funds
13 currently allocated to subparagraphs (A) and (C) of
14 paragraph (2) toward the Illinois Storage for All program,
15 which provides incentives through grants, rebates, or
16 other incentives to encourage energy storage with
17 photovoltaic distributed renewable energy generation
18 devices. The Illinois Storage for All program shall be
19 available to current and future participants of the
20 low-income single family and multifamily subprogram
21 described in subparagraph (A) of paragraph (2), and the
22 subprogram for non-profit and public facilities described
23 in subparagraph (C) of paragraph (2). The Illinois Storage
24 for All program shall be designed to support community
25 energy resilience, disaster preparedness, and energy bill
26 reductions, particularly for residents of low-income and

1 environmental justice communities. The Agency shall
2 propose the funding amount, structure, and details of the
3 Illinois Storage for All program in the Agency's long-term
4 renewable resources procurement plan described in
5 subsection (c) of Section 1-75 of this Act and Section
6 16-111.5 of the Public Utilities Act. Prior to filing the
7 proposed program in its long-term renewable resources
8 procurement plan, the Agency shall separately engage
9 stakeholders in program design including, but not limited
10 to, members of the Illinois Commission on Environmental
11 Justice described in Section 10 of the Environmental
12 Justice Act, representatives of approved vendors
13 participating in the Illinois Solar for All Program,
14 representatives of community-based organizations, and
15 members of the Illinois Solar for All Stakeholder Advisory
16 Group.

17 (4) The Agency shall, consistent with the requirements
18 of this subsection (b), propose the Illinois Solar for All
19 Program terms, conditions, and requirements, including the
20 prices to be paid for renewable energy credits, and which
21 prices may be determined through a formula, through the
22 development, review, and approval of the Agency's
23 long-term renewable resources procurement plan described
24 in subsection (c) of Section 1-75 of this Act and Section
25 16-111.5 of the Public Utilities Act. In the course of the
26 Commission proceeding initiated to review and approve the

1 plan, including the Illinois Solar for All Program
2 proposed by the Agency, a party may propose an additional
3 low-income solar or solar incentive program, or
4 modifications to the programs proposed by the Agency, and
5 the Commission may approve an additional program, or
6 modifications to the Agency's proposed program, if the
7 additional or modified program more effectively maximizes
8 the benefits to low-income customers after taking into
9 account all relevant factors, including, but not limited
10 to, the extent to which a competitive market for
11 low-income solar has developed. Following the Commission's
12 approval of the Illinois Solar for All Program, the Agency
13 or a party may propose adjustments to the program terms,
14 conditions, and requirements, including the price offered
15 to new systems, to ensure the long-term viability and
16 success of the program. The Commission shall review and
17 approve any modifications to the program through the plan
18 revision process described in Section 16-111.5 of the
19 Public Utilities Act.

20 (5) The Agency shall issue a request for
21 qualifications for a third-party program administrator or
22 administrators to administer all or a portion of the
23 Illinois Solar for All Program. The third-party program
24 administrator shall be chosen through a competitive bid
25 process based on selection criteria and requirements
26 developed by the Agency, including, but not limited to,

1 experience in administering low-income energy programs and
2 overseeing statewide clean energy or energy efficiency
3 services. If the Agency retains a program administrator or
4 administrators to implement all or a portion of the
5 Illinois Solar for All Program, each administrator shall
6 periodically submit reports to the Agency and Commission
7 for each program that it administers, at appropriate
8 intervals to be identified by the Agency in its long-term
9 renewable resources procurement plan, subject to
10 Commission approval, provided that the reporting interval
11 is at least an annual period ~~quarterly~~. The third-party
12 program administrator may be, but need not be, the same
13 administrator as for the Adjustable Block program
14 described in subparagraphs (K) through (M) of paragraph
15 (1) of subsection (c) of Section 1-75. The Agency, through
16 its long-term renewable resources procurement plan
17 approval process, shall also determine if individual
18 subprograms of the Illinois Solar for All Program are
19 better served by a different or separate Program
20 Administrator.

21 The third-party administrator's responsibilities
22 shall also include facilitating placement for graduates of
23 Illinois-based renewable energy-specific job training
24 programs, including the Clean Jobs Workforce Network
25 Program and the Illinois Climate Works Preapprenticeship
26 Program administered by the Department of Commerce and

1 Economic Opportunity and programs administered under
2 Section 16-108.12 of the Public Utilities Act. To increase
3 the uptake of trainees by participating firms, the
4 administrator shall also develop a web-based clearinghouse
5 for information available to both job training program
6 graduates and firms participating, directly or indirectly,
7 in Illinois solar incentive programs. The program
8 administrator shall also coordinate its activities with
9 entities implementing electric and natural gas
10 income-qualified energy efficiency programs, including
11 customer referrals to and from such programs, and connect
12 prospective low-income solar customers with any existing
13 deferred maintenance programs where applicable.

14 (6) The long-term renewable resources procurement plan
15 shall also provide for an independent evaluation of the
16 Illinois Solar for All Program. At least every 5 ~~2~~ years,
17 the Agency shall select an independent evaluator to review
18 and report on the Illinois Solar for All Program and the
19 performance of the third-party program administrator of
20 the Illinois Solar for All Program. The evaluation shall
21 be based on objective criteria developed through a public
22 stakeholder process. The process shall include feedback
23 and participation from Illinois Solar for All Program
24 stakeholders, including participants and organizations in
25 environmental justice and historically underserved
26 communities. The report shall include a summary of the

1 evaluation of the Illinois Solar for All Program based on
2 the stakeholder developed objective criteria. The report
3 shall include the number of projects installed; the total
4 installed capacity in kilowatts; the average cost per
5 kilowatt of installed capacity to the extent reasonably
6 obtainable by the Agency; the number of jobs or job
7 opportunities created; economic, social, and environmental
8 benefits created; and the total administrative costs
9 expended by the Agency and program administrator to
10 implement and evaluate the program. The report shall be
11 prepared at least every 2 years and shall be delivered to
12 the Commission and posted on the Agency's website, and
13 shall be used, as needed, to revise the Illinois Solar for
14 All Program. The Commission shall also consider the
15 results of the evaluation as part of its review of the
16 long-term renewable resources procurement plan under
17 subsection (c) of Section 1-75 of this Act.

18 (7) If additional funding for the programs described
19 in this subsection (b) is available under subsection (k)
20 of Section 16-108 of the Public Utilities Act, then the
21 Agency shall submit a procurement plan to the Commission
22 no later than September 1, 2018, that proposes how the
23 Agency will procure programs on behalf of the applicable
24 utility. After notice and hearing, the Commission shall
25 approve, or approve with modification, the plan no later
26 than November 1, 2018.

1 (8) As part of the development and update of the
2 long-term renewable resources procurement plan authorized
3 by subsection (c) of Section 1-75 of this Act, the Agency
4 shall plan for: (A) actions to refer customers from the
5 Illinois Solar for All Program to electric and natural gas
6 income-qualified energy efficiency programs, and vice
7 versa, with the goal of increasing participation in both
8 of these programs; (B) effective procedures for data
9 sharing, as needed, to effectuate referrals between the
10 Illinois Solar for All Program and both electric and
11 natural gas income-qualified energy efficiency programs,
12 including sharing customer information directly with the
13 utilities, as needed and appropriate; and (C) efforts to
14 identify any existing deferred maintenance programs for
15 which prospective Solar for All Program customers may be
16 eligible and connect prospective customers for whom
17 deferred maintenance is or may be a barrier to solar
18 installation to those programs.

19 Income verification for participation in the Illinois
20 Solar for All subprograms described in subparagraphs (A) and
21 (C) of paragraph (2) shall include pathways for verification
22 that rely on self-attestation by the applicant if the
23 applicant's residence is located within a low-income or
24 environmental justice community as defined in this subsection
25 (b).

26 As used in this subsection (b), "low-income households"

1 means persons and families whose income does not exceed 80% of
2 area median income, adjusted for family size and revised every
3 year.

4 For the purposes of this subsection (b), the Agency shall
5 define "environmental justice community" based on the
6 methodologies and findings established by the Agency and the
7 Administrator for the Illinois Solar for All Program in its
8 initial long-term renewable resources procurement plan and as
9 updated by the Agency and the Administrator for the Illinois
10 Solar for All Program as part of the long-term renewable
11 resources procurement plan update.

12 (b-5) After the receipt of all payments required by
13 Section 16-115D of the Public Utilities Act, no additional
14 funds shall be deposited into the Illinois Power Agency
15 Renewable Energy Resources Fund unless directed by order of
16 the Commission.

17 (b-10) After the receipt of all payments required by
18 Section 16-115D of the Public Utilities Act and payment in
19 full of all contracts executed by the Agency under subsections
20 (b) and (i) of this Section, if the balance of the Illinois
21 Power Agency Renewable Energy Resources Fund is under \$5,000,
22 then the Fund shall be inoperative and any remaining funds and
23 any funds submitted to the Fund after that date, shall be
24 transferred to the Supplemental Low-Income Energy Assistance
25 Fund for use in the Low-Income Home Energy Assistance Program,
26 as authorized by the Energy Assistance Act.

1 (b-15) The prevailing wage requirements set forth in the
2 Prevailing Wage Act apply to each project that is undertaken
3 pursuant to one or more of the programs of incentives and
4 initiatives described in subsection (b) of this Section and
5 for which a project application is submitted to the program
6 after the effective date of this amendatory Act of the 103rd
7 General Assembly, except (i) projects that serve single-family
8 or multi-family residential buildings and (ii) projects with
9 an aggregate capacity of less than 100 kilowatts that serve
10 houses of worship. The Agency shall require verification that
11 all construction performed on a project by the renewable
12 energy credit delivery contract holder, its contractors, or
13 its subcontractors relating to the construction of the
14 facility is performed by workers receiving an amount for that
15 work that is greater than or equal to the general prevailing
16 rate of wages as that term is defined in the Prevailing Wage
17 Act, and the Agency may adjust renewable energy credit prices
18 to account for increased labor costs.

19 In this subsection (b-15), "house of worship" has the
20 meaning given in subparagraph (Q) of paragraph (1) of
21 subsection (c) of Section 1-75.

22 (c) (Blank).

23 (d) (Blank).

24 (e) All renewable energy credits procured using monies
25 from the Illinois Power Agency Renewable Energy Resources Fund
26 shall be permanently retired.

1 (f) The selection of one or more third-party program
2 managers or administrators, the selection of the independent
3 evaluator, and the procurement processes described in this
4 Section are exempt from the requirements of the Illinois
5 Procurement Code, under Section 20-10 of that Code.

6 (g) All disbursements from the Illinois Power Agency
7 Renewable Energy Resources Fund shall be made only upon
8 warrants of the Comptroller drawn upon the Treasurer as
9 custodian of the Fund upon vouchers signed by the Director or
10 by the person or persons designated by the Director for that
11 purpose. The Comptroller is authorized to draw the warrant
12 upon vouchers so signed. The Treasurer shall accept all
13 warrants so signed and shall be released from liability for
14 all payments made on those warrants.

15 (h) The Illinois Power Agency Renewable Energy Resources
16 Fund shall not be subject to sweeps, administrative charges,
17 or chargebacks, including, but not limited to, those
18 authorized under Section 8h of the State Finance Act, that
19 would in any way result in the transfer of any funds from this
20 Fund to any other fund of this State or in having any such
21 funds utilized for any purpose other than the express purposes
22 set forth in this Section.

23 (h-5) The Agency may assess fees to each bidder to recover
24 the costs incurred in connection with a procurement process
25 held under this Section. Fees collected from bidders shall be
26 deposited into the Renewable Energy Resources Fund.

1 (i) Supplemental procurement process.

2 (1) Within 90 days after June 30, 2014 (the effective
3 date of Public Act 98-672), the Agency shall develop a
4 one-time supplemental procurement plan limited to the
5 procurement of renewable energy credits, if available,
6 from new or existing photovoltaics, including, but not
7 limited to, distributed photovoltaic generation. Nothing
8 in this subsection (i) requires procurement of wind
9 generation through the supplemental procurement.

10 Renewable energy credits procured from new
11 photovoltaics, including, but not limited to, distributed
12 photovoltaic generation, under this subsection (i) must be
13 procured from devices installed by a qualified person. In
14 its supplemental procurement plan, the Agency shall
15 establish contractually enforceable mechanisms for
16 ensuring that the installation of new photovoltaics is
17 performed by a qualified person.

18 For the purposes of this paragraph (1), "qualified
19 person" means a person who performs installations of
20 photovoltaics, including, but not limited to, distributed
21 photovoltaic generation, and who: (A) has completed an
22 apprenticeship as a journeyman electrician from a United
23 States Department of Labor registered electrical
24 apprenticeship and training program and received a
25 certification of satisfactory completion; or (B) does not
26 currently meet the criteria under clause (A) of this

1 paragraph (1), but is enrolled in a United States
2 Department of Labor registered electrical apprenticeship
3 program, provided that the person is directly supervised
4 by a person who meets the criteria under clause (A) of this
5 paragraph (1); or (C) has obtained one of the following
6 credentials in addition to attesting to satisfactory
7 completion of at least 5 years or 8,000 hours of
8 documented hands-on electrical experience: (i) a North
9 American Board of Certified Energy Practitioners (NABCEP)
10 Installer Certificate for Solar PV; (ii) an Underwriters
11 Laboratories (UL) PV Systems Installer Certificate; (iii)
12 an Electronics Technicians Association, International
13 (ETAI) Level 3 PV Installer Certificate; or (iv) an
14 Associate in Applied Science degree from an Illinois
15 Community College Board approved community college program
16 in renewable energy or a distributed generation
17 technology.

18 For the purposes of this paragraph (1), "directly
19 supervised" means that there is a qualified person who
20 meets the qualifications under clause (A) of this
21 paragraph (1) and who is available for supervision and
22 consultation regarding the work performed by persons under
23 clause (B) of this paragraph (1), including a final
24 inspection of the installation work that has been directly
25 supervised to ensure safety and conformity with applicable
26 codes.

1 For the purposes of this paragraph (1), "install"
2 means the major activities and actions required to
3 connect, in accordance with applicable building and
4 electrical codes, the conductors, connectors, and all
5 associated fittings, devices, power outlets, or
6 apparatuses mounted at the premises that are directly
7 involved in delivering energy to the premises' electrical
8 wiring from the photovoltaics, including, but not limited
9 to, to distributed photovoltaic generation.

10 The renewable energy credits procured pursuant to the
11 supplemental procurement plan shall be procured using up
12 to \$30,000,000 from the Illinois Power Agency Renewable
13 Energy Resources Fund. The Agency shall not plan to use
14 funds from the Illinois Power Agency Renewable Energy
15 Resources Fund in excess of the monies on deposit in such
16 fund or projected to be deposited into such fund. The
17 supplemental procurement plan shall ensure adequate,
18 reliable, affordable, efficient, and environmentally
19 sustainable renewable energy resources (including credits)
20 at the lowest total cost over time, taking into account
21 any benefits of price stability.

22 To the extent available, 50% of the renewable energy
23 credits procured from distributed renewable energy
24 generation shall come from devices of less than 25
25 kilowatts in nameplate capacity. Procurement of renewable
26 energy credits from distributed renewable energy

1 generation devices shall be done through multi-year
2 contracts of no less than 5 years. The Agency shall create
3 credit requirements for counterparties. In order to
4 minimize the administrative burden on contracting
5 entities, the Agency shall solicit the use of third
6 parties to aggregate distributed renewable energy. These
7 third parties shall enter into and administer contracts
8 with individual distributed renewable energy generation
9 device owners. An individual distributed renewable energy
10 generation device owner shall have the ability to measure
11 the output of his or her distributed renewable energy
12 generation device.

13 In developing the supplemental procurement plan, the
14 Agency shall hold at least one workshop open to the public
15 within 90 days after June 30, 2014 (the effective date of
16 Public Act 98-672) and shall consider any comments made by
17 stakeholders or the public. Upon development of the
18 supplemental procurement plan within this 90-day period,
19 copies of the supplemental procurement plan shall be
20 posted and made publicly available on the Agency's and
21 Commission's websites. All interested parties shall have
22 14 days following the date of posting to provide comment
23 to the Agency on the supplemental procurement plan. All
24 comments submitted to the Agency shall be specific,
25 supported by data or other detailed analyses, and, if
26 objecting to all or a portion of the supplemental

1 procurement plan, accompanied by specific alternative
2 wording or proposals. All comments shall be posted on the
3 Agency's and Commission's websites. Within 14 days
4 following the end of the 14-day review period, the Agency
5 shall revise the supplemental procurement plan as
6 necessary based on the comments received and file its
7 revised supplemental procurement plan with the Commission
8 for approval.

9 (2) Within 5 days after the filing of the supplemental
10 procurement plan at the Commission, any person objecting
11 to the supplemental procurement plan shall file an
12 objection with the Commission. Within 10 days after the
13 filing, the Commission shall determine whether a hearing
14 is necessary. The Commission shall enter its order
15 confirming or modifying the supplemental procurement plan
16 within 90 days after the filing of the supplemental
17 procurement plan by the Agency.

18 (3) The Commission shall approve the supplemental
19 procurement plan of renewable energy credits to be
20 procured from new or existing photovoltaics, including,
21 but not limited to, distributed photovoltaic generation,
22 if the Commission determines that it will ensure adequate,
23 reliable, affordable, efficient, and environmentally
24 sustainable electric service in the form of renewable
25 energy credits at the lowest total cost over time, taking
26 into account any benefits of price stability.

1 (4) The supplemental procurement process under this
2 subsection (i) shall include each of the following
3 components:

4 (A) Procurement administrator. The Agency may
5 retain a procurement administrator in the manner set
6 forth in item (2) of subsection (a) of Section 1-75 of
7 this Act to conduct the supplemental procurement or
8 may elect to use the same procurement administrator
9 administering the Agency's annual procurement under
10 Section 1-75.

11 (B) Procurement monitor. The procurement monitor
12 retained by the Commission pursuant to Section
13 16-111.5 of the Public Utilities Act shall:

14 (i) monitor interactions among the procurement
15 administrator and bidders and suppliers;

16 (ii) monitor and report to the Commission on
17 the progress of the supplemental procurement
18 process;

19 (iii) provide an independent confidential
20 report to the Commission regarding the results of
21 the procurement events;

22 (iv) assess compliance with the procurement
23 plan approved by the Commission for the
24 supplemental procurement process;

25 (v) preserve the confidentiality of supplier
26 and bidding information in a manner consistent

1 with all applicable laws, rules, regulations, and
2 tariffs;

3 (vi) provide expert advice to the Commission
4 and consult with the procurement administrator
5 regarding issues related to procurement process
6 design, rules, protocols, and policy-related
7 matters;

8 (vii) consult with the procurement
9 administrator regarding the development and use of
10 benchmark criteria, standard form contracts,
11 credit policies, and bid documents; and

12 (viii) perform, with respect to the
13 supplemental procurement process, any other
14 procurement monitor duties specifically delineated
15 within subsection (i) of this Section.

16 (C) Solicitation, prequalification, and
17 registration of bidders. The procurement administrator
18 shall disseminate information to potential bidders to
19 promote a procurement event, notify potential bidders
20 that the procurement administrator may enter into a
21 post-bid price negotiation with bidders that meet the
22 applicable benchmarks, provide supply requirements,
23 and otherwise explain the competitive procurement
24 process. In addition to such other publication as the
25 procurement administrator determines is appropriate,
26 this information shall be posted on the Agency's and

1 the Commission's websites. The procurement
2 administrator shall also administer the
3 prequalification process, including evaluation of
4 credit worthiness, compliance with procurement rules,
5 and agreement to the standard form contract developed
6 pursuant to item (D) of this paragraph (4). The
7 procurement administrator shall then identify and
8 register bidders to participate in the procurement
9 event.

10 (D) Standard contract forms and credit terms and
11 instruments. The procurement administrator, in
12 consultation with the Agency, the Commission, and
13 other interested parties and subject to Commission
14 oversight, shall develop and provide standard contract
15 forms for the supplier contracts that meet generally
16 accepted industry practices as well as include any
17 applicable State of Illinois terms and conditions that
18 are required for contracts entered into by an agency
19 of the State of Illinois. Standard credit terms and
20 instruments that meet generally accepted industry
21 practices shall be similarly developed. Contracts for
22 new photovoltaics shall include a provision attesting
23 that the supplier will use a qualified person for the
24 installation of the device pursuant to paragraph (1)
25 of subsection (i) of this Section. The procurement
26 administrator shall make available to the Commission

1 all written comments it receives on the contract
2 forms, credit terms, or instruments. If the
3 procurement administrator cannot reach agreement with
4 the parties as to the contract terms and conditions,
5 the procurement administrator must notify the
6 Commission of any disputed terms and the Commission
7 shall resolve the dispute. The terms of the contracts
8 shall not be subject to negotiation by winning
9 bidders, and the bidders must agree to the terms of the
10 contract in advance so that winning bids are selected
11 solely on the basis of price.

12 (E) Requests for proposals; competitive
13 procurement process. The procurement administrator
14 shall design and issue requests for proposals to
15 supply renewable energy credits in accordance with the
16 supplemental procurement plan, as approved by the
17 Commission. The requests for proposals shall set forth
18 a procedure for sealed, binding commitment bidding
19 with pay-as-bid settlement, and provision for
20 selection of bids on the basis of price, provided,
21 however, that no bid shall be accepted if it exceeds
22 the benchmark developed pursuant to item (F) of this
23 paragraph (4).

24 (F) Benchmarks. Benchmarks for each product to be
25 procured shall be developed by the procurement
26 administrator in consultation with Commission staff,

1 the Agency, and the procurement monitor for use in
2 this supplemental procurement.

3 (G) A plan for implementing contingencies in the
4 event of supplier default, Commission rejection of
5 results, or any other cause.

6 (5) Within 2 business days after opening the sealed
7 bids, the procurement administrator shall submit a
8 confidential report to the Commission. The report shall
9 contain the results of the bidding for each of the
10 products along with the procurement administrator's
11 recommendation for the acceptance and rejection of bids
12 based on the price benchmark criteria and other factors
13 observed in the process. The procurement monitor also
14 shall submit a confidential report to the Commission
15 within 2 business days after opening the sealed bids. The
16 report shall contain the procurement monitor's assessment
17 of bidder behavior in the process as well as an assessment
18 of the procurement administrator's compliance with the
19 procurement process and rules. The Commission shall review
20 the confidential reports submitted by the procurement
21 administrator and procurement monitor and shall accept or
22 reject the recommendations of the procurement
23 administrator within 2 business days after receipt of the
24 reports.

25 (6) Within 3 business days after the Commission
26 decision approving the results of a procurement event, the

1 Agency shall enter into binding contractual arrangements
2 with the winning suppliers using the standard form
3 contracts.

4 (7) The names of the successful bidders and the
5 average of the winning bid prices for each contract type
6 and for each contract term shall be made available to the
7 public within 2 days after the supplemental procurement
8 event. The Commission, the procurement monitor, the
9 procurement administrator, the Agency, and all
10 participants in the procurement process shall maintain the
11 confidentiality of all other supplier and bidding
12 information in a manner consistent with all applicable
13 laws, rules, regulations, and tariffs. Confidential
14 information, including the confidential reports submitted
15 by the procurement administrator and procurement monitor
16 pursuant to this Section, shall not be made publicly
17 available and shall not be discoverable by any party in
18 any proceeding, absent a compelling demonstration of need,
19 nor shall those reports be admissible in any proceeding
20 other than one for law enforcement purposes.

21 (8) The supplemental procurement provided in this
22 subsection (i) shall not be subject to the requirements
23 and limitations of subsections (c) and (d) of this
24 Section.

25 (9) Expenses incurred in connection with the
26 procurement process held pursuant to this Section,

1 including, but not limited to, the cost of developing the
2 supplemental procurement plan, the procurement
3 administrator, procurement monitor, and the cost of the
4 retirement of renewable energy credits purchased pursuant
5 to the supplemental procurement shall be paid for from the
6 Illinois Power Agency Renewable Energy Resources Fund. The
7 Agency shall enter into an interagency agreement with the
8 Commission to reimburse the Commission for its costs
9 associated with the procurement monitor for the
10 supplemental procurement process.

11 (Source: P.A. 102-662, eff. 9-15-21; 103-188, eff. 6-30-23;
12 103-605, eff. 7-1-24; 103-1066, eff. 2-20-25.)

13 (20 ILCS 3855/1-75)

14 Sec. 1-75. Planning and Procurement Bureau. The Planning
15 and Procurement Bureau has the following duties and
16 responsibilities:

17 (a) The Planning and Procurement Bureau shall each year,
18 beginning in 2008, develop procurement plans and conduct
19 competitive procurement processes in accordance with the
20 requirements of Section 16-111.5 of the Public Utilities Act
21 for the eligible retail customers of electric utilities that
22 on December 31, 2005 provided electric service to at least
23 100,000 customers in Illinois. Beginning with the delivery
24 year commencing on June 1, 2017, the Planning and Procurement
25 Bureau shall develop plans and processes for the procurement

1 of zero emission credits from zero emission facilities in
2 accordance with the requirements of subsection (d-5) of this
3 Section. Beginning on the effective date of this amendatory
4 Act of the 102nd General Assembly, the Planning and
5 Procurement Bureau shall develop plans and processes for the
6 procurement of carbon mitigation credits from carbon-free
7 energy resources in accordance with the requirements of
8 subsection (d-10) of this Section. The Planning and
9 Procurement Bureau shall also develop procurement plans and
10 conduct competitive procurement processes in accordance with
11 the requirements of Section 16-111.5 of the Public Utilities
12 Act for the eligible retail customers of small
13 multi-jurisdictional electric utilities that (i) on December
14 31, 2005 served less than 100,000 customers in Illinois and
15 (ii) request a procurement plan for their Illinois
16 jurisdictional load. This Section shall not apply to a small
17 multi-jurisdictional utility until such time as a small
18 multi-jurisdictional utility requests the Agency to prepare a
19 procurement plan for their Illinois jurisdictional load. For
20 the purposes of this Section, the term "eligible retail
21 customers" has the same definition as found in Section
22 16-111.5(a) of the Public Utilities Act.

23 Beginning with the plan or plans to be implemented in the
24 2017 delivery year, the Agency shall no longer include the
25 procurement of renewable energy resources in the annual
26 procurement plans required by this subsection (a), except as

1 provided in subsection (q) of Section 16-111.5 of the Public
2 Utilities Act, and shall instead develop a long-term renewable
3 resources procurement plan in accordance with subsection (c)
4 of this Section and Section 16-111.5 of the Public Utilities
5 Act.

6 In accordance with subsection (c-5) of this Section, the
7 Planning and Procurement Bureau shall oversee the procurement
8 by electric utilities that served more than 300,000 retail
9 customers in this State as of January 1, 2019 of renewable
10 energy credits from new utility-scale solar projects to be
11 installed, along with energy storage facilities, at or
12 adjacent to the sites of electric generating facilities that,
13 as of January 1, 2016, burned coal as their primary fuel
14 source.

15 (1) The Agency shall each year, beginning in 2008, as
16 needed, issue a request for qualifications for experts or
17 expert consulting firms to develop the procurement plans
18 in accordance with Section 16-111.5 of the Public
19 Utilities Act. In order to qualify an expert or expert
20 consulting firm must have:

21 (A) direct previous experience assembling
22 large-scale power supply plans or portfolios for
23 end-use customers;

24 (B) an advanced degree in economics, mathematics,
25 engineering, risk management, or a related area of
26 study;

1 (C) 10 years of experience in the electricity
2 sector, including managing supply risk;

3 (D) expertise in wholesale electricity market
4 rules, including those established by the Federal
5 Energy Regulatory Commission and regional transmission
6 organizations;

7 (E) expertise in credit protocols and familiarity
8 with contract protocols;

9 (F) adequate resources to perform and fulfill the
10 required functions and responsibilities; and

11 (G) the absence of a conflict of interest and
12 inappropriate bias for or against potential bidders or
13 the affected electric utilities.

14 (2) The Agency shall each year, as needed, issue a
15 request for qualifications for a procurement administrator
16 to conduct the competitive procurement processes in
17 accordance with Section 16-111.5 of the Public Utilities
18 Act. In order to qualify an expert or expert consulting
19 firm must have:

20 (A) direct previous experience administering a
21 large-scale competitive procurement process;

22 (B) an advanced degree in economics, mathematics,
23 engineering, or a related area of study;

24 (C) 10 years of experience in the electricity
25 sector, including risk management experience;

26 (D) expertise in wholesale electricity market

1 rules, including those established by the Federal
2 Energy Regulatory Commission and regional transmission
3 organizations;

4 (E) expertise in credit and contract protocols;

5 (F) adequate resources to perform and fulfill the
6 required functions and responsibilities; and

7 (G) the absence of a conflict of interest and
8 inappropriate bias for or against potential bidders or
9 the affected electric utilities.

10 (3) The Agency shall provide affected utilities and
11 other interested parties with the lists of qualified
12 experts or expert consulting firms identified through the
13 request for qualifications processes that are under
14 consideration to develop the procurement plans and to
15 serve as the procurement administrator. The Agency shall
16 also provide each qualified expert's or expert consulting
17 firm's response to the request for qualifications. All
18 information provided under this subparagraph shall also be
19 provided to the Commission. The Agency may provide by rule
20 for fees associated with supplying the information to
21 utilities and other interested parties. These parties
22 shall, within 5 business days, notify the Agency in
23 writing if they object to any experts or expert consulting
24 firms on the lists. Objections shall be based on:

25 (A) failure to satisfy qualification criteria;

26 (B) identification of a conflict of interest; or

1 (C) evidence of inappropriate bias for or against
2 potential bidders or the affected utilities.

3 The Agency shall remove experts or expert consulting
4 firms from the lists within 10 days if there is a
5 reasonable basis for an objection and provide the updated
6 lists to the affected utilities and other interested
7 parties. If the Agency fails to remove an expert or expert
8 consulting firm from a list, an objecting party may seek
9 review by the Commission within 5 days thereafter by
10 filing a petition, and the Commission shall render a
11 ruling on the petition within 10 days. There is no right of
12 appeal of the Commission's ruling.

13 (4) The Agency shall issue requests for proposals to
14 the qualified experts or expert consulting firms to
15 develop a procurement plan for the affected utilities and
16 to serve as procurement administrator.

17 (5) The Agency shall select an expert or expert
18 consulting firm to develop procurement plans based on the
19 proposals submitted and shall award contracts of up to 5
20 years to those selected.

21 (6) The Agency shall select an expert or expert
22 consulting firm, with approval of the Commission, to serve
23 as procurement administrator based on the proposals
24 submitted. If the Commission rejects, within 5 days, the
25 Agency's selection, the Agency shall submit another
26 recommendation within 3 days based on the proposals

1 submitted. The Agency shall award a 5-year contract to the
2 expert or expert consulting firm so selected with
3 Commission approval.

4 (b) The experts or expert consulting firms retained by the
5 Agency shall, as appropriate, prepare procurement plans, and
6 conduct a competitive procurement process as prescribed in
7 Section 16-111.5 of the Public Utilities Act, to ensure
8 adequate, reliable, affordable, efficient, and environmentally
9 sustainable electric service at the lowest total cost over
10 time, taking into account any benefits of price stability, for
11 eligible retail customers of electric utilities that on
12 December 31, 2005 provided electric service to at least
13 100,000 customers in the State of Illinois, and for eligible
14 Illinois retail customers of small multi-jurisdictional
15 electric utilities that (i) on December 31, 2005 served less
16 than 100,000 customers in Illinois and (ii) request a
17 procurement plan for their Illinois jurisdictional load.

18 (c) Renewable portfolio standard.

19 (1) (A) The Agency shall develop a long-term renewable
20 resources procurement plan that shall include procurement
21 programs and competitive procurement events necessary to
22 meet the goals set forth in this subsection (c). The
23 initial long-term renewable resources procurement plan
24 shall be released for comment no later than 160 days after
25 June 1, 2017 (the effective date of Public Act 99-906).
26 The Agency shall review, and may revise on an expedited

1 basis, the long-term renewable resources procurement plan
2 at least every 2 years, which shall be conducted in
3 conjunction with the procurement plan under Section
4 16-111.5 of the Public Utilities Act to the extent
5 practicable to minimize administrative expense. No later
6 than 120 days after the effective date of this amendatory
7 Act of the 103rd General Assembly, the Agency shall
8 release for comment a revision to the long-term renewable
9 resources procurement plan, updating elements of the most
10 recently approved plan as needed to comply with this
11 amendatory Act of the 103rd General Assembly, and any
12 long-term renewable resources procurement plan update
13 published by the Agency but not yet approved by the
14 Illinois Commerce Commission shall be withdrawn. The
15 long-term renewable resources procurement plans shall be
16 subject to review and approval by the Commission under
17 Section 16-111.5 of the Public Utilities Act.

18 (B) Subject to subparagraph (F) of this paragraph (1),
19 the long-term renewable resources procurement plan shall
20 attempt to meet the goals for procurement of renewable
21 energy credits at levels of at least the following overall
22 percentages: 13% by the 2017 delivery year; increasing by
23 at least 1.5% each delivery year thereafter to at least
24 25% by the 2025 delivery year; increasing by at least 3%
25 each delivery year thereafter to at least 40% by the 2030
26 delivery year, and continuing at no less than 40% for each

1 delivery year thereafter. The Agency shall attempt to
2 procure 50% by delivery year 2040. The Agency shall
3 determine the annual increase between delivery year 2030
4 and delivery year 2040, if any, taking into account energy
5 demand, other energy resources, and other public policy
6 goals. In the event of a conflict between these goals and
7 the new wind, new photovoltaic, and hydropower procurement
8 requirements described in items (i) through (iii) of
9 subparagraph (C) of this paragraph (1), the long-term plan
10 shall prioritize compliance with the new wind, new
11 photovoltaic, and hydropower procurement requirements
12 described in items (i) through (iii) of subparagraph (C)
13 of this paragraph (1) over the annual percentage targets
14 described in this subparagraph (B). The Agency shall not
15 comply with the annual percentage targets described in
16 this subparagraph (B) by procuring renewable energy
17 credits that are unlikely to lead to the development of
18 new renewable resources or new, modernized, or retooled
19 hydropower facilities.

20 For the delivery year beginning June 1, 2017, the
21 procurement plan shall attempt to include, subject to the
22 prioritization outlined in this subparagraph (B),
23 cost-effective renewable energy resources equal to at
24 least 13% of each utility's load for eligible retail
25 customers and 13% of the applicable portion of each
26 utility's load for retail customers who are not eligible

1 retail customers, which applicable portion shall equal 50%
2 of the utility's load for retail customers who are not
3 eligible retail customers on February 28, 2017.

4 For the delivery year beginning June 1, 2018, the
5 procurement plan shall attempt to include, subject to the
6 prioritization outlined in this subparagraph (B),
7 cost-effective renewable energy resources equal to at
8 least 14.5% of each utility's load for eligible retail
9 customers and 14.5% of the applicable portion of each
10 utility's load for retail customers who are not eligible
11 retail customers, which applicable portion shall equal 75%
12 of the utility's load for retail customers who are not
13 eligible retail customers on February 28, 2017.

14 For the delivery year beginning June 1, 2019, and for
15 each year thereafter, the procurement plans shall attempt
16 to include, subject to the prioritization outlined in this
17 subparagraph (B), cost-effective renewable energy
18 resources equal to a minimum percentage of each utility's
19 load for all retail customers as follows: 16% by June 1,
20 2019; increasing by 1.5% each year thereafter to 25% by
21 June 1, 2025; and 25% by June 1, 2026; increasing by at
22 least 3% each delivery year thereafter to at least 40% by
23 the 2030 delivery year, and continuing at no less than 40%
24 for each delivery year thereafter. The Agency shall
25 attempt to procure 50% by delivery year 2040. The Agency
26 shall determine the annual increase between delivery year

1 2030 and delivery year 2040, if any, taking into account
2 energy demand, other energy resources, and other public
3 policy goals.

4 For each delivery year, the Agency shall first
5 recognize each utility's obligations for that delivery
6 year under existing contracts. Any renewable energy
7 credits under existing contracts, including renewable
8 energy credits as part of renewable energy resources,
9 shall be used to meet the goals set forth in this
10 subsection (c) for the delivery year.

11 (C) The long-term renewable resources procurement plan
12 described in subparagraph (A) of this paragraph (1) shall
13 include the procurement of renewable energy credits from
14 new projects pursuant to the following terms:

15 (i) At least 10,000,000 renewable energy credits
16 delivered annually by the end of the 2021 delivery
17 year, and increasing ratably to reach 45,000,000
18 renewable energy credits delivered annually from new
19 wind and solar projects, from repowered wind projects,
20 or from retooled hydropower facilities by the end of
21 delivery year 2030 such that the goals in subparagraph
22 (B) of this paragraph (1) are met entirely by
23 procurements of renewable energy credits from new wind
24 and photovoltaic projects. Of that amount, to the
25 extent possible, the Agency shall endeavor to procure
26 45% from new and repowered wind and hydropower

1 projects and shall procure at least 55% from
2 photovoltaic projects. Of the amount to be procured
3 from photovoltaic projects, the Agency shall procure:
4 at least 50% from solar photovoltaic projects using
5 the program outlined in subparagraph (K) of this
6 paragraph (1) from distributed renewable energy
7 generation devices or community renewable generation
8 projects; at least 47% from utility-scale solar
9 projects; at least 3% from brownfield site
10 photovoltaic projects that are not community renewable
11 generation projects. The Agency may propose
12 adjustments to these percentages, including
13 establishing percentage-based goals for the
14 procurement of renewable energy credits from
15 modernized or retooled hydropower facilities and
16 repowered wind projects, through its long-term
17 renewable resources plan described in subparagraph (A)
18 of this paragraph (1) as necessary based on developer
19 interest, market conditions, budget considerations,
20 resource adequacy needs, or other factors.

21 In developing the long-term renewable resources
22 procurement plan, the Agency shall consider other
23 approaches, in addition to competitive procurements,
24 that can be used to procure renewable energy credits
25 from brownfield site photovoltaic projects and thereby
26 help return blighted or contaminated land to

1 productive use while enhancing public health and the
2 well-being of Illinois residents, including those in
3 environmental justice communities, as defined using
4 existing methodologies and findings used by the Agency
5 and its Administrator in its Illinois Solar for All
6 Program. The Agency shall also consider other
7 approaches, in addition to competitive procurements,
8 to procure renewable energy credits from new and
9 existing hydropower facilities to support the
10 development and maintenance of these facilities. The
11 Agency shall explore options to convert existing dams
12 but shall not consider approaches to develop new dams
13 where they do not already exist. To encourage the
14 continued operation of utility-scale wind projects,
15 the Agency shall consider and may propose other
16 approaches in addition to competitive procurements to
17 procure renewable energy credits from repowered wind
18 projects.

19 (ii) In any given delivery year, if forecasted
20 expenses are less than the maximum budget available
21 under subparagraph (E) of this paragraph (1), the
22 Agency shall continue to procure new renewable energy
23 credits until that budget is exhausted in the manner
24 outlined in item (i) of this subparagraph (C).

25 (iii) For purposes of this Section:

26 "New wind projects" means wind renewable energy

1 facilities that are energized after June 1, 2017 for
2 the delivery year commencing June 1, 2017.

3 "New photovoltaic projects" means photovoltaic
4 renewable energy facilities that are energized after
5 June 1, 2017. Photovoltaic projects developed under
6 Section 1-56 of this Act shall not apply towards the
7 new photovoltaic project requirements in this
8 subparagraph (C).

9 "Repowered wind projects" means utility-scale wind
10 projects featuring the removal, replacement, or
11 expansion of turbines at an existing project site, as
12 defined in the long-term renewable resources
13 procurement plan, after the effective date of this
14 amendatory Act of the 103rd General Assembly.
15 Renewable energy credit contract awards used to
16 support repowered wind projects shall only cover the
17 incremental increase in facility electricity
18 production resultant from repowering.

19 For purposes of calculating whether the Agency has
20 procured enough new wind and solar renewable energy
21 credits required by this subparagraph (C), renewable
22 energy facilities that have a multi-year renewable
23 energy credit delivery contract with the utility
24 through at least delivery year 2030 shall be
25 considered new, however no renewable energy credits
26 from contracts entered into before June 1, 2021 shall

1 be used to calculate whether the Agency has procured
2 the correct proportion of new wind and new solar
3 contracts described in this subparagraph (C) for
4 delivery year 2021 and thereafter.

5 (iv) The Agency may implement additional measures,
6 including eligibility requirements, to ensure that new
7 wind projects and new photovoltaic projects supported
8 through renewable energy credit contract awards are
9 not energized at the time of contract award and
10 otherwise constitute new projects developed pursuant
11 to the financial certainty provided through a contract
12 award.

13 (D) Renewable energy credits shall be cost effective.
14 For purposes of this subsection (c), "cost effective"
15 means that the costs of procuring renewable energy
16 resources do not cause the limit stated in subparagraph
17 (E) of this paragraph (1) to be exceeded and, for
18 renewable energy credits procured through a competitive
19 procurement event, do not exceed benchmarks based on
20 market prices for like products in the region. For
21 purposes of this subsection (c), "like products" means
22 contracts for renewable energy credits from the same or
23 substantially similar technology, same or substantially
24 similar vintage (new or existing), the same or
25 substantially similar quantity, and the same or
26 substantially similar contract length and structure.

1 Benchmarks shall reflect development, financing, or
2 related costs resulting from requirements imposed through
3 other provisions of State law, including, but not limited
4 to, requirements in subparagraphs (P) and (Q) of this
5 paragraph (1) and the Renewable Energy Facilities
6 Agricultural Impact Mitigation Act. Confidential
7 benchmarks shall be developed by the procurement
8 administrator, in consultation with the Commission staff,
9 Agency staff, and the procurement monitor and shall be
10 subject to Commission review and approval. If price
11 benchmarks for like products in the region are not
12 available, the procurement administrator shall establish
13 price benchmarks based on publicly available data on
14 regional technology costs and expected current and future
15 regional energy prices. The benchmarks in this Section
16 shall not be used to curtail or otherwise reduce
17 contractual obligations entered into by or through the
18 Agency prior to June 1, 2017 (the effective date of Public
19 Act 99-906).

20 (E) For purposes of this subsection (c), the required
21 procurement of cost-effective renewable energy resources
22 for a particular year commencing prior to June 1, 2017
23 shall be measured as a percentage of the actual amount of
24 electricity (megawatt-hours) supplied by the electric
25 utility to eligible retail customers in the delivery year
26 ending immediately prior to the procurement, and, for

1 delivery years commencing on and after June 1, 2017, the
2 required procurement of cost-effective renewable energy
3 resources for a particular year shall be measured as a
4 percentage of the actual amount of electricity
5 (megawatt-hours) delivered by the electric utility in the
6 delivery year ending immediately prior to the procurement,
7 to all retail customers in its service territory. For
8 purposes of this subsection (c), the amount paid per
9 kilowatthour means the total amount paid for electric
10 service expressed on a per kilowatthour basis. For
11 purposes of this subsection (c), the total amount paid for
12 electric service includes without limitation amounts paid
13 for supply, transmission, capacity, distribution,
14 surcharges, and add-on taxes.

15 Notwithstanding the requirements of this subsection
16 (c), and except as provided in subparagraph (E-5) of
17 paragraph (1) of this subsection (c) or except as
18 otherwise authorized by the Commission in its approval of
19 the integrated resource plan under Section 16-202 of the
20 Public Utilities Act, the total of renewable energy
21 resources procured under the procurement plan for any
22 single year shall be subject to the limitations of this
23 subparagraph (E). Such procurement shall be reduced for
24 all retail customers based on the amount necessary to
25 limit the annual estimated average net increase due to the
26 costs of these resources included in the amounts paid by

1 eligible retail customers in connection with electric
2 service to no more than 4.25% of the amount paid per
3 kilowatthour by those customers during the year ending May
4 31, 2009, adjusted annually for inflation starting with
5 the first adjustment in the delivery year commencing June
6 1, 2026. The limitation shall be increased by an
7 additional 1.65% of the amount paid per kilowatthour by
8 eligible retail customers during the year ending May 31,
9 2009 starting with the delivery year commencing June 1,
10 2027. To arrive at a maximum dollar amount of renewable
11 energy resources to be procured for the particular
12 delivery year, the resulting per kilowatthour amount shall
13 be applied to the actual amount of kilowatthours of
14 electricity delivered, or applicable portion of such
15 amount as specified in paragraph (1) of this subsection
16 (c), as applicable, by the electric utility in the
17 delivery year immediately prior to the procurement to all
18 retail customers in its service territory. The
19 calculations required by this subparagraph (E) shall be
20 made only once for each delivery year at the time that the
21 renewable energy resources are procured. Once the
22 determination as to the amount of renewable energy
23 resources to procure is made based on the calculations set
24 forth in this subparagraph (E) and the contracts procuring
25 those amounts are executed between the seller and
26 applicable electric utility, no subsequent rate impact

1 determinations shall be made and no adjustments to those
2 contract amounts shall be allowed. As provided in
3 subparagraph (E-5) of paragraph (1) of this subsection
4 (c), the seller shall be entitled to full, prompt, and
5 uninterrupted payment under the applicable contract
6 notwithstanding the application of this subparagraph (E),
7 and all costs incurred under such contracts shall be fully
8 recoverable by the electric utility as provided in this
9 Section.

10 (E-5) If, for a particular delivery year, the
11 limitation on the amount of renewable energy resources to
12 be procured, as calculated pursuant to subparagraph (E) of
13 paragraph (1) of this subsection (c), would result in an
14 insufficient collection of funds to fully pay amounts due
15 to a seller under existing contracts executed under this
16 Section or executed under Section 1-56 of this Act, then
17 the following provisions shall apply to ensure full and
18 uninterrupted payment is made to such seller or sellers:

19 (i) If the electric utility has retained unspent
20 funds in an interest-bearing account as prescribed in
21 subsection (k) of Section 16-108 of the Public
22 Utilities Act, then the utility shall use those funds
23 to remit full payment to the sellers to ensure prompt
24 and uninterrupted payment of existing contractual
25 obligation.

26 (ii) If the funds described in item (i) of this

1 subparagraph (E-5) are insufficient to satisfy all
2 existing contractual obligations, then the electric
3 utility shall, nonetheless, remit full payment to the
4 sellers to ensure prompt and uninterrupted payment of
5 existing contractual obligations, provided that the
6 full costs shall be recoverable by the utility in
7 accordance with part (ee) of item (iv) of this
8 subsection (E-5).

9 (iii) The Agency shall promptly notify the
10 Commission that existing contractual obligations are
11 reasonably expected to exceed the maximum collection
12 authorized under subparagraph (E) of paragraph (1) of
13 this subsection (c) for the applicable delivery year.
14 The Agency shall also explain and confirm how the
15 operation of items (i) and (ii) of this subparagraph
16 (E-5) ensures that the electric utility will continue
17 to make prompt and uninterrupted payment under
18 existing contractual obligations. The Agency shall
19 provide this information to the Commission through a
20 notice filed in the Commission docket approving the
21 Agency's operative Long-Term Renewable Resources
22 Procurement Plan that includes the applicable delivery
23 year.

24 (iv) The Agency shall suspend or reduce new
25 contract awards for the procurement of renewable
26 energy credits until an Agency determination is made

1 under subparagraph (E) that additional procurements
2 would not cause the rate impact limitation of
3 subparagraph (E) to be exceeded. At least once
4 annually after the notice provided for in item (iii)
5 of this subparagraph (E-5) is made, the Agency shall
6 analyze existing contract obligations, projected
7 prices for indexed renewable energy credit contracts
8 executed under item (v) of subparagraph (G) of
9 paragraph (1) of subsection (c) of Section 1-75 of
10 this Act, and expected collections authorized under
11 subparagraph (E) to determine whether and to what
12 extent the limitations of subparagraph (E) would be
13 exceeded by additional renewable energy credit
14 procurement contract awards.

15 (aa) If the Agency determines that additional
16 renewable energy credit procurement contract
17 awards could be made without exceeding the
18 limitations of subparagraph (E), then the
19 procurements shall be authorized at a scale
20 determined not to exceed the limitations of
21 subparagraph (E) in a manner consistent with the
22 priorities of this Section.

23 (bb) If the Agency determines that additional
24 renewable energy credit procurement contract
25 awards cannot be made without exceeding the
26 limitations of subparagraph (E), then the Agency

1 shall suspend any new contract awards for the
2 procurement of renewable energy credits until a
3 new rate impact determination is made under
4 subparagraph (E).

5 (cc) Agency determinations made under this
6 item (iv) shall be detailed and comprehensive and,
7 if not made through the Agency's Long-Term
8 Renewable Resources Procurement Plan, shall be
9 filed as a compliance filing in the most recent
10 docketed proceeding approving the Agency's
11 Long-Term Renewable Resources Procurement Plan.

12 (dd) With respect to the procurement of
13 renewable energy credits authorized through
14 programs administered under subsection (b) of
15 Section 1-56 and subparagraphs (K) through (M) of
16 paragraph (1) of subsection (k) of Section 1-75 of
17 this Act, the award of contracts for the
18 procurement of renewable energy credits shall be
19 suspended or reduced only at the conclusion of the
20 program year in which the notice provided for
21 under item (iii) of this subparagraph (E-5) is
22 made.

23 (ee) The contract shall provide that, so long
24 as at least one of: (i) the cost recovery
25 mechanisms referenced in subsection (k) of Section
26 16-108 and subsection (l) of Section 16-111.5 of

1 the Public Utilities Act remains in full force
2 without limitation or (ii) the utility is
3 otherwise authorized and or entitled to full,
4 prompt, and uninterrupted recovery of its costs
5 through any other mechanism, then such seller
6 shall be entitled to full, prompt, and
7 uninterrupted payment under the applicable
8 contract notwithstanding the application of this
9 subparagraph (E).

10 (F) If the limitation on the amount of renewable
11 energy resources procured in subparagraph (E) of this
12 paragraph (1) prevents the Agency from meeting all of the
13 goals in this subsection (c), the Agency's long-term plan
14 shall prioritize compliance with the requirements of this
15 subsection (c) regarding renewable energy credits in the
16 following order:

17 (i) renewable energy credits under existing
18 contractual obligations as of June 1, 2021;

19 (i-5) funding for the Illinois Solar for All
20 Program, as described in subparagraph (O) of this
21 paragraph (1);

22 (ii) renewable energy credits necessary to comply
23 with the new wind and new photovoltaic procurement
24 requirements described in items (i) through (iii) of
25 subparagraph (C) of this paragraph (1); and

26 (iii) renewable energy credits necessary to meet

1 the remaining requirements of this subsection (c).

2 (G) The following provisions shall apply to the
3 Agency's procurement of renewable energy credits under
4 this subsection (c):

5 (i) Notwithstanding whether a long-term renewable
6 resources procurement plan has been approved, the
7 Agency shall conduct an initial forward procurement
8 for renewable energy credits from new utility-scale
9 wind projects within 160 days after June 1, 2017 (the
10 effective date of Public Act 99-906). For the purposes
11 of this initial forward procurement, the Agency shall
12 solicit 15-year contracts for delivery of 1,000,000
13 renewable energy credits delivered annually from new
14 utility-scale wind projects to begin delivery on June
15 1, 2019, if available, but not later than June 1, 2021,
16 unless the project has delays in the establishment of
17 an operating interconnection with the applicable
18 transmission or distribution system as a result of the
19 actions or inactions of the transmission or
20 distribution provider, or other causes for force
21 majeure as outlined in the procurement contract, in
22 which case, not later than June 1, 2022. Payments to
23 suppliers of renewable energy credits shall commence
24 upon delivery. Renewable energy credits procured under
25 this initial procurement shall be included in the
26 Agency's long-term plan and shall apply to all

1 renewable energy goals in this subsection (c).

2 (ii) Notwithstanding whether a long-term renewable
3 resources procurement plan has been approved, the
4 Agency shall conduct an initial forward procurement
5 for renewable energy credits from new utility-scale
6 solar projects and brownfield site photovoltaic
7 projects within one year after June 1, 2017 (the
8 effective date of Public Act 99-906). For the purposes
9 of this initial forward procurement, the Agency shall
10 solicit 15-year contracts for delivery of 1,000,000
11 renewable energy credits delivered annually from new
12 utility-scale solar projects and brownfield site
13 photovoltaic projects to begin delivery on June 1,
14 2019, if available, but not later than June 1, 2021,
15 unless the project has delays in the establishment of
16 an operating interconnection with the applicable
17 transmission or distribution system as a result of the
18 actions or inactions of the transmission or
19 distribution provider, or other causes for force
20 majeure as outlined in the procurement contract, in
21 which case, not later than June 1, 2022. The Agency may
22 structure this initial procurement in one or more
23 discrete procurement events. Payments to suppliers of
24 renewable energy credits shall commence upon delivery.
25 Renewable energy credits procured under this initial
26 procurement shall be included in the Agency's

1 long-term plan and shall apply to all renewable energy
2 goals in this subsection (c).

3 (iii) Notwithstanding whether the Commission has
4 approved the periodic long-term renewable resources
5 procurement plan revision described in Section
6 16-111.5 of the Public Utilities Act, the Agency shall
7 conduct at least one subsequent forward procurement
8 for renewable energy credits from new utility-scale
9 wind projects, new utility-scale solar projects, and
10 new brownfield site photovoltaic projects within 240
11 days after the effective date of this amendatory Act
12 of the 102nd General Assembly in quantities necessary
13 to meet the requirements of subparagraph (C) of this
14 paragraph (1) through the delivery year beginning June
15 1, 2021.

16 (iv) Notwithstanding whether the Commission has
17 approved the periodic long-term renewable resources
18 procurement plan revision described in Section
19 16-111.5 of the Public Utilities Act, the Agency shall
20 open capacity for each category in the Adjustable
21 Block program within 90 days after the effective date
22 of this amendatory Act of the 102nd General Assembly
23 manner:

24 (1) The Agency shall open the first block of
25 annual capacity for the category described in item
26 (i) of subparagraph (K) of this paragraph (1). The

1 first block of annual capacity for item (i) shall
2 be for at least 75 megawatts of total nameplate
3 capacity. The price of the renewable energy credit
4 for this block of capacity shall be 4% less than
5 the price of the last open block in this category.
6 Projects on a waitlist shall be awarded contracts
7 first in the order in which they appear on the
8 waitlist. Notwithstanding anything to the
9 contrary, for those renewable energy credits that
10 qualify and are procured under this subitem (1) of
11 this item (iv), the renewable energy credit
12 delivery contract value shall be paid in full,
13 based on the estimated generation during the first
14 15 years of operation, by the contracting
15 utilities at the time that the facility producing
16 the renewable energy credits is interconnected at
17 the distribution system level of the utility and
18 verified as energized and in compliance by the
19 Program Administrator. The electric utility shall
20 receive and retire all renewable energy credits
21 generated by the project for the first 15 years of
22 operation. Renewable energy credits generated by
23 the project thereafter shall not be transferred
24 under the renewable energy credit delivery
25 contract with the counterparty electric utility.

26 (2) The Agency shall open the first block of

1 annual capacity for the category described in item
2 (ii) of subparagraph (K) of this paragraph (1).
3 The first block of annual capacity for item (ii)
4 shall be for at least 75 megawatts of total
5 nameplate capacity.

6 (A) The price of the renewable energy
7 credit for any project on a waitlist for this
8 category before the opening of this block
9 shall be 4% less than the price of the last
10 open block in this category. Projects on the
11 waitlist shall be awarded contracts first in
12 the order in which they appear on the
13 waitlist. Any projects that are less than or
14 equal to 25 kilowatts in size on the waitlist
15 for this capacity shall be moved to the
16 waitlist for paragraph (1) of this item (iv).
17 Notwithstanding anything to the contrary,
18 projects that were on the waitlist prior to
19 opening of this block shall not be required to
20 be in compliance with the requirements of
21 subparagraph (Q) of this paragraph (1) of this
22 subsection (c). Notwithstanding anything to
23 the contrary, for those renewable energy
24 credits procured from projects that were on
25 the waitlist for this category before the
26 opening of this block 20% of the renewable

1 energy credit delivery contract value, based
2 on the estimated generation during the first
3 15 years of operation, shall be paid by the
4 contracting utilities at the time that the
5 facility producing the renewable energy
6 credits is interconnected at the distribution
7 system level of the utility and verified as
8 energized by the Program Administrator. The
9 remaining portion shall be paid ratably over
10 the subsequent 4-year period. The electric
11 utility shall receive and retire all renewable
12 energy credits generated by the project during
13 the first 15 years of operation. Renewable
14 energy credits generated by the project
15 thereafter shall not be transferred under the
16 renewable energy credit delivery contract with
17 the counterparty electric utility.

18 (B) The price of renewable energy credits
19 for any project not on the waitlist for this
20 category before the opening of the block shall
21 be determined and published by the Agency.
22 Projects not on a waitlist as of the opening
23 of this block shall be subject to the
24 requirements of subparagraph (Q) of this
25 paragraph (1), as applicable. Projects not on
26 a waitlist as of the opening of this block

1 shall be subject to the contract provisions
2 outlined in item (iii) of subparagraph (L) of
3 this paragraph (1). The Agency shall strive to
4 publish updated prices and an updated
5 renewable energy credit delivery contract as
6 quickly as possible.

7 (3) For opening the first 2 blocks of annual
8 capacity for projects participating in item (iii)
9 of subparagraph (K) of paragraph (1) of subsection
10 (c), projects shall be selected exclusively from
11 those projects on the ordinal waitlists of
12 community renewable generation projects
13 established by the Agency based on the status of
14 those ordinal waitlists as of December 31, 2020,
15 and only those projects previously determined to
16 be eligible for the Agency's April 2019 community
17 solar project selection process.

18 The first 2 blocks of annual capacity for item
19 (iii) shall be for 250 megawatts of total
20 nameplate capacity, with both blocks opening
21 simultaneously under the schedule outlined in the
22 paragraphs below. Projects shall be selected as
23 follows:

24 (A) The geographic balance of selected
25 projects shall follow the Group classification
26 found in the Agency's Revised Long-Term

1 Renewable Resources Procurement Plan, with 70%
2 of capacity allocated to projects on the Group
3 B waitlist and 30% of capacity allocated to
4 projects on the Group A waitlist.

5 (B) Contract awards for waitlisted
6 projects shall be allocated proportionate to
7 the total nameplate capacity amount across
8 both ordinal waitlists associated with that
9 applicant firm or its affiliates, subject to
10 the following conditions.

11 (i) Each applicant firm having a
12 waitlisted project eligible for selection
13 shall receive no less than 500 kilowatts
14 in awarded capacity across all groups, and
15 no approved vendor may receive more than
16 20% of each Group's waitlist allocation.

17 (ii) Each applicant firm, upon
18 receiving an award of program capacity
19 proportionate to its waitlisted capacity,
20 may then determine which waitlisted
21 projects it chooses to be selected for a
22 contract award up to that capacity amount.

23 (iii) Assuming all other program
24 requirements are met, applicant firms may
25 adjust the nameplate capacity of applicant
26 projects without losing waitlist

1 eligibility, so long as no project is
2 greater than 2,000 kilowatts in size.

3 (iv) Assuming all other program
4 requirements are met, applicant firms may
5 adjust the expected production associated
6 with applicant projects, subject to
7 verification by the Program Administrator.

8 (C) After a review of affiliate
9 information and the current ordinal waitlists,
10 the Agency shall announce the nameplate
11 capacity award amounts associated with
12 applicant firms no later than 90 days after
13 the effective date of this amendatory Act of
14 the 102nd General Assembly.

15 (D) Applicant firms shall submit their
16 portfolio of projects used to satisfy those
17 contract awards no less than 90 days after the
18 Agency's announcement. The total nameplate
19 capacity of all projects used to satisfy that
20 portfolio shall be no greater than the
21 Agency's nameplate capacity award amount
22 associated with that applicant firm. An
23 applicant firm may decline, in whole or in
24 part, its nameplate capacity award without
25 penalty, with such unmet capacity rolled over
26 to the next block opening for project

1 selection under item (iii) of subparagraph (K)
2 of this subsection (c). Any projects not
3 included in an applicant firm's portfolio may
4 reapply without prejudice upon the next block
5 reopening for project selection under item
6 (iii) of subparagraph (K) of this subsection
7 (c).

8 (E) The renewable energy credit delivery
9 contract shall be subject to the contract and
10 payment terms outlined in item (iv) of
11 subparagraph (L) of this subsection (c).
12 Contract instruments used for this
13 subparagraph shall contain the following
14 terms:

15 (i) Renewable energy credit prices
16 shall be fixed, without further adjustment
17 under any other provision of this Act or
18 for any other reason, at 10% lower than
19 prices applicable to the last open block
20 for this category, inclusive of any adders
21 available for achieving a minimum of 50%
22 of subscribers to the project's nameplate
23 capacity being residential or small
24 commercial customers with subscriptions of
25 below 25 kilowatts in size;

26 (ii) A requirement that a minimum of

1 50% of subscribers to the project's
2 nameplate capacity be residential or small
3 commercial customers with subscriptions of
4 below 25 kilowatts in size;

5 (iii) Permission for the ability of a
6 contract holder to substitute projects
7 with other waitlisted projects without
8 penalty should a project receive a
9 non-binding estimate of costs to construct
10 the interconnection facilities and any
11 required distribution upgrades associated
12 with that project of greater than 30 cents
13 per watt AC of that project's nameplate
14 capacity. In developing the applicable
15 contract instrument, the Agency may
16 consider whether other circumstances
17 outside of the control of the applicant
18 firm should also warrant project
19 substitution rights.

20 The Agency shall publish a finalized
21 updated renewable energy credit delivery
22 contract developed consistent with these terms
23 and conditions no less than 30 days before
24 applicant firms must submit their portfolio of
25 projects pursuant to item (D).

26 (F) To be eligible for an award, the

1 applicant firm shall certify that not less
2 than prevailing wage, as determined pursuant
3 to the Illinois Prevailing Wage Act, was or
4 will be paid to employees who are engaged in
5 construction activities associated with a
6 selected project.

7 (4) The Agency shall open the first block of
8 annual capacity for the category described in item
9 (iv) of subparagraph (K) of this paragraph (1).
10 The first block of annual capacity for item (iv)
11 shall be for at least 50 megawatts of total
12 nameplate capacity. Renewable energy credit prices
13 shall be fixed, without further adjustment under
14 any other provision of this Act or for any other
15 reason, at the price in the last open block in the
16 category described in item (ii) of subparagraph
17 (K) of this paragraph (1). Pricing for future
18 blocks of annual capacity for this category may be
19 adjusted in the Agency's second revision to its
20 Long-Term Renewable Resources Procurement Plan.
21 Projects in this category shall be subject to the
22 contract terms outlined in item (iv) of
23 subparagraph (L) of this paragraph (1).

24 (5) The Agency shall open the equivalent of 2
25 years of annual capacity for the category
26 described in item (v) of subparagraph (K) of this

1 paragraph (1). The first block of annual capacity
2 for item (v) shall be for at least 10 megawatts of
3 total nameplate capacity. Notwithstanding the
4 provisions of item (v) of subparagraph (K) of this
5 paragraph (1), for the purpose of this initial
6 block, the agency shall accept new project
7 applications intended to increase the diversity of
8 areas hosting community solar projects, the
9 business models of projects, and the size of
10 projects, as described by the Agency in its
11 long-term renewable resources procurement plan
12 that is approved as of the effective date of this
13 amendatory Act of the 102nd General Assembly.
14 Projects in this category shall be subject to the
15 contract terms outlined in item (iii) of
16 subsection (L) of this paragraph (1).

17 (6) The Agency shall open the first blocks of
18 annual capacity for the category described in item
19 (vi) of subparagraph (K) of this paragraph (1),
20 with allocations of capacity within the block
21 generally matching the historical share of block
22 capacity allocated between the category described
23 in items (i) and (ii) of subparagraph (K) of this
24 paragraph (1). The first two blocks of annual
25 capacity for item (vi) shall be for at least 75
26 megawatts of total nameplate capacity. The price

1 of renewable energy credits for the blocks of
2 capacity shall be 4% less than the price of the
3 last open blocks in the categories described in
4 items (i) and (ii) of subparagraph (K) of this
5 paragraph (1). Pricing for future blocks of annual
6 capacity for this category may be adjusted in the
7 Agency's second revision to its Long-Term
8 Renewable Resources Procurement Plan. Projects in
9 this category shall be subject to the applicable
10 contract terms outlined in items (ii) and (iii) of
11 subparagraph (L) of this paragraph (1).

12 (v) Upon the effective date of this amendatory Act
13 of the 102nd General Assembly, for all competitive
14 procurements and any procurements of renewable energy
15 credit from new utility-scale wind and new
16 utility-scale photovoltaic projects, the Agency shall
17 procure indexed renewable energy credits and direct
18 respondents to offer a strike price.

19 (1) The purchase price of the indexed
20 renewable energy credit payment shall be
21 calculated for each settlement period. That
22 payment, for any settlement period, shall be equal
23 to the difference resulting from subtracting the
24 strike price from the index price for that
25 settlement period. If this difference results in a
26 negative number, the indexed REC counterparty

1 shall owe the seller the absolute value multiplied
2 by the quantity of energy produced in the relevant
3 settlement period. If this difference results in a
4 positive number, the seller shall owe the indexed
5 REC counterparty this amount multiplied by the
6 quantity of energy produced in the relevant
7 settlement period.

8 (2) Parties shall cash settle every month,
9 summing up all settlements (both positive and
10 negative, if applicable) for the prior month.

11 (3) To ensure funding in the annual budget
12 established under subparagraph (E) for indexed
13 renewable energy credit procurements for each year
14 of the term of such contracts, which must have a
15 minimum tenure of 20 calendar years, the
16 procurement administrator, Agency, Commission
17 staff, and procurement monitor shall quantify the
18 annual cost of the contract by utilizing one or
19 more ~~an~~ industry-standard, third-party forward
20 price curves ~~curve~~ for energy at the appropriate
21 hub or load zone, including the estimated
22 magnitude and timing of the price effects related
23 to federal carbon controls. Each forward price
24 curve shall contain a specific value of the
25 forecasted market price of electricity for each
26 annual delivery year of the contract. For

1 procurement planning purposes, the impact on the
2 annual budget for the cost of indexed renewable
3 energy credits for each delivery year shall be
4 determined as the expected annual contract
5 expenditure for that year, equaling the difference
6 between (i) the sum across all relevant contracts
7 of the applicable strike price multiplied by
8 contract quantity and (ii) the sum across all
9 relevant contracts of the forward price curve for
10 the applicable load zone for that year multiplied
11 by contract quantity. The contracting utility
12 shall not assume an obligation in excess of the
13 estimated annual cost of the contracts for indexed
14 renewable energy credits. Forward curves shall be
15 revised on an annual basis as updated forward
16 price curves are released and filed with the
17 Commission in the proceeding approving the
18 Agency's most recent long-term renewable resources
19 procurement plan. If the expected contract spend
20 is higher or lower than the total quantity of
21 contracts multiplied by the forward price curve
22 value for that year, the forward price curve shall
23 be updated by the procurement administrator, in
24 consultation with the Agency, Commission staff,
25 and procurement monitors, using then-currently
26 available price forecast data and additional

1 budget dollars shall be obligated or reobligated
2 as appropriate.

3 (4) To ensure that indexed renewable energy
4 credit prices remain predictable and affordable,
5 the Agency may consider the institution of a price
6 collar on REC prices paid under indexed renewable
7 energy credit procurements establishing floor and
8 ceiling REC prices applicable to indexed REC
9 contract prices. Any price collars applicable to
10 indexed REC procurements shall be proposed by the
11 Agency through its long-term renewable resources
12 procurement plan.

13 (vi) All procurements under this subparagraph (G),
14 including the procurement of renewable energy credits
15 from hydropower facilities, shall comply with the
16 geographic requirements in subparagraph (I) of this
17 paragraph (1) and shall follow the procurement
18 processes and procedures described in this Section and
19 Section 16-111.5 of the Public Utilities Act to the
20 extent practicable, and these processes and procedures
21 may be expedited to accommodate the schedule
22 established by this subparagraph (G). To ensure the
23 successful development of new renewable energy
24 projects supported through competitive procurements,
25 for any procurements conducted under items (i), (ii),
26 (iii), and (v) of this subparagraph (G) and any other

procurement of new utility-scale wind or utility-scale solar projects that were entered into prior to January 1, 2025, the Agency shall allow, upon a demonstration of need to ensure the commercial viability of a project, for a one-time, post-award renegotiation of select contract terms prior to the project's commercial operation date through bilateral negotiation between the Agency, the buyer, and a winning bidder. Contract terms subject to renegotiation may include the project map, as defined under the applicable competitive solicitation, the real estate footprint or any limitations thereof, the location of the generators, or a potential reduction in the quantity of renewable energy credits to be delivered. Provisions related to a renewable energy credit delivery shortfall and the event of default may be replaced with similar provisions approved by the Agency in subsequent years or subsequent to a successful bid. Post-award renegotiation of competitively bid renewable energy credit contracts entered into prior to January 1, 2025 shall not be permitted to the extent such renegotiation would result in (1) the point of interconnection being within the service area of a different state, a different regional transmission organization zone, or a different regional transmission organization, (2)

1 the generator no longer meeting the definition of the
2 resource category for which the winning bidder was
3 originally awarded a contract, (3) the generator no
4 longer meeting the Agency's public interest criteria
5 as established in the long-term renewable resources
6 plan in effect at the time of the contract award, or
7 (4) a change to material terms of the renewable energy
8 credit contract unrelated to project land or footprint
9 or the number of renewable energy credits to be
10 delivered, including the applicable bid price or
11 strike price. If the Agency, the buyer, and the
12 winning bidder reach an agreement on amended terms,
13 then, upon petition by the winning bidder or current
14 seller, the Commission shall issue an order directing
15 the utility counterparty to execute an amendment
16 drafted by the Agency with the revised terms to the
17 renewable energy credit contract, the product order,
18 or both. The Agency shall provide the amendment to the
19 utility within 15 business days after the Commission's
20 order, and the utility shall execute the amendment no
21 more than 7 calendar days after delivery by the
22 Agency.

23 (vii) On and after the effective date of this
24 amendatory Act of the 103rd General Assembly, for all
25 procurements of renewable energy credits from
26 hydropower facilities, the Agency shall establish

1 contract terms designed to optimize existing
2 hydropower facilities through modernization or
3 retooling and establish new hydropower facilities at
4 existing dams. Procurements made under this item (vii)
5 shall prioritize projects located in designated
6 environmental justice communities, as defined in
7 subsection (b) of Section 1-56 of this Act, or in
8 projects located in units of local government with
9 median incomes that do not exceed 82% of the median
10 income of the State.

11 (H) The procurement of renewable energy resources for
12 a given delivery year shall be reduced as described in
13 this subparagraph (H) if an alternative retail electric
14 supplier meets the requirements described in this
15 subparagraph (H).

16 (i) Within 45 days after June 1, 2017 (the
17 effective date of Public Act 99-906), an alternative
18 retail electric supplier or its successor shall submit
19 an informational filing to the Illinois Commerce
20 Commission certifying that, as of December 31, 2015,
21 the alternative retail electric supplier owned one or
22 more electric generating facilities that generates
23 renewable energy resources as defined in Section 1-10
24 of this Act, provided that such facilities are not
25 powered by wind or photovoltaics, and the facilities
26 generate one renewable energy credit for each

1 megawatthour of energy produced from the facility.

2 The informational filing shall identify each
3 facility that was eligible to satisfy the alternative
4 retail electric supplier's obligations under Section
5 16-115D of the Public Utilities Act as described in
6 this item (i).

7 (ii) For a given delivery year, the alternative
8 retail electric supplier may elect to supply its
9 retail customers with renewable energy credits from
10 the facility or facilities described in item (i) of
11 this subparagraph (H) that continue to be owned by the
12 alternative retail electric supplier.

13 (iii) The alternative retail electric supplier
14 shall notify the Agency and the applicable utility, no
15 later than February 28 of the year preceding the
16 applicable delivery year or 15 days after June 1, 2017
17 (the effective date of Public Act 99-906), whichever
18 is later, of its election under item (ii) of this
19 subparagraph (H) to supply renewable energy credits to
20 retail customers of the utility. Such election shall
21 identify the amount of renewable energy credits to be
22 supplied by the alternative retail electric supplier
23 to the utility's retail customers and the source of
24 the renewable energy credits identified in the
25 informational filing as described in item (i) of this
26 subparagraph (H), subject to the following

1 limitations:

2 For the delivery year beginning June 1, 2018,
3 the maximum amount of renewable energy credits to
4 be supplied by an alternative retail electric
5 supplier under this subparagraph (H) shall be 68%
6 multiplied by 25% multiplied by 14.5% multiplied
7 by the amount of metered electricity
8 (megawatt-hours) delivered by the alternative
9 retail electric supplier to Illinois retail
10 customers during the delivery year ending May 31,
11 2016.

12 For delivery years beginning June 1, 2019 and
13 each year thereafter, the maximum amount of
14 renewable energy credits to be supplied by an
15 alternative retail electric supplier under this
16 subparagraph (H) shall be 68% multiplied by 50%
17 multiplied by 16% multiplied by the amount of
18 metered electricity (megawatt-hours) delivered by
19 the alternative retail electric supplier to
20 Illinois retail customers during the delivery year
21 ending May 31, 2016, provided that the 16% value
22 shall increase by 1.5% each delivery year
23 thereafter to 25% by the delivery year beginning
24 June 1, 2025, and thereafter the 25% value shall
25 apply to each delivery year.

26 For each delivery year, the total amount of

1 renewable energy credits supplied by all alternative
2 retail electric suppliers under this subparagraph (H)
3 shall not exceed 9% of the Illinois target renewable
4 energy credit quantity. The Illinois target renewable
5 energy credit quantity for the delivery year beginning
6 June 1, 2018 is 14.5% multiplied by the total amount of
7 metered electricity (megawatt-hours) delivered in the
8 delivery year immediately preceding that delivery
9 year, provided that the 14.5% shall increase by 1.5%
10 each delivery year thereafter to 25% by the delivery
11 year beginning June 1, 2025, and thereafter the 25%
12 value shall apply to each delivery year.

13 If the requirements set forth in items (i) through
14 (iii) of this subparagraph (H) are met, the charges
15 that would otherwise be applicable to the retail
16 customers of the alternative retail electric supplier
17 under paragraph (6) of this subsection (c) for the
18 applicable delivery year shall be reduced by the ratio
19 of the quantity of renewable energy credits supplied
20 by the alternative retail electric supplier compared
21 to that supplier's target renewable energy credit
22 quantity. The supplier's target renewable energy
23 credit quantity for the delivery year beginning June
24 1, 2018 is 14.5% multiplied by the total amount of
25 metered electricity (megawatt-hours) delivered by the
26 alternative retail supplier in that delivery year,

1 provided that the 14.5% shall increase by 1.5% each
2 delivery year thereafter to 25% by the delivery year
3 beginning June 1, 2025, and thereafter the 25% value
4 shall apply to each delivery year.

5 On or before April 1 of each year, the Agency shall
6 annually publish a report on its website that
7 identifies the aggregate amount of renewable energy
8 credits supplied by alternative retail electric
9 suppliers under this subparagraph (H).

10 (I) The Agency shall design its long-term renewable
11 energy procurement plan to maximize the State's interest
12 in the health, safety, and welfare of its residents,
13 including but not limited to minimizing sulfur dioxide,
14 nitrogen oxide, particulate matter and other pollution
15 that adversely affects public health in this State,
16 increasing fuel and resource diversity in this State,
17 enhancing the reliability and resiliency of the
18 electricity distribution system in this State, meeting
19 goals to limit carbon dioxide emissions under federal or
20 State law, and contributing to a cleaner and healthier
21 environment for the citizens of this State. In order to
22 further these legislative purposes, renewable energy
23 credits shall be eligible to be counted toward the
24 renewable energy requirements of this subsection (c) if
25 they are generated from facilities located in this State.
26 The Agency may qualify renewable energy credits from

1 facilities located in states adjacent to Illinois or
2 renewable energy credits associated with the electricity
3 generated by a utility-scale wind energy facility or
4 utility-scale photovoltaic facility and transmitted by a
5 qualifying direct current project described in subsection
6 (b-5) of Section 8-406 of the Public Utilities Act to a
7 delivery point on the electric transmission grid located
8 in this State or a state adjacent to Illinois, if the
9 generator demonstrates and the Agency determines that the
10 operation of such facility or facilities will help promote
11 the State's interest in the health, safety, and welfare of
12 its residents based on the public interest criteria
13 described above. For the purposes of this Section,
14 renewable resources that are delivered via a high voltage
15 direct current converter station located in Illinois shall
16 be deemed generated in Illinois at the time and location
17 the energy is converted to alternating current by the high
18 voltage direct current converter station if the high
19 voltage direct current transmission line: (i) after the
20 effective date of this amendatory Act of the 102nd General
21 Assembly, was constructed with a project labor agreement;
22 (ii) is capable of transmitting electricity at 525kv;
23 (iii) has an Illinois converter station located and
24 interconnected in the region of the PJM Interconnection,
25 LLC; (iv) does not operate as a public utility; and (v) if
26 the high voltage direct current transmission line was

1 energized after June 1, 2023. To ensure that the public
2 interest criteria are applied to the procurement and given
3 full effect, the Agency's long-term procurement plan shall
4 describe in detail how each public interest factor shall
5 be considered and weighted for facilities located in
6 states adjacent to Illinois.

7 (J) In order to promote the competitive development of
8 renewable energy resources in furtherance of the State's
9 interest in the health, safety, and welfare of its
10 residents, renewable energy credits shall not be eligible
11 to be counted toward the renewable energy requirements of
12 this subsection (c) if they are sourced from a generating
13 unit whose costs were being recovered through rates
14 regulated by this State or any other state or states on or
15 after January 1, 2017. Each contract executed to purchase
16 renewable energy credits under this subsection (c) shall
17 provide for the contract's termination if the costs of the
18 generating unit supplying the renewable energy credits
19 subsequently begin to be recovered through rates regulated
20 by this State or any other state or states; and each
21 contract shall further provide that, in that event, the
22 supplier of the credits must return 110% of all payments
23 received under the contract. Amounts returned under the
24 requirements of this subparagraph (J) shall be retained by
25 the utility and all of these amounts shall be used for the
26 procurement of additional renewable energy credits from

1 new wind or new photovoltaic resources as defined in this
2 subsection (c). The long-term plan shall provide that
3 these renewable energy credits shall be procured in the
4 next procurement event.

5 Notwithstanding the limitations of this subparagraph
6 (J), renewable energy credits sourced from generating
7 units that are constructed, purchased, owned, or leased by
8 an electric utility as part of an approved project,
9 program, or pilot under Section 1-56 of this Act shall be
10 eligible to be counted toward the renewable energy
11 requirements of this subsection (c), regardless of how the
12 costs of these units are recovered. As long as a
13 generating unit or an identifiable portion of a generating
14 unit has not had and does not have its costs recovered
15 through rates regulated by this State or any other state,
16 HVDC renewable energy credits associated with that
17 generating unit or identifiable portion thereof shall be
18 eligible to be counted toward the renewable energy
19 requirements of this subsection (c).

20 (K) The long-term renewable resources procurement plan
21 developed by the Agency in accordance with subparagraph
22 (A) of this paragraph (1) shall include an Adjustable
23 Block program for the procurement of renewable energy
24 credits from new photovoltaic projects that are
25 distributed renewable energy generation devices or new
26 photovoltaic community renewable generation projects. The

1 Adjustable Block program shall be generally designed to
2 provide for the steady, predictable, and sustainable
3 growth of new solar photovoltaic development in Illinois.
4 To this end, the Adjustable Block program shall provide a
5 transparent annual schedule of prices and quantities to
6 enable the photovoltaic market to scale up and for
7 renewable energy credit prices to adjust at a predictable
8 rate over time. The prices set by the Adjustable Block
9 program can be reflected as a set value or as the product
10 of a formula.

11 The Adjustable Block program shall include for each
12 category of eligible projects for each delivery year: a
13 single block of nameplate capacity, a price for renewable
14 energy credits within that block, and the terms and
15 conditions for securing a spot on a waitlist once the
16 block is fully committed or reserved. Except as outlined
17 below, the waitlist of projects in a given year will carry
18 over to apply to the subsequent year when another block is
19 opened. Only projects energized on or after June 1, 2017
20 shall be eligible for the Adjustable Block program. For
21 each category for each delivery year the Agency shall
22 determine the amount of generation capacity in each block,
23 and the purchase price for each block, provided that the
24 purchase price provided and the total amount of generation
25 in all blocks for all categories shall be sufficient to
26 meet the goals in this subsection (c). The Agency shall

1 strive to issue a single block sized to provide for
2 stability and market growth. The Agency shall establish
3 program eligibility requirements that ensure that projects
4 that enter the program are sufficiently mature to indicate
5 a demonstrable path to completion. The Agency may
6 periodically review its prior decisions establishing the
7 amount of generation capacity in each block, and the
8 purchase price for each block, and may propose, on an
9 expedited basis, changes to these previously set values,
10 including but not limited to redistributing these amounts
11 and the available funds as necessary and appropriate,
12 subject to Commission approval as part of the periodic
13 plan revision process described in Section 16-111.5 of the
14 Public Utilities Act. The Agency may define different
15 block sizes, purchase prices, or other distinct terms and
16 conditions for projects located in different utility
17 service territories if the Agency deems it necessary to
18 meet the goals in this subsection (c).

19 The Adjustable Block program shall include the
20 following categories in at least the following amounts:

21 (i) At least 20% from distributed renewable energy
22 generation devices with a nameplate capacity of no
23 more than 25 kilowatts.

24 (ii) At least 20% from distributed renewable
25 energy generation devices with a nameplate capacity of
26 more than 25 kilowatts and no more than 5,000

1 kilowatts. The Agency may create sub-categories within
2 this category to account for the differences between
3 projects for small commercial customers, large
4 commercial customers, and public or non-profit
5 customers.

6 (iii) At least 30% from photovoltaic community
7 renewable generation projects. Capacity for this
8 category for the first 2 delivery years after the
9 effective date of this amendatory Act of the 102nd
10 General Assembly shall be allocated to waitlist
11 projects as provided in paragraph (3) of item (iv) of
12 subparagraph (G). Starting in the third delivery year
13 after the effective date of this amendatory Act of the
14 102nd General Assembly or earlier if the Agency
15 determines there is additional capacity needed for to
16 meet previous delivery year requirements, the
17 following shall apply:

18 (1) the Agency shall select projects on a
19 first-come, first-serve basis, however the Agency
20 may suggest additional methods to prioritize
21 projects that are submitted at the same time;

22 (2) projects shall have subscriptions of 25 kW
23 or less for at least 50% of the facility's
24 nameplate capacity and the Agency shall price the
25 renewable energy credits with that as a factor;

26 (3) projects shall not be colocated with one

1 or more other community renewable generation
2 projects, as defined in the Agency's first revised
3 long-term renewable resources procurement plan
4 approved by the Commission on February 18, 2020,
5 such that the aggregate nameplate capacity exceeds
6 5,000 kilowatts; and

7 (4) projects greater than 2 MW may not apply
8 until after the approval of the Agency's revised
9 Long-Term Renewable Resources Procurement Plan
10 after the effective date of this amendatory Act of
11 the 102nd General Assembly.

12 (iv) At least 15% from distributed renewable
13 generation devices or photovoltaic community renewable
14 generation projects installed on public school land.
15 The Agency may create subcategories within this
16 category to account for the differences between
17 project size or location. Projects located within
18 environmental justice communities or within
19 Organizational Units that fall within Tier 1 or Tier 2
20 shall be given priority. Each of the Agency's periodic
21 updates to its long-term renewable resources
22 procurement plan to incorporate the procurement
23 described in this subparagraph (iv) shall also include
24 the proposed quantities or blocks, pricing, and
25 contract terms applicable to the procurement as
26 indicated herein. In each such update and procurement,

1 the Agency shall set the renewable energy credit price
2 and establish payment terms for the renewable energy
3 credits procured pursuant to this subparagraph (iv)
4 that make it feasible and affordable for public
5 schools to install photovoltaic distributed renewable
6 energy devices on their premises, including, but not
7 limited to, those public schools subject to the
8 prioritization provisions of this subparagraph. For
9 the purposes of this item (iv):

10 "Environmental Justice Community" shall have the
11 same meaning set forth in the Agency's long-term
12 renewable resources procurement plan;

13 "Organization Unit", "Tier 1" and "Tier 2" shall
14 have the meanings set for in Section 18-8.15 of the
15 School Code;

16 "Public schools" shall have the meaning set forth
17 in Section 1-3 of the School Code and includes public
18 institutions of higher education, as defined in the
19 Board of Higher Education Act.

20 (v) At least 5% from community-driven community
21 solar projects intended to provide more direct and
22 tangible connection and benefits to the communities
23 which they serve or in which they operate and,
24 additionally, to increase the variety of community
25 solar locations, models, and options in Illinois. As
26 part of its long-term renewable resources procurement

1 plan, the Agency shall develop selection criteria for
2 projects participating in this category. Nothing in
3 this Section shall preclude the Agency from creating a
4 selection process that maximizes community ownership
5 and community benefits in selecting projects to
6 receive renewable energy credits. Selection criteria
7 shall include:

8 (1) community ownership or community
9 wealth-building;

10 (2) additional direct and indirect community
11 benefit, beyond project participation as a
12 subscriber, including, but not limited to,
13 economic, environmental, social, cultural, and
14 physical benefits;

15 (3) meaningful involvement in project
16 organization and development by community members
17 or nonprofit organizations or public entities
18 located in or serving the community;

19 (4) engagement in project operations and
20 management by nonprofit organizations, public
21 entities, or community members; and

22 (5) whether a project is developed in response
23 to a site-specific RFP developed by community
24 members or a nonprofit organization or public
25 entity located in or serving the community.

26 Selection criteria may also prioritize projects

1 that:

2 (1) are developed in collaboration with or to
3 provide complementary opportunities for the Clean
4 Jobs Workforce Network Program, the Illinois
5 Climate Works Preapprenticeship Program, the
6 Returning Residents Clean Jobs Training Program,
7 the Clean Energy Contractor Incubator Program, or
8 the Clean Energy Primes Contractor Accelerator
9 Program;

10 (2) increase the diversity of locations of
11 community solar projects in Illinois, including by
12 locating in urban areas and population centers;

13 (3) are located in Equity Investment Eligible
14 Communities;

15 (4) are not greenfield projects;

16 (5) serve only local subscribers;

17 (6) have a nameplate capacity that does not
18 exceed 500 kW;

19 (7) are developed by an equity eligible
20 contractor; or

21 (8) otherwise meaningfully advance the goals
22 of providing more direct and tangible connection
23 and benefits to the communities which they serve
24 or in which they operate and increasing the
25 variety of community solar locations, models, and
26 options in Illinois.

1 For the purposes of this item (v):

2 "Community" means a social unit in which people
3 come together regularly to effect change; a social
4 unit in which participants are marked by a cooperative
5 spirit, a common purpose, or shared interests or
6 characteristics; or a space understood by its
7 residents to be delineated through geographic
8 boundaries or landmarks.

9 "Community benefit" means a range of services and
10 activities that provide affirmative, economic,
11 environmental, social, cultural, or physical value to
12 a community; or a mechanism that enables economic
13 development, high-quality employment, and education
14 opportunities for local workers and residents, or
15 formal monitoring and oversight structures such that
16 community members may ensure that those services and
17 activities respond to local knowledge and needs.

18 "Community ownership" means an arrangement in
19 which an electric generating facility is, or over time
20 will be, in significant part, owned collectively by
21 members of the community to which an electric
22 generating facility provides benefits; members of that
23 community participate in decisions regarding the
24 governance, operation, maintenance, and upgrades of
25 and to that facility; and members of that community
26 benefit from regular use of that facility.

1 Terms and guidance within these criteria that are
2 not defined in this item (v) shall be defined by the
3 Agency, with stakeholder input, during the development
4 of the Agency's long-term renewable resources
5 procurement plan. The Agency shall develop regular
6 opportunities for projects to submit applications for
7 projects under this category, and develop selection
8 criteria that gives preference to projects that better
9 meet individual criteria as well as projects that
10 address a higher number of criteria.

11 (vi) At least 10% from distributed renewable
12 energy generation devices, which includes distributed
13 renewable energy devices with a nameplate capacity
14 under 5,000 kilowatts or photovoltaic community
15 renewable generation projects, from applicants that
16 are equity eligible contractors. The Agency may create
17 subcategories within this category to account for the
18 differences between project size and type. The Agency
19 shall propose to increase the percentage in this item
20 (vi) over time to 40% based on factors, including, but
21 not limited to, the number of equity eligible
22 contractors and capacity used in this item (vi) in
23 previous delivery years.

24 The Agency shall propose a payment structure for
25 contracts executed pursuant to this paragraph under
26 which, upon a demonstration of qualification or need

1 under criteria established by the Agency that is
2 focused on supporting small and emerging businesses
3 and businesses that most acutely face barriers to the
4 access of capital, applicant firms are advanced
5 capital disbursed after contract execution but before
6 the contracted project's energization. The amount or
7 percentage of capital advanced prior to project
8 energization shall be sufficient to both cover any
9 increase in development costs resulting from
10 prevailing wage requirements or project-labor
11 agreements, and designed to overcome barriers in
12 access to capital faced by equity eligible
13 contractors. The amount or percentage of advanced
14 capital may vary by subcategory within this category
15 and by an applicant's demonstration of need, with such
16 levels to be established through the Long-Term
17 Renewable Resources Procurement Plan authorized under
18 subparagraph (A) of paragraph (1) of subsection (c) of
19 this Section and any application requirements or
20 evaluation criteria developed pursuant to the Plan.

21 Contracts developed featuring capital advanced
22 prior to a project's energization shall feature
23 provisions to ensure both the successful development
24 of applicant projects and the delivery of the
25 renewable energy credits for the full term of the
26 contract, including ongoing collateral requirements

1 and other provisions deemed necessary by the Agency,
2 and may include energization timelines longer than for
3 comparable project types. The percentage or amount of
4 capital advanced prior to project energization shall
5 not operate to increase the overall contract value,
6 however contracts executed under this subparagraph may
7 feature renewable energy credit prices higher than
8 those offered to similar projects participating in
9 other categories. Capital advanced prior to
10 energization shall serve to reduce the ratable
11 payments made after energization under items (ii) and
12 (iii) of subparagraph (L) or payments made for each
13 renewable energy credit delivery under item (iv) of
14 subparagraph (L).

15 (vii) The remaining capacity shall be allocated by
16 the Agency in order to respond to market demand. The
17 Agency shall allocate any discretionary capacity prior
18 to the beginning of each delivery year.

19 (viii) The Agency, through its long-term renewable
20 resources procurement plan, may implement solutions to
21 maintain stable and consistent REC offerings allocated
22 to systems described in subparagraph (i) of this
23 paragraph (K) to avoid gaps in availability during a
24 delivery year, including, but not limited to, creating
25 a floating block of REC capacity in a given delivery
26 year.

1 To the extent there is uncontracted capacity from any
2 block in any of categories (i) through (vi) at the end of a
3 delivery year, the Agency shall redistribute that capacity
4 to one or more other categories giving priority to
5 categories with projects on a waitlist. The redistributed
6 capacity shall be added to the annual capacity in the
7 subsequent delivery year, and the price for renewable
8 energy credits shall be the price for the new delivery
9 year. Redistributed capacity shall not be considered
10 redistributed when determining whether the goals in this
11 subsection (K) have been met.

12 Notwithstanding anything to the contrary, as the
13 Agency increases the capacity in item (vi) to 40% over
14 time, the Agency may reduce the capacity of items (i)
15 through (v) proportionate to the capacity of the
16 categories of projects in item (vi), to achieve a balance
17 of project types.

18 The Adjustable Block program shall be designed to
19 ensure that renewable energy credits are procured from
20 projects in diverse locations and are not concentrated in
21 a few regional areas. To ensure geographic diversity and
22 prevent the artificial subdivision of larger projects, the
23 Agency shall only award contracts that support up to 5,000
24 kilowatts of projects across the same or adjacent parcels.

25 (L) Notwithstanding provisions for advancing capital
26 prior to project energization found in item (vi) of

1 subparagraph (K), the procurement of photovoltaic
2 renewable energy credits under items (i) through (vi) of
3 subparagraph (K) of this paragraph (1) shall otherwise be
4 subject to the following contract and payment terms:

5 (i) (Blank).

6 (ii) Unless otherwise provided for in the Agency's
7 approved long-term plan, for ~~For~~ those renewable
8 energy credits that qualify and are procured under
9 item (i) of subparagraph (K) of this paragraph (1),
10 and any similar category projects that are procured
11 under item (vi) of subparagraph (K) of this paragraph
12 (1) that qualify and are procured under item (vi), the
13 contract length shall be 15 years. The renewable
14 energy credit delivery contract value shall be paid in
15 full, based on the estimated generation during the
16 first 15 years of operation, by the contracting
17 utilities at the time that the facility producing the
18 renewable energy credits is interconnected at the
19 distribution system level of the utility and verified
20 as energized and compliant by the Program
21 Administrator. The electric utility shall receive and
22 retire all renewable energy credits generated by the
23 project for the first 15 years of operation. Renewable
24 energy credits generated by the project thereafter
25 shall not be transferred under the renewable energy
26 credit delivery contract with the counterparty

1 electric utility.

2 (iii) Unless otherwise provided for in the
3 Agency's approved long-term plan, for ~~For~~ those
4 renewable energy credits that qualify and are procured
5 under item (ii) and (v) of subparagraph (K) of this
6 paragraph (1) and any like projects ~~similar category~~
7 that qualify and are procured under items (iv) and
8 ~~item~~ (vi), the contract length shall be 15 years. 15%
9 of the renewable energy credit delivery contract
10 value, based on the estimated generation during the
11 first 15 years of operation, shall be paid by the
12 contracting utilities at the time that the facility
13 producing the renewable energy credits is
14 interconnected at the distribution system level of the
15 utility and verified as energized and compliant by the
16 Program Administrator. The remaining portion shall be
17 paid ratably over the subsequent 6-year period. The
18 electric utility shall receive and retire all
19 renewable energy credits generated by the project for
20 the first 15 years of operation. Renewable energy
21 credits generated by the project thereafter shall not
22 be transferred under the renewable energy credit
23 delivery contract with the counterparty electric
24 utility.

25 (iv) Unless otherwise provided for in the Agency's
26 approved long-term plan, for ~~For~~ those renewable

1 energy credits that qualify and are procured under
2 item ~~items~~ (iii) ~~and (iv)~~ of subparagraph (K) of this
3 paragraph (1), and any like projects that qualify and
4 are procured under items (iv) and ~~item~~ (vi), the
5 renewable energy credit delivery contract length shall
6 be 20 years and shall be paid over the delivery term,
7 not to exceed during each delivery year the contract
8 price multiplied by the estimated annual renewable
9 energy credit generation amount. If generation of
10 renewable energy credits during a delivery year
11 exceeds the estimated annual generation amount, the
12 excess renewable energy credits shall be carried
13 forward to future delivery years and shall not expire
14 during the delivery term. If generation of renewable
15 energy credits during a delivery year, including
16 carried forward excess renewable energy credits, if
17 any, is less than the estimated annual generation
18 amount, payments during such delivery year will not
19 exceed the quantity generated plus the quantity
20 carried forward multiplied by the contract price. The
21 electric utility shall receive all renewable energy
22 credits generated by the project during the first 20
23 years of operation and retire all renewable energy
24 credits paid for under this item (iv) and return at the
25 end of the delivery term all renewable energy credits
26 that were not paid for. Renewable energy credits

1 generated by the project thereafter shall not be
2 transferred under the renewable energy credit delivery
3 contract with the counterparty electric utility.
4 Notwithstanding the preceding, for those projects
5 participating under item (iii) of subparagraph (K),
6 the contract price for a delivery year shall be based
7 on subscription levels as measured on the higher of
8 the first business day of the delivery year or the
9 first business day 6 months after the first business
10 day of the delivery year. Subscription of 90% of
11 nameplate capacity or greater shall be deemed to be
12 fully subscribed for the purposes of this item (iv).
13 For projects receiving a 20-year delivery contract,
14 REC prices shall be adjusted downward for consistency
15 with the incentive levels previously determined to be
16 necessary to support projects under 15-year delivery
17 contracts, taking into consideration any additional
18 new requirements placed on the projects, including,
19 but not limited to, labor standards.

20 (v) Each contract shall include provisions to
21 ensure the delivery of the estimated quantity of
22 renewable energy credits and ongoing collateral
23 requirements and other provisions deemed appropriate
24 by the Agency.

25 (vi) The utility shall be the counterparty to the
26 contracts executed under this subparagraph (L) that

1 are approved by the Commission under the process
2 described in Section 16-111.5 of the Public Utilities
3 Act. No contract shall be executed for an amount that
4 is less than one renewable energy credit per year.

5 (vii) If, at any time, approved applications for
6 the Adjustable Block program exceed funds collected by
7 the electric utility or would cause the Agency to
8 exceed the limitation described in subparagraph (E) of
9 this paragraph (1) on the amount of renewable energy
10 resources that may be procured, then the Agency may
11 consider future uncommitted funds to be reserved for
12 these contracts on a first-come, first-served basis.

13 (viii) Nothing in this Section shall require the
14 utility to advance any payment or pay any amounts that
15 exceed the actual amount of revenues anticipated to be
16 collected by the utility under paragraph (6) of this
17 subsection (c) and subsection (k) of Section 16-108 of
18 the Public Utilities Act inclusive of eligible funds
19 collected in prior years and alternative compliance
20 payments for use by the utility.

21 (ix) Notwithstanding other requirements of this
22 subparagraph (L), no modification shall be required to
23 Adjustable Block program contracts if they were
24 already executed prior to the establishment, approval,
25 and implementation of new contract forms as a result
26 of this amendatory Act of the 102nd General Assembly.

1 (x) Contracts may be assignable, but only to
2 entities first deemed by the Agency to have met
3 program terms and requirements applicable to direct
4 program participation. In developing contracts for the
5 delivery of renewable energy credits, the Agency shall
6 be permitted to establish fees applicable to each
7 contract assignment.

8 (M) The Agency shall be authorized to retain one or
9 more experts or expert consulting firms to develop,
10 administer, implement, operate, and evaluate the
11 Adjustable Block program described in subparagraph (K) of
12 this paragraph (1), and the Agency shall retain the
13 consultant or consultants in the same manner, to the
14 extent practicable, as the Agency retains others to
15 administer provisions of this Act, including, but not
16 limited to, the procurement administrator. The selection
17 of experts and expert consulting firms and the procurement
18 process described in this subparagraph (M) are exempt from
19 the requirements of Section 20-10 of the Illinois
20 Procurement Code, under Section 20-10 of that Code. The
21 Agency shall strive to minimize administrative expenses in
22 the implementation of the Adjustable Block program.

23 The Program Administrator may charge application fees
24 to participating firms to cover the cost of program
25 administration. Any application fee amounts shall
26 initially be determined through the long-term renewable

1 resources procurement plan, and modifications to any
2 application fee that deviate more than 25% from the
3 Commission's approved value must be approved by the
4 Commission as a long-term plan revision under Section
5 16-111.5 of the Public Utilities Act. The Agency shall
6 consider stakeholder feedback when making adjustments to
7 application fees and shall notify stakeholders in advance
8 of any planned changes.

9 In addition to covering the costs of program
10 administration, the Agency, in conjunction with its
11 Program Administrator, may also use the proceeds of such
12 fees charged to participating firms to support public
13 education and ongoing regional and national coordination
14 with nonprofit organizations, public bodies, and others
15 engaged in the implementation of renewable energy
16 incentive programs or similar initiatives. This work may
17 include developing papers and reports, hosting regional
18 and national conferences, and other work deemed necessary
19 by the Agency to position the State of Illinois as a
20 national leader in renewable energy incentive program
21 development and administration.

22 The Agency and its consultant or consultants shall
23 monitor block activity, share program activity with
24 stakeholders and conduct quarterly meetings to discuss
25 program activity and market conditions. If necessary, the
26 Agency may make prospective administrative adjustments to

1 the Adjustable Block program design, such as making
2 adjustments to purchase prices as necessary to achieve the
3 goals of this subsection (c). Program modifications to any
4 block price that do not deviate from the Commission's
5 approved value by more than 10% shall take effect
6 immediately and are not subject to Commission review and
7 approval. Program modifications to any block price that
8 deviate more than 10% from the Commission's approved value
9 must be approved by the Commission as a long-term plan
10 amendment under Section 16-111.5 of the Public Utilities
11 Act. The Agency shall consider stakeholder feedback when
12 making adjustments to the Adjustable Block design and
13 shall notify stakeholders in advance of any planned
14 changes.

15 The Agency and its program administrators for both the
16 Adjustable Block program and the Illinois Solar for All
17 Program, consistent with the requirements of this
18 subsection (c) and subsection (b) of Section 1-56 of this
19 Act, shall propose the Adjustable Block program terms,
20 conditions, and requirements, including the prices to be
21 paid for renewable energy credits, where applicable, and
22 requirements applicable to participating entities and
23 project applications, through the development, review, and
24 approval of the Agency's long-term renewable resources
25 procurement plan described in this subsection (c) and
26 paragraph (5) of subsection (b) of Section 16-111.5 of the

1 Public Utilities Act. Terms, conditions, and requirements
2 for program participation shall include the following:

3 (i) The Agency shall establish a registration
4 process for entities seeking to qualify for
5 program-administered incentive funding and establish
6 baseline qualifications for vendor approval. The
7 Agency shall also establish program requirements and
8 minimum contract terms for vendors and others involved
9 in the marketing, sale, installation, and financing of
10 distributed generation systems and community solar
11 subscriptions to prevent misleading marketing and
12 abusive practices and to otherwise protect customers.

13 The Agency must maintain a list of approved entities
14 on each program's website, and may revoke a vendor's
15 ability to receive program-administered incentive
16 funding status upon a determination that the vendor
17 failed to comply with contract terms, the law, or
18 other program requirements.

19 (ii) The Agency shall establish program
20 requirements and minimum contract terms to ensure
21 projects are properly installed and produce their
22 expected amounts of energy. Program requirements may
23 include on-site inspections and photo documentation of
24 projects under construction. The Agency may require
25 repairs, alterations, or additions to remedy any
26 material deficiencies discovered. Vendors who have a

1 disproportionately high number of deficient systems
2 may lose their eligibility to continue to receive
3 State-administered incentive funding through Agency
4 programs and procurements.

5 (iii) To discourage deceptive marketing or other
6 bad faith business practices, the Agency may require
7 direct program participants, including agents
8 operating on their behalf, to provide standardized
9 disclosures to a customer prior to that customer's
10 execution of a contract for the development of a
11 distributed generation system or a subscription to a
12 community solar project.

13 (iv) The Agency shall establish one or multiple
14 Consumer Complaints Centers to accept complaints
15 regarding businesses that participate in, or otherwise
16 benefit from, State-administered incentive funding
17 through Agency-administered programs. The Agency shall
18 maintain a public database of complaints with any
19 confidential or particularly sensitive information
20 redacted from public entries.

21 (v) Through a filing in the proceeding for the
22 approval of its long-term renewable energy resources
23 procurement plan, the Agency shall provide an annual
24 written report to the Illinois Commerce Commission
25 documenting the frequency and nature of complaints and
26 any enforcement actions taken in response to those

1 complaints.

2 (vi) The Agency shall schedule regular meetings
3 with representatives of the Office of the Attorney
4 General, the Illinois Commerce Commission, consumer
5 protection groups, and other interested stakeholders
6 to share relevant information about consumer
7 protection, project compliance, and complaints
8 received.

9 (vii) To the extent that complaints received
10 implicate the jurisdiction of the Office of the
11 Attorney General, the Illinois Commerce Commission, or
12 local, State, or federal law enforcement, the Agency
13 shall also refer complaints to those entities as
14 appropriate.

15 (viii) The Agency shall establish a registration
16 process for entities that provide financing for the
17 purchase of distributed renewable generation devices.
18 The Agency may establish baseline qualifications for
19 financier approval, including defining the
20 circumstances under which financing parties may be
21 subject to registration. The Agency shall also
22 establish program requirements for entities that
23 provide financing for the purchase of distributed
24 renewable generation devices, which may include
25 marketing and disclosure requirements, other
26 requirements as further defined by the Agency through

1 its long-term plan, and any consumer protection
2 requirements developed or modified thereto. The Agency
3 shall maintain a list of approved financiers on each
4 program's website and may revoke a financier's
5 approval in a program upon a determination that the
6 financier failed to comply with contract terms, the
7 law, or other program requirements. The Agency may
8 establish program requirements that prohibit
9 distributed renewable generation devices intending to
10 apply for program-administered incentive funding from
11 receiving program funding if the device was financed
12 by an entity whose approval status in the program has
13 been revoked.

14 (ix) The Agency may propose that vendors, as part
15 of the application and annual recertification process,
16 present the Agency or its designee with a security
17 bond equal to an amount determined to be reasonable by
18 the Agency. The bond shall be for the benefit of
19 customers harmed by the vendor's violation of Agency
20 requirements or other applicable laws or regulations.
21 The Agency may determine that it is reasonable to have
22 no bond requirement for some categories of vendors or
23 enhanced bond requirements for vendors that the Agency
24 has deemed to pose more acute risks.

25 (x) For distributed renewable generation devices,
26 the Agency shall establish program requirements that

1 prohibit distributed renewable generation device sales
2 or financing offers through which the customer is
3 promised the pass-through of a portion or all of the
4 payments received by the approved vendor for the
5 delivery of renewable energy credits only after the
6 receipt of such payment by the approved vendor. The
7 requirements in this item (ix) shall in no way
8 prohibit the upfront discounting of the purchase
9 price, lease payment, or power purchase agreement rate
10 based on the anticipated receipt of renewable energy
11 credit contract payments by the approved vendor.

12 (xi) To the extent that distributed renewable
13 generation device sales or financing offers through
14 which the customer is promised the pass through of a
15 portion or all of the payments received by the vendor
16 for the delivery of renewable energy credits after the
17 receipt of such payment by the vendor are permitted,
18 the following requirements shall apply in a time and
19 manner determined by the Agency:

20 (I) the vendor shall submit proof of customer
21 payments to the Agency as the Agency deems
22 necessary; and

23 (II) the vendor shall represent and warrant on
24 a form developed by the Agency that the vendor is
25 not insolvent, has not voluntarily filed for
26 bankruptcy, and has not been subject to or

1 threatened with involuntary insolvency.

2 (xii) To ensure that customers receive full and
3 uninterrupted benefits and services promised by
4 vendors, the Agency may propose additional solutions
5 through its long-term renewable resources procurement
6 plan described in this subsection (c) and paragraph
7 (5) of subsection (b) of Section 16-111.5 of the
8 Public Utilities Act. The solutions may allow for
9 collections made pursuant to subsection (k) of Section
10 16-108 of the Public Utilities Act to support the
11 programs and procurements outlined in paragraph (1) of
12 subsection (c) of this Section to be leveraged to (1)
13 ensure that a vendor's promised payments are received
14 by customers, (2) incentivize vendors to establish
15 service agreements with customers whose original
16 vendor has become nonresponsive, (3) ensure that
17 customers receive restitution for financial harm
18 proven to be caused by a program vendor or its
19 designee, or (4) otherwise ensure that customers do
20 not suffer loss or harm through activities supported
21 by the Adjustable Block program and the Illinois Solar
22 for All program.

23 (N) The Agency shall establish the terms, conditions,
24 and program requirements for photovoltaic community
25 renewable generation projects with a goal to expand access
26 to a broader group of energy consumers, to ensure robust

1 participation opportunities for residential and small
2 commercial customers and those who cannot install
3 renewable energy on their own properties. Subject to
4 reasonable limitations, any plan approved by the
5 Commission shall allow subscriptions to community
6 renewable generation projects to be portable and
7 transferable. For purposes of this subparagraph (N),
8 "portable" means that subscriptions may be retained by the
9 subscriber even if the subscriber relocates or changes its
10 address within the same utility service territory; and
11 "transferable" means that a subscriber may assign or sell
12 subscriptions to another person within the same utility
13 service territory.

14 Through the development of its long-term renewable
15 resources procurement plan, the Agency may consider
16 whether community renewable generation projects utilizing
17 technologies other than photovoltaics should be supported
18 through State-administered incentive funding, and may
19 issue requests for information to gauge market demand.

20 Electric utilities shall provide a monetary credit to
21 a subscriber's subsequent bill for service for the
22 proportional output of a community renewable generation
23 project attributable to that subscriber as specified in
24 Section 16-107.5 of the Public Utilities Act.

25 The Agency shall purchase renewable energy credits
26 from subscribed shares of photovoltaic community renewable

1 generation projects through the Adjustable Block program
2 described in subparagraph (K) of this paragraph (1) or
3 through the Illinois Solar for All Program described in
4 Section 1-56 of this Act. The electric utility shall
5 purchase any unsubscribed energy from community renewable
6 generation projects that are Qualifying Facilities ("QF")
7 under the electric utility's tariff for purchasing the
8 output from QFs under Public Utilities Regulatory Policies
9 Act of 1978.

10 The owners of and any subscribers to a community
11 renewable generation project shall not be considered
12 public utilities or alternative retail electricity
13 suppliers under the Public Utilities Act solely as a
14 result of their interest in or subscription to a community
15 renewable generation project and shall not be required to
16 become an alternative retail electric supplier by
17 participating in a community renewable generation project
18 with a public utility.

19 (O) For the delivery year beginning June 1, 2018, the
20 long-term renewable resources procurement plan required by
21 this subsection (c) shall provide for the Agency to
22 procure contracts to continue offering the Illinois Solar
23 for All Program described in subsection (b) of Section
24 1-56 of this Act, and the contracts approved by the
25 Commission shall be executed by the utilities that are
26 subject to this subsection (c). The long-term renewable

resources procurement plan shall allocate up to \$50,000,000 per delivery year to fund the programs, and the plan shall determine the amount of funding to be apportioned to the programs identified in subsection (b) of Section 1-56 of this Act; provided that for the delivery years beginning June 1, 2021, June 1, 2022, and June 1, 2023, the long-term renewable resources procurement plan may average the annual budgets over a 3-year period to account for program ramp-up. For the delivery years beginning June 1, 2021, June 1, 2024, June 1, 2027, and June 1, 2030 and additional \$10,000,000 shall be provided to the Department of Commerce and Economic Opportunity to implement the workforce development programs and reporting as outlined in Section 16-108.12 of the Public Utilities Act. In making the determinations required under this subparagraph (O), the Commission shall consider the experience and performance under the programs and any evaluation reports. The Commission shall also provide for an independent evaluation of those programs on a periodic basis that are funded under this subparagraph (O).

(P) All programs and procurements under this subsection (c) shall be designed to encourage participating projects to use a diverse and equitable workforce and a diverse set of contractors, including minority-owned businesses, disadvantaged businesses,

1 trade unions, graduates of any workforce training programs
2 administered under this Act, and small businesses.

3 The Agency shall develop a method to optimize
4 procurement of renewable energy credits from proposed
5 utility-scale projects that are located in communities
6 eligible to receive Energy Transition Community Grants
7 pursuant to Section 10-20 of the Energy Community
8 Reinvestment Act. If this requirement conflicts with other
9 provisions of law or the Agency determines that full
10 compliance with the requirements of this subparagraph (P)
11 would be unreasonably costly or administratively
12 impractical, the Agency is to propose alternative
13 approaches to achieve development of renewable energy
14 resources in communities eligible to receive Energy
15 Transition Community Grants pursuant to Section 10-20 of
16 the Energy Community Reinvestment Act or seek an exemption
17 from this requirement from the Commission.

18 (Q) Each facility listed in subitems (i) through (ix)
19 of item (1) of this subparagraph (Q) for which a renewable
20 energy credit delivery contract is signed after the
21 effective date of this amendatory Act of the 102nd General
22 Assembly is subject to the following requirements through
23 the Agency's long-term renewable resources procurement
24 plan:

25 (1) Each facility shall be subject to the
26 prevailing wage requirements included in the

1 Prevailing Wage Act. The Agency shall require
2 verification that all construction performed on the
3 facility by the renewable energy credit delivery
4 contract holder, its contractors, or its
5 subcontractors relating to construction of the
6 facility is performed by construction employees
7 receiving an amount for that work equal to or greater
8 than the general prevailing rate, as that term is
9 defined in Section 3 of the Prevailing Wage Act. For
10 purposes of this item (1), "house of worship" means
11 property that is both (1) used exclusively by a
12 religious society or body of persons as a place for
13 religious exercise or religious worship and (2)
14 recognized as exempt from taxation pursuant to Section
15 15-40 of the Property Tax Code. This item (1) shall
16 apply to any the following:

- 17 (i) all new utility-scale wind projects;
- 18 (ii) all new utility-scale photovoltaic
19 projects and repowered wind projects;
- 20 (iii) all new brownfield photovoltaic
21 projects;
- 22 (iv) all new photovoltaic community renewable
23 energy facilities that qualify for item (iii) of
24 subparagraph (K) of this paragraph (1);
- 25 (v) all new community driven community
26 photovoltaic projects that qualify for item (v) of

1 subparagraph (K) of this paragraph (1);

2 (vi) all new photovoltaic projects on public
3 school land that qualify for item (iv) of
4 subparagraph (K) of this paragraph (1);

5 (vii) all new photovoltaic distributed
6 renewable energy generation devices that (1)
7 qualify for item (i) of subparagraph (K) of this
8 paragraph (1); (2) are not projects that serve
9 single-family or multi-family residential
10 buildings; and (3) are not houses of worship where
11 the aggregate capacity including colocated
12 ~~collocated~~ projects would not exceed 100
13 kilowatts;

14 (viii) all new photovoltaic distributed
15 renewable energy generation devices that (1)
16 qualify for item (ii) of subparagraph (K) of this
17 paragraph (1); (2) are not projects that serve
18 single-family or multi-family residential
19 buildings; and (3) are not houses of worship where
20 the aggregate capacity including colocated
21 ~~collocated~~ projects would not exceed 100
22 kilowatts;

23 (ix) all new, modernized, or retooled
24 hydropower facilities.

25 (2) Renewable energy credits procured from new
26 utility-scale wind projects, new utility-scale solar

1 projects, new brownfield solar projects, battery
2 storage projects, thermal energy network projects,
3 repowered wind projects, and retooled hydropower
4 facilities pursuant to Agency procurement events
5 occurring after the effective date of this amendatory
6 Act of the 102nd General Assembly must be from
7 facilities built by general contractors that must
8 enter into a project labor agreement, as defined by
9 this Act, prior to construction. The project labor
10 agreement shall be filed with the Director in
11 accordance with procedures established by the Agency
12 through its long-term renewable resources procurement
13 plan. Any information submitted to the Agency in this
14 item (2) shall be considered commercially sensitive
15 information. At a minimum, the project labor agreement
16 must provide the names, addresses, and occupations of
17 the owner of the plant and the individuals
18 representing the labor organization employees
19 participating in the project labor agreement
20 consistent with the Project Labor Agreements Act. The
21 agreement must also specify the terms and conditions
22 as defined by this Act.

23 (3) It is the intent of this Section to ensure that
24 economic development occurs across Illinois
25 communities, that emerging businesses may grow, and
26 that there is improved access to the clean energy

1 economy by persons who have greater economic burdens
2 to success. The Agency shall take into consideration
3 the unique cost of compliance of this subparagraph (Q)
4 that might be borne by equity eligible contractors,
5 shall include such costs when determining the price of
6 renewable energy credits in the Adjustable Block
7 program, and shall take such costs into consideration
8 in a nondiscriminatory manner when comparing bids for
9 competitive procurements. The Agency shall consider
10 costs associated with compliance whether in the
11 development, financing, or construction of projects.
12 The Agency shall periodically review the assumptions
13 in these costs and may adjust prices, in compliance
14 with subparagraph (M) of this paragraph (1).

15 (R) In its long-term renewable resources procurement
16 plan, the Agency shall establish a self-direct renewable
17 portfolio standard compliance program for eligible
18 self-direct customers that purchase renewable energy
19 credits from utility-scale wind and solar projects through
20 long-term agreements for purchase of renewable energy
21 credits as described in this Section. Such long-term
22 agreements may include the purchase of energy or other
23 products on a physical or financial basis and may involve
24 an alternative retail electric supplier as defined in
25 Section 16-102 of the Public Utilities Act. This program
26 shall take effect in the delivery year commencing June 1,

2023.

(1) For the purposes of this subparagraph:

"Eligible self-direct customer" means any retail customers of an electric utility that serves 3,000,000 or more retail customers in the State and whose total highest 30-minute demand was more than 10,000 kilowatts, or any retail customers of an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State and whose total highest 15-minute demand was more than 10,000 kilowatts.

"Retail customer" has the meaning set forth in Section 16-102 of the Public Utilities Act and multiple retail customer accounts under the same corporate parent may aggregate their account demands to meet the 10,000 kilowatt threshold. The criteria for determining whether this subparagraph is applicable to a retail customer shall be based on the 12 consecutive billing periods prior to the start of the year in which the application is filed.

(2) Except as otherwise provided for in subparagraph (R-5) of this paragraph (1), for ~~For~~ renewable energy credits to count toward the self-direct renewable portfolio standard compliance program, they must:

(i) qualify as renewable energy credits as

1 defined in Section 1-10 of this Act;

2 (ii) be sourced from one or more renewable
3 energy generating facilities that comply with the
4 geographic requirements as set forth in
5 subparagraph (I) of paragraph (1) of subsection
6 (c) as interpreted through the Agency's long-term
7 renewable resources procurement plan, or, where
8 applicable, the geographic requirements that
9 governed utility-scale renewable energy credits at
10 the time the eligible self-direct customer entered
11 into the applicable renewable energy credit
12 purchase agreement;

13 (iii) be procured through long-term contracts
14 with term lengths of at least 10 years either
15 directly with the renewable energy generating
16 facility or through a bundled power purchase
17 agreement, a virtual power purchase agreement, an
18 agreement between the renewable generating
19 facility, an alternative retail electric supplier,
20 and the customer, or such other structure as is
21 permissible under this subparagraph (R);

22 (iv) be equivalent in volume to at least 40%
23 of the eligible self-direct customer's usage,
24 determined annually by the eligible self-direct
25 customer's usage during the previous delivery
26 year, measured to the nearest megawatt-hour;

1 (v) be retired by or on behalf of the large
2 energy customer;

3 (vi) be sourced from new utility-scale wind
4 projects or new utility-scale solar projects; and

5 (vii) if the contracts for renewable energy
6 credits are entered into after the effective date
7 of this amendatory Act of the 102nd General
8 Assembly, the new utility-scale wind projects or
9 new utility-scale solar projects must comply with
10 the requirements established in subparagraphs (P)
11 and (Q) of paragraph (1) of this subsection (c)
12 and subsection (c-10).

13 (3) The self-direct renewable portfolio standard
14 compliance program shall be designed to allow eligible
15 self-direct customers to procure new renewable energy
16 credits from new utility-scale wind projects or new
17 utility-scale photovoltaic projects. The Agency shall
18 annually determine the amount of utility-scale
19 renewable energy credits it will include each year
20 from the self-direct renewable portfolio standard
21 compliance program, subject to receiving qualifying
22 applications. In making this determination, the Agency
23 shall evaluate publicly available analyses and studies
24 of the potential market size for utility-scale
25 renewable energy long-term purchase agreements by
26 commercial and industrial energy customers and make

1 that report publicly available. If demand for
2 participation in the self-direct renewable portfolio
3 standard compliance program exceeds availability, the
4 Agency shall ensure participation is evenly split
5 between commercial and industrial users to the extent
6 there is sufficient demand from both customer classes.
7 Each renewable energy credit procured pursuant to this
8 subparagraph (R) by a self-direct customer shall
9 reduce the total volume of renewable energy credits
10 the Agency is otherwise required to procure from new
11 utility-scale projects pursuant to subparagraph (C) of
12 paragraph (1) of this subsection (c) on behalf of
13 contracting utilities where the eligible self-direct
14 customer is located. The self-direct customer shall
15 file an annual compliance report with the Agency
16 pursuant to terms established by the Agency through
17 its long-term renewable resources procurement plan to
18 be eligible for participation in this program.
19 Customers must provide the Agency with their most
20 recent electricity billing statements or other
21 information deemed necessary by the Agency to
22 demonstrate they are an eligible self-direct customer.

23 (4) The Commission shall approve a reduction in
24 the volumetric charges collected pursuant to Section
25 16-108 of the Public Utilities Act for approved
26 eligible self-direct customers equivalent to the

1 anticipated cost of renewable energy credit deliveries
2 under contracts for new utility-scale wind and new
3 utility-scale solar entered for each delivery year
4 after the large energy customer begins retiring
5 eligible new utility-scale ~~utility-scale~~ renewable
6 energy credits for self-compliance. The self-direct
7 credit amount shall be determined annually and is
8 equal to the estimated portion of the cost authorized
9 by subparagraph (E) of paragraph (1) of this
10 subsection (c) that supported the annual procurement
11 of utility-scale renewable energy credits in the prior
12 delivery year using a methodology described in the
13 long-term renewable resources procurement plan,
14 expressed on a per kilowatthour basis, and does not
15 include (i) costs associated with any contracts
16 entered into before the delivery year in which the
17 customer files the initial compliance report to be
18 eligible for participation in the self-direct program,
19 and (ii) costs associated with procuring renewable
20 energy credits through existing and future contracts
21 through the Adjustable Block Program, subsection (c-5)
22 of this Section 1-75, and the Solar for All Program.
23 The Agency shall assist the Commission in determining
24 the current and future costs. The Agency must
25 determine the self-direct credit amount for new and
26 existing eligible self-direct customers and submit

1 this to the Commission in an annual compliance filing.
2 The Commission must approve the self-direct credit
3 amount by June 1, 2023 and June 1 of each delivery year
4 thereafter.

5 (5) Customers described in this subparagraph (R)
6 shall apply, on a form developed by the Agency, to the
7 Agency to be designated as a self-direct eligible
8 customer. Once the Agency determines that a
9 self-direct customer is eligible for participation in
10 the program, the self-direct customer will remain
11 eligible until the end of the term of the contract.
12 Thereafter, application may be made not less than 12
13 months before the filing date of the long-term
14 renewable resources procurement plan described in this
15 Act. At a minimum, such application shall contain the
16 following:

17 (i) the customer's certification that, at the
18 time of the customer's application, the customer
19 qualifies to be a self-direct eligible customer,
20 including documents demonstrating that
21 qualification;

22 (ii) the customer's certification that the
23 customer has entered into or will enter into by
24 the beginning of the applicable procurement year,
25 one or more bilateral contracts for new wind
26 projects or new photovoltaic projects, including

1 supporting documentation;

2 (iii) certification that the contract or
3 contracts for new renewable energy resources are
4 long-term contracts with term lengths of at least
5 10 years, including supporting documentation;

6 (iv) certification of the quantities of
7 renewable energy credits that the customer will
8 purchase each year under such contract or
9 contracts, including supporting documentation;

10 (v) proof that the contract is sufficient to
11 produce renewable energy credits to be equivalent
12 in volume to at least 40% of the large energy
13 customer's usage from the previous delivery year,
14 measured to the nearest megawatt-hour; and

15 (vi) certification that the customer intends
16 to maintain the contract for the duration of the
17 length of the contract.

18 (6) If a customer receives the self-direct credit
19 but fails to properly procure and retire renewable
20 energy credits as required under this subparagraph
21 (R), the Commission, on petition from the Agency and
22 after notice and hearing, may direct such customer's
23 utility to recover the cost of the wrongfully received
24 self-direct credits plus interest through an adder to
25 charges assessed pursuant to Section 16-108 of the
26 Public Utilities Act. Self-direct customers who

1 knowingly fail to properly procure and retire
2 renewable energy credits and do not notify the Agency
3 are ineligible for continued participation in the
4 self-direct renewable portfolio standard compliance
5 program.

6 (R-5) In recognition of the market and electricity
7 system impacts, including rising capacity and electricity
8 prices and potential reliability and resource adequacy
9 concerns, inherent in interconnecting multitudes of new
10 large load retail customers without developing
11 corresponding new clean energy supply, beginning on the
12 effective date of this amendatory Act of the 104th General
13 Assembly, all customers taking service under the extremely
14 large, inflexible-load, non-residential customer tariff
15 described in paragraph (3) of subsection (c) of Section
16 16-105.5 of the Public Utilities Act shall be eligible for
17 the large, inflexible-load self-direct program described
18 in this subparagraph (R-5). The large, inflexible load
19 self-direct program shall allow for customers taking
20 service under the extremely large, inflexible-load,
21 non-residential customer tariff to receive a reduction in
22 the charges collected for the procurement of renewable
23 energy resources pursuant to Section 16-108 of the Public
24 Utilities Act in recognition of that customer's
25 contribution to the successful facilitation of the
26 development of new, additive, clean energy generation. The

1 reduction in charges available to the customer shall
2 increase based on the energy or capacity value of the new,
3 additive clean energy generation's contribution using the
4 following formula:

5 (1) Only customers taking service under the
6 extremely large, inflexible-load, non-residential
7 customer tariff described in paragraph (4) to
8 subsection (c) of Section 16-105.5 of the Public
9 Utilities Act shall be eligible for the program
10 described in this subparagraph (R-5), and such
11 customers shall not be eligible for the large customer
12 self-direct program described in subparagraph (R) as
13 of the effective date of this amendatory Act of the
14 104th General Assembly. Retail customers taking
15 service under this tariff shall individually apply for
16 entry into the program. Multiple qualifying affiliated
17 retail customer accounts for customers located across
18 the same or adjacent parcels may provide a single
19 joint application.

20 (2) For a generating facility to qualify to
21 contribute to the self-direct crediting rate, the
22 generating facility must meet the following criteria:

23 (i) The facility must meet the definition of
24 clean energy under Section 1-10, and the facility
25 must sequester or avoid at least 90% of the total
26 carbon dioxide emissions that a similar generating

1 facility would otherwise emit or qualify as an
2 energy storage system as defined in Section 1-10.

3 (ii) The facility must constitute new clean
4 energy generation facilitated by the applicant
5 customer with the following requirements:

6 (1) New generation successfully
7 facilitated at an existing generating facility
8 may qualify under this item (ii), but only for
9 the incremental increase in generation that
10 directly resulted from the investment in
11 facility expansion or repowering facilitated
12 by the applicant customer.

13 (2) Generating facilities having received
14 a contract for the sale of renewable energy
15 credits under this Section or Section 1-56,
16 having been used as part of an application for
17 the self-direct program described in
18 subparagraph (R), or having received support
19 through the energy storage resources
20 procurements conducted pursuant to subsection
21 (d-20) of this Section shall be ineligible.

22 For the purposes of this item (ii), "new"
23 means a generating facility energized after the
24 effective date of this amendatory Act of the 104th
25 General Assembly and the applicant extremely
26 large, inflexible-load, non-residential

1 customer's interconnection; "facilitated by the
2 applicant customer" means the customer must have a
3 relationship with the facility that satisfies the
4 contract or colocation requirements outlined in
5 this item (ii).

6 (iii) The facility must be located within the
7 same regional transmission organization for which
8 the extremely large, inflexible-load,
9 non-residential customer is interconnected and the
10 facility must meet the geographic requirements as
11 set forth in subparagraph (I) of paragraph (1) of
12 subsection (c) as interpreted through the Agency's
13 long-term renewable resources procurement plan or
14 constitute renewable energy generation featuring
15 electricity delivered via high voltage direct
16 current transmission facilities if the high
17 voltage direct current transmission line meets the
18 following criteria:

19 (1) was constructed with a project labor
20 agreement;

21 (2) is capable of transmitting electricity
22 at 525kv or above;

23 (3) has a converter station located in
24 Illinois or in a state adjacent to Illinois
25 that is located or interconnected within the
26 region of the PJM Interconnection, LLC, or

1 Midcontinent Independent System Operator,
2 Inc.; and

3 (4) does not operate as a public utility,
4 as defined in Section 3-105 of the Public
5 Utilities Act, serving more than 100,000
6 customers as of January 1, 2021.

7 (iv) The facility must qualify as an
8 accredited capacity resource within the same
9 service areas as the customer within the PJM
10 Interconnection, LLC, or Midcontinent Independent
11 System Operator, Inc.

12 (v) The facility's development and
13 construction must meet all labor and equity
14 requirements that would otherwise apply to a
15 similarly sized and similarly located project
16 under this Section, including prevailing wage,
17 project labor agreement, and minimum equity
18 standard requirements.

19 (3) Participating customers shall be eligible to
20 offset a portion or all of the assessed charges by
21 securing supply through collocating or entering into
22 power purchase agreements with eligible generating
23 facilities. Eligible contracts may involve an
24 alternative retail electric supplier as defined in
25 Section 16-102 of the Public Utilities Act. Eligible
26 contracts must be at least 10 years in length and shall

1 be deemed as sufficiently additive if the facility is
2 colocated with the customer such that the facility is
3 located on the customer's side of the electric meter
4 and primarily used to offset the customer's
5 electricity load. Bundled power purchase agreements
6 for some combination of energy, capacity, and
7 environmental attributes shall also be considered
8 sufficiently additive. Contracts only for the purchase
9 of environmental attributes shall only be considered
10 sufficiently additive upon a successful demonstration
11 to the Agency that the contract instrument facilitated
12 the facility's development. Environmental attributes,
13 including renewable energy credits, purchased under
14 any qualifying contract or generated from colocated
15 generation shall be retired on that customer's behalf.

16 (4) To determine the self-direct crediting rate,
17 the following 3 steps must be completed:

18 (i) A comparison between the amount of energy
19 produced from customer contracted eligible
20 resources to the customers expected usage to
21 calculate a percentage of self-supplied energy, to
22 establish a self-supplied energy percentage.

23 (ii) A comparison of the calculated capacity
24 of the contracted eligible resources by
25 multiplying the resource's nameplate capacity by
26 the applicable regional transmission organization

1 effective load carrying capacity for the
2 applicable facility and comparing the resulting
3 value against the customers non-coincident peak
4 demand to develop a self-supplied capacity
5 percentage.

6 (iii) The simple average of the self-supplied
7 energy percentage and the self-supplied capacity
8 percentage shall constitute the offset value that
9 serves to reduce the applicant customer's
10 renewable portfolio standard-related charges by
11 the resulting percentage.

12 The process for establishing a large load
13 customer's usage shall be based upon a predefined
14 calculation, accounting for a customer's demand based
15 upon the best available information for that customer.
16 Eligible resource effective load carrying capacity
17 shall be established using the most recent publicly
18 available RTO-established values. Once established,
19 the applicable effective load carrying capacity shall
20 not change unless an error in the RTO process is
21 identified and corrected or an adjustment in the
22 eligible resource's operation impacts its ability to
23 operate according to reasonable operational parameters
24 for its type. A significant change in either the large
25 load customer's operation or that of the eligible
26 resource may result in a reassessment and change in

1 self-supplied energy or capacity percentage. The
2 maximum crediting rate shall not allow for crediting
3 that customer's proportionate share of support for the
4 costs associated with procuring renewable energy
5 credits through the Solar for All Program described in
6 subsection (b) of Section 1-56 of this Act. If the
7 resulting crediting rate reaches 90%, a customer shall
8 be charged the minimum possible RPS-related charges
9 due to the scale and qualitative benefits of that
10 customer's investment in facilitating new clean energy
11 generation. The resulting crediting rate shall not
12 exceed 100%.

13 (5) Customers described in this subparagraph (R-5)
14 shall apply, on a form developed by the Agency, to the
15 Agency to be designated as an extremely large,
16 inflexible-load, non-residential customer. The Agency
17 shall open the extremely large, inflexible-load,
18 non-residential customer program for applications
19 quarterly, with an application window of no less than
20 2 weeks each quarter. Once the Agency determines that
21 a self-direct customer is eligible for participation
22 in the program, the self-direct customer shall remain
23 eligible until the end of the term of the contract. At
24 a minimum, such application shall contain the
25 following:

26 (i) the customer's certification that, at the

1 time of the customer's application, the customer
2 takes service or would qualify to take service
3 under the tariff described in paragraph (3) of
4 subsection (c) of Section 16-105.5 of the Public
5 Utilities Act, including documents demonstrating
6 that qualification and proof of qualification once
7 achieved;

8 (ii) the customer's certification that the
9 customer has entered into one or more bilateral
10 contracts with eligible generating facilities or
11 is colocated with eligible generating facilities,
12 including supporting documentation that provides
13 information about those facilities necessary for
14 facility qualification and that determines
15 applicable crediting rates;

16 (iii) certification that the contract or
17 contracts with new clean energy generating
18 facilities are long-term contracts with term
19 lengths of at least 10 years, including supporting
20 documentation;

21 (iv) certification of the quantities of
22 energy, capacity, or renewable energy credits that
23 the customer will purchase each year under such
24 contract or contracts, including supporting
25 documentation;

26 (v) historical information and projections

1 related to the customer's electricity consumption,
2 including a demonstration of the share of the
3 customer's electricity consumption and peak load
4 contribution, that the facility or facilities is
5 intended to meet as demonstrated through
6 supporting documentation; and

7 (vi) a certification that the customer intends
8 to maintain the contract for the duration of the
9 length of the contract.

10 The Agency may request, and applicant customers
11 shall provide, any additional information necessary
12 for determining customer program eligibility, facility
13 eligibility, and applicable crediting rate.

14 (6) The Agency shall provide biannual filings
15 outlining customer qualification and applicable
16 crediting rates as compliance filings in the most
17 recent Commission-docketed proceeding for approval of
18 the Agency's Long-Term Renewable Resources Procurement
19 Plan.

20 (7) The Agency may require that participating
21 customers provide annual reports related to facility
22 operation and performance, customer electricity
23 consumption and load profiles, and other information
24 as necessary. Upon a material change in any
25 information underpinning the customer's qualification
26 for the program or establishment of the customer's

1 crediting rate, the participating customer shall
2 provide notice to the Agency outlining the nature and
3 impact of such changes.

4 (8) Recognizing the need for the State to
5 facilitate the development of new renewable energy
6 generation at a sufficient scale regardless of new
7 large load customer interconnections, renewable energy
8 credits procured and retired by a self-direct customer
9 participating in the program described in this
10 subparagraph (R-5) shall only reduce the total volume
11 of renewable energy credits that the Agency is
12 otherwise required to procure up to the percentage of
13 renewable energy resources applicable to each
14 utility's load for that year, as outlined in
15 subparagraph (B) of paragraph (1) of subsection (c) of
16 this Section, associated with a participating
17 customer's electricity consumption. Notwithstanding
18 the requirements of this subsection, the goals for
19 procurement of renewable energy credits shall not
20 exceed levels of 100%, unless otherwise ordered by the
21 Commission as part of its review and approval of the
22 Agency's long term renewable resources procurement
23 plan.

24 (9) The Agency shall include additional terms,
25 conditions, details, and requirements applicable to
26 the extremely large, inflexible-load, non-residential

1 customer self-direct RPS program within its long-term
2 renewable resources procurement plan. Notwithstanding
3 whether an updated long-term renewable resources
4 procurement plan, including this program, has been
5 approved by the Commission, the extremely large,
6 inflexible-load, non-residential customer self-direct
7 RPS program shall begin taking applications no later
8 than 90 days after Commission approval of the tariff
9 outlined in paragraph (3) of subsection (c) of Section
10 16-105.5 of the Public Utilities Act.

11 (2) (Blank).

12 (3) (Blank).

13 (4) The electric utility shall retire all renewable
14 energy credits used to comply with the standard.

15 (5) Beginning with the 2010 delivery year and ending
16 June 1, 2017, an electric utility subject to this
17 subsection (c) shall apply the lesser of the maximum
18 alternative compliance payment rate or the most recent
19 estimated alternative compliance payment rate for its
20 service territory for the corresponding compliance period,
21 established pursuant to subsection (d) of Section 16-115D
22 of the Public Utilities Act to its retail customers that
23 take service pursuant to the electric utility's hourly
24 pricing tariff or tariffs. The electric utility shall
25 retain all amounts collected as a result of the
26 application of the alternative compliance payment rate or

1 rates to such customers, and, beginning in 2011, the
2 utility shall include in the information provided under
3 item (1) of subsection (d) of Section 16-111.5 of the
4 Public Utilities Act the amounts collected under the
5 alternative compliance payment rate or rates for the prior
6 year ending May 31. Notwithstanding any limitation on the
7 procurement of renewable energy resources imposed by item
8 (2) of this subsection (c), the Agency shall increase its
9 spending on the purchase of renewable energy resources to
10 be procured by the electric utility for the next plan year
11 by an amount equal to the amounts collected by the utility
12 under the alternative compliance payment rate or rates in
13 the prior year ending May 31.

14 (6) The electric utility shall be entitled to recover
15 all of its costs associated with the procurement of
16 renewable energy credits under plans approved under this
17 Section and Section 16-111.5 of the Public Utilities Act.
18 These costs shall include associated reasonable expenses
19 for implementing the procurement programs, including, but
20 not limited to, the costs of administering and evaluating
21 the Adjustable Block program, through an automatic
22 adjustment clause tariff in accordance with subsection (k)
23 of Section 16-108 of the Public Utilities Act.

24 (7) Renewable energy credits procured from new
25 photovoltaic projects or new distributed renewable energy
26 generation devices under this Section after June 1, 2017

1 (the effective date of Public Act 99-906) must be procured
2 from devices installed by a qualified person in compliance
3 with the requirements of Section 16-128A of the Public
4 Utilities Act and any rules or regulations adopted
5 thereunder.

6 In meeting the renewable energy requirements of this
7 subsection (c), to the extent feasible and consistent with
8 State and federal law, the renewable energy credit
9 procurements, Adjustable Block solar program, and
10 community renewable generation program shall provide
11 employment opportunities for all segments of the
12 population and workforce, including minority-owned and
13 female-owned business enterprises, and shall not,
14 consistent with State and federal law, discriminate based
15 on race or socioeconomic status.

16 (c-5) Procurement of renewable energy credits from new
17 renewable energy facilities installed at or adjacent to the
18 sites of electric generating facilities that burn or burned
19 coal as their primary fuel source.

20 (1) In addition to the procurement of renewable energy
21 credits pursuant to long-term renewable resources
22 procurement plans in accordance with subsection (c) of
23 this Section and Section 16-111.5 of the Public Utilities
24 Act, the Agency shall conduct procurement events in
25 accordance with this subsection (c-5) for the procurement
26 by electric utilities that served more than 300,000 retail

1 customers in this State as of January 1, 2019 of renewable
2 energy credits from new renewable energy facilities to be
3 installed at or adjacent to the sites of electric
4 generating facilities that, as of January 1, 2016, burned
5 coal as their primary fuel source and meet the other
6 criteria specified in this subsection (c-5). For purposes
7 of this subsection (c-5), "new renewable energy facility"
8 means a new utility-scale solar project as defined in this
9 Section 1-75. The renewable energy credits procured
10 pursuant to this subsection (c-5) may be included or
11 counted for purposes of compliance with the amounts of
12 renewable energy credits required to be procured pursuant
13 to subsection (c) of this Section to the extent that there
14 are otherwise shortfalls in compliance with such
15 requirements. The procurement of renewable energy credits
16 by electric utilities pursuant to this subsection (c-5)
17 shall be funded solely by revenues collected from the Coal
18 to Solar and Energy Storage Initiative Charge provided for
19 in this subsection (c-5) and subsection (i-5) of Section
20 16-108 of the Public Utilities Act, shall not be funded by
21 revenues collected through any of the other funding
22 mechanisms provided for in subsection (c) of this Section,
23 and shall not be subject to the limitation imposed by
24 subsection (c) on charges to retail customers for costs to
25 procure renewable energy resources pursuant to subsection
26 (c), and shall not be subject to any other requirements or

1 limitations of subsection (c).

2 (2) The Agency shall conduct 2 procurement events to
3 select owners of electric generating facilities meeting
4 the eligibility criteria specified in this subsection
5 (c-5) to enter into long-term contracts to sell renewable
6 energy credits to electric utilities serving more than
7 300,000 retail customers in this State as of January 1,
8 2019. The first procurement event shall be conducted no
9 later than March 31, 2022, unless the Agency elects to
10 delay it, until no later than May 1, 2022, due to its
11 overall volume of work, and shall be to select owners of
12 electric generating facilities located in this State and
13 south of federal Interstate Highway 80 that meet the
14 eligibility criteria specified in this subsection (c-5).
15 The second procurement event shall be conducted no sooner
16 than September 30, 2022 and no later than October 31, 2022
17 and shall be to select owners of electric generating
18 facilities located anywhere in this State that meet the
19 eligibility criteria specified in this subsection (c-5).
20 The Agency shall establish and announce a time period,
21 which shall begin no later than 30 days prior to the
22 scheduled date for the procurement event, during which
23 applicants may submit applications to be selected as
24 suppliers of renewable energy credits pursuant to this
25 subsection (c-5). The eligibility criteria for selection
26 as a supplier of renewable energy credits pursuant to this

1 subsection (c-5) shall be as follows:

2 (A) The applicant owns an electric generating
3 facility located in this State that: (i) as of January
4 1, 2016, burned coal as its primary fuel to generate
5 electricity; and (ii) has, or had prior to retirement,
6 an electric generating capacity of at least 150
7 megawatts. The electric generating facility can be
8 either: (i) retired as of the date of the procurement
9 event; or (ii) still operating as of the date of the
10 procurement event.

11 (B) The applicant is not (i) an electric
12 cooperative as defined in Section 3-119 of the Public
13 Utilities Act, or (ii) an entity described in
14 subsection (b)(1) of Section 3-105 of the Public
15 Utilities Act, or an association or consortium of or
16 an entity owned by entities described in (i) or (ii);
17 and the coal-fueled electric generating facility was
18 at one time owned, in whole or in part, by a public
19 utility as defined in Section 3-105 of the Public
20 Utilities Act.

21 (C) If participating in the first procurement
22 event, the applicant proposes and commits to construct
23 and operate, at the site, and if necessary for
24 sufficient space on property adjacent to the existing
25 property, at which the electric generating facility
26 identified in paragraph (A) is located: (i) a new

1 renewable energy facility of at least 20 megawatts but
2 no more than 100 megawatts of electric generating
3 capacity, and (ii) an energy storage facility having a
4 storage capacity equal to at least 2 megawatts and at
5 most 10 megawatts. If participating in the second
6 procurement event, the applicant proposes and commits
7 to construct and operate, at the site, and if
8 necessary for sufficient space on property adjacent to
9 the existing property, at which the electric
10 generating facility identified in paragraph (A) is
11 located: (i) a new renewable energy facility of at
12 least 5 megawatts but no more than 20 megawatts of
13 electric generating capacity, and (ii) an energy
14 storage facility having a storage capacity equal to at
15 least 0.5 megawatts and at most one megawatt.

16 (D) The applicant agrees that the new renewable
17 energy facility and the energy storage facility will
18 be constructed or installed by a qualified entity or
19 entities in compliance with the requirements of
20 subsection (g) of Section 16-128A of the Public
21 Utilities Act and any rules adopted thereunder.

22 (E) The applicant agrees that personnel operating
23 the new renewable energy facility and the energy
24 storage facility will have the requisite skills,
25 knowledge, training, experience, and competence, which
26 may be demonstrated by completion or current

1 participation and ultimate completion by employees of
2 an accredited or otherwise recognized apprenticeship
3 program for the employee's particular craft, trade, or
4 skill, including through training and education
5 courses and opportunities offered by the owner to
6 employees of the coal-fueled electric generating
7 facility or by previous employment experience
8 performing the employee's particular work skill or
9 function.

10 (F) The applicant commits that not less than the
11 prevailing wage, as determined pursuant to the
12 Prevailing Wage Act, will be paid to the applicant's
13 employees engaged in construction activities
14 associated with the new renewable energy facility and
15 the new energy storage facility and to the employees
16 of applicant's contractors engaged in construction
17 activities associated with the new renewable energy
18 facility and the new energy storage facility, and
19 that, on or before the commercial operation date of
20 the new renewable energy facility, the applicant shall
21 file a report with the Agency certifying that the
22 requirements of this subparagraph (F) have been met.

23 (G) The applicant commits that if selected, it
24 will negotiate a project labor agreement for the
25 construction of the new renewable energy facility and
26 associated energy storage facility that includes

1 provisions requiring the parties to the agreement to
2 work together to establish diversity threshold
3 requirements and to ensure best efforts to meet
4 diversity targets, improve diversity at the applicable
5 job site, create diverse apprenticeship opportunities,
6 and create opportunities to employ former coal-fired
7 power plant workers.

8 (H) The applicant commits to enter into a contract
9 or contracts for the applicable duration to provide
10 specified numbers of renewable energy credits each
11 year from the new renewable energy facility to
12 electric utilities that served more than 300,000
13 retail customers in this State as of January 1, 2019,
14 at a price of \$30 per renewable energy credit. The
15 price per renewable energy credit shall be fixed at
16 \$30 for the applicable duration and the renewable
17 energy credits shall not be indexed renewable energy
18 credits as provided for in item (v) of subparagraph
19 (G) of paragraph (1) of subsection (c) of Section 1-75
20 of this Act. The applicable duration of each contract
21 shall be 20 years, unless the applicant is physically
22 interconnected to the PJM Interconnection, LLC
23 transmission grid and had a generating capacity of at
24 least 1,200 megawatts as of January 1, 2021, in which
25 case the applicable duration of the contract shall be
26 15 years.

1 (I) The applicant's application is certified by an
2 officer of the applicant and by an officer of the
3 applicant's ultimate parent company, if any.

4 (3) An applicant may submit applications to contract
5 to supply renewable energy credits from more than one new
6 renewable energy facility to be constructed at or adjacent
7 to one or more qualifying electric generating facilities
8 owned by the applicant. The Agency may select new
9 renewable energy facilities to be located at or adjacent
10 to the sites of more than one qualifying electric
11 generation facility owned by an applicant to contract with
12 electric utilities to supply renewable energy credits from
13 such facilities.

14 (4) The Agency shall assess fees to each applicant to
15 recover the Agency's costs incurred in receiving and
16 evaluating applications, conducting the procurement event,
17 developing contracts for sale, delivery and purchase of
18 renewable energy credits, and monitoring the
19 administration of such contracts, as provided for in this
20 subsection (c-5), including fees paid to a procurement
21 administrator retained by the Agency for one or more of
22 these purposes.

23 (5) The Agency shall select the applicants and the new
24 renewable energy facilities to contract with electric
25 utilities to supply renewable energy credits in accordance
26 with this subsection (c-5). In the first procurement

1 event, the Agency shall select applicants and new
2 renewable energy facilities to supply renewable energy
3 credits, at a price of \$30 per renewable energy credit,
4 aggregating to no less than 400,000 renewable energy
5 credits per year for the applicable duration, assuming
6 sufficient qualifying applications to supply, in the
7 aggregate, at least that amount of renewable energy
8 credits per year; and not more than 580,000 renewable
9 energy credits per year for the applicable duration. In
10 the second procurement event, the Agency shall select
11 applicants and new renewable energy facilities to supply
12 renewable energy credits, at a price of \$30 per renewable
13 energy credit, aggregating to no more than 625,000
14 renewable energy credits per year less the amount of
15 renewable energy credits each year contracted for as a
16 result of the first procurement event, for the applicable
17 durations. The number of renewable energy credits to be
18 procured as specified in this paragraph (5) shall not be
19 reduced based on renewable energy credits procured in the
20 self-direct renewable energy credit compliance program
21 established pursuant to subparagraph (R) of paragraph (1)
22 of subsection (c) of Section 1-75.

23 (6) The obligation to purchase renewable energy
24 credits from the applicants and their new renewable energy
25 facilities selected by the Agency shall be allocated to
26 the electric utilities based on their respective

1 percentages of kilowatthours delivered to delivery
2 services customers to the aggregate kilowatthour
3 deliveries by the electric utilities to delivery services
4 customers for the year ended December 31, 2021. In order
5 to achieve these allocation percentages between or among
6 the electric utilities, the Agency shall require each
7 applicant that is selected in the procurement event to
8 enter into a contract with each electric utility for the
9 sale and purchase of renewable energy credits from each
10 new renewable energy facility to be constructed and
11 operated by the applicant, with the sale and purchase
12 obligations under the contracts to aggregate to the total
13 number of renewable energy credits per year to be supplied
14 by the applicant from the new renewable energy facility.

15 (7) The Agency shall submit its proposed selection of
16 applicants, new renewable energy facilities to be
17 constructed, and renewable energy credit amounts for each
18 procurement event to the Commission for approval. The
19 Commission shall, within 2 business days after receipt of
20 the Agency's proposed selections, approve the proposed
21 selections if it determines that the applicants and the
22 new renewable energy facilities to be constructed meet the
23 selection criteria set forth in this subsection (c-5) and
24 that the Agency seeks approval for contracts of applicable
25 durations aggregating to no more than the maximum amount
26 of renewable energy credits per year authorized by this

1 subsection (c-5) for the procurement event, at a price of
2 \$30 per renewable energy credit.

3 (8) The Agency, in conjunction with its procurement
4 administrator if one is retained, the electric utilities,
5 and potential applicants for contracts to produce and
6 supply renewable energy credits pursuant to this
7 subsection (c-5), shall develop a standard form contract
8 for the sale, delivery and purchase of renewable energy
9 credits pursuant to this subsection (c-5). Each contract
10 resulting from the first procurement event shall allow for
11 a commercial operation date for the new renewable energy
12 facility of either June 1, 2023 or June 1, 2024, with such
13 dates subject to adjustment as provided in this paragraph.
14 Each contract resulting from the second procurement event
15 shall provide for a commercial operation date on June 1
16 next occurring up to 48 months after execution of the
17 contract. Each contract shall provide that the owner shall
18 receive payments for renewable energy credits for the
19 applicable durations beginning with the commercial
20 operation date of the new renewable energy facility. The
21 form contract shall provide for adjustments to the
22 commercial operation and payment start dates as needed due
23 to any delays in completing the procurement and
24 contracting processes, in finalizing interconnection
25 agreements and installing interconnection facilities, and
26 in obtaining other necessary governmental permits and

1 approvals. The form contract shall be, to the maximum
2 extent possible, consistent with standard electric
3 industry contracts for sale, delivery, and purchase of
4 renewable energy credits while taking into account the
5 specific requirements of this subsection (c-5). The form
6 contract shall provide for over-delivery and
7 under-delivery of renewable energy credits within
8 reasonable ranges during each 12-month period and penalty,
9 default, and enforcement provisions for failure of the
10 selling party to deliver renewable energy credits as
11 specified in the contract and to comply with the
12 requirements of this subsection (c-5). The standard form
13 contract shall specify that all renewable energy credits
14 delivered to the electric utility pursuant to the contract
15 shall be retired. The Agency shall make the proposed
16 contracts available for a reasonable period for comment by
17 potential applicants, and shall publish the final form
18 contract at least 30 days before the date of the first
19 procurement event.

20 (9) Coal to Solar and Energy Storage Initiative
21 Charge.

22 (A) By no later than July 1, 2022, each electric
23 utility that served more than 300,000 retail customers
24 in this State as of January 1, 2019 shall file a tariff
25 with the Commission for the billing and collection of
26 a Coal to Solar and Energy Storage Initiative Charge

1 in accordance with subsection (i-5) of Section 16-108
2 of the Public Utilities Act, with such tariff to be
3 effective, following review and approval or
4 modification by the Commission, beginning January 1,
5 2023. The tariff shall provide for the calculation and
6 setting of the electric utility's Coal to Solar and
7 Energy Storage Initiative Charge to collect revenues
8 estimated to be sufficient, in the aggregate, (i) to
9 enable the electric utility to pay for the renewable
10 energy credits it has contracted to purchase in the
11 delivery year beginning June 1, 2023 and each delivery
12 year thereafter from new renewable energy facilities
13 located at the sites of qualifying electric generating
14 facilities, and (ii) to fund the grant payments to be
15 made in each delivery year by the Department of
16 Commerce and Economic Opportunity, or any successor
17 department or agency, which shall be referred to in
18 this subsection (c-5) as the Department, pursuant to
19 paragraph (10) of this subsection (c-5). The electric
20 utility's tariff shall provide for the billing and
21 collection of the Coal to Solar and Energy Storage
22 Initiative Charge on each kilowatthour of electricity
23 delivered to its delivery services customers within
24 its service territory and shall provide for an annual
25 reconciliation of revenues collected with actual
26 costs, in accordance with subsection (i-5) of Section

1 16-108 of the Public Utilities Act.

2 (B) Each electric utility shall remit on a monthly
3 basis to the State Treasurer, for deposit in the Coal
4 to Solar and Energy Storage Initiative Fund provided
5 for in this subsection (c-5), the electric utility's
6 collections of the Coal to Solar and Energy Storage
7 Initiative Charge in the amount estimated to be needed
8 by the Department for grant payments pursuant to grant
9 contracts entered into by the Department pursuant to
10 paragraph (10) of this subsection (c-5).

11 (10) Coal to Solar and Energy Storage Initiative Fund.

12 (A) The Coal to Solar and Energy Storage
13 Initiative Fund is established as a special fund in
14 the State treasury. The Coal to Solar and Energy
15 Storage Initiative Fund is authorized to receive, by
16 statutory deposit, that portion specified in item (B)
17 of paragraph (9) of this subsection (c-5) of moneys
18 collected by electric utilities through imposition of
19 the Coal to Solar and Energy Storage Initiative Charge
20 required by this subsection (c-5). The Coal to Solar
21 and Energy Storage Initiative Fund shall be
22 administered by the Department to provide grants to
23 support the installation and operation of energy
24 storage facilities at the sites of qualifying electric
25 generating facilities meeting the criteria specified
26 in this paragraph (10).

1 (B) The Coal to Solar and Energy Storage
2 Initiative Fund shall not be subject to sweeps,
3 administrative charges, or chargebacks, including, but
4 not limited to, those authorized under Section 8h of
5 the State Finance Act, that would in any way result in
6 the transfer of those funds from the Coal to Solar and
7 Energy Storage Initiative Fund to any other fund of
8 this State or in having any such funds utilized for any
9 purpose other than the express purposes set forth in
10 this paragraph (10).

11 (C) The Department shall utilize up to
12 \$280,500,000 in the Coal to Solar and Energy Storage
13 Initiative Fund for grants, assuming sufficient
14 qualifying applicants, to support installation of
15 energy storage facilities at the sites of up to 3
16 qualifying electric generating facilities located in
17 the Midcontinent Independent System Operator, Inc.,
18 region in Illinois and the sites of up to 2 qualifying
19 electric generating facilities located in the PJM
20 Interconnection, LLC region in Illinois that meet the
21 criteria set forth in this subparagraph (C). The
22 criteria for receipt of a grant pursuant to this
23 subparagraph (C) are as follows:

24 (1) the electric generating facility at the
25 site has, or had prior to retirement, an electric
26 generating capacity of at least 150 megawatts;

1 (2) the electric generating facility burns (or
2 burned prior to retirement) coal as its primary
3 source of fuel;

4 (3) if the electric generating facility is
5 retired, it was retired subsequent to January 1,
6 2016;

7 (4) the owner of the electric generating
8 facility has not been selected by the Agency
9 pursuant to this subsection (c-5) of this Section
10 to enter into a contract to sell renewable energy
11 credits to one or more electric utilities from a
12 new renewable energy facility located or to be
13 located at or adjacent to the site at which the
14 electric generating facility is located;

15 (5) the electric generating facility located
16 at the site was at one time owned, in whole or in
17 part, by a public utility as defined in Section
18 3-105 of the Public Utilities Act;

19 (6) the electric generating facility at the
20 site is not owned by (i) an electric cooperative
21 as defined in Section 3-119 of the Public
22 Utilities Act, or (ii) an entity described in
23 subsection (b)(1) of Section 3-105 of the Public
24 Utilities Act, or an association or consortium of
25 or an entity owned by entities described in items
26 (i) or (ii);

1 (7) the proposed energy storage facility at
2 the site will have energy storage capacity of at
3 least 37 megawatts;

4 (8) the owner commits to place the energy
5 storage facility into commercial operation on
6 either June 1, 2023, June 1, 2024, or June 1, 2025,
7 with such date subject to adjustment as needed due
8 to any delays in completing the grant contracting
9 process, in finalizing interconnection agreements
10 and in installing interconnection facilities, and
11 in obtaining necessary governmental permits and
12 approvals;

13 (9) the owner agrees that the new energy
14 storage facility will be constructed or installed
15 by a qualified entity or entities consistent with
16 the requirements of subsection (g) of Section
17 16-128A of the Public Utilities Act and any rules
18 adopted under that Section;

19 (10) the owner agrees that personnel operating
20 the energy storage facility will have the
21 requisite skills, knowledge, training, experience,
22 and competence, which may be demonstrated by
23 completion or current participation and ultimate
24 completion by employees of an accredited or
25 otherwise recognized apprenticeship program for
26 the employee's particular craft, trade, or skill,

1 including through training and education courses
2 and opportunities offered by the owner to
3 employees of the coal-fueled electric generating
4 facility or by previous employment experience
5 performing the employee's particular work skill or
6 function;

7 (11) the owner commits that not less than the
8 prevailing wage, as determined pursuant to the
9 Prevailing Wage Act, will be paid to the owner's
10 employees engaged in construction activities
11 associated with the new energy storage facility
12 and to the employees of the owner's contractors
13 engaged in construction activities associated with
14 the new energy storage facility, and that, on or
15 before the commercial operation date of the new
16 energy storage facility, the owner shall file a
17 report with the Department certifying that the
18 requirements of this subparagraph (11) have been
19 met; and

20 (12) the owner commits that if selected to
21 receive a grant, it will negotiate a project labor
22 agreement for the construction of the new energy
23 storage facility that includes provisions
24 requiring the parties to the agreement to work
25 together to establish diversity threshold
26 requirements and to ensure best efforts to meet

1 diversity targets, improve diversity at the
2 applicable job site, create diverse apprenticeship
3 opportunities, and create opportunities to employ
4 former coal-fired power plant workers.

5 The Department shall accept applications for this
6 grant program until March 31, 2022 and shall announce
7 the award of grants no later than June 1, 2022. The
8 Department shall make the grant payments to a
9 recipient in equal annual amounts for 10 years
10 following the date the energy storage facility is
11 placed into commercial operation. The annual grant
12 payments to a qualifying energy storage facility shall
13 be \$110,000 per megawatt of energy storage capacity,
14 with total annual grant payments pursuant to this
15 subparagraph (C) for qualifying energy storage
16 facilities not to exceed \$28,050,000 in any year.

17 (D) Grants of funding for energy storage
18 facilities pursuant to subparagraph (C) of this
19 paragraph (10), from the Coal to Solar and Energy
20 Storage Initiative Fund, shall be memorialized in
21 grant contracts between the Department and the
22 recipient. The grant contracts shall specify the date
23 or dates in each year on which the annual grant
24 payments shall be paid.

25 (E) All disbursements from the Coal to Solar and
26 Energy Storage Initiative Fund shall be made only upon

1 warrants of the Comptroller drawn upon the Treasurer
2 as custodian of the Fund upon vouchers signed by the
3 Director of the Department or by the person or persons
4 designated by the Director of the Department for that
5 purpose. The Comptroller is authorized to draw the
6 warrants upon vouchers so signed. The Treasurer shall
7 accept all written warrants so signed and shall be
8 released from liability for all payments made on those
9 warrants.

10 (11) Diversity, equity, and inclusion plans.

11 (A) Each applicant selected in a procurement event
12 to contract to supply renewable energy credits in
13 accordance with this subsection (c-5) and each owner
14 selected by the Department to receive a grant or
15 grants to support the construction and operation of a
16 new energy storage facility or facilities in
17 accordance with this subsection (c-5) shall, within 60
18 days following the Commission's approval of the
19 applicant to contract to supply renewable energy
20 credits or within 60 days following execution of a
21 grant contract with the Department, as applicable,
22 submit to the Commission a diversity, equity, and
23 inclusion plan setting forth the applicant's or
24 owner's numeric goals for the diversity composition of
25 its supplier entities for the new renewable energy
26 facility or new energy storage facility, as

1 applicable, which shall be referred to for purposes of
2 this paragraph (11) as the project, and the
3 applicant's or owner's action plan and schedule for
4 achieving those goals.

5 (B) For purposes of this paragraph (11), diversity
6 composition shall be based on the percentage, which
7 shall be a minimum of 25%, of eligible expenditures
8 for contract awards for materials and services (which
9 shall be defined in the plan) to business enterprises
10 owned by minority persons, women, or persons with
11 disabilities as defined in Section 2 of the Business
12 Enterprise for Minorities, Women, and Persons with
13 Disabilities Act, to LGBTQ business enterprises, to
14 veteran-owned business enterprises, and to business
15 enterprises located in environmental justice
16 communities. The diversity composition goals of the
17 plan may include eligible expenditures in areas for
18 vendor or supplier opportunities in addition to
19 development and construction of the project, and may
20 exclude from eligible expenditures materials and
21 services with limited market availability, limited
22 production and availability from suppliers in the
23 United States, such as solar panels and storage
24 batteries, and material and services that are subject
25 to critical energy infrastructure or cybersecurity
26 requirements or restrictions. The plan may provide

1 that the diversity composition goals may be met
2 through Tier 1 Direct or Tier 2 subcontracting
3 expenditures or a combination thereof for the project.

4 (C) The plan shall provide for, but not be limited
5 to: (i) internal initiatives, including multi-tier
6 initiatives, by the applicant or owner, or by its
7 engineering, procurement and construction contractor
8 if one is used for the project, which for purposes of
9 this paragraph (11) shall be referred to as the EPC
10 contractor, to enable diverse businesses to be
11 considered fairly for selection to provide materials
12 and services; (ii) requirements for the applicant or
13 owner or its EPC contractor to proactively solicit and
14 utilize diverse businesses to provide materials and
15 services; and (iii) requirements for the applicant or
16 owner or its EPC contractor to hire a diverse
17 workforce for the project. The plan shall include a
18 description of the applicant's or owner's diversity
19 recruiting efforts both for the project and for other
20 areas of the applicant's or owner's business
21 operations. The plan shall provide for the imposition
22 of financial penalties on the applicant's or owner's
23 EPC contractor for failure to exercise best efforts to
24 comply with and execute the EPC contractor's diversity
25 obligations under the plan. The plan may provide for
26 the applicant or owner to set aside a portion of the

1 work on the project to serve as an incubation program
2 for qualified businesses, as specified in the plan,
3 owned by minority persons, women, persons with
4 disabilities, LGBTQ persons, and veterans, and
5 businesses located in environmental justice
6 communities, seeking to enter the renewable energy
7 industry.

8 (D) The applicant or owner may submit a revised or
9 updated plan to the Commission from time to time as
10 circumstances warrant. The applicant or owner shall
11 file annual reports with the Commission detailing the
12 applicant's or owner's progress in implementing its
13 plan and achieving its goals and any modifications the
14 applicant or owner has made to its plan to better
15 achieve its diversity, equity and inclusion goals. The
16 applicant or owner shall file a final report on the
17 fifth June 1 following the commercial operation date
18 of the new renewable energy resource or new energy
19 storage facility, but the applicant or owner shall
20 thereafter continue to be subject to applicable
21 reporting requirements of Section 5-117 of the Public
22 Utilities Act.

23 (c-10) Equity accountability system. It is the purpose of
24 this subsection (c-10) to create an equity accountability
25 system, which includes the minimum equity standards for all
26 renewable energy procurements, the equity category of the

1 Adjustable Block Program, and the equity prioritization for
2 noncompetitive procurements, that is successful in advancing
3 priority access to the clean energy economy for businesses and
4 workers from communities that have been excluded from economic
5 opportunities in the energy sector, have been subject to
6 disproportionate levels of pollution, and have
7 disproportionately experienced negative public health
8 outcomes. Further, it is the purpose of this subsection to
9 ensure that this equity accountability system is successful in
10 advancing equity across Illinois by providing access to the
11 clean energy economy for businesses and workers from
12 communities that have been historically excluded from economic
13 opportunities in the energy sector, have been subject to
14 disproportionate levels of pollution, and have
15 disproportionately experienced negative public health
16 outcomes.

17 (1) Minimum equity standards. The Agency shall create
18 programs with the purpose of increasing access to and
19 development of equity eligible contractors, who are prime
20 contractors and subcontractors, across all of the programs
21 it manages. All applications for renewable energy credit
22 procurements shall comply with specific minimum equity
23 commitments. Starting in the delivery year immediately
24 following the next long-term renewable resources
25 procurement plan, at least 10% of the project workforce
26 for each entity participating in a procurement program

1 outlined in this subsection (c-10) must be done by equity
2 eligible persons or equity eligible contractors. The
3 Agency shall increase the minimum percentage each delivery
4 year thereafter by increments that ensure a statewide
5 average of 30% of the project workforce for each entity
6 participating in a procurement program is done by equity
7 eligible persons or equity eligible contractors by 2030.
8 The Agency shall propose a schedule of percentage
9 increases to the minimum equity standards in its draft
10 revised renewable energy resources procurement plan
11 submitted to the Commission for approval pursuant to
12 paragraph (5) of subsection (b) of Section 16-111.5 of the
13 Public Utilities Act. In determining these annual
14 increases, the Agency shall have the discretion to
15 establish different minimum equity standards for different
16 types of procurements and different regions of the State
17 if the Agency finds that doing so will further the
18 purposes of this subsection (c-10). The proposed schedule
19 of annual increases shall be revisited and updated on an
20 annual basis. Revisions shall be developed with
21 stakeholder input, including from equity eligible persons,
22 equity eligible contractors, clean energy industry
23 representatives, and community-based organizations that
24 work with such persons and contractors.

25 (A) At the start of each delivery year, the Agency
26 shall require a compliance plan from each entity

1 participating in a procurement program of subsection
2 (c) of this Section that demonstrates how they will
3 achieve compliance with the minimum equity standard
4 percentage for work completed in that delivery year.
5 If an entity applies for its approved vendor or
6 designee status between delivery years, the Agency
7 shall require a compliance plan at the time of
8 application.

9 (B) Halfway through each delivery year, the Agency
10 shall require each entity participating in a
11 procurement program to confirm that it will achieve
12 compliance in that delivery year, when applicable. The
13 Agency may offer corrective action plans to entities
14 that are not on track to achieve compliance.

15 (C) At the end of each delivery year, each entity
16 participating and completing work in that delivery
17 year in a procurement program of subsection (c) shall
18 submit a report to the Agency that demonstrates how it
19 achieved compliance with the minimum equity standards
20 percentage for that delivery year.

21 (D) The Agency shall prohibit participation in
22 procurement programs by an approved vendor or
23 designee, as applicable, or entities with which an
24 approved vendor or designee, as applicable, shares a
25 common parent company if an approved vendor or
26 designee, as applicable, failed to meet the minimum

1 equity standards for the prior delivery year. Waivers
2 approved for lack of equity eligible persons or equity
3 eligible contractors in a geographic area of a project
4 shall not count against the approved vendor or
5 designee. The Agency shall offer a corrective action
6 plan for any such entities to assist them in obtaining
7 compliance and shall allow continued access to
8 procurement programs upon an approved vendor or
9 designee demonstrating compliance.

10 (E) The Agency shall pursue efficiencies achieved
11 by combining with other approved vendor or designee
12 reporting.

13 (2) Equity accountability system within the Adjustable
14 Block program. The equity category described in item (vi)
15 of subparagraph (K) of subsection (c) is only available to
16 applicants that are equity eligible contractors.

17 (3) Equity accountability system within competitive
18 procurements. Through its long-term renewable resources
19 procurement plan, the Agency shall develop requirements
20 for ensuring that competitive procurement processes,
21 including utility-scale solar, utility-scale wind, and
22 brownfield site photovoltaic projects, advance the equity
23 goals of this subsection (c-10). Subject to Commission
24 approval, the Agency shall develop bid application
25 requirements and a bid evaluation methodology for ensuring
26 that utilization of equity eligible contractors, whether

1 as bidders or as participants on project development, is
2 optimized, including requiring that winning or successful
3 applicants for utility-scale projects are or will partner
4 with equity eligible contractors and giving preference to
5 bids through which a higher portion of contract value
6 flows to equity eligible contractors. To the extent
7 practicable, entities participating in competitive
8 procurements shall also be required to meet all the equity
9 accountability requirements for approved vendors and their
10 designees under this subsection (c-10). In developing
11 these requirements, the Agency shall also consider whether
12 equity goals can be further advanced through additional
13 measures.

14 (4) In the first revision to the long-term renewable
15 energy resources procurement plan and each revision
16 thereafter, the Agency shall include the following:

17 (A) The current status and number of equity
18 eligible contractors listed in the Energy Workforce
19 Equity Database designed in subsection (c-25),
20 including the number of equity eligible contractors
21 with current certifications as issued by the Agency.

22 (B) A mechanism for measuring, tracking, and
23 reporting project workforce at the approved vendor or
24 designee level, as applicable, which shall include a
25 measurement methodology and records to be made
26 available for audit by the Agency or the Program

1 Administrator.

2 (C) A program for approved vendors, designees,
3 eligible persons, and equity eligible contractors to
4 receive trainings, guidance, and other support from
5 the Agency or its designee regarding the equity
6 category outlined in item (vi) of subparagraph (K) of
7 paragraph (1) of subsection (c) and in meeting the
8 minimum equity standards of this subsection (c-10).

9 (D) A process for certifying equity eligible
10 contractors and equity eligible persons. The
11 certification process shall coordinate with the Energy
12 Workforce Equity Database set forth in subsection
13 (c-25).

14 (E) An application for waiver of the minimum
15 equity standards of this subsection, which the Agency
16 shall have the discretion to grant in rare
17 circumstances. The Agency may grant such a waiver
18 where the applicant provides evidence of significant
19 efforts toward meeting the minimum equity commitment,
20 including: use of the Energy Workforce Equity
21 Database; efforts to hire or contract with entities
22 that hire eligible persons; and efforts to establish
23 contracting relationships with eligible contractors.
24 The Agency shall support applicants in understanding
25 the Energy Workforce Equity Database and other
26 resources for pursuing compliance of the minimum

1 equity standards. Waivers shall be project-specific,
2 unless the Agency deems it necessary to grant a waiver
3 across a portfolio of projects, and in effect for no
4 longer than one year. Any waiver extension or
5 subsequent waiver request from an applicant shall be
6 subject to the requirements of this Section and shall
7 specify efforts made to reach compliance. When
8 considering whether to grant a waiver, and to what
9 extent, the Agency shall consider the degree to which
10 similarly situated applicants have been able to meet
11 these minimum equity commitments. For repeated waiver
12 requests for specific lack of eligible persons or
13 eligible contractors available, the Agency shall make
14 recommendations to target recruitment to add such
15 eligible persons or eligible contractors to the
16 database.

17 (5) The Agency shall collect information about work on
18 projects or portfolios of projects subject to these
19 minimum equity standards to ensure compliance with this
20 subsection (c-10). Reporting in furtherance of this
21 requirement may be combined with other annual reporting
22 requirements. Such reporting shall include proof of
23 certification of each equity eligible contractor or equity
24 eligible person during the applicable time period.

25 (6) The Agency shall keep confidential all information
26 and communication that provides private or personal

1 information.

2 (7) Modifications to the equity accountability system.
3 As part of the update of the long-term renewable resources
4 procurement plan to be initiated in 2023, or sooner if the
5 Agency deems necessary, the Agency shall determine the
6 extent to which the equity accountability system described
7 in this subsection (c-10) has advanced the goals of this
8 amendatory Act of the 102nd General Assembly, including
9 through the inclusion of equity eligible persons and
10 equity eligible contractors in renewable energy credit
11 projects. If the Agency finds that the equity
12 accountability system has failed to meet those goals to
13 its fullest potential, the Agency may revise the following
14 criteria for future Agency procurements: (A) the
15 percentage of project workforce, or other appropriate
16 workforce measure, certified as equity eligible persons or
17 equity eligible contractors; (B) definitions for equity
18 investment eligible persons and equity investment eligible
19 community; and (C) such other modifications necessary to
20 advance the goals of this amendatory Act of the 102nd
21 General Assembly effectively. Such revised criteria may
22 also establish distinct equity accountability systems for
23 different types of procurements or different regions of
24 the State if the Agency finds that doing so will further
25 the purposes of such programs. Revisions shall be
26 developed with stakeholder input, including from equity

1 eligible persons, equity eligible contractors, and
2 community-based organizations that work with such persons
3 and contractors.

4 (c-15) Racial discrimination elimination powers and
5 process.

6 (1) Purpose. It is the purpose of this subsection to
7 empower the Agency and other State actors to remedy racial
8 discrimination in Illinois' clean energy economy as
9 effectively and expediently as possible, including through
10 the use of race-conscious remedies, such as race-conscious
11 contracting and hiring goals, as consistent with State and
12 federal law.

13 (2) Racial disparity and discrimination review
14 process.

15 (A) Within one year after awarding contracts using
16 the equity actions processes established in this
17 Section, the Agency shall publish a report evaluating
18 the effectiveness of the equity actions point criteria
19 of this Section in increasing participation of equity
20 eligible persons and equity eligible contractors. The
21 report shall disaggregate participating workers and
22 contractors by race and ethnicity. The report shall be
23 forwarded to the Governor, the General Assembly, and
24 the Illinois Commerce Commission and be made available
25 to the public.

26 (B) As soon as is practicable thereafter, the

1 Agency, in consultation with the Department of
2 Commerce and Economic Opportunity, Department of
3 Labor, and other agencies that may be relevant, shall
4 commission and publish a disparity and availability
5 study that measures the presence and impact of
6 discrimination on minority businesses and workers in
7 Illinois' clean energy economy. The Agency may hire
8 consultants and experts to conduct the disparity and
9 availability study, with the retention of those
10 consultants and experts exempt from the requirements
11 of Section 20-10 of the Illinois Procurement Code. The
12 Illinois Power Agency shall forward a copy of its
13 findings and recommendations to the Governor, the
14 General Assembly, and the Illinois Commerce
15 Commission. If the disparity and availability study
16 establishes a strong basis in evidence that there is
17 discrimination in Illinois' clean energy economy, the
18 Agency, Department of Commerce and Economic
19 Opportunity, Department of Labor, Department of
20 Corrections, and other appropriate agencies shall take
21 appropriate remedial actions, including race-conscious
22 remedial actions as consistent with State and federal
23 law, to effectively remedy this discrimination. Such
24 remedies may include modification of the equity
25 accountability system as described in subsection
26 (c-10).

1 (c-20) Program data collection.

2 (1) Purpose. Data collection, data analysis, and
3 reporting are critical to ensure that the benefits of the
4 clean energy economy provided to Illinois residents and
5 businesses are equitably distributed across the State. The
6 Agency shall collect data from program applicants in order
7 to track and improve equitable distribution of benefits
8 across Illinois communities for all procurements the
9 Agency conducts. The Agency shall use this data to, among
10 other things, measure any potential impact of racial
11 discrimination on the distribution of benefits and provide
12 information necessary to correct any discrimination
13 through methods consistent with State and federal law.

14 (2) Agency collection of program data. The Agency
15 shall collect demographic and geographic data for each
16 entity awarded contracts under any Agency-administered
17 program.

18 (3) Required information to be collected. The Agency
19 shall collect the following information from applicants
20 and program participants where applicable:

21 (A) demographic information, including racial or
22 ethnic identity for real persons employed, contracted,
23 or subcontracted through the program and owners of
24 businesses or entities that apply to receive renewable
25 energy credits from the Agency;

26 (B) geographic location of the residency of real

1 persons employed, contracted, or subcontracted through
2 the program and geographic location of the
3 headquarters of the business or entity that applies to
4 receive renewable energy credits from the Agency; and

5 (C) any other information the Agency determines is
6 necessary for the purpose of achieving the purpose of
7 this subsection.

8 (4) Publication of collected information. The Agency
9 shall publish, at least annually, information on the
10 demographics of program participants on an aggregate
11 basis.

12 (5) Nothing in this subsection shall be interpreted to
13 limit the authority of the Agency, or other agency or
14 department of the State, to require or collect demographic
15 information from applicants of other State programs.

16 (c-25) Energy Workforce Equity Database.

17 (1) The Agency, in consultation with the Department of
18 Commerce and Economic Opportunity, shall create an Energy
19 Workforce Equity Database, and may contract with a third
20 party to do so ("database program administrator"). If the
21 Department decides to contract with a third party, that
22 third party shall be exempt from the requirements of
23 Section 20-10 of the Illinois Procurement Code. The Energy
24 Workforce Equity Database shall be a searchable database
25 of suppliers, vendors, and subcontractors for clean energy
26 industries that is:

1 (A) publicly accessible;

2 (B) easy for people to find and use;

3 (C) organized by company specialty or field;

4 (D) region-specific; and

5 (E) populated with information including, but not
6 limited to, contacts for suppliers, vendors, or
7 subcontractors who are minority and women-owned
8 business enterprise certified or who participate or
9 have participated in any of the programs described in
10 this Act.

11 (2) The Agency shall create an easily accessible,
12 public facing online tool using the database information
13 that includes, at a minimum, the following:

14 (A) a map of environmental justice and equity
15 investment eligible communities;

16 (B) job postings and recruiting opportunities;

17 (C) a means by which recruiting clean energy
18 companies can find and interact with current or former
19 participants of clean energy workforce training
20 programs;

21 (D) information on workforce training service
22 providers and training opportunities available to
23 prospective workers;

24 (E) renewable energy company diversity reporting;

25 (F) a list of equity eligible contractors with
26 their contact information, types of work performed,

1 and locations worked in;

2 (G) reporting on outcomes of the programs
3 described in the workforce programs of the Energy
4 Transition Act, including information such as, but not
5 limited to, retention rate, graduation rate, and
6 placement rates of trainees; and

7 (H) information about the Jobs and Environmental
8 Justice Grant Program, the Clean Energy Jobs and
9 Justice Fund, and other sources of capital.

10 (3) The Agency shall ensure the database is regularly
11 updated to ensure information is current and shall
12 coordinate with the Department of Commerce and Economic
13 Opportunity to ensure that it includes information on
14 individuals and entities that are or have participated in
15 the Clean Jobs Workforce Network Program, Clean Energy
16 Contractor Incubator Program, Returning Residents Clean
17 Jobs Training Program, or Clean Energy Primes Contractor
18 Accelerator Program.

19 (c-30) Enforcement of minimum equity standards. All
20 entities seeking renewable energy credits must submit an
21 annual report to demonstrate compliance with each of the
22 equity commitments required under subsection (c-10). If the
23 Agency concludes the entity has not met or maintained its
24 minimum equity standards required under the applicable
25 subparagraphs under subsection (c-10), the Agency shall deny
26 the entity's ability to participate in procurement programs in

1 subsection (c), including by withholding approved vendor or
2 designee status. The Agency may require the entity to enter
3 into a corrective action plan. An entity that is not
4 recertified for failing to meet required equity actions in
5 subparagraph (c-10) may reapply once they have a corrective
6 action plan and achieve compliance with the minimum equity
7 standards.

8 (d) Clean coal portfolio standard.

9 (1) The procurement plans shall include electricity
10 generated using clean coal. Each utility shall enter into
11 one or more sourcing agreements with the initial clean
12 coal facility, as provided in paragraph (3) of this
13 subsection (d), covering electricity generated by the
14 initial clean coal facility representing at least 5% of
15 each utility's total supply to serve the load of eligible
16 retail customers in 2015 and each year thereafter, as
17 described in paragraph (3) of this subsection (d), subject
18 to the limits specified in paragraph (2) of this
19 subsection (d). It is the goal of the State that by January
20 1, 2025, 25% of the electricity used in the State shall be
21 generated by cost-effective clean coal facilities. For
22 purposes of this subsection (d), "cost-effective" means
23 that the expenditures pursuant to such sourcing agreements
24 do not cause the limit stated in paragraph (2) of this
25 subsection (d) to be exceeded and do not exceed cost-based
26 benchmarks, which shall be developed to assess all

1 expenditures pursuant to such sourcing agreements covering
2 electricity generated by clean coal facilities, other than
3 the initial clean coal facility, by the procurement
4 administrator, in consultation with the Commission staff,
5 Agency staff, and the procurement monitor and shall be
6 subject to Commission review and approval.

7 A utility party to a sourcing agreement shall
8 immediately retire any emission credits that it receives
9 in connection with the electricity covered by such
10 agreement.

11 Utilities shall maintain adequate records documenting
12 the purchases under the sourcing agreement to comply with
13 this subsection (d) and shall file an accounting with the
14 load forecast that must be filed with the Agency by July 15
15 of each year, in accordance with subsection (d) of Section
16 16-111.5 of the Public Utilities Act.

17 A utility shall be deemed to have complied with the
18 clean coal portfolio standard specified in this subsection
19 (d) if the utility enters into a sourcing agreement as
20 required by this subsection (d).

21 (2) For purposes of this subsection (d), the required
22 execution of sourcing agreements with the initial clean
23 coal facility for a particular year shall be measured as a
24 percentage of the actual amount of electricity
25 (megawatt-hours) supplied by the electric utility to
26 eligible retail customers in the planning year ending

1 immediately prior to the agreement's execution. For
2 purposes of this subsection (d), the amount paid per
3 kilowatthour means the total amount paid for electric
4 service expressed on a per kilowatthour basis. For
5 purposes of this subsection (d), the total amount paid for
6 electric service includes without limitation amounts paid
7 for supply, transmission, distribution, surcharges and
8 add-on taxes.

9 Notwithstanding the requirements of this subsection
10 (d), the total amount paid under sourcing agreements with
11 clean coal facilities pursuant to the procurement plan for
12 any given year shall be reduced by an amount necessary to
13 limit the annual estimated average net increase due to the
14 costs of these resources included in the amounts paid by
15 eligible retail customers in connection with electric
16 service to:

17 (A) in 2010, no more than 0.5% of the amount paid
18 per kilowatthour by those customers during the year
19 ending May 31, 2009;

20 (B) in 2011, the greater of an additional 0.5% of
21 the amount paid per kilowatthour by those customers
22 during the year ending May 31, 2010 or 1% of the amount
23 paid per kilowatthour by those customers during the
24 year ending May 31, 2009;

25 (C) in 2012, the greater of an additional 0.5% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2011 or 1.5% of the
2 amount paid per kilowatthour by those customers during
3 the year ending May 31, 2009;

4 (D) in 2013, the greater of an additional 0.5% of
5 the amount paid per kilowatthour by those customers
6 during the year ending May 31, 2012 or 2% of the amount
7 paid per kilowatthour by those customers during the
8 year ending May 31, 2009; and

9 (E) thereafter, the total amount paid under
10 sourcing agreements with clean coal facilities
11 pursuant to the procurement plan for any single year
12 shall be reduced by an amount necessary to limit the
13 estimated average net increase due to the cost of
14 these resources included in the amounts paid by
15 eligible retail customers in connection with electric
16 service to no more than the greater of (i) 2.015% of
17 the amount paid per kilowatthour by those customers
18 during the year ending May 31, 2009 or (ii) the
19 incremental amount per kilowatthour paid for these
20 resources in 2013. These requirements may be altered
21 only as provided by statute.

22 No later than June 30, 2015, the Commission shall
23 review the limitation on the total amount paid under
24 sourcing agreements, if any, with clean coal facilities
25 pursuant to this subsection (d) and report to the General
26 Assembly its findings as to whether that limitation unduly

1 constrains the amount of electricity generated by
2 cost-effective clean coal facilities that is covered by
3 sourcing agreements.

4 (3) Initial clean coal facility. In order to promote
5 development of clean coal facilities in Illinois, each
6 electric utility subject to this Section shall execute a
7 sourcing agreement to source electricity from a proposed
8 clean coal facility in Illinois (the "initial clean coal
9 facility") that will have a nameplate capacity of at least
10 500 MW when commercial operation commences, that has a
11 final Clean Air Act permit on June 1, 2009 (the effective
12 date of Public Act 95-1027), and that will meet the
13 definition of clean coal facility in Section 1-10 of this
14 Act when commercial operation commences. The sourcing
15 agreements with this initial clean coal facility shall be
16 subject to both approval of the initial clean coal
17 facility by the General Assembly and satisfaction of the
18 requirements of paragraph (4) of this subsection (d) and
19 shall be executed within 90 days after any such approval
20 by the General Assembly. The Agency and the Commission
21 shall have authority to inspect all books and records
22 associated with the initial clean coal facility during the
23 term of such a sourcing agreement. A utility's sourcing
24 agreement for electricity produced by the initial clean
25 coal facility shall include:

26 (A) a formula contractual price (the "contract

1 price") approved pursuant to paragraph (4) of this
2 subsection (d), which shall:

3 (i) be determined using a cost of service
4 methodology employing either a level or deferred
5 capital recovery component, based on a capital
6 structure consisting of 45% equity and 55% debt,
7 and a return on equity as may be approved by the
8 Federal Energy Regulatory Commission, which in any
9 case may not exceed the lower of 11.5% or the rate
10 of return approved by the General Assembly
11 pursuant to paragraph (4) of this subsection (d);
12 and

13 (ii) provide that all miscellaneous net
14 revenue, including but not limited to net revenue
15 from the sale of emission allowances, if any,
16 substitute natural gas, if any, grants or other
17 support provided by the State of Illinois or the
18 United States Government, firm transmission
19 rights, if any, by-products produced by the
20 facility, energy or capacity derived from the
21 facility and not covered by a sourcing agreement
22 pursuant to paragraph (3) of this subsection (d)
23 or item (5) of subsection (d) of Section 16-115 of
24 the Public Utilities Act, whether generated from
25 the synthesis gas derived from coal, from SNG, or
26 from natural gas, shall be credited against the

1 revenue requirement for this initial clean coal
2 facility;

3 (B) power purchase provisions, which shall:

4 (i) provide that the utility party to such
5 sourcing agreement shall pay the contract price
6 for electricity delivered under such sourcing
7 agreement;

8 (ii) require delivery of electricity to the
9 regional transmission organization market of the
10 utility that is party to such sourcing agreement;

11 (iii) require the utility party to such
12 sourcing agreement to buy from the initial clean
13 coal facility in each hour an amount of energy
14 equal to all clean coal energy made available from
15 the initial clean coal facility during such hour
16 times a fraction, the numerator of which is such
17 utility's retail market sales of electricity
18 (expressed in kilowatthours sold) in the State
19 during the prior calendar month and the
20 denominator of which is the total retail market
21 sales of electricity (expressed in kilowatthours
22 sold) in the State by utilities during such prior
23 month and the sales of electricity (expressed in
24 kilowatthours sold) in the State by alternative
25 retail electric suppliers during such prior month
26 that are subject to the requirements of this

1 subsection (d) and paragraph (5) of subsection (d)
2 of Section 16-115 of the Public Utilities Act,
3 provided that the amount purchased by the utility
4 in any year will be limited by paragraph (2) of
5 this subsection (d); and

6 (iv) be considered pre-existing contracts in
7 such utility's procurement plans for eligible
8 retail customers;

9 (C) contract for differences provisions, which
10 shall:

11 (i) require the utility party to such sourcing
12 agreement to contract with the initial clean coal
13 facility in each hour with respect to an amount of
14 energy equal to all clean coal energy made
15 available from the initial clean coal facility
16 during such hour times a fraction, the numerator
17 of which is such utility's retail market sales of
18 electricity (expressed in kilowatthours sold) in
19 the utility's service territory in the State
20 during the prior calendar month and the
21 denominator of which is the total retail market
22 sales of electricity (expressed in kilowatthours
23 sold) in the State by utilities during such prior
24 month and the sales of electricity (expressed in
25 kilowatthours sold) in the State by alternative
26 retail electric suppliers during such prior month

1 that are subject to the requirements of this
2 subsection (d) and paragraph (5) of subsection (d)
3 of Section 16-115 of the Public Utilities Act,
4 provided that the amount paid by the utility in
5 any year will be limited by paragraph (2) of this
6 subsection (d);

7 (ii) provide that the utility's payment
8 obligation in respect of the quantity of
9 electricity determined pursuant to the preceding
10 clause (i) shall be limited to an amount equal to
11 (1) the difference between the contract price
12 determined pursuant to subparagraph (A) of
13 paragraph (3) of this subsection (d) and the
14 day-ahead price for electricity delivered to the
15 regional transmission organization market of the
16 utility that is party to such sourcing agreement
17 (or any successor delivery point at which such
18 utility's supply obligations are financially
19 settled on an hourly basis) (the "reference
20 price") on the day preceding the day on which the
21 electricity is delivered to the initial clean coal
22 facility busbar, multiplied by (2) the quantity of
23 electricity determined pursuant to the preceding
24 clause (i); and

25 (iii) not require the utility to take physical
26 delivery of the electricity produced by the

1 facility;

2 (D) general provisions, which shall:

3 (i) specify a term of no more than 30 years,
4 commencing on the commercial operation date of the
5 facility;

6 (ii) provide that utilities shall maintain
7 adequate records documenting purchases under the
8 sourcing agreements entered into to comply with
9 this subsection (d) and shall file an accounting
10 with the load forecast that must be filed with the
11 Agency by July 15 of each year, in accordance with
12 subsection (d) of Section 16-111.5 of the Public
13 Utilities Act;

14 (iii) provide that all costs associated with
15 the initial clean coal facility will be
16 periodically reported to the Federal Energy
17 Regulatory Commission and to purchasers in
18 accordance with applicable laws governing
19 cost-based wholesale power contracts;

20 (iv) permit the Illinois Power Agency to
21 assume ownership of the initial clean coal
22 facility, without monetary consideration and
23 otherwise on reasonable terms acceptable to the
24 Agency, if the Agency so requests no less than 3
25 years prior to the end of the stated contract
26 term;

1 (v) require the owner of the initial clean
2 coal facility to provide documentation to the
3 Commission each year, starting in the facility's
4 first year of commercial operation, accurately
5 reporting the quantity of carbon emissions from
6 the facility that have been captured and
7 sequestered and report any quantities of carbon
8 released from the site or sites at which carbon
9 emissions were sequestered in prior years, based
10 on continuous monitoring of such sites. If, in any
11 year after the first year of commercial operation,
12 the owner of the facility fails to demonstrate
13 that the initial clean coal facility captured and
14 sequestered at least 50% of the total carbon
15 emissions that the facility would otherwise emit
16 or that sequestration of emissions from prior
17 years has failed, resulting in the release of
18 carbon dioxide into the atmosphere, the owner of
19 the facility must offset excess emissions. Any
20 such carbon offsets must be permanent, additional,
21 verifiable, real, located within the State of
22 Illinois, and legally and practicably enforceable.
23 The cost of such offsets for the facility that are
24 not recoverable shall not exceed \$15 million in
25 any given year. No costs of any such purchases of
26 carbon offsets may be recovered from a utility or

1 its customers. All carbon offsets purchased for
2 this purpose and any carbon emission credits
3 associated with sequestration of carbon from the
4 facility must be permanently retired. The initial
5 clean coal facility shall not forfeit its
6 designation as a clean coal facility if the
7 facility fails to fully comply with the applicable
8 carbon sequestration requirements in any given
9 year, provided the requisite offsets are
10 purchased. However, the Attorney General, on
11 behalf of the People of the State of Illinois, may
12 specifically enforce the facility's sequestration
13 requirement and the other terms of this contract
14 provision. Compliance with the sequestration
15 requirements and offset purchase requirements
16 specified in paragraph (3) of this subsection (d)
17 shall be reviewed annually by an independent
18 expert retained by the owner of the initial clean
19 coal facility, with the advance written approval
20 of the Attorney General. The Commission may, in
21 the course of the review specified in item (vii),
22 reduce the allowable return on equity for the
23 facility if the facility willfully fails to comply
24 with the carbon capture and sequestration
25 requirements set forth in this item (v);

26 (vi) include limits on, and accordingly

1 provide for modification of, the amount the
2 utility is required to source under the sourcing
3 agreement consistent with paragraph (2) of this
4 subsection (d);

5 (vii) require Commission review: (1) to
6 determine the justness, reasonableness, and
7 prudence of the inputs to the formula referenced
8 in subparagraphs (A)(i) through (A)(iii) of
9 paragraph (3) of this subsection (d), prior to an
10 adjustment in those inputs including, without
11 limitation, the capital structure and return on
12 equity, fuel costs, and other operations and
13 maintenance costs and (2) to approve the costs to
14 be passed through to customers under the sourcing
15 agreement by which the utility satisfies its
16 statutory obligations. Commission review shall
17 occur no less than every 3 years, regardless of
18 whether any adjustments have been proposed, and
19 shall be completed within 9 months;

20 (viii) limit the utility's obligation to such
21 amount as the utility is allowed to recover
22 through tariffs filed with the Commission,
23 provided that neither the clean coal facility nor
24 the utility waives any right to assert federal
25 pre-emption or any other argument in response to a
26 purported disallowance of recovery costs;

1 (ix) limit the utility's or alternative retail
2 electric supplier's obligation to incur any
3 liability until such time as the facility is in
4 commercial operation and generating power and
5 energy and such power and energy is being
6 delivered to the facility busbar;

7 (x) provide that the owner or owners of the
8 initial clean coal facility, which is the
9 counterparty to such sourcing agreement, shall
10 have the right from time to time to elect whether
11 the obligations of the utility party thereto shall
12 be governed by the power purchase provisions or
13 the contract for differences provisions;

14 (xi) append documentation showing that the
15 formula rate and contract, insofar as they relate
16 to the power purchase provisions, have been
17 approved by the Federal Energy Regulatory
18 Commission pursuant to Section 205 of the Federal
19 Power Act;

20 (xii) provide that any changes to the terms of
21 the contract, insofar as such changes relate to
22 the power purchase provisions, are subject to
23 review under the public interest standard applied
24 by the Federal Energy Regulatory Commission
25 pursuant to Sections 205 and 206 of the Federal
26 Power Act; and

1 (xiii) conform with customary lender
2 requirements in power purchase agreements used as
3 the basis for financing non-utility generators.

4 (4) Effective date of sourcing agreements with the
5 initial clean coal facility. Any proposed sourcing
6 agreement with the initial clean coal facility shall not
7 become effective unless the following reports are prepared
8 and submitted and authorizations and approvals obtained:

9 (i) Facility cost report. The owner of the initial
10 clean coal facility shall submit to the Commission,
11 the Agency, and the General Assembly a front-end
12 engineering and design study, a facility cost report,
13 method of financing (including but not limited to
14 structure and associated costs), and an operating and
15 maintenance cost quote for the facility (collectively
16 "facility cost report"), which shall be prepared in
17 accordance with the requirements of this paragraph (4)
18 of subsection (d) of this Section, and shall provide
19 the Commission and the Agency access to the work
20 papers, relied upon documents, and any other backup
21 documentation related to the facility cost report.

22 (ii) Commission report. Within 6 months following
23 receipt of the facility cost report, the Commission,
24 in consultation with the Agency, shall submit a report
25 to the General Assembly setting forth its analysis of
26 the facility cost report. Such report shall include,

1 but not be limited to, a comparison of the costs
2 associated with electricity generated by the initial
3 clean coal facility to the costs associated with
4 electricity generated by other types of generation
5 facilities, an analysis of the rate impacts on
6 residential and small business customers over the life
7 of the sourcing agreements, and an analysis of the
8 likelihood that the initial clean coal facility will
9 commence commercial operation by and be delivering
10 power to the facility's busbar by 2016. To assist in
11 the preparation of its report, the Commission, in
12 consultation with the Agency, may hire one or more
13 experts or consultants, the costs of which shall be
14 paid for by the owner of the initial clean coal
15 facility. The Commission and Agency may begin the
16 process of selecting such experts or consultants prior
17 to receipt of the facility cost report.

18 (iii) General Assembly approval. The proposed
19 sourcing agreements shall not take effect unless,
20 based on the facility cost report and the Commission's
21 report, the General Assembly enacts authorizing
22 legislation approving (A) the projected price, stated
23 in cents per kilowatthour, to be charged for
24 electricity generated by the initial clean coal
25 facility, (B) the projected impact on residential and
26 small business customers' bills over the life of the

1 sourcing agreements, and (C) the maximum allowable
2 return on equity for the project; and

3 (iv) Commission review. If the General Assembly
4 enacts authorizing legislation pursuant to
5 subparagraph (iii) approving a sourcing agreement, the
6 Commission shall, within 90 days of such enactment,
7 complete a review of such sourcing agreement. During
8 such time period, the Commission shall implement any
9 directive of the General Assembly, resolve any
10 disputes between the parties to the sourcing agreement
11 concerning the terms of such agreement, approve the
12 form of such agreement, and issue an order finding
13 that the sourcing agreement is prudent and reasonable.
14 The facility cost report shall be prepared as follows:

15 (A) The facility cost report shall be prepared by
16 duly licensed engineering and construction firms
17 detailing the estimated capital costs payable to one
18 or more contractors or suppliers for the engineering,
19 procurement and construction of the components
20 comprising the initial clean coal facility and the
21 estimated costs of operation and maintenance of the
22 facility. The facility cost report shall include:

23 (i) an estimate of the capital cost of the
24 core plant based on one or more front end
25 engineering and design studies for the
26 gasification island and related facilities. The

1 core plant shall include all civil, structural,
2 mechanical, electrical, control, and safety
3 systems.

4 (ii) an estimate of the capital cost of the
5 balance of the plant, including any capital costs
6 associated with sequestration of carbon dioxide
7 emissions and all interconnects and interfaces
8 required to operate the facility, such as
9 transmission of electricity, construction or
10 backfeed power supply, pipelines to transport
11 substitute natural gas or carbon dioxide, potable
12 water supply, natural gas supply, water supply,
13 water discharge, landfill, access roads, and coal
14 delivery.

15 The quoted construction costs shall be expressed
16 in nominal dollars as of the date that the quote is
17 prepared and shall include capitalized financing costs
18 during construction, taxes, insurance, and other
19 owner's costs, and an assumed escalation in materials
20 and labor beyond the date as of which the construction
21 cost quote is expressed.

22 (B) The front end engineering and design study for
23 the gasification island and the cost study for the
24 balance of plant shall include sufficient design work
25 to permit quantification of major categories of
26 materials, commodities and labor hours, and receipt of

1 quotes from vendors of major equipment required to
2 construct and operate the clean coal facility.

3 (C) The facility cost report shall also include an
4 operating and maintenance cost quote that will provide
5 the estimated cost of delivered fuel, personnel,
6 maintenance contracts, chemicals, catalysts,
7 consumables, spares, and other fixed and variable
8 operations and maintenance costs. The delivered fuel
9 cost estimate will be provided by a recognized third
10 party expert or experts in the fuel and transportation
11 industries. The balance of the operating and
12 maintenance cost quote, excluding delivered fuel
13 costs, will be developed based on the inputs provided
14 by duly licensed engineering and construction firms
15 performing the construction cost quote, potential
16 vendors under long-term service agreements and plant
17 operating agreements, or recognized third party plant
18 operator or operators.

19 The operating and maintenance cost quote
20 (including the cost of the front end engineering and
21 design study) shall be expressed in nominal dollars as
22 of the date that the quote is prepared and shall
23 include taxes, insurance, and other owner's costs, and
24 an assumed escalation in materials and labor beyond
25 the date as of which the operating and maintenance
26 cost quote is expressed.

1 (D) The facility cost report shall also include an
2 analysis of the initial clean coal facility's ability
3 to deliver power and energy into the applicable
4 regional transmission organization markets and an
5 analysis of the expected capacity factor for the
6 initial clean coal facility.

7 (E) Amounts paid to third parties unrelated to the
8 owner or owners of the initial clean coal facility to
9 prepare the core plant construction cost quote,
10 including the front end engineering and design study,
11 and the operating and maintenance cost quote will be
12 reimbursed through Coal Development Bonds.

13 (5) Re-powering and retrofitting coal-fired power
14 plants previously owned by Illinois utilities to qualify
15 as clean coal facilities. During the 2009 procurement
16 planning process and thereafter, the Agency and the
17 Commission shall consider sourcing agreements covering
18 electricity generated by power plants that were previously
19 owned by Illinois utilities and that have been or will be
20 converted into clean coal facilities, as defined by
21 Section 1-10 of this Act. Pursuant to such procurement
22 planning process, the owners of such facilities may
23 propose to the Agency sourcing agreements with utilities
24 and alternative retail electric suppliers required to
25 comply with subsection (d) of this Section and item (5) of
26 subsection (d) of Section 16-115 of the Public Utilities

1 Act, covering electricity generated by such facilities. In
2 the case of sourcing agreements that are power purchase
3 agreements, the contract price for electricity sales shall
4 be established on a cost of service basis. In the case of
5 sourcing agreements that are contracts for differences,
6 the contract price from which the reference price is
7 subtracted shall be established on a cost of service
8 basis. The Agency and the Commission may approve any such
9 utility sourcing agreements that do not exceed cost-based
10 benchmarks developed by the procurement administrator, in
11 consultation with the Commission staff, Agency staff and
12 the procurement monitor, subject to Commission review and
13 approval. The Commission shall have authority to inspect
14 all books and records associated with these clean coal
15 facilities during the term of any such contract.

16 (6) Costs incurred under this subsection (d) or
17 pursuant to a contract entered into under this subsection
18 (d) shall be deemed prudently incurred and reasonable in
19 amount and the electric utility shall be entitled to full
20 cost recovery pursuant to the tariffs filed with the
21 Commission.

22 (d-5) Zero emission standard.

23 (1) Beginning with the delivery year commencing on
24 June 1, 2017, the Agency shall, for electric utilities
25 that serve at least 100,000 retail customers in this
26 State, procure contracts with zero emission facilities

1 that are reasonably capable of generating cost-effective
2 zero emission credits in an amount approximately equal to
3 16% of the actual amount of electricity delivered by each
4 electric utility to retail customers in the State during
5 calendar year 2014. For an electric utility serving fewer
6 than 100,000 retail customers in this State that
7 requested, under Section 16-111.5 of the Public Utilities
8 Act, that the Agency procure power and energy for all or a
9 portion of the utility's Illinois load for the delivery
10 year commencing June 1, 2016, the Agency shall procure
11 contracts with zero emission facilities that are
12 reasonably capable of generating cost-effective zero
13 emission credits in an amount approximately equal to 16%
14 of the portion of power and energy to be procured by the
15 Agency for the utility. The duration of the contracts
16 procured under this subsection (d-5) shall be for a term
17 of 10 years ending May 31, 2027. The quantity of zero
18 emission credits to be procured under the contracts shall
19 be all of the zero emission credits generated by the zero
20 emission facility in each delivery year; however, if the
21 zero emission facility is owned by more than one entity,
22 then the quantity of zero emission credits to be procured
23 under the contracts shall be the amount of zero emission
24 credits that are generated from the portion of the zero
25 emission facility that is owned by the winning supplier.

26 The 16% value identified in this paragraph (1) is the

1 average of the percentage targets in subparagraph (B) of
2 paragraph (1) of subsection (c) of this Section for the 5
3 delivery years beginning June 1, 2017.

4 The procurement process shall be subject to the
5 following provisions:

6 (A) Those zero emission facilities that intend to
7 participate in the procurement shall submit to the
8 Agency the following eligibility information for each
9 zero emission facility on or before the date
10 established by the Agency:

11 (i) the in-service date and remaining useful
12 life of the zero emission facility;

13 (ii) the amount of power generated annually
14 for each of the years 2005 through 2015, and the
15 projected zero emission credits to be generated
16 over the remaining useful life of the zero
17 emission facility, which shall be used to
18 determine the capability of each facility;

19 (iii) the annual zero emission facility cost
20 projections, expressed on a per megawatthour
21 basis, over the next 6 delivery years, which shall
22 include the following: operation and maintenance
23 expenses; fully allocated overhead costs, which
24 shall be allocated using the methodology developed
25 by the Institute for Nuclear Power Operations;
26 fuel expenditures; non-fuel capital expenditures;

1 spent fuel expenditures; a return on working
2 capital; the cost of operational and market risks
3 that could be avoided by ceasing operation; and
4 any other costs necessary for continued
5 operations, provided that "necessary" means, for
6 purposes of this item (iii), that the costs could
7 reasonably be avoided only by ceasing operations
8 of the zero emission facility; and

9 (iv) a commitment to continue operating, for
10 the duration of the contract or contracts executed
11 under the procurement held under this subsection
12 (d-5), the zero emission facility that produces
13 the zero emission credits to be procured in the
14 procurement.

15 The information described in item (iii) of this
16 subparagraph (A) may be submitted on a confidential
17 basis and shall be treated and maintained by the
18 Agency, the procurement administrator, and the
19 Commission as confidential and proprietary and exempt
20 from disclosure under subparagraphs (a) and (g) of
21 paragraph (1) of Section 7 of the Freedom of
22 Information Act. The Office of Attorney General shall
23 have access to, and maintain the confidentiality of,
24 such information pursuant to Section 6.5 of the
25 Attorney General Act.

26 (B) The price for each zero emission credit

1 procured under this subsection (d-5) for each delivery
2 year shall be in an amount that equals the Social Cost
3 of Carbon, expressed on a price per megawatthour
4 basis. However, to ensure that the procurement remains
5 affordable to retail customers in this State if
6 electricity prices increase, the price in an
7 applicable delivery year shall be reduced below the
8 Social Cost of Carbon by the amount ("Price
9 Adjustment") by which the market price index for the
10 applicable delivery year exceeds the baseline market
11 price index for the consecutive 12-month period ending
12 May 31, 2016. If the Price Adjustment is greater than
13 or equal to the Social Cost of Carbon in an applicable
14 delivery year, then no payments shall be due in that
15 delivery year. The components of this calculation are
16 defined as follows:

17 (i) Social Cost of Carbon: The Social Cost of
18 Carbon is \$16.50 per megawatthour, which is based
19 on the U.S. Interagency Working Group on Social
20 Cost of Carbon's price in the August 2016
21 Technical Update using a 3% discount rate,
22 adjusted for inflation for each year of the
23 program. Beginning with the delivery year
24 commencing June 1, 2023, the price per
25 megawatthour shall increase by \$1 per
26 megawatthour, and continue to increase by an

1 additional \$1 per megawatthour each delivery year
2 thereafter.

3 (ii) Baseline market price index: The baseline
4 market price index for the consecutive 12-month
5 period ending May 31, 2016 is \$31.40 per
6 megawatthour, which is based on the sum of (aa)
7 the average day-ahead energy price across all
8 hours of such 12-month period at the PJM
9 Interconnection LLC Northern Illinois Hub, (bb)
10 50% multiplied by the Base Residual Auction, or
11 its successor, capacity price for the rest of the
12 RTO zone group determined by PJM Interconnection
13 LLC, divided by 24 hours per day, and (cc) 50%
14 multiplied by the Planning Resource Auction, or
15 its successor, capacity price for Zone 4
16 determined by the Midcontinent Independent System
17 Operator, Inc., divided by 24 hours per day.

18 (iii) Market price index: The market price
19 index for a delivery year shall be the sum of
20 projected energy prices and projected capacity
21 prices determined as follows:

22 (aa) Projected energy prices: the
23 projected energy prices for the applicable
24 delivery year shall be calculated once for the
25 year using the forward market price for the
26 PJM Interconnection, LLC Northern Illinois

1 Hub. The forward market price shall be
2 calculated as follows: the energy forward
3 prices for each month of the applicable
4 delivery year averaged for each trade date
5 during the calendar year immediately preceding
6 that delivery year to produce a single energy
7 forward price for the delivery year. The
8 forward market price calculation shall use
9 data published by the Intercontinental
10 Exchange, or its successor.

11 (bb) Projected capacity prices:

12 (I) For the delivery years commencing
13 June 1, 2017, June 1, 2018, and June 1,
14 2019, the projected capacity price shall
15 be equal to the sum of (1) 50% multiplied
16 by the Base Residual Auction, or its
17 successor, price for the rest of the RTO
18 zone group as determined by PJM
19 Interconnection LLC, divided by 24 hours
20 per day and, (2) 50% multiplied by the
21 resource auction price determined in the
22 resource auction administered by the
23 Midcontinent Independent System Operator,
24 Inc., in which the largest percentage of
25 load cleared for Local Resource Zone 4,
26 divided by 24 hours per day, and where

1 such price is determined by the
2 Midcontinent Independent System Operator,
3 Inc.

4 (II) For the delivery year commencing
5 June 1, 2020, and each year thereafter,
6 the projected capacity price shall be
7 equal to the sum of (1) 50% multiplied by
8 the Base Residual Auction, or its
9 successor, price for the ComEd zone as
10 determined by PJM Interconnection LLC,
11 divided by 24 hours per day, and (2) 50%
12 multiplied by the resource auction price
13 determined in the resource auction
14 administered by the Midcontinent
15 Independent System Operator, Inc., in
16 which the largest percentage of load
17 cleared for Local Resource Zone 4, divided
18 by 24 hours per day, and where such price
19 is determined by the Midcontinent
20 Independent System Operator, Inc.

21 For purposes of this subsection (d-5):

22 "Rest of the RTO" and "ComEd Zone" shall have
23 the meaning ascribed to them by PJM
24 Interconnection, LLC.

25 "RTO" means regional transmission
26 organization.

1 (C) No later than 45 days after June 1, 2017 (the
2 effective date of Public Act 99-906), the Agency shall
3 publish its proposed zero emission standard
4 procurement plan. The plan shall be consistent with
5 the provisions of this paragraph (1) and shall provide
6 that winning bids shall be selected based on public
7 interest criteria that include, but are not limited
8 to, minimizing carbon dioxide emissions that result
9 from electricity consumed in Illinois and minimizing
10 sulfur dioxide, nitrogen oxide, and particulate matter
11 emissions that adversely affect the citizens of this
12 State. In particular, the selection of winning bids
13 shall take into account the incremental environmental
14 benefits resulting from the procurement, such as any
15 existing environmental benefits that are preserved by
16 the procurements held under Public Act 99-906 and
17 would cease to exist if the procurements were not
18 held, including the preservation of zero emission
19 facilities. The plan shall also describe in detail how
20 each public interest factor shall be considered and
21 weighted in the bid selection process to ensure that
22 the public interest criteria are applied to the
23 procurement and given full effect.

24 For purposes of developing the plan, the Agency
25 shall consider any reports issued by a State agency,
26 board, or commission under House Resolution 1146 of

1 the 98th General Assembly and paragraph (4) of
2 subsection (d) of this Section, as well as publicly
3 available analyses and studies performed by or for
4 regional transmission organizations that serve the
5 State and their independent market monitors.

6 Upon publishing of the zero emission standard
7 procurement plan, copies of the plan shall be posted
8 and made publicly available on the Agency's website.
9 All interested parties shall have 10 days following
10 the date of posting to provide comment to the Agency on
11 the plan. All comments shall be posted to the Agency's
12 website. Following the end of the comment period, but
13 no more than 60 days later than June 1, 2017 (the
14 effective date of Public Act 99-906), the Agency shall
15 revise the plan as necessary based on the comments
16 received and file its zero emission standard
17 procurement plan with the Commission.

18 If the Commission determines that the plan will
19 result in the procurement of cost-effective zero
20 emission credits, then the Commission shall, after
21 notice and hearing, but no later than 45 days after the
22 Agency filed the plan, approve the plan or approve
23 with modification. For purposes of this subsection
24 (d-5), "cost effective" means the projected costs of
25 procuring zero emission credits from zero emission
26 facilities do not cause the limit stated in paragraph

1 (2) of this subsection to be exceeded.

2 (C-5) As part of the Commission's review and
3 acceptance or rejection of the procurement results,
4 the Commission shall, in its public notice of
5 successful bidders:

6 (i) identify how the winning bids satisfy the
7 public interest criteria described in subparagraph
8 (C) of this paragraph (1) of minimizing carbon
9 dioxide emissions that result from electricity
10 consumed in Illinois and minimizing sulfur
11 dioxide, nitrogen oxide, and particulate matter
12 emissions that adversely affect the citizens of
13 this State;

14 (ii) specifically address how the selection of
15 winning bids takes into account the incremental
16 environmental benefits resulting from the
17 procurement, including any existing environmental
18 benefits that are preserved by the procurements
19 held under Public Act 99-906 and would have ceased
20 to exist if the procurements had not been held,
21 such as the preservation of zero emission
22 facilities;

23 (iii) quantify the environmental benefit of
24 preserving the resources identified in item (ii)
25 of this subparagraph (C-5), including the
26 following:

1 (aa) the value of avoided greenhouse gas
2 emissions measured as the product of the zero
3 emission facilities' output over the contract
4 term multiplied by the U.S. Environmental
5 Protection Agency eGrid subregion carbon
6 dioxide emission rate and the U.S. Interagency
7 Working Group on Social Cost of Carbon's price
8 in the August 2016 Technical Update using a 3%
9 discount rate, adjusted for inflation for each
10 delivery year; and

11 (bb) the costs of replacement with other
12 zero carbon dioxide resources, including wind
13 and photovoltaic, based upon the simple
14 average of the following:

15 (I) the price, or if there is more
16 than one price, the average of the prices,
17 paid for renewable energy credits from new
18 utility-scale wind projects in the
19 procurement events specified in item (i)
20 of subparagraph (G) of paragraph (1) of
21 subsection (c) of this Section; and

22 (II) the price, or if there is more
23 than one price, the average of the prices,
24 paid for renewable energy credits from new
25 utility-scale solar projects and
26 brownfield site photovoltaic projects in

1 the procurement events specified in item
2 (ii) of subparagraph (G) of paragraph (1)
3 of subsection (c) of this Section and,
4 after January 1, 2015, renewable energy
5 credits from photovoltaic distributed
6 generation projects in procurement events
7 held under subsection (c) of this Section.

8 Each utility shall enter into binding contractual
9 arrangements with the winning suppliers.

10 The procurement described in this subsection
11 (d-5), including, but not limited to, the execution of
12 all contracts procured, shall be completed no later
13 than May 10, 2017. Based on the effective date of
14 Public Act 99-906, the Agency and Commission may, as
15 appropriate, modify the various dates and timelines
16 under this subparagraph and subparagraphs (C) and (D)
17 of this paragraph (1). The procurement and plan
18 approval processes required by this subsection (d-5)
19 shall be conducted in conjunction with the procurement
20 and plan approval processes required by subsection (c)
21 of this Section and Section 16-111.5 of the Public
22 Utilities Act, to the extent practicable.
23 Notwithstanding whether a procurement event is
24 conducted under Section 16-111.5 of the Public
25 Utilities Act, the Agency shall immediately initiate a
26 procurement process on June 1, 2017 (the effective

1 date of Public Act 99-906).

2 (D) Following the procurement event described in
3 this paragraph (1) and consistent with subparagraph
4 (B) of this paragraph (1), the Agency shall calculate
5 the payments to be made under each contract for the
6 next delivery year based on the market price index for
7 that delivery year. The Agency shall publish the
8 payment calculations no later than May 25, 2017 and
9 every May 25 thereafter.

10 (E) Notwithstanding the requirements of this
11 subsection (d-5), the contracts executed under this
12 subsection (d-5) shall provide that the zero emission
13 facility may, as applicable, suspend or terminate
14 performance under the contracts in the following
15 instances:

16 (i) A zero emission facility shall be excused
17 from its performance under the contract for any
18 cause beyond the control of the resource,
19 including, but not restricted to, acts of God,
20 flood, drought, earthquake, storm, fire,
21 lightning, epidemic, war, riot, civil disturbance
22 or disobedience, labor dispute, labor or material
23 shortage, sabotage, acts of public enemy,
24 explosions, orders, regulations or restrictions
25 imposed by governmental, military, or lawfully
26 established civilian authorities, which, in any of

1 the foregoing cases, by exercise of commercially
2 reasonable efforts the zero emission facility
3 could not reasonably have been expected to avoid,
4 and which, by the exercise of commercially
5 reasonable efforts, it has been unable to
6 overcome. In such event, the zero emission
7 facility shall be excused from performance for the
8 duration of the event, including, but not limited
9 to, delivery of zero emission credits, and no
10 payment shall be due to the zero emission facility
11 during the duration of the event.

12 (ii) A zero emission facility shall be
13 permitted to terminate the contract if legislation
14 is enacted into law by the General Assembly that
15 imposes or authorizes a new tax, special
16 assessment, or fee on the generation of
17 electricity, the ownership or leasehold of a
18 generating unit, or the privilege or occupation of
19 such generation, ownership, or leasehold of
20 generation units by a zero emission facility.
21 However, the provisions of this item (ii) do not
22 apply to any generally applicable tax, special
23 assessment or fee, or requirements imposed by
24 federal law.

25 (iii) A zero emission facility shall be
26 permitted to terminate the contract in the event

1 that the resource requires capital expenditures in
2 excess of \$40,000,000 that were neither known nor
3 reasonably foreseeable at the time it executed the
4 contract and that a prudent owner or operator of
5 such resource would not undertake.

6 (iv) A zero emission facility shall be
7 permitted to terminate the contract in the event
8 the Nuclear Regulatory Commission terminates the
9 resource's license.

10 (F) If the zero emission facility elects to
11 terminate a contract under subparagraph (E) of this
12 paragraph (1), then the Commission shall reopen the
13 docket in which the Commission approved the zero
14 emission standard procurement plan under subparagraph
15 (C) of this paragraph (1) and, after notice and
16 hearing, enter an order acknowledging the contract
17 termination election if such termination is consistent
18 with the provisions of this subsection (d-5).

19 (2) For purposes of this subsection (d-5), the amount
20 paid per kilowatthour means the total amount paid for
21 electric service expressed on a per kilowatthour basis.
22 For purposes of this subsection (d-5), the total amount
23 paid for electric service includes, without limitation,
24 amounts paid for supply, transmission, distribution,
25 surcharges, and add-on taxes.

26 Notwithstanding the requirements of this subsection

(d-5), the contracts executed under this subsection (d-5) shall provide that the total of zero emission credits procured under a procurement plan shall be subject to the limitations of this paragraph (2). For each delivery year, the contractual volume receiving payments in such year shall be reduced for all retail customers based on the amount necessary to limit the net increase that delivery year to the costs of those credits included in the amounts paid by eligible retail customers in connection with electric service to no more than 1.65% of the amount paid per kilowatthour by eligible retail customers during the year ending May 31, 2009. The result of this computation shall apply to and reduce the procurement for all retail customers, and all those customers shall pay the same single, uniform cents per kilowatthour charge under subsection (k) of Section 16-108 of the Public Utilities Act. To arrive at a maximum dollar amount of zero emission credits to be paid for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered by the electric utility in the delivery year immediately prior to the procurement, to all retail customers in its service territory. Unpaid contractual volume for any delivery year shall be paid in any subsequent delivery year in which such payments can be made without exceeding the amount specified in this paragraph (2). The

1 calculations required by this paragraph (2) shall be made
2 only once for each procurement plan year. Once the
3 determination as to the amount of zero emission credits to
4 be paid is made based on the calculations set forth in this
5 paragraph (2), no subsequent rate impact determinations
6 shall be made and no adjustments to those contract amounts
7 shall be allowed. All costs incurred under those contracts
8 and in implementing this subsection (d-5) shall be
9 recovered by the electric utility as provided in this
10 Section.

11 No later than June 30, 2019, the Commission shall
12 review the limitation on the amount of zero emission
13 credits procured under this subsection (d-5) and report to
14 the General Assembly its findings as to whether that
15 limitation unduly constrains the procurement of
16 cost-effective zero emission credits.

17 (3) Six years after the execution of a contract under
18 this subsection (d-5), the Agency shall determine whether
19 the actual zero emission credit payments received by the
20 supplier over the 6-year period exceed the Average ZEC
21 Payment. In addition, at the end of the term of a contract
22 executed under this subsection (d-5), or at the time, if
23 any, a zero emission facility's contract is terminated
24 under subparagraph (E) of paragraph (1) of this subsection
25 (d-5), then the Agency shall determine whether the actual
26 zero emission credit payments received by the supplier

1 over the term of the contract exceed the Average ZEC
2 Payment, after taking into account any amounts previously
3 credited back to the utility under this paragraph (3). If
4 the Agency determines that the actual zero emission credit
5 payments received by the supplier over the relevant period
6 exceed the Average ZEC Payment, then the supplier shall
7 credit the difference back to the utility. The amount of
8 the credit shall be remitted to the applicable electric
9 utility no later than 120 days after the Agency's
10 determination, which the utility shall reflect as a credit
11 on its retail customer bills as soon as practicable;
12 however, the credit remitted to the utility shall not
13 exceed the total amount of payments received by the
14 facility under its contract.

15 For purposes of this Section, the Average ZEC Payment
16 shall be calculated by multiplying the quantity of zero
17 emission credits delivered under the contract times the
18 average contract price. The average contract price shall
19 be determined by subtracting the amount calculated under
20 subparagraph (B) of this paragraph (3) from the amount
21 calculated under subparagraph (A) of this paragraph (3),
22 as follows:

23 (A) The average of the Social Cost of Carbon, as
24 defined in subparagraph (B) of paragraph (1) of this
25 subsection (d-5), during the term of the contract.

26 (B) The average of the market price indices, as

1 defined in subparagraph (B) of paragraph (1) of this
2 subsection (d-5), during the term of the contract,
3 minus the baseline market price index, as defined in
4 subparagraph (B) of paragraph (1) of this subsection
5 (d-5).

6 If the subtraction yields a negative number, then the
7 Average ZEC Payment shall be zero.

8 (4) Cost-effective zero emission credits procured from
9 zero emission facilities shall satisfy the applicable
10 definitions set forth in Section 1-10 of this Act.

11 (5) The electric utility shall retire all zero
12 emission credits used to comply with the requirements of
13 this subsection (d-5).

14 (6) Electric utilities shall be entitled to recover
15 all of the costs associated with the procurement of zero
16 emission credits through an automatic adjustment clause
17 tariff in accordance with subsection (k) and (m) of
18 Section 16-108 of the Public Utilities Act, and the
19 contracts executed under this subsection (d-5) shall
20 provide that the utilities' payment obligations under such
21 contracts shall be reduced if an adjustment is required
22 under subsection (m) of Section 16-108 of the Public
23 Utilities Act.

24 (7) This subsection (d-5) shall become inoperative on
25 January 1, 2028.

26 (d-10) Nuclear Plant Assistance; carbon mitigation

1 credits.

2 (1) The General Assembly finds:

3 (A) The health, welfare, and prosperity of all
4 Illinois citizens require that the State of Illinois act
5 to avoid and not increase carbon emissions from electric
6 generation sources while continuing to ensure affordable,
7 stable, and reliable electricity to all citizens.

8 (B) Absent immediate action by the State to preserve
9 existing carbon-free energy resources, those resources may
10 retire, and the electric generation needs of Illinois'
11 retail customers may be met instead by facilities that
12 emit significant amounts of carbon pollution and other
13 harmful air pollutants at a high social and economic cost
14 until Illinois is able to develop other forms of clean
15 energy.

16 (C) The General Assembly finds that nuclear power
17 generation is necessary for the State's transition to 100%
18 clean energy, and ensuring continued operation of nuclear
19 plants advances environmental and public health interests
20 through providing carbon-free electricity while reducing
21 the air pollution profile of the Illinois energy
22 generation fleet.

23 (D) The clean energy attributes of nuclear generation
24 facilities support the State in its efforts to achieve
25 100% clean energy.

26 (E) The State currently invests in various forms of

1 clean energy, including, but not limited to, renewable
2 energy, energy efficiency, and low-emission vehicles,
3 among others.

4 (F) The Environmental Protection Agency commissioned
5 an independent audit which provided a detailed assessment
6 of the financial condition of the Illinois nuclear fleet
7 to evaluate its financial viability and whether the
8 environmental benefits of such resources were at risk. The
9 report identified the risk of losing the environmental
10 benefits of several specific nuclear units. The report
11 also identified that the LaSalle County Generating Station
12 will continue to operate through 2026 and therefore is not
13 eligible to participate in the carbon mitigation credit
14 program.

15 (G) Nuclear plants provide carbon-free energy, which
16 helps to avoid many health-related negative impacts for
17 Illinois residents.

18 (H) The procurement of carbon mitigation credits
19 representing the environmental benefits of carbon-free
20 generation will further the State's efforts at achieving
21 100% clean energy and decarbonizing the electricity sector
22 in a safe, reliable, and affordable manner. Further, the
23 procurement of carbon emission credits will enhance the
24 health and welfare of Illinois residents through decreased
25 reliance on more highly polluting generation.

26 (I) The General Assembly therefore finds it necessary

1 to establish carbon mitigation credits to ensure decreased
2 reliance on more carbon-intensive energy resources, for
3 transitioning to a fully decarbonized electricity sector,
4 and to help ensure health and welfare of the State's
5 residents.

6 (2) As used in this subsection:

7 "Baseline costs" means costs used to establish a customer
8 protection cap that have been evaluated through an independent
9 audit of a carbon-free energy resource conducted by the
10 Environmental Protection Agency that evaluated projected
11 annual costs for operation and maintenance expenses; fully
12 allocated overhead costs, which shall be allocated using the
13 methodology developed by the Institute for Nuclear Power
14 Operations; fuel expenditures; nonfuel capital expenditures;
15 spent fuel expenditures; a return on working capital; the cost
16 of operational and market risks that could be avoided by
17 ceasing operation; and any other costs necessary for continued
18 operations, provided that "necessary" means, for purposes of
19 this definition, that the costs could reasonably be avoided
20 only by ceasing operations of the carbon-free energy resource.

21 "Carbon mitigation credit" means a tradable credit that
22 represents the carbon emission reduction attributes of one
23 megawatt-hour of energy produced from a carbon-free energy
24 resource.

25 "Carbon-free energy resource" means a generation facility
26 that: (1) is fueled by nuclear power; and (2) is

1 interconnected to PJM Interconnection, LLC.

2 (3) Procurement.

3 (A) Beginning with the delivery year commencing on
4 June 1, 2022, the Agency shall, for electric utilities
5 serving at least 3,000,000 retail customers in the State,
6 seek to procure contracts for no more than approximately
7 54,500,000 cost-effective carbon mitigation credits from
8 carbon-free energy resources because such credits are
9 necessary to support current levels of carbon-free energy
10 generation and ensure the State meets its carbon dioxide
11 emissions reduction goals. The Agency shall not make a
12 partial award of a contract for carbon mitigation credits
13 covering a fractional amount of a carbon-free energy
14 resource's projected output.

15 (B) Each carbon-free energy resource that intends to
16 participate in a procurement shall be required to submit
17 to the Agency the following information for the resource
18 on or before the date established by the Agency:

19 (i) the in-service date and remaining useful life
20 of the carbon-free energy resource;

21 (ii) the amount of power generated annually for
22 each of the past 10 years, which shall be used to
23 determine the capability of each facility;

24 (iii) a commitment to be reflected in any contract
25 entered into pursuant to this subsection (d-10) to
26 continue operating the carbon-free energy resource at

1 a capacity factor of at least 88% annually on average
2 for the duration of the contract or contracts executed
3 under the procurement held under this subsection
4 (d-10), except in an instance described in
5 subparagraph (E) of paragraph (1) of subsection (d-5)
6 of this Section or made impracticable as a result of
7 compliance with law or regulation;

8 (iv) financial need and the risk of loss of the
9 environmental benefits of such resource, which shall
10 include the following information:

11 (I) the carbon-free energy resource's cost
12 projections, expressed on a per megawatt-hour
13 basis, over the next 5 delivery years, which shall
14 include the following: operation and maintenance
15 expenses; fully allocated overhead costs, which
16 shall be allocated using the methodology developed
17 by the Institute for Nuclear Power Operations;
18 fuel expenditures; nonfuel capital expenditures;
19 spent fuel expenditures; a return on working
20 capital; the cost of operational and market risks
21 that could be avoided by ceasing operation; and
22 any other costs necessary for continued
23 operations, provided that "necessary" means, for
24 purposes of this subitem (I), that the costs could
25 reasonably be avoided only by ceasing operations
26 of the carbon-free energy resource; and

1 (II) the carbon-free energy resource's revenue
2 projections, including energy, capacity, ancillary
3 services, any other direct State support, known or
4 anticipated federal attribute credits, known or
5 anticipated tax credits, and any other direct
6 federal support.

7 The information described in this subparagraph (B) may
8 be submitted on a confidential basis and shall be treated
9 and maintained by the Agency, the procurement
10 administrator, and the Commission as confidential and
11 proprietary and exempt from disclosure under subparagraphs
12 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
13 Information Act. The Office of the Attorney General shall
14 have access to, and maintain the confidentiality of, such
15 information pursuant to Section 6.5 of the Attorney
16 General Act.

17 (C) The Agency shall solicit bids for the contracts
18 described in this subsection (d-10) from carbon-free
19 energy resources that have satisfied the requirements of
20 subparagraph (B) of this paragraph (3). The contracts
21 procured pursuant to a procurement event shall reflect,
22 and be subject to, the following terms, requirements, and
23 limitations:

24 (i) Contracts are for delivery of carbon
25 mitigation credits, and are not energy or capacity
26 sales contracts requiring physical delivery. Pursuant

1 to item (iii), contract payments shall fully deduct
2 the value of any monetized federal production tax
3 credits, credits issued pursuant to a federal clean
4 energy standard, and other federal credits if
5 applicable.

6 (ii) Contracts for carbon mitigation credits shall
7 commence with the delivery year beginning on June 1,
8 2022 and shall be for a term of 5 delivery years
9 concluding on May 31, 2027.

10 (iii) The price per carbon mitigation credit to be
11 paid under a contract for a given delivery year shall
12 be equal to an accepted bid price less the sum of:

13 (I) one of the following energy price indices,
14 selected by the bidder at the time of the bid for
15 the term of the contract:

16 (aa) the weighted-average hourly day-ahead
17 price for the applicable delivery year at the
18 busbar of all resources procured pursuant to
19 this subsection (d-10), weighted by actual
20 production from the resources; or

21 (bb) the projected energy price for the
22 PJM Interconnection, LLC Northern Illinois Hub
23 for the applicable delivery year determined
24 according to subitem (aa) of item (iii) of
25 subparagraph (B) of paragraph (1) of
26 subsection (d-5).

1 (II) the Base Residual Auction Capacity Price
2 for the ComEd zone as determined by PJM
3 Interconnection, LLC, divided by 24 hours per day,
4 for the applicable delivery year for the first 3
5 delivery years, and then any subsequent delivery
6 years unless the PJM Interconnection, LLC applies
7 the Minimum Offer Price Rule to participating
8 carbon-free energy resources because they supply
9 carbon mitigation credits pursuant to this Section
10 at which time, upon notice by the carbon-free
11 energy resource to the Commission and subject to
12 the Commission's confirmation, the value under
13 this subitem shall be zero, as further described
14 in the carbon mitigation credit procurement plan;
15 and

16 (III) any value of monetized federal tax
17 credits, direct payments, or similar subsidy
18 provided to the carbon-free energy resource from
19 any unit of government that is not already
20 reflected in energy prices.

21 If the price-per-megawatt-hour calculation
22 performed under item (iii) of this subparagraph (C)
23 for a given delivery year results in a net positive
24 value, then the electric utility counterparty to the
25 contract shall multiply such net value by the
26 applicable contract quantity and remit the amount to

1 the supplier.

2 To protect retail customers from retail rate
3 impacts that may arise upon the initiation of carbon
4 policy changes, if the price-per-megawatt-hour
5 calculation performed under item (iii) of this
6 subparagraph (C) for a given delivery year results in
7 a net negative value, then the supplier counterparty
8 to the contract shall multiply such net value by the
9 applicable contract quantity and remit such amount to
10 the electric utility counterparty. The electric
11 utility shall reflect such amounts remitted by
12 suppliers as a credit on its retail customer bills as
13 soon as practicable.

14 (iv) To ensure that retail customers in Northern
15 Illinois do not pay more for carbon mitigation credits
16 than the value such credits provide, and
17 notwithstanding the provisions of this subsection
18 (d-10), the Agency shall not accept bids for contracts
19 that exceed a customer protection cap equal to the
20 baseline costs of carbon-free energy resources.

21 The baseline costs for the applicable year shall
22 be the following:

23 (I) For the delivery year beginning June 1,
24 2022, the baseline costs shall be an amount equal
25 to \$30.30 per megawatt-hour.

26 (II) For the delivery year beginning June 1,

1 2023, the baseline costs shall be an amount equal
2 to \$32.50 per megawatt-hour.

3 (III) For the delivery year beginning June 1,
4 2024, the baseline costs shall be an amount equal
5 to \$33.43 per megawatt-hour.

6 (IV) For the delivery year beginning June 1,
7 2025, the baseline costs shall be an amount equal
8 to \$33.50 per megawatt-hour.

9 (V) For the delivery year beginning June 1,
10 2026, the baseline costs shall be an amount equal
11 to \$34.50 per megawatt-hour.

12 An Environmental Protection Agency consultant
13 forecast, included in a report issued April 14, 2021,
14 projects that a carbon-free energy resource has the
15 opportunity to earn on average approximately \$30.28
16 per megawatt-hour, for the sale of energy and capacity
17 during the time period between 2022 and 2027.
18 Therefore, the sale of carbon mitigation credits
19 provides the opportunity to receive an additional
20 amount per megawatt-hour in addition to the projected
21 prices for energy and capacity.

22 Although actual energy and capacity prices may
23 vary from year-to-year, the General Assembly finds
24 that this customer protection cap will help ensure
25 that the cost of carbon mitigation credits will be
26 less than its value, based upon the social cost of

1 carbon identified in the Technical Support Document
2 issued in February 2021 by the U.S. Interagency
3 Working Group on Social Cost of Greenhouse Gases and
4 the PJM Interconnection, LLC carbon dioxide marginal
5 emission rate for 2020, and that a carbon-free energy
6 resource receiving payment for carbon mitigation
7 credits receives no more than necessary to keep those
8 units in operation.

9 (D) No later than 7 days after the effective date of
10 this amendatory Act of the 102nd General Assembly, the
11 Agency shall publish its proposed carbon mitigation credit
12 procurement plan. The Plan shall provide that winning bids
13 shall be selected by taking into consideration which
14 resources best match public interest criteria that
15 include, but are not limited to, minimizing carbon dioxide
16 emissions that result from electricity consumed in
17 Illinois and minimizing sulfur dioxide, nitrogen oxide,
18 and particulate matter emissions that adversely affect the
19 citizens of this State. The selection of winning bids
20 shall also take into account the incremental environmental
21 benefits resulting from the procurement or procurements,
22 such as any existing environmental benefits that are
23 preserved by a procurement held under this subsection
24 (d-10) and would cease to exist if the procurement were
25 not held, including the preservation of carbon-free energy
26 resources. For those bidders having the same public

1 interest criteria score, the relative ranking of such
2 bidders shall be determined by price. The Plan shall
3 describe in detail how each public interest factor shall
4 be considered and weighted in the bid selection process to
5 ensure that the public interest criteria are applied to
6 the procurement. The Plan shall, to the extent practical
7 and permissible by federal law, ensure that successful
8 bidders make commercially reasonable efforts to apply for
9 federal tax credits, direct payments, or similar subsidy
10 programs that support carbon-free generation and for which
11 the successful bidder is eligible. Upon publishing of the
12 carbon mitigation credit procurement plan, copies of the
13 plan shall be posted and made publicly available on the
14 Agency's website. All interested parties shall have 7 days
15 following the date of posting to provide comment to the
16 Agency on the plan. All comments shall be posted to the
17 Agency's website. Following the end of the comment period,
18 but no more than 19 days later than the effective date of
19 this amendatory Act of the 102nd General Assembly, the
20 Agency shall revise the plan as necessary based on the
21 comments received and file its carbon mitigation credit
22 procurement plan with the Commission.

23 (E) If the Commission determines that the plan is
24 likely to result in the procurement of cost-effective
25 carbon mitigation credits, then the Commission shall,
26 after notice and hearing and opportunity for comment, but

1 no later than 42 days after the Agency filed the plan,
2 approve the plan or approve it with modification. For
3 purposes of this subsection (d-10), "cost-effective" means
4 carbon mitigation credits that are procured from
5 carbon-free energy resources at prices that are within the
6 limits specified in this paragraph (3). As part of the
7 Commission's review and acceptance or rejection of the
8 procurement results, the Commission shall, in its public
9 notice of successful bidders:

10 (i) identify how the selected carbon-free energy
11 resources satisfy the public interest criteria
12 described in this paragraph (3) of minimizing carbon
13 dioxide emissions that result from electricity
14 consumed in Illinois and minimizing sulfur dioxide,
15 nitrogen oxide, and particulate matter emissions that
16 adversely affect the citizens of this State;

17 (ii) specifically address how the selection of
18 carbon-free energy resources takes into account the
19 incremental environmental benefits resulting from the
20 procurement, including any existing environmental
21 benefits that are preserved by the procurements held
22 under this amendatory Act of the 102nd General
23 Assembly and would have ceased to exist if the
24 procurements had not been held, such as the
25 preservation of carbon-free energy resources;

26 (iii) quantify the environmental benefit of

1 preserving the carbon-free energy resources procured
2 pursuant to this subsection (d-10), including the
3 following:

4 (I) an assessment value of avoided greenhouse
5 gas emissions measured as the product of the
6 carbon-free energy resources' output over the
7 contract term, using generally accepted
8 methodologies for the valuation of avoided
9 emissions; and

10 (II) an assessment of costs of replacement
11 with other carbon-free energy resources and
12 renewable energy resources, including wind and
13 photovoltaic generation, based upon an assessment
14 of the prices paid for renewable energy credits
15 through programs and procurements conducted
16 pursuant to subsection (c) of Section 1-75 of this
17 Act, and the additional storage necessary to
18 produce the same or similar capability of matching
19 customer usage patterns.

20 (F) The procurements described in this paragraph (3),
21 including, but not limited to, the execution of all
22 contracts procured, shall be completed no later than
23 December 3, 2021. The procurement and plan approval
24 processes required by this paragraph (3) shall be
25 conducted in conjunction with the procurement and plan
26 approval processes required by Section 16-111.5 of the

1 Public Utilities Act, to the extent practicable. However,
2 the Agency and Commission may, as appropriate, modify the
3 various dates and timelines under this subparagraph and
4 subparagraphs (D) and (E) of this paragraph (3) to meet
5 the December 3, 2021 contract execution deadline.
6 Following the completion of such procurements, and
7 consistent with this paragraph (3), the Agency shall
8 calculate the payments to be made under each contract in a
9 timely fashion.

10 (F-1) Costs incurred by the electric utility pursuant
11 to a contract authorized by this subsection (d-10) shall
12 be deemed prudently incurred and reasonable in amount, and
13 the electric utility shall be entitled to full cost
14 recovery pursuant to a tariff or tariffs filed with the
15 Commission.

16 (G) The counterparty electric utility shall retire all
17 carbon mitigation credits used to comply with the
18 requirements of this subsection (d-10).

19 (H) If a carbon-free energy resource is sold to
20 another owner, the rights, obligations, and commitments
21 under this subsection (d-10) shall continue to the
22 subsequent owner.

23 (I) This subsection (d-10) shall become inoperative on
24 January 1, 2028.

25 (d-20) Energy storage system portfolio standard.

26 (1) The General Assembly finds that the deployment of

1 energy storage systems is necessary to successfully
2 integrate high levels of renewable energy, to avoid the
3 creation and increase of carbon emissions from electric
4 generation sources, and to ensure affordable, stable,
5 clean, reliable, and resilient electricity.

6 (2) The Agency shall develop an energy storage system
7 resources procurement plan that includes the competitive
8 procurement events, procurement programs, or both, as
9 necessary (i) to meet the goals set forth in this
10 subsection (d-20), (ii) to meet the planning requirements
11 established under Sections 16-201 and 16-202 of the Public
12 Utilities Act, (iii) to meet the clean energy policy
13 established by Public Act 102-662, and (iv) to cause
14 electric utilities serving more than 300,000 customers in
15 the State as of January 1, 2019 to contract for energy
16 storage resources. The energy storage system resources
17 procurement plan approval processes shall be conducted
18 consistent with the processes outlined in paragraph (6) of
19 subsection (b) of Section 16-111.5 of the Public Utilities
20 Act, with the initial energy storage system resources
21 procurement plan released for comment in calendar year
22 2027. The Agency shall review and may revise the energy
23 storage system resources procurement plan at least every 2
24 years. The Agency shall establish, and the Commission
25 shall approve or approve as modified, an energy storage
26 system resources procurement plan that includes:

1 (A) storage targets in addition to the initial
2 procurements specified in subsection (3) of this
3 Section at levels identified through the integrated
4 resource planning process outlined in Section 16-202
5 of the Public Utilities Act;

6 (B) a bid selection process that is based on the
7 bid price, when compared with an equal energy storage
8 duration and interconnected to the same independent
9 system operator (ISO) or regional transmission
10 organization (RTO), and that may provide for
11 consideration of the following:

12 (i) the project's viability and ability to
13 meet or exceed operational date targets;

14 (ii) the developer's experience;

15 (iii) requirements for demonstration of
16 binding site control that are sufficient for
17 proposed energy storage facilities;

18 (iv) the availability or dependence on any
19 transmission expansion or upgrades needed; and

20 (v) other resource adequacy and reliability
21 considerations;

22 (C) consideration of the need to ensure adequate,
23 reliable, affordable, efficient, and environmentally
24 sustainable electric service at the lowest total cost
25 over time;

26 (D) proposals for the financial support of energy

1 storage systems using contract models, which may
2 include, but are not limited to, the following:

3 (i) an indexed storage credit procurement,
4 including payments to energy storage system owners
5 or operators with any offsets and refunds for
6 potential energy and capacity revenues;

7 (ii) support for energy storage system
8 resources under which operational decisions are
9 assigned to the electric utility buyer or an
10 independent third-party operator if such contract
11 structures and agreements do not create
12 contractual obligations on utilities that are not
13 contingent on full and timely cost recovery and
14 avoid substantial negative financial impacts on
15 the utilities; and

16 (iii) other approaches as deemed suitable by
17 the Agency and the Commission; and

18 (E) methodology for the Agency to prioritize
19 procurement of energy storage resources that are
20 located in communities eligible to receive Energy
21 Transition Community Grants pursuant to Section 10-20
22 of the Energy Community Reinvestment Act.

23 In developing its procurement plan and conducting the
24 storage procurements outlined in this paragraph (2) and in
25 paragraph (3), the Agency may use the services of expert
26 consulting firms identified in paragraphs (1) and (2) of

1 subsection (a) of this Section.

2 (3) Notwithstanding whether an energy storage system
3 resources procurement plan has been approved, the
4 following provisions shall apply to the Agency's initial
5 procurement of energy storage system resources under this
6 subsection (d-20):

7 (A) The Agency shall conduct an initial energy
8 storage procurement on or before August 26, 2025. For
9 the purposes of this initial energy storage
10 procurement, the Agency shall conduct a procurement
11 that results in electric utilities that served more
12 than 300,000 customers in the State as of January 1,
13 2019 contracting for at least 1,038 megawatts of
14 cost-effective stand-alone energy storage systems that
15 can achieve commercial operation on or before December
16 31, 2029. The procurement target shall be separated
17 for projects interconnected within Midcontinent
18 Independent System Operator Local Resource Zone 4
19 (MISO Zone 4) and for projects interconnected within
20 the PJM Interconnection, LLC ComEd Locational
21 Deliverability Area (PJM ComEd Area) as follows:

22 (i) 450 megawatts in MISO Zone 4; and

23 (ii) 588 megawatts in the PJM ComEd Area.

24 For purposes of this subsection (d-20),
25 "stand-alone" means systems that are (i) separately
26 metered by a revenue-quality meter that satisfies the

1 requirements of the RTO; (ii) operate independently
2 without constraints or hindrances from other
3 generation units; and (iii) demonstrate the ability to
4 charge and discharge independent of any generation
5 unit output.

6 (B) The Agency shall conduct a series of
7 additional energy storage procurements that result in
8 electric utilities contracting for energy storage
9 resources in an amount of at least 3,000 megawatts of
10 cumulative energy storage capacity for projects
11 committed to reaching commercial operation on or
12 before December 31, 2029, subject to extension for a
13 delay due to interconnection of the energy storage
14 system, a delay in obtaining permits necessary to
15 build or operate the energy storage system, or other
16 circumstances at the discretion of the Agency.

17 The additional energy storage resources
18 procurements shall be conducted between calendar years
19 2026 and 2027 in a manner that ensures the quantities
20 listed in this subparagraph (B) are met in the
21 specified timeframe. The procurements shall be
22 conducted in a manner that maximizes projects
23 available in the MISO and PJM queues, ensures the
24 likelihood of project development through the
25 development of project maturity requirements, enables
26 sufficient competition for price competitiveness, and

1 aligns to the extent practicable with regional
2 transmission organization study phases. The
3 procurements shall select projects interconnected to
4 MISO Zone 4 and the PJM ComEd Area and shall follow
5 either (i) a similar geographic split to the ratio of
6 quantities established in subparagraph (A) of this
7 paragraph (3), (ii) an alternative geographic split
8 proposed by the Agency based on project availability
9 in advanced stages of the MISO and PJM queues, or (iii)
10 that is informed by MISO and PJM planning activities,
11 auctions, or reports that indicate capacity resource
12 shortages or impending shortages and that reflect the
13 assessments made through the processes outlined in
14 subparagraph (A) of paragraph (2). The additional
15 energy storage capacity procurements may be adjusted
16 upward if determined necessary through the planning
17 process outlined in Section 16-201 of the Public
18 Utilities Act at times determined by the Commission.

19 (C) The initial energy storage resources
20 procurement under subparagraph (A) of this paragraph
21 (3) shall adopt a standard indexed storage credit
22 contract modeled after the contract and follow a
23 process modeled after the one included in the staff
24 report submitted to the Governor, General Assembly,
25 and Commission pursuant to subsection (g) of Section
26 16-135 of the Public Utilities Act on May 1, 2025.

1 (D) For the additional energy storage resources
2 procurements conducted in accordance with subparagraph
3 (B) of this paragraph (3), the Agency may, among other
4 considerations, consider the use of tolling agreements
5 or other contract structures if such contract
6 structures and agreements do not create contractual
7 obligations on utilities that are not contingent on
8 full and timely cost recovery and avoid substantial
9 negative financial impacts on the utilities.

10 (E) The initial and additional energy storage
11 resources procurements under this paragraph (3) shall
12 solicit 20-year contracts.

13 (F) The Agency shall submit its proposed selection
14 of successful bids for each procurement event pursuant
15 to paragraphs (2) and (3) to the Commission for
16 approval consistent with the processes outlined in
17 Section 16-111.5 of the Public Utilities Act to the
18 extent practicable.

19 (4) The energy storage system resources procurement
20 plans developed by the Agency may consider alternatives to
21 the initial and additional procurement terms described in
22 paragraph (3) of this subsection (d-20), including, but
23 not limited to:

24 (A) alternatives to the standard indexed storage
25 credit contract used in the initial terms described in
26 subparagraph (C) of paragraph (3) of this subsection

1 (d-20) ;

2 (B) energy storage systems that are not
3 stand-alone;

4 (C) proportionate allocations between MISO Zone 4
5 and the PJM ComEd Area that are not based upon load
6 share, including allocations reflecting the
7 assessments made through the processes outlined in
8 subparagraph (A) of paragraph (2) ;

9 (D) contract lengths other than 20 years;

10 (E) energy storage system durations other than 4
11 hours; and

12 (F) energy storage systems connected to the
13 distribution systems of the electric utilities.

14 The Agency may propose specific timelines for energy
15 storage system resources procurements, which may differ
16 across RTO zones, that are based in part upon a
17 consideration of (i) the timing of the release of
18 interconnection cost information through both MISO and PJM
19 interconnection queue processes, (ii) factors that
20 maximize the likelihood of successful project development,
21 (iii) enabling sufficient competition for price
22 competitiveness, and (iv) aligning to the extent
23 practicable with RTO study phases.

24 (5) The Agency shall procure cost-effective energy
25 storage credits, tolling agreements, or other contract
26 instruments intended to facilitate the successful

1 development of energy storage projects. The procurement
2 administrator shall establish confidential price
3 benchmarks based on publicly available data on regional
4 technology costs. Confidential price benchmarks shall be
5 developed by the procurement administrator, in
6 consultation with Commission staff, Agency staff, and the
7 procurement monitor, and shall be subject to Commission
8 review and approval. Price benchmarks shall reflect
9 development costs, financing costs, and related costs
10 resulting from requirements imposed through other
11 provisions of State law. As used in this paragraph (5),
12 "cost-effective" means a bidder's bid price that does not
13 exceed confidential price benchmarks.

14 (6) All procurements under this subsection (d-20)
15 shall comply with the geographic requirements in
16 subparagraph (I) of paragraph (1) of subsection (c) of
17 Section 1-75 and shall follow the procurement processes
18 and procedures described in this Section and Section
19 16-111.5 of the Public Utilities Act, to the extent
20 practicable. The processes and procedures may be expedited
21 to accommodate the schedule established by this Section.
22 The Agency shall require all bidders to pay to the Agency a
23 nonrefundable deposit determined by the Agency and no less
24 than \$10,000 per bid as practical. The Agency may also
25 assess bidder and supplier fees to cover the cost of
26 procurement events and develop collateral requirements to

1 maximize the likelihood of successful project development.
2 Bidders in the initial and additional procurements
3 described in paragraph (3) of this subsection (d-20) shall
4 also demonstrate experience in developing to commercial
5 readiness. As used in this paragraph (6), "developing to
6 commercial readiness" means having notice to proceed in
7 owning or operating energy facilities with a combined
8 nameplate capacity of at least 100 megawatts.

9 (7) In order to advance priority access to the clean
10 energy economy for businesses and workers from communities
11 that have been excluded from economic opportunities in the
12 energy sector, have been subject to disproportionate
13 levels of pollution, and have disproportionately
14 experienced negative public health outcomes, the Agency
15 shall update its equity accountability system and minimum
16 equity standards established under subsections (c-10),
17 (c-15), (c-20), (c-25), and (c-30) of this Section to
18 include energy storage procurement and programs and shall
19 include such modifications in its plan submission to the
20 Commission under Section 16-111.5 of the Public Utilities
21 Act.

22 (8) Projects shall be developed in compliance with the
23 prevailing wage and project labor agreement requirements
24 for renewable energy projects in subparagraph (Q) of
25 paragraph (1) of subsection (c) of Section 1-75.

26 (9) In order to promote the competitive development of

1 energy storage systems in furtherance of the State's
2 interest in the health, safety, and welfare of its
3 residents, storage credits shall not be eligible to be
4 selected under this subsection (d-20) if the energy
5 storage resources are sourced from an energy storage
6 system whose costs were being recovered through rates
7 regulated by the State or any other state or states on or
8 after January 1, 2017. No entity shall be permitted to bid
9 unless it certifies to the Agency that it is not an
10 electric utility, as defined in Section 16-102 of the
11 Public Utilities Act, serving more than 10,000 customers
12 in the State.

13 (10) The Agency shall require, as a prerequisite to
14 payment for any storage credits, that the winning bidder
15 provide the Agency or its designee a copy of the
16 interconnection agreement under which the applicable
17 energy storage system is connected to the transmission or
18 distribution system.

19 (11) Contracts shall provide that, if the cost
20 recovery mechanism referenced in subparagraph (d-20) of
21 this paragraph (1) of this subsection (c) remains in full
22 force without amendment or the utility is otherwise
23 authorized or entitled to full, prompt, and uninterrupted
24 recovery of its costs through any other mechanism, then
25 such seller shall be entitled to full, prompt, and
26 uninterrupted payment under the applicable contract

1 notwithstanding the application of this subparagraph (E).

2 (e) The draft procurement plans are subject to public
3 comment, as required by Section 16-111.5 of the Public
4 Utilities Act.

5 (f) The Agency shall submit the final procurement plan to
6 the Commission. The Agency shall revise a procurement plan if
7 the Commission determines that it does not meet the standards
8 set forth in Section 16-111.5 of the Public Utilities Act.

9 (g) The Agency shall assess fees to each affected utility
10 to recover the costs incurred in preparation of procurement
11 plans and in the operation of programs ~~the annual procurement~~
12 ~~plan for the utility.~~

13 (h) The Agency shall assess fees to each bidder to recover
14 the costs incurred in connection with a competitive
15 procurement process.

16 (i) A renewable energy credit, carbon emission credit,
17 zero emission credit, or carbon mitigation credit can only be
18 used once to comply with a single portfolio or other standard
19 as set forth in subsection (c), subsection (d), or subsection
20 (d-5) of this Section, respectively. A renewable energy
21 credit, carbon emission credit, zero emission credit, or
22 carbon mitigation credit cannot be used to satisfy the
23 requirements of more than one standard. If more than one type
24 of credit is issued for the same megawatt hour of energy, only
25 one credit can be used to satisfy the requirements of a single
26 standard. After such use, the credit must be retired together

1 with any other credits issued for the same megawatt hour of
2 energy.

3 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
4 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)

5 (20 ILCS 3855/1-125)

6 Sec. 1-125. Agency annual reports.

7 (a) By March ~~February~~ 15 of each year, the Agency shall
8 report annually to the Governor and the General Assembly on
9 the operations and transactions of the Agency. The annual
10 report shall include, but not be limited to, each of the
11 following:

12 (1) The average quantity, price, and term of all
13 contracts for electricity procured under the procurement
14 plans for electric utilities.

15 (2) (Blank).

16 (3) The quantity, price, and rate impact of all energy
17 efficiency and demand response measures purchased for
18 electric utilities, and any measures included in the
19 procurement plan pursuant to Section 16-111.5B of the
20 Public Utilities Act.

21 (4) The amount of power and energy produced by each
22 Agency facility.

23 (5) The quantity of electricity supplied by each
24 Agency facility to municipal electric systems,
25 governmental aggregators, or rural electric cooperatives

1 in Illinois.

2 (6) The revenues as allocated by the Agency to each
3 facility.

4 (7) The costs as allocated by the Agency to each
5 facility.

6 (8) The accumulated depreciation for each facility.

7 (9) The status of any projects under development.

8 (10) Basic financial and operating information
9 specifically detailed for the reporting year and
10 including, but not limited to, income and expense
11 statements, balance sheets, and changes in financial
12 position, all in accordance with generally accepted
13 accounting principles, debt structure, and a summary of
14 funds on a cash basis.

15 (11) The average quantity, price, contract type and
16 term, and rate impact of all renewable resources procured
17 under the long-term renewable resources procurement plans
18 for electric utilities.

19 (12) A comparison of the costs associated with the
20 Agency's procurement of renewable energy resources to (A)
21 the Agency's costs associated with electricity generated
22 by other types of generation facilities and (B) the
23 benefits associated with the Agency's procurement of
24 renewable energy resources.

25 (13) An analysis of the rate impacts associated with
26 the Illinois Power Agency's procurement of renewable

1 resources, including, but not limited to, any long-term
2 contracts, on the eligible retail customers of electric
3 utilities. The analysis shall include the Agency's
4 estimate of the total dollar impact that the Agency's
5 procurement of renewable resources has had on the annual
6 electricity bills of the customer classes that comprise
7 each eligible retail customer class taking service from an
8 electric utility.

9 (14) (Blank).

10 (b) In addition to reporting on the transactions and
11 operations of the Agency, the Agency shall also endeavor to
12 report on the following items through its annual report,
13 recognizing that full and accurate information may not be
14 available for certain items:

15 (1) The overall nameplate capacity amount of installed
16 and scheduled renewable energy generation capacity
17 physically located in Illinois.

18 (2) The percentage of installed and scheduled
19 renewable energy generation capacity as a share of overall
20 electricity generation capacity physically located in
21 Illinois.

22 (3) The amount of megawatt hours produced by renewable
23 energy generation capacity physically located in Illinois
24 for the preceding delivery year.

25 (4) The percentage of megawatt hours produced by
26 renewable energy generation capacity physically located in

1 Illinois as a share of overall electricity generation from
2 facilities physically located in Illinois for the
3 preceding delivery year and as a share of retail
4 electricity sales in Illinois.

5 (5) The renewable portfolio standard expenditures made
6 pursuant to paragraph (1) of subsection (c) of Section
7 1-75 and the total scheduled and installed renewable
8 generation capacity expected to result from these
9 investments. This information shall include the total cost
10 of REC delivery contracts of the renewable portfolio
11 standard by project category, including, but not limited
12 to, renewable energy credits delivery contracts entered
13 into pursuant to subparagraphs (C), (G), (K), and (R) of
14 paragraph (1) of subsection (c) Section 1-75. The Agency
15 shall also report on the total amount of customer load
16 featuring renewable portfolio standard compliance
17 obligations scheduled to be met by self-direct customers
18 pursuant to subparagraph (R) of paragraph (1) of
19 subsection (c) of Section 1-75, as well as the minimum
20 annual quantities of renewable energy credits scheduled to
21 be retired by those customers and amount of installed
22 renewable energy generating capacity used to meet the
23 requirements of subparagraph (R) of paragraph (1) of
24 subsection (c) of Section 1-75.

25 The Agency may seek assistance from the Illinois Commerce
26 Commission in developing its annual report and may also retain

1 the services of its expert consulting firm used to develop its
2 procurement plans as outlined in paragraph (1) of subsection
3 (a) of Section 1-75. Confidential or commercially sensitive
4 business information provided by retail customers, alternative
5 retail electric suppliers, or other parties shall be kept
6 confidential by the Agency consistent with Section 1-120, but
7 may be publicly reported in aggregate form.

8 (Source: P.A. 102-662, eff. 9-15-21.)

9 Section 15. The Illinois Procurement Code is amended by
10 changing Section 30-20 as follows:

11 (30 ILCS 500/30-20)

12 Sec. 30-20. Prequalification.

13 (a) The Capital Development Board shall promulgate rules
14 for the development of prequalified supplier lists for
15 construction and construction-related professional services
16 and the periodic updating of those lists. Construction and
17 construction-related professional services contracts over
18 \$25,000 may be awarded to any qualified suppliers.

19 (b) If deemed necessary by the Agency, the ~~The~~ Illinois
20 Power Agency shall promulgate rules for the development of
21 prequalified supplier lists for construction and
22 construction-related professional services and the periodic
23 updating of those lists. Construction and construction-related
24 ~~construction-related~~ professional services contracts over

1 \$25,000 may be awarded to any qualified suppliers, pursuant to
2 a competitive bidding process.

3 (Source: P.A. 95-481, eff. 8-28-07.)

4 Section 20. The Property Tax Code is amended by adding
5 Division 22 as follows:

6 (35 ILCS 200/Art. 10 Div. 22 heading new)

7 Division 22. Commercial energy storage systems

8 (35 ILCS 200/10-920 new)

9 Sec. 10-920. Definitions. As used in this Division:

10 "Allowance for physical depreciation" means the product of
11 the quotient that is generated by dividing the actual age in
12 years of the commercial energy storage system on the
13 assessment date by 25 years multiplied by the commercial
14 energy storage system's trended real property cost basis.
15 "Allowance for physical depreciation" may not exceed an amount
16 that reduces the value of the commercial energy storage system
17 to 30% of its trended real property cost basis or less.

18 "Commercial energy storage system" means any device or
19 assembly of devices that is (i) either installed as a
20 stand-alone system or tied to a power generation system, (ii)
21 used for the primary purpose of storing of energy for
22 wholesale or retail sale and not primarily for storage to
23 later consume on the property on which the device resides, and

1 (iii) an energy storage system, as defined in Section 16-135
2 of the Public Utilities Act.

3 "Commercial energy storage system real property cost
4 basis" means the owner of the commercial energy storage
5 system's interest in the land within the project boundaries
6 and real property improvements and shall be calculated at \$65
7 kilowatt hour of rated kilowatt hour energy capacity.

8 "Consumer Price Index" means the index published by the
9 Bureau of Labor Statistics of the United States Department of
10 Labor that measures the average change in prices of goods and
11 services purchased by all urban consumers, United States city
12 average, all items, 1982-84 = 100.

13 "Rated kWh energy capacity" means the maximum amount of
14 stored energy in kilowatt hours. "Trended real property cost
15 basis" means the commercial energy storage system real
16 property cost basis multiplied by the trending factor.

17 "Trending factor" means the following:

18 (1) for stand-alone commercial energy storage systems,
19 the lesser of 2% or the number generated by dividing the
20 Consumer Price Index published by the Bureau of Labor
21 Statistics in the December immediately preceding the
22 assessment date by the Consumer Price Index published by
23 the Bureau of Labor Statistics in December of 2024; or

24 (2) for commercial energy storage systems tied to a
25 power generation system, a trending factor of 1.00.

1 (35 ILCS 200/10-925 new)

2 Sec. 10-925. Improvement valuation of commercial energy
3 systems in counties with fewer than 3,000,000 inhabitants.
4 Beginning in assessment year 2025, the fair cash value of
5 commercial energy storage system improvements in counties with
6 fewer than 3,000,000 inhabitants shall be determined by
7 subtracting the allowance for physical depreciation from the
8 commercial energy storage system trended real property cost
9 basis. Functional obsolescence and external obsolescence of
10 the commercial energy storage system improvements may further
11 reduce the fair cash value of the improvements to the extent
12 the obsolescence is proven by the taxpayer by clear and
13 convincing evidence, except that the combined depreciation
14 from all functional and economic obsolescence shall not exceed
15 70% of the trended real property cost basis. The chief county
16 assessment officer may make reasonable adjustments to the
17 actual age of the commercial energy storage system to account
18 for the routine replacement or upgrade of system components.

19 (35 ILCS 200/10-930 new)

20 Sec. 10-930. Commercial energy storage systems;
21 equalization. Commercial energy storage systems that are
22 subject to assessment under this Division are not subject to
23 equalization factors applied by the Department, any board of
24 review, an assessor, or a chief county assessment officer.

(35 ILCS 200/10-935 new)

Sec. 10-935. Survey for commercial energy storage systems; parcel identification numbers. Notwithstanding any other provision of law, the owner of the commercial energy storage system shall commission a metes and bounds survey description of the land upon which the commercial energy storage system is located, including access routes, over which the owner of the commercial energy storage system has exclusive control. Land held for future development shall not be included in the project area for real property assessment purposes. The owner of the commercial energy storage system shall, at the owner's own expense, use a State-registered land surveyor to prepare the survey. The owner of the commercial energy storage system shall deliver a copy of the survey to the chief county assessment officer and to the owner of the land upon which the commercial energy storage system is located. Upon receiving a copy of the survey and an agreed acknowledgment to the separate parcel identification number by the owner of the land upon which the commercial energy storage system is constructed, the chief county assessment officer shall issue a separate parcel identification number for the real property improvements, including the land containing the commercial energy storage system, to be used only for the purposes of property assessment for taxation. If no survey is provided, the chief county assessment officer shall determine the area of the site that is occupied by the commercial energy storage

1 system. The chief county assessment officer's determination
2 shall be final and may not be challenged on review by the owner
3 of the commercial energy storage system. The property records
4 shall contain the legal description of the commercial energy
5 storage system parcel and describe any leasehold interest or
6 other interest of the owner of the commercial energy storage
7 system in the property. A plat prepared under this Section
8 shall not be construed as a violation of the Plat Act.

9 Surveys that are prepared in accordance with either
10 Section 10-740 or Section 10-620 and that also include the
11 location of a commercial energy storage system in the survey's
12 metes and bounds description shall satisfy the requirements of
13 this Section.

14 (35 ILCS 200/10-940 new)

15 Sec. 10-940. Real estate taxes. Notwithstanding the
16 provisions of Section 9-175 of this Code, the owner of the
17 commercial energy storage system shall be liable for the real
18 estate taxes for the land and real property improvements of
19 the commercial energy storage system. Notwithstanding the
20 foregoing, the owner of the land upon which a commercial
21 energy storage system is located may pay any unpaid tax of the
22 commercial energy storage system parcel prior to the
23 initiation of any tax sale proceedings.

24 (35 ILCS 200/10-945 new)

1 Sec. 10-945. Property assessed as farmland.
2 Notwithstanding any other provision of law, real property
3 assessed as farmland in accordance with Section 10-110 in the
4 assessment year prior to valuation under this Division shall
5 return to being assessed as farmland in accordance with
6 Section 10-110 in the year following completion of the removal
7 of the commercial energy storage system if the property is
8 returned to a farm use, as defined in Section 1-60,
9 notwithstanding that the land was not used for farming for the
10 2 preceding years.

11 (35 ILCS 200/10-950 new)

12 Sec. 10-950. Abatements. Any taxing district may, upon a
13 majority vote of its governing authority and after the
14 determination of the assessed valuation as set forth in this
15 Code, order the clerk of the appropriate municipality or
16 county to abate any portion of real property taxes otherwise
17 levied or extended by the taxing district on a commercial
18 energy storage system.

19 (35 ILCS 200/10-955 new)

20 Sec. 10-955. Applicability. The provisions of this
21 Division apply for assessment years 2025 through 2040.

22 Section 25. The Counties Code is amended by adding
23 Division 5-46 as follows:

(55 ILCS 5/Art. 5 Div. 5-46 heading new)

Division 5-46. Solar Bill of Rights

(55 ILCS 5/5-46005 new)

Sec. 5-46005. Definitions. As used in this Division:

"Low-voltage solar-powered device" means a piece of equipment designed for a particular purpose, including, but not limited to, doorbells, security systems, and illumination equipment, powered by a solar collector operating at less than 50 volts, and located:

(1) entirely within the lot or parcel owned by the property owner; or

(2) within a common area without being permanently attached to common property.

"Solar collector" means:

(1) an assembly, structure, or design, including passive elements, used for gathering, concentrating, or absorbing direct and indirect solar energy and specially designed for holding a substantial amount of useful thermal energy and to transfer that energy to a gas, solid, or liquid or to use that energy directly;

(2) a mechanism that absorbs solar energy and converts it into electricity;

(3) a mechanism or process used for gathering solar energy through wind or thermal gradients; or

1 (4) a component used to transfer thermal energy to a
2 gas, solid, or liquid, or to convert it into electricity.

3 "Solar energy" means radiant energy received from the sun
4 at wavelengths suitable for heat transfer, photosynthetic use,
5 or photovoltaic use.

6 "Solar energy system" means:

7 (1) a complete assembly, structure, or design of a
8 solar collector or a solar storage mechanism that uses
9 solar energy for generating electricity or for heating or
10 cooling gases, solids, liquids, or other materials; and

11 (2) the design, materials, or elements of a system and
12 its maintenance, operation, and labor components, and the
13 necessary components, if any, of supplemental conventional
14 energy systems designed or constructed to interface with a
15 solar energy system.

16 "Solar storage mechanism" means equipment or elements,
17 such as piping and transfer mechanisms, containers, heat
18 exchangers, batteries, or controls thereof and gases, solids,
19 liquids, or combinations thereof, that are utilized for
20 storing solar energy, gathered by a solar collector, for
21 subsequent use.

22 (55 ILCS 5/5-46010 new)

23 Sec. 5-46010. Prohibitions. Notwithstanding any provision
24 of this Code or other provision of law, the adoption of any
25 ordinance or resolution or the exercise of any power by a

1 county that prohibits or has the effect of prohibiting the
2 installation of a solar energy system or low-voltage
3 solar-powered devices is expressly prohibited.

4 (55 ILCS 5/5-46015 new)

5 Sec. 5-46015. Home rule. A home rule unit may not regulate
6 the Solar Bill of Rights in a manner more restrictive than the
7 regulation by the State under this Division. This Section is a
8 limitation under subsection (i) of Section 6 of Article VII of
9 the Illinois Constitution on the concurrent exercise by home
10 rule units of powers and functions exercised by the State.

11 (55 ILCS 5/5-46020 new)

12 Sec. 5-46020. Costs; attorney's fees. In any litigation
13 arising under this Division or involving the application of
14 this Division, the prevailing party shall be entitled to costs
15 and reasonable attorney's fees.

16 (55 ILCS 5/5-46025 new)

17 Sec. 5-46025. Applicability.

18 (a) As used in this Section, "shared roof" means any roof
19 that (i) serves more than one unit, including, but not limited
20 to, a contiguous roof serving adjacent units, or (ii) is part
21 of the common elements or common area of a unit.

22 (b) This Division shall not apply to any building that:

23 (1) is greater than 60 feet in height; or (2) has a

1 shared roof and is subject to a homeowners' association,
2 common interest community association, or condominium unit
3 owners' association. (b) Notwithstanding subsection (a) of
4 this Section, this Division shall apply to any building
5 with a shared roof: (1) where the solar energy system is
6 located entirely within that portion of the shared roof
7 owned and maintained by the property owner;
8 (2) where all property owners sharing the shared roof
9 are in agreement to install a solar energy system; or
10 (3) to the extent this Division applies to low-voltage
11 solar-powered devices.
12 (c) Notwithstanding subsection (b) of this Section, this
13 Division shall apply to any building with a shared roof:
14 (1) where the solar energy system is located entirely
15 within that portion of the shared roof owned and
16 maintained by the property owner;
17 (2) where all property owners sharing the shared roof
18 are in agreement to install a solar energy system; or
19 (3) to the extent this Division applies to low-voltage
20 solar-powered devices.

21 Section 30. The Illinois Municipal Code is amended by
22 adding Division 15.5 as follows:

23 (65 ILCS 5/Art. 11 Div. 15.5 heading new)

24 Division 15.5. Solar Bill of Rights

(65 ILCS 5/11-15.5-5 new)

Sec. 11-15.5-5. Definitions. As used in this Division:

"Low-voltage solar-powered device" means a piece of equipment designed for a particular purpose, including, but not limited to, doorbells, security systems, and illumination equipment, powered by a solar collector operating at less than 50 volts, and located:

(1) entirely within the lot or parcel owned by the property owner; or

(2) within a common area without being permanently attached to common property.

"Solar collector" means:

(1) an assembly, structure, or design, including passive elements, used for gathering, concentrating, or absorbing direct and indirect solar energy and specially designed for holding a substantial amount of useful thermal energy and to transfer that energy to a gas, solid, or liquid or to use that energy directly;

(2) a mechanism that absorbs solar energy and converts it into electricity;

(3) a mechanism or process used for gathering solar energy through wind or thermal gradients; or

(4) a component used to transfer thermal energy to a gas, solid, or liquid, or to convert it into electricity.

"Solar energy" means radiant energy received from the sun

1 at wavelengths suitable for heat transfer, photosynthetic use,
2 or photovoltaic use.

3 "Solar energy system" means:

4 (1) a complete assembly, structure, or design of a
5 solar collector or a solar storage mechanism that uses
6 solar energy for generating electricity or for heating or
7 cooling gases, solids, liquids, or other materials; and

8 (2) the design, materials, or elements of a system and
9 its maintenance, operation, and labor components, and the
10 necessary components, if any, of supplemental conventional
11 energy systems designed or constructed to interface with a
12 solar energy system.

13 "Solar storage mechanism" means equipment or elements,
14 such as piping and transfer mechanisms, containers, heat
15 exchangers, batteries, or controls thereof and gases, solids,
16 liquids, or combinations thereof, that are utilized for
17 storing solar energy, gathered by a solar collector, for
18 subsequent use.

19 (65 ILCS 5/11-15.5-10 new)

20 Sec. 11-15.5-10. Prohibitions. Notwithstanding any
21 provision of this Code or other provision of law, the adoption
22 of any ordinance or resolution or the exercise of any power, by
23 municipality that prohibits or has the effect of prohibiting
24 the installation of a solar energy system or low-voltage
25 solar-powered devices is expressly prohibited. Municipalities

1 that own local electric distribution systems may adopt and
2 implement reasonable policies, consistent with Section 17-900
3 of the Public Utilities Act, regarding the interconnection and
4 use of solar energy systems.

5 (65 ILCS 5/11-15.5-15 new)

6 Sec. 11-15.5-15. Home rule. A home rule unit may not
7 regulate the Solar Bill of Rights in a manner more restrictive
8 than the regulation by the State under this Division. This
9 Section is a limitation under subsection (i) of Section 6 of
10 Article VII of the Illinois Constitution on the concurrent
11 exercise by home rule units of powers and functions exercised
12 by the State.

13 (65 ILCS 5/11-15.5-20 new)

14 Sec. 11-15.5-20. Costs; attorney's fees. In any litigation
15 arising under this Division or involving the application of
16 this Division, the prevailing party shall be entitled to costs
17 and reasonable attorney's fees.

18 (65 ILCS 5/11-15.5-25 new)

19 Sec. 11-15.5-25. Applicability.

20 (a) As used in this Section, "shared roof" means any roof
21 that (i) serves more than one unit, including, but not limited
22 to, a contiguous roof serving adjacent units, or (ii) is part
23 of the common elements or common area of a unit.

1 (b) This Division shall not apply to any building that:

2 (1) is greater than 60 feet in height; or

3 (2) has a shared roof and is subject to a homeowners'
4 association, common interest community association, or
5 condominium unit owners' association.

6 (c) Notwithstanding subsection (b) of this Section, this
7 Division shall apply to any building with a shared roof:

8 (1) where the solar energy system is located entirely
9 within that portion of the shared roof owned and
10 maintained by the property owner;

11 (2) where all property owners sharing the shared roof
12 are in agreement to install a solar energy system; or

13 (3) to the extent this Division applies to low-voltage
14 solar-powered devices.

15 Section 35. The Public Utilities Act is amended by
16 changing Sections 3-105, 8-103B, 8-406, 8-512, 16-105.5,
17 16-107.5, 16-107.6, 16-108, 16-111.5, 16-111.7, 16-115A, and
18 17-900 and by adding Sections 4-620, 8-101.1, 8-513, 9-229,
19 16-107.8, 16-107.9, 16-119A, 16-126.2, 16-140, 16-201, 16-202,
20 20-140, and 20-145 as follows:

21 (220 ILCS 5/3-105) (from Ch. 111 2/3, par. 3-105)

22 Sec. 3-105. Public utility.

23 (a) "Public utility" means and includes, except where
24 otherwise expressly provided in this Section, every

1 corporation, company, limited liability company, association,
2 joint stock company or association, firm, partnership or
3 individual, their lessees, trustees, or receivers appointed by
4 any court whatsoever that currently or in the future owns,
5 controls, operates or manages, within this State, directly or
6 indirectly, for public use, any plant, equipment or property
7 used or to be used for or in connection with, or currently owns
8 or controls or seeks Commission approval to own or control any
9 franchise, license, permit or right to engage in:

10 (1) the production, storage, transmission, sale,
11 delivery or furnishing of heat, cold, power, electricity,
12 water, or light, except when used solely for
13 communications purposes;

14 (2) the disposal of sewerage; or

15 (3) the conveyance of oil or gas by pipe line.

16 (b) "Public utility" does not include, however:

17 (1) public utilities that are owned and operated by
18 any political subdivision, public institution of higher
19 education or municipal corporation of this State, or
20 public utilities that are owned by such political
21 subdivision, public institution of higher education, or
22 municipal corporation and operated by any of its lessees
23 or operating agents;

24 (2) water companies which are purely mutual concerns,
25 having no rates or charges for services, but paying the
26 operating expenses by assessment upon the members of such

1 a company and no other person;

2 (3) electric cooperatives as defined in Section 3-119;

3 (4) the following natural gas cooperatives:

4 (A) residential natural gas cooperatives that are
5 not-for-profit corporations established for the
6 purpose of administering and operating, on a
7 cooperative basis, the furnishing of natural gas to
8 residences for the benefit of their members who are
9 residential consumers of natural gas. For entities
10 qualifying as residential natural gas cooperatives and
11 recognized by the Illinois Commerce Commission as
12 such, the State shall guarantee legally binding
13 contracts entered into by residential natural gas
14 cooperatives for the express purpose of acquiring
15 natural gas supplies for their members. The Illinois
16 Commerce Commission shall establish rules and
17 regulations providing for such guarantees. The total
18 liability of the State in providing all such
19 guarantees shall not at any time exceed \$1,000,000,
20 nor shall the State provide such a guarantee to a
21 residential natural gas cooperative for more than 3
22 consecutive years; and

23 (B) natural gas cooperatives that are
24 not-for-profit corporations operated for the purpose
25 of administering, on a cooperative basis, the
26 furnishing of natural gas for the benefit of their

1 members and that, prior to 90 days after the effective
2 date of this amendatory Act of the 94th General
3 Assembly, either had acquired or had entered into an
4 asset purchase agreement to acquire all or
5 substantially all of the operating assets of a public
6 utility or natural gas cooperative with the intention
7 of operating those assets as a natural gas
8 cooperative;

9 (5) sewage disposal companies which provide sewage
10 disposal services on a mutual basis without establishing
11 rates or charges for services, but paying the operating
12 expenses by assessment upon the members of the company and
13 no others;

14 (6) (blank);

15 (7) cogeneration facilities, small power production
16 facilities, and other qualifying facilities, as defined in
17 the Public Utility Regulatory Policies Act and regulations
18 promulgated thereunder, except to the extent State
19 regulatory jurisdiction and action is required or
20 authorized by federal law, regulations, regulatory
21 decisions or the decisions of federal or State courts of
22 competent jurisdiction;

23 (8) the ownership or operation of a facility that
24 sells compressed natural gas at retail to the public for
25 use only as a motor vehicle fuel and the selling of
26 compressed natural gas at retail to the public for use

1 only as a motor vehicle fuel;

2 (9) alternative retail electric suppliers as defined
3 in Article XVI; and

4 (10) the Illinois Power Agency.

5 (c) An entity that furnishes the service of charging
6 electric vehicles does not and shall not be deemed to sell
7 electricity and is not and shall not be deemed a public utility
8 notwithstanding the basis on which the service is provided or
9 billed. If, however, the entity is otherwise deemed a public
10 utility under this Act, or is otherwise subject to regulation
11 under this Act, then that entity is not exempt from and remains
12 subject to the otherwise applicable provisions of this Act.
13 The installation, maintenance, and repair of an electric
14 vehicle charging station shall comply with the requirements of
15 subsection (a) of Section 16-128 and Section 16-128A of this
16 Act.

17 For purposes of this subsection, the term "electric
18 vehicles" has the meaning ascribed to that term in Section 10
19 of the Electric Vehicle Act.

20 (Source: P.A. 97-1128, eff. 8-28-12.)

21 (220 ILCS 5/4-620 new)

22 Sec. 4-620. New large load energy and water reporting
23 requirements.

24 (a) The purpose of this Section is to ensure transparency
25 regarding the environmental impacts of new extremely large,

1 inflexible-load non-residential facilities operating within
2 the State by requiring the disclosure of energy and water
3 usage data to the Commission.

4 (b) As used in this Section:

5 "Energy consumption" means the total amount of electricity
6 or other forms of energy consumed by an extremely large,
7 inflexible-load, non-residential facility, measured in
8 kilowatt-hours.

9 "Extremely large, inflexible-load, non-residential
10 facility" means a facility where the total highest demand
11 established by the facility during the most recent 12
12 consecutive monthly billing periods or a forecast of its next
13 12 consecutive monthly billing periods was more than 75,000
14 kilowatts, and during the most recent 12 consecutive monthly
15 billing periods the facility has, or during its next 12
16 consecutive monthly billing periods is forecasted to have, a
17 load factor of greater than 50%. "Extremely large,
18 inflexible-load, non-residential facility" does not include an
19 entity located within an area approved by the Department of
20 Commerce and Economic Opportunity as a quantum computing
21 campus enterprise zone pursuant to Section 605-1115 of the
22 Department of Commerce and Economic Opportunity Law as of May
23 1, 2025 or an entity owned and operated by a federally funded
24 research and development center, as defined in 48 CFR 35.017,
25 as of May 1, 2025.

26 "Load factor" means, for any period, the average power

1 used during the period as a percentage of peak power used
2 during the period.

3 "Water consumption" means the total amount of water
4 consumed by an extremely large, inflexible-load,
5 non-residential facility, including water used for cooling,
6 measured in gallons.

7 (c) On and after January 1, 2026, all extremely large,
8 inflexible-load, non-residential facilities operating within
9 the State shall annually disclose the facility's energy and
10 water consumption data to the Commission for the preceding
11 calendar year. The disclosure shall include:

12 (1) the total energy consumption for the previous
13 calendar year, broken down by month and specifying the
14 energy source;

15 (2) total water consumption for the previous calendar
16 year, broken down by month and specifying whether the
17 consumption was for cooling or another application; and

18 (3) any measures undertaken in the previous calendar
19 year to improve energy efficiency or reduce water usage.

20 (d) Disclosures shall be submitted to the Commission no
21 later than March 31 of each year.

22 (e) The information and data required to be disclosed
23 under this Section may be submitted on a confidential basis,
24 shall be treated and maintained by the Commission as
25 confidential and proprietary, and shall be exempt from
26 disclosure under subparagraphs (a) and (g) of paragraph (1) of

1 Section 7 of the Freedom of Information Act. The Office of the
2 Attorney General shall have access to, and maintain the
3 confidentiality of, such information pursuant to Section 6.5
4 of the Attorney General Act.

5 (f) The Commission shall make the aggregated and
6 anonymized form of data disclosed to it under this Section
7 available on a publicly accessible webpage.

8 (g) The Commission shall publish an annual report
9 summarizing statewide energy and water consumption trends in
10 extremely large, inflexible-load, non-residential facilities,
11 including, but not limited to, legislative recommendations to
12 address identified issues.

13 (h) Extremely large, inflexible-load, non-residential
14 facilities that fail to comply with the reporting requirements
15 under this Act may be subject to fines of up to \$10,000 per
16 violation. All funds collected under this subsection (h) shall
17 be deposited into the Energy Efficiency Trust Fund.

18 (i) The Commission shall conduct a comprehensive study on
19 the impact that extremely large, inflexible-load,
20 non-residential facilities in the State have on rate-paying
21 customers. The study shall include, but is not limited to, the
22 following:

23 (1) the energy consumption of extremely large,
24 inflexible-load, non-residential facilities and the
25 facilities' effects on overall electricity demand in the
26 State;

1 (2) the extent to which extremely large,
2 inflexible-load, non-residential facilities contribute to
3 electricity rate changes for residential, commercial, and
4 industrial customers;

5 (3) the environmental impact of extremely large,
6 inflexible-load, non-residential facilities in the State;
7 and

8 (4) potential legislation to mitigate any negative
9 impacts of extremely large, inflexible-load,
10 non-residential facilities on rate-paying customers.

11 The Commission may hire consultants and experts to conduct
12 the study under this subsection (i) and the retention of the
13 consultants and experts shall be exempt from the requirements
14 of Section 20-10 of the Illinois Procurement Code.

15 (j) In conducting the study under subsection (i), the
16 Commission shall:

17 (1) consult with stakeholders, including, but not
18 limited to, public utilities, extremely large,
19 inflexible-load, non-residential facility operators,
20 consumer advocacy groups, and environmental organizations;

21 (2) analyze data from public utilities and other
22 relevant sources to assess the energy consumption and rate
23 impacts associated with extremely large, inflexible-load,
24 non-residential facilities; and

25 (3) consider best practices from other states in
26 managing the energy and rate impacts of extremely large,

1 inflexible-load, non-residential facilities.

2 (k) The Commission shall submit a report detailing the
3 findings of the study under subsection (i) to the General
4 Assembly and the Governor no later than March 31, 2027.

5 (l) The Commission may adopt rules necessary to implement
6 the provisions of this Act.

7 (220 ILCS 5/8-101.1 new)

8 Sec. 8-101.1. Duties of public utilities; labor force.

9 (a) As used in this Section:

10 "Labor force" means the employees hired directly by the
11 utility and all employees of any and all suppliers and
12 subcontractors of the utility tasked with the construction,
13 maintenance and repair of such utility's infrastructure.

14 "Public utility" means a public utility, as defined in
15 Section 3-105 of this Act, serving more than 100,000 customers
16 as of January 1, 2025.

17 "Substantial change in labor force" means either (1) a
18 greater than 5% reduction in the total labor force or (2) more
19 than a 5% decrease in the ratio of labor force spending
20 compared to capital spending.

21 (b) A public utility shall ensure that it has the
22 necessary labor force in order to furnish, provide, and
23 maintain such service instrumentalities, equipment, and
24 facilities to promote the safety, health, comfort, and
25 convenience of its patrons, employees, and the public and to

1 be in all respects adequate, efficient, just, and reasonable.

2 (c) Unless the Commission specifically orders and except
3 as otherwise provided in this Section, no substantial change
4 shall be made by any public utility in its labor force unless
5 the public utility provides notice to the Commission at least
6 45 days before the implementation of the change. A public
7 utility shall include a report with its notice that provides
8 the following:

9 (1) a detailed analysis and explanation of how and why
10 a change in a specific law, regulation, or market factor
11 requires the public utility to make the substantial change
12 in its labor force; and

13 (2) whether the substantial change in the public
14 utility's labor force, at a minimum:

15 (i) is in the public interest;

16 (ii) will not endanger the quality and
17 availability of public utility services;

18 (iii) will not have a negative impact on the
19 safety or reliability of public utility services; and

20 (iv) is designed to minimize the financial
21 hardship on the members of its labor force impacted by
22 the substantial change.

23 (220 ILCS 5/8-103B)

24 Sec. 8-103B. Energy efficiency and demand-response
25 measures.

1 (a) It is the policy of the State that electric utilities
2 are required to use cost-effective energy efficiency and
3 demand-response measures to reduce delivery load. Requiring
4 investment in cost-effective energy efficiency and
5 demand-response measures will reduce direct and indirect costs
6 to consumers by decreasing environmental impacts and by
7 avoiding or delaying the need for new generation,
8 transmission, and distribution infrastructure. It serves the
9 public interest to allow electric utilities to recover costs
10 for reasonably and prudently incurred expenditures for energy
11 efficiency and demand-response measures. As used in this
12 Section, "cost-effective" means that the measures satisfy the
13 total resource cost test. The low-income measures described in
14 subsection (c) of this Section shall not be required to meet
15 the total resource cost test. For purposes of this Section,
16 the terms "energy-efficiency", "demand-response", "electric
17 utility", and "total resource cost test" have the meanings set
18 forth in the Illinois Power Agency Act. "Black, indigenous,
19 and people of color" and "BIPOC" means people who are members
20 of the groups described in subparagraphs (a) through (e) of
21 paragraph (A) of subsection (1) of Section 2 of the Business
22 Enterprise for Minorities, Women, and Persons with
23 Disabilities Act.

24 (a-5) This Section applies to electric utilities serving
25 more than 500,000 retail customers in the State for those
26 multi-year plans commencing after December 31, 2017.

1 (b) For purposes of this Section, through calendar year
2 2026, electric utilities subject to this Section that serve
3 more than 3,000,000 retail customers in the State shall be
4 deemed to have achieved a cumulative persisting annual savings
5 of 6.6% from energy efficiency measures and programs
6 implemented during the period beginning January 1, 2012 and
7 ending December 31, 2017, which percent is based on the deemed
8 average weather normalized sales of electric power and energy
9 during calendar years 2014, 2015, and 2016 of 88,000,000 MWhs.
10 For the purposes of this subsection (b) and subsection (b-5),
11 the 88,000,000 MWhs of deemed electric power and energy sales
12 shall be reduced by the number of MWhs equal to the sum of the
13 annual consumption of customers that have opted out of
14 subsections (a) through (j) of this Section under paragraph
15 (1) of subsection (1) of this Section, as averaged across the
16 calendar years 2014, 2015, and 2016. After 2017, the deemed
17 value of cumulative persisting annual savings from energy
18 efficiency measures and programs implemented during the period
19 beginning January 1, 2012 and ending December 31, 2017, shall
20 be reduced each year, as follows, and the applicable value
21 shall be applied to and count toward the utility's achievement
22 of the cumulative persisting annual savings goals set forth in
23 subsection (b-5):

24 (1) 5.8% deemed cumulative persisting annual savings
25 for the year ending December 31, 2018;

26 (2) 5.2% deemed cumulative persisting annual savings

1 for the year ending December 31, 2019;

2 (3) 4.5% deemed cumulative persisting annual savings
3 for the year ending December 31, 2020;

4 (4) 4.0% deemed cumulative persisting annual savings
5 for the year ending December 31, 2021;

6 (5) 3.5% deemed cumulative persisting annual savings
7 for the year ending December 31, 2022;

8 (6) 3.1% deemed cumulative persisting annual savings
9 for the year ending December 31, 2023;

10 (7) 2.8% deemed cumulative persisting annual savings
11 for the year ending December 31, 2024;

12 (8) 2.5% deemed cumulative persisting annual savings
13 for the year ending December 31, 2025; and

14 (9) 2.3% deemed cumulative persisting annual savings
15 for the year ending December 31, 2026. ~~+~~

16 ~~(10) 2.1% deemed cumulative persisting annual savings~~
17 ~~for the year ending December 31, 2027;~~

18 ~~(11) 1.8% deemed cumulative persisting annual savings~~
19 ~~for the year ending December 31, 2028;~~

20 ~~(12) 1.7% deemed cumulative persisting annual savings~~
21 ~~for the year ending December 31, 2029;~~

22 ~~(13) 1.5% deemed cumulative persisting annual savings~~
23 ~~for the year ending December 31, 2030;~~

24 ~~(14) 1.3% deemed cumulative persisting annual savings~~
25 ~~for the year ending December 31, 2031;~~

26 ~~(15) 1.1% deemed cumulative persisting annual savings~~

~~for the year ending December 31, 2032;~~

~~(16) 0.9% deemed cumulative persisting annual savings
for the year ending December 31, 2033;~~

~~(17) 0.7% deemed cumulative persisting annual savings
for the year ending December 31, 2034;~~

~~(18) 0.5% deemed cumulative persisting annual savings
for the year ending December 31, 2035;~~

~~(19) 0.4% deemed cumulative persisting annual savings
for the year ending December 31, 2036;~~

~~(20) 0.3% deemed cumulative persisting annual savings
for the year ending December 31, 2037;~~

~~(21) 0.2% deemed cumulative persisting annual savings
for the year ending December 31, 2038;~~

~~(22) 0.1% deemed cumulative persisting annual savings
for the year ending December 31, 2039; and~~

~~(23) 0.0% deemed cumulative persisting annual savings
for the year ending December 31, 2040 and all subsequent
years.~~

For purposes of this Section, "cumulative persisting annual savings" means the total electric energy savings in a given year from measures installed in that year or in previous years, but no earlier than January 1, 2012, that are still operational and providing savings in that year because the measures have not yet reached the end of their useful lives.

(b-5) Beginning in 2018 and through calendar year 2026, electric utilities subject to this Section that serve more

1 than 3,000,000 retail customers in the State shall achieve the
2 following cumulative persisting annual savings goals, as
3 modified by subsection (f) of this Section and as compared to
4 the deemed baseline of 88,000,000 MWhs of electric power and
5 energy sales set forth in subsection (b), as reduced by the
6 number of MWhs equal to the sum of the annual consumption of
7 customers that have opted out of subsections (a) through (j)
8 of this Section under paragraph (1) of subsection (l) of this
9 Section as averaged across the calendar years 2014, 2015, and
10 2016, through the implementation of energy efficiency measures
11 during the applicable year and in prior years, but no earlier
12 than January 1, 2012:

13 (1) 7.8% cumulative persisting annual savings for the
14 year ending December 31, 2018;

15 (2) 9.1% cumulative persisting annual savings for the
16 year ending December 31, 2019;

17 (3) 10.4% cumulative persisting annual savings for the
18 year ending December 31, 2020;

19 (4) 11.8% cumulative persisting annual savings for the
20 year ending December 31, 2021;

21 (5) 13.1% cumulative persisting annual savings for the
22 year ending December 31, 2022;

23 (6) 14.4% cumulative persisting annual savings for the
24 year ending December 31, 2023;

25 (7) 15.7% cumulative persisting annual savings for the
26 year ending December 31, 2024;

1 (8) 17% cumulative persisting annual savings for the
2 year ending December 31, 2025; and

3 (9) 17.9% cumulative persisting annual savings for the
4 year ending December 31, 2026. ~~+~~

5 ~~(10) 18.8% cumulative persisting annual savings for~~
6 ~~the year ending December 31, 2027;~~

7 ~~(11) 19.7% cumulative persisting annual savings for~~
8 ~~the year ending December 31, 2028;~~

9 ~~(12) 20.6% cumulative persisting annual savings for~~
10 ~~the year ending December 31, 2029; and~~

11 ~~(13) 21.5% cumulative persisting annual savings for~~
12 ~~the year ending December 31, 2030.~~

13 ~~No later than December 31, 2021, the Illinois Commerce~~
14 ~~Commission shall establish additional cumulative persisting~~
15 ~~annual savings goals for the years 2031 through 2035. No later~~
16 ~~than December 31, 2024, the Illinois Commerce Commission shall~~
17 ~~establish additional cumulative persisting annual savings~~
18 ~~goals for the years 2036 through 2040. The Commission shall~~
19 ~~also establish additional cumulative persisting annual savings~~
20 ~~goals every 5 years thereafter to ensure that utilities always~~
21 ~~have goals that extend at least 11 years into the future. The~~
22 ~~cumulative persisting annual savings goals beyond the year~~
23 ~~2030 shall increase by 0.9 percentage points per year, absent~~
24 ~~a Commission decision to initiate a proceeding to consider~~
25 ~~establishing goals that increase by more or less than that~~
26 ~~amount. Such a proceeding must be conducted in accordance with~~

~~the procedures described in subsection (f) of this Section. If such a proceeding is initiated, the cumulative persisting annual savings goals established by the Commission through that proceeding shall reflect the Commission's best estimate of the maximum amount of additional savings that are forecast to be cost effectively achievable unless such best estimates would result in goals that represent less than 0.5 percentage point annual increases in total cumulative persisting annual savings. The Commission may only establish goals that represent less than 0.5 percentage point annual increases in cumulative persisting annual savings if it can demonstrate, based on clear and convincing evidence and through independent analysis, that 0.5 percentage point increases are not cost effectively achievable. The Commission shall inform its decision based on an energy efficiency potential study that conforms to the requirements of this Section.~~

(b-10) For purposes of this Section, through calendar year 2026, electric utilities subject to this Section that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State shall be deemed to have achieved a cumulative persisting annual savings of 6.6% from energy efficiency measures and programs implemented during the period beginning January 1, 2012 and ending December 31, 2017, which is based on the deemed average weather normalized sales of electric power and energy during calendar years 2014, 2015, and 2016 of 36,900,000 MWhs. For the purposes of this

1 subsection (b-10) and subsection (b-15), the 36,900,000 MWhs
2 of deemed electric power and energy sales shall be reduced by
3 the number of MWhs equal to the sum of the annual consumption
4 of customers that have opted out of subsections (a) through
5 (j) of this Section under paragraph (1) of subsection (1) of
6 this Section, as averaged across the calendar years 2014,
7 2015, and 2016. After 2017, the deemed value of cumulative
8 persisting annual savings from energy efficiency measures and
9 programs implemented during the period beginning January 1,
10 2012 and ending December 31, 2017, shall be reduced each year,
11 as follows, and the applicable value shall be applied to and
12 count toward the utility's achievement of the cumulative
13 persisting annual savings goals set forth in subsection
14 (b-15):

15 (1) 5.8% deemed cumulative persisting annual savings
16 for the year ending December 31, 2018;

17 (2) 5.2% deemed cumulative persisting annual savings
18 for the year ending December 31, 2019;

19 (3) 4.5% deemed cumulative persisting annual savings
20 for the year ending December 31, 2020;

21 (4) 4.0% deemed cumulative persisting annual savings
22 for the year ending December 31, 2021;

23 (5) 3.5% deemed cumulative persisting annual savings
24 for the year ending December 31, 2022;

25 (6) 3.1% deemed cumulative persisting annual savings
26 for the year ending December 31, 2023;

1 (7) 2.8% deemed cumulative persisting annual savings
2 for the year ending December 31, 2024;

3 (8) 2.5% deemed cumulative persisting annual savings
4 for the year ending December 31, 2025; and

5 (9) 2.3% deemed cumulative persisting annual savings
6 for the year ending December 31, 2026. +

7 ~~(10) 2.1% deemed cumulative persisting annual savings~~
8 ~~for the year ending December 31, 2027;~~

9 ~~(11) 1.8% deemed cumulative persisting annual savings~~
10 ~~for the year ending December 31, 2028;~~

11 ~~(12) 1.7% deemed cumulative persisting annual savings~~
12 ~~for the year ending December 31, 2029;~~

13 ~~(13) 1.5% deemed cumulative persisting annual savings~~
14 ~~for the year ending December 31, 2030;~~

15 ~~(14) 1.3% deemed cumulative persisting annual savings~~
16 ~~for the year ending December 31, 2031;~~

17 ~~(15) 1.1% deemed cumulative persisting annual savings~~
18 ~~for the year ending December 31, 2032;~~

19 ~~(16) 0.9% deemed cumulative persisting annual savings~~
20 ~~for the year ending December 31, 2033;~~

21 ~~(17) 0.7% deemed cumulative persisting annual savings~~
22 ~~for the year ending December 31, 2034;~~

23 ~~(18) 0.5% deemed cumulative persisting annual savings~~
24 ~~for the year ending December 31, 2035;~~

25 ~~(19) 0.4% deemed cumulative persisting annual savings~~
26 ~~for the year ending December 31, 2036;~~

~~(20) 0.3% deemed cumulative persisting annual savings
for the year ending December 31, 2037;~~

~~(21) 0.2% deemed cumulative persisting annual savings
for the year ending December 31, 2038;~~

~~(22) 0.1% deemed cumulative persisting annual savings
for the year ending December 31, 2039; and~~

~~(23) 0.0% deemed cumulative persisting annual savings
for the year ending December 31, 2040 and all subsequent
years.~~

(b-15) Beginning in 2018 and through calendar year 2026,
electric utilities subject to this Section that serve less
than 3,000,000 retail customers but more than 500,000 retail
customers in the State shall achieve the following cumulative
persisting annual savings goals, as modified by subsection
(b-20) and subsection (f) of this Section and as compared to
the deemed baseline as reduced by the number of MWhs equal to
the sum of the annual consumption of customers that have opted
out of subsections (a) through (j) of this Section under
paragraph (1) of subsection (1) of this Section as averaged
across the calendar years 2014, 2015, and 2016, through the
implementation of energy efficiency measures during the
applicable year and in prior years, but no earlier than
January 1, 2012:

(1) 7.4% cumulative persisting annual savings for the
year ending December 31, 2018;

(2) 8.2% cumulative persisting annual savings for the

1 year ending December 31, 2019;

2 (3) 9.0% cumulative persisting annual savings for the
3 year ending December 31, 2020;

4 (4) 9.8% cumulative persisting annual savings for the
5 year ending December 31, 2021;

6 (5) 10.6% cumulative persisting annual savings for the
7 year ending December 31, 2022;

8 (6) 11.4% cumulative persisting annual savings for the
9 year ending December 31, 2023;

10 (7) 12.2% cumulative persisting annual savings for the
11 year ending December 31, 2024;

12 (8) 13% cumulative persisting annual savings for the
13 year ending December 31, 2025; and

14 (9) 13.6% cumulative persisting annual savings for the
15 year ending December 31, 2026. +

16 ~~(10) 14.2% cumulative persisting annual savings for~~
17 ~~the year ending December 31, 2027;~~

18 ~~(11) 14.8% cumulative persisting annual savings for~~
19 ~~the year ending December 31, 2028;~~

20 ~~(12) 15.4% cumulative persisting annual savings for~~
21 ~~the year ending December 31, 2029; and~~

22 ~~(13) 16% cumulative persisting annual savings for the~~
23 ~~year ending December 31, 2030.~~

24 ~~No later than December 31, 2021, the Illinois Commerce~~
25 ~~Commission shall establish additional cumulative persisting~~
26 ~~annual savings goals for the years 2031 through 2035. No later~~

1 ~~than December 31, 2024, the Illinois Commerce Commission shall~~
2 ~~establish additional cumulative persisting annual savings~~
3 ~~goals for the years 2036 through 2040. The Commission shall~~
4 ~~also establish additional cumulative persisting annual savings~~
5 ~~goals every 5 years thereafter to ensure that utilities always~~
6 ~~have goals that extend at least 11 years into the future. The~~
7 ~~cumulative persisting annual savings goals beyond the year~~
8 ~~2030 shall increase by 0.6 percentage points per year, absent~~
9 ~~a Commission decision to initiate a proceeding to consider~~
10 ~~establishing goals that increase by more or less than that~~
11 ~~amount. Such a proceeding must be conducted in accordance with~~
12 ~~the procedures described in subsection (f) of this Section. If~~
13 ~~such a proceeding is initiated, the cumulative persisting~~
14 ~~annual savings goals established by the Commission through~~
15 ~~that proceeding shall reflect the Commission's best estimate~~
16 ~~of the maximum amount of additional savings that are forecast~~
17 ~~to be cost effectively achievable unless such best estimates~~
18 ~~would result in goals that represent less than 0.4 percentage~~
19 ~~point annual increases in total cumulative persisting annual~~
20 ~~savings. The Commission may only establish goals that~~
21 ~~represent less than 0.4 percentage point annual increases in~~
22 ~~cumulative persisting annual savings if it can demonstrate,~~
23 ~~based on clear and convincing evidence and through independent~~
24 ~~analysis, that 0.4 percentage point increases are not~~
25 ~~cost effectively achievable. The Commission shall inform its~~
26 ~~decision based on an energy efficiency potential study that~~

1 ~~conforms to the requirements of this Section.~~

2 (b-16) In 2027 and each year thereafter, each electric
3 utility subject to this Section shall achieve the following
4 savings goals:

5 (1) Each utility must achieve incremental annual
6 energy savings for customers, other than low-income
7 customers, in an amount that is equal to 2.00% of the
8 utility's average annual electricity sales from 2021
9 through 2023 to customers.

10 The 2.00% incremental annual energy savings
11 requirement may be reduced by 0.025 percentage points for
12 every 1 percentage point increase, above the 25% minimum
13 to be targeted at low-income households as specified in
14 paragraph (c) of this Section, in the portion of total
15 efficiency program spending that is on low-income or
16 moderate-income efficiency programs. In no event shall the
17 incremental annual savings requirement be reduced to a
18 level less than 1.75%, even if the sum of low-income
19 spending and moderate-income spending is greater than 35%
20 of total spending.

21 (2) Each utility must achieve an incremental annual
22 coincident peak demand savings, from energy efficiency
23 measures installed as a result of the utility's programs
24 by customers in an amount that is equal to the energy
25 savings goal from paragraph (1) of this Section divided by
26 the actual average ratio of kilowatt-hour savings to

1 coincident peak demand reduction achieved by the utility
2 through its energy efficiency programs in 2023. If the
3 season in which coincident peak demands are experienced,
4 the hours of the day that peak demands are experienced,
5 and the methods by which peak demand impacts from
6 efficiency measures are estimated are different in the
7 future than when 2023 peak demand impacts were originally
8 estimated, the 2023 peak demand impacts shall be
9 recomputed using such updated peak definitions and
10 estimation methods for the purpose of establishing future
11 coincident peak demand savings goals. To the extent that a
12 utility counts either improvements to the efficiency of
13 the use of gas and other fuels or the electrification of
14 gas and other fuels toward its energy savings goal, as
15 permitted under paragraphs (b-25) and (b-27) of this
16 Section, it must estimate the actual impacts on coincident
17 peak demand from such measures and count them, whether
18 positive or negative, toward its coincident peak demand
19 savings goal. Only coincident peak demand savings from
20 efficiency measures shall count toward this goal. To the
21 extent that some efficiency measures enable demand
22 response, only the peak demand savings from the energy
23 efficiency upgrade shall count toward the goal. Nothing in
24 this Section shall limit the ability of peak demand
25 savings from such enabled demand-response initiatives to
26 count for other, non-energy efficiency performance

1 standard performance metrics established for the utility.

2 (3) Each utility's incremental annual energy savings
3 and coincident peak demand savings must be achieved with
4 an average savings life of at least 12 years. In no event
5 can more than one-fifth of the incremental annual savings
6 or the coincident peak demand savings counted toward a
7 utility's annual savings goal in any given year be derived
8 from efficiency measures with average savings lives of
9 less than 5 years. Average savings lives may be shorter
10 than the average operational lives of measures installed
11 if the measures do not produce savings in every year in
12 which the measures operate or if the savings that measures
13 produce decline during the measures' operational lives.

14 For the purposes of this Section, "incremental annual
15 energy savings" means the total electric energy savings
16 from all measures installed in a calendar year that will
17 be realized within 12 months of each measure's
18 installation; "moderate-income" means income between 80%
19 of area median income and 300% of the federal poverty
20 limit; "incremental annual coincident peak demand savings"
21 means the total coincident peak reduction from all energy
22 efficiency measures installed in a calendar year that will
23 be realized within 12 months of each measure's
24 installation; "average savings life" means the lifetime
25 savings that would be realized as a result of a utility's
26 efficiency programs divided by the incremental annual

1 savings such programs produce.

2 (b-20) Each electric utility subject to this Section may
3 include cost-effective voltage optimization measures in its
4 plans submitted under subsections (f) and (g) of this Section,
5 and the costs incurred by a utility to implement the measures
6 under a Commission-approved plan shall be recovered under the
7 provisions of Article IX or Section 16-108.5 of this Act. For
8 purposes of this Section, the measure life of voltage
9 optimization measures shall be 15 years. The measure life
10 period is independent of the depreciation rate of the voltage
11 optimization assets deployed. Utilities may claim savings from
12 voltage optimization on circuits for more than 15 years if
13 they can demonstrate that they have made additional
14 investments necessary to enable voltage optimization savings
15 to continue beyond 15 years. Such demonstrations must be
16 subject to the review of independent evaluation.

17 Within 270 days after June 1, 2017 (the effective date of
18 Public Act 99-906), an electric utility that serves less than
19 3,000,000 retail customers but more than 500,000 retail
20 customers in the State shall file a plan with the Commission
21 that identifies the cost-effective voltage optimization
22 investment the electric utility plans to undertake through
23 December 31, 2024. The Commission, after notice and hearing,
24 shall approve or approve with modification the plan within 120
25 days after the plan's filing and, in the order approving or
26 approving with modification the plan, the Commission shall

1 adjust the applicable cumulative persisting annual savings
2 goals set forth in subsection (b-15) to reflect any amount of
3 cost-effective energy savings approved by the Commission that
4 is greater than or less than the following cumulative
5 persisting annual savings values attributable to voltage
6 optimization for the applicable year:

7 (1) 0.0% of cumulative persisting annual savings for
8 the year ending December 31, 2018;

9 (2) 0.17% of cumulative persisting annual savings for
10 the year ending December 31, 2019;

11 (3) 0.17% of cumulative persisting annual savings for
12 the year ending December 31, 2020;

13 (4) 0.33% of cumulative persisting annual savings for
14 the year ending December 31, 2021;

15 (5) 0.5% of cumulative persisting annual savings for
16 the year ending December 31, 2022;

17 (6) 0.67% of cumulative persisting annual savings for
18 the year ending December 31, 2023;

19 (7) 0.83% of cumulative persisting annual savings for
20 the year ending December 31, 2024; and

21 (8) 1.0% of cumulative persisting annual savings for
22 the year ending December 31, 2025 and all subsequent
23 years.

24 (b-25) In the event an electric utility jointly offers an
25 energy efficiency measure or program with a gas utility under
26 plans approved under this Section and Section 8-104 of this

1 Act, the electric utility may continue offering the program,
2 including the gas energy efficiency measures, in the event the
3 gas utility discontinues funding the program. In that event,
4 the energy savings value associated with such other fuels
5 shall be converted to electric energy savings on an equivalent
6 Btu basis for the premises. However, the electric utility
7 shall prioritize programs for low-income residential customers
8 to the extent practicable. An electric utility may recover the
9 costs of offering the gas energy efficiency measures under
10 this subsection (b-25).

11 For those energy efficiency measures or programs that save
12 both electricity and other fuels but are not jointly offered
13 with a gas utility under plans approved under this Section and
14 Section 8-104 or not offered with an affiliated gas utility
15 under paragraph (6) of subsection (f) of Section 8-104 of this
16 Act, the electric utility may count savings of fuels other
17 than electricity toward the achievement of its annual savings
18 goal, and the energy savings value associated with such other
19 fuels shall be converted to electric energy savings on an
20 equivalent Btu basis at the premises.

21 In no event shall more than 10% of each year's applicable
22 annual total savings requirement as defined in paragraph (7.5)
23 of subsection (g) of this Section, or more than 20% of each
24 year's incremental annual savings requirement as defined in
25 subsection (b-16) of this Section, be met through savings of
26 fuels other than electricity.

1 (b-27) Beginning in 2022, an electric utility may offer
2 and promote measures that electrify space heating, water
3 heating, cooling, drying, cooking, industrial processes, and
4 other building and industrial end uses that would otherwise be
5 served by combustion of fossil fuel at the premises, provided
6 that the electrification measures reduce total energy
7 consumption at the premises. The electric utility may count
8 the reduction in energy consumption at the premises toward
9 achievement of its annual savings goals. The reduction in
10 energy consumption at the premises shall be calculated as the
11 difference between: (A) the reduction in Btu consumption of
12 fossil fuels as a result of electrification, converted to
13 kilowatt-hour equivalents by dividing by 3,412 Btus per
14 kilowatt hour; and (B) the increase in kilowatt hours of
15 electricity consumption resulting from the displacement of
16 fossil fuel consumption as a result of electrification. An
17 electric utility may recover the costs of offering and
18 promoting electrification measures under this subsection
19 (b-27).

20 At least 33% of all costs of offering and promoting
21 electrification measures under this subsection (b-27) must be
22 for supporting installation of electrification measures
23 through programs exclusively targeted to low-income
24 households. The percentage requirement may be reduced if the
25 utility can demonstrate that it is not possible to achieve the
26 level of low-income electrification spending, while supporting

1 programs for non-low-income residential and business
2 electrification, because of limitations regarding the number
3 of low-income households in its service territory that would
4 be able to meet program eligibility requirements set forth in
5 the multi-year energy efficiency plan. If the 33% low-income
6 electrification spending requirement is reduced, the utility
7 must prioritize support of low-income electrification in
8 housing that meets program eligibility requirements over
9 electrification spending on non-low-income residential or
10 business customers.

11 The ratio of spending on electrification measures targeted
12 to low-income, multifamily buildings to spending on
13 electrification measures targeted to low-income, single-family
14 buildings shall be designed to achieve levels of
15 electrification savings from each building type that are
16 approximately proportional to the magnitude of cost-effective
17 electrification savings potential in each building type.

18 In no event shall electrification savings counted toward
19 each year's applicable annual total savings requirement, as
20 defined in paragraph (7.5) of subsection (g) of this Section,
21 or counted toward each year's incremental annual savings, as
22 defined in paragraph (b-16) of this Section, be greater than:

23 (1) 5% per year for each year from 2022 through 2025;

24 (2) 20% 10% per year for each year from 2026 and all
25 subsequent years through 2029; and

26 (3) (blank). 15% per year for 2030 and all subsequent

1 ~~years.~~
2 ~~In addition, a minimum of 25% of all electrification savings~~
3 ~~counted toward a utility's applicable annual total savings~~
4 ~~requirement must be from electrification of end uses in~~
5 ~~low income housing.~~ The limitations on electrification savings
6 that may be counted toward a utility's annual savings goals
7 are separate from and in addition to the subsection (b-25)
8 limitations governing the counting of the other fuel savings
9 resulting from efficiency measures and programs.

10 As part of the annual informational filing to the
11 Commission that is required under paragraph (9) of subsection
12 (g) of this Section, each utility shall identify the specific
13 electrification measures offered under this subsection (b-27);
14 the quantity of each electrification measure that was
15 installed by its customers; the average total cost, average
16 utility cost, average reduction in fossil fuel consumption,
17 and average increase in electricity consumption associated
18 with each electrification measure; the portion of
19 installations of each electrification measure that were in
20 low-income single-family housing, low-income multifamily
21 housing, non-low-income single-family housing, non-low-income
22 multifamily housing, commercial buildings, and industrial
23 facilities; and the quantity of savings associated with each
24 measure category in each customer category that are being
25 counted toward the utility's applicable annual total savings
26 requirement or counted toward each year's incremental annual

1 savings, as defined in paragraph (b-16) of this Section. Prior
2 to installing or promoting ~~an~~ electrification measures
3 ~~measure~~, the utility shall provide customers ~~a customer~~ with
4 estimates ~~an estimate~~ of the impact of the new measures
5 ~~measure~~ on the customer's average monthly electric bill and
6 total annual energy expenses.

7 (c) Electric utilities shall be responsible for overseeing
8 the design, development, and filing of energy efficiency plans
9 with the Commission and may, as part of that implementation,
10 outsource various aspects of program development and
11 implementation. A minimum of 10%, for electric utilities that
12 serve more than 3,000,000 retail customers in the State, and a
13 minimum of 7%, for electric utilities that serve less than
14 3,000,000 retail customers but more than 500,000 retail
15 customers in the State, of the utility's entire portfolio
16 funding level for a given year shall be used to procure
17 cost-effective energy efficiency measures from units of local
18 government, municipal corporations, school districts, public
19 housing, public institutions of higher education, and
20 community college districts, provided that a minimum
21 percentage of available funds shall be used to procure energy
22 efficiency from public housing, which percentage shall be
23 equal to public housing's share of public building energy
24 consumption.

25 The utilities shall also implement energy efficiency
26 measures targeted at low-income households, which, for

1 purposes of this Section, shall be defined as households at or
2 below 80% of area median income, and expenditures to implement
3 the measures shall be no less than 25% of total energy
4 efficiency program spending approved by the Commission
5 pursuant to review of plans filed under subsection (f) of this
6 Section ~~\$40,000,000 per year for electric utilities that serve~~
7 ~~more than 3,000,000 retail customers in the State and no less~~
8 ~~than \$13,000,000 per year for electric utilities that serve~~
9 ~~less than 3,000,000 retail customers but more than 500,000~~
10 ~~retail customers in the State.~~ The ratio of spending on
11 efficiency programs targeted at low-income multifamily
12 buildings to spending on efficiency programs targeted at
13 low-income single-family buildings shall be designed to
14 achieve levels of savings from each building type that are
15 approximately proportional to the magnitude of cost-effective
16 lifetime savings potential in each building type. Investment
17 in low-income whole-building weatherization programs shall
18 constitute a minimum of 80% of a utility's total budget
19 specifically dedicated to serving low-income customers.

20 The utilities shall work to bundle low-income energy
21 efficiency offerings with other programs that serve low-income
22 households to maximize the benefits going to these households.
23 The utilities shall market and implement low-income energy
24 efficiency programs in coordination with low-income assistance
25 programs, the Illinois Solar for All Program, and
26 weatherization whenever practicable. The program implementer

1 shall walk the customer through the enrollment process for any
2 programs for which the customer is eligible. The utilities
3 shall also pilot targeting customers with high arrearages,
4 high energy intensity (ratio of energy usage divided by home
5 or unit square footage), or energy assistance programs with
6 energy efficiency offerings, and then track reduction in
7 arrearages as a result of the targeting. This targeting and
8 bundling of low-income energy programs shall be offered to
9 both low-income single-family and multifamily customers
10 (owners and residents).

11 The utilities shall invest in health and safety measures
12 appropriate and necessary for comprehensively weatherizing a
13 home or multifamily building, and shall implement a health and
14 safety fund of at least 15% of the total income-qualified
15 weatherization budget that shall be used for the purpose of
16 making grants for technical assistance, construction,
17 reconstruction, improvement, or repair of buildings to
18 facilitate their participation in the energy efficiency
19 programs targeted at low-income single-family and multifamily
20 households. These funds may also be used for the purpose of
21 making grants for technical assistance, construction,
22 reconstruction, improvement, or repair of the following
23 buildings to facilitate their participation in the energy
24 efficiency programs created by this Section: (1) buildings
25 that are owned or operated by registered 501(c)(3) public
26 charities; and (2) day care centers, day care homes, or group

1 day care homes, as defined under 89 Ill. Adm. Code Part 406,
2 407, or 408, respectively.

3 Each electric utility shall assess opportunities to
4 implement cost-effective energy efficiency measures and
5 programs through a public housing authority or authorities
6 located in its service territory. If such opportunities are
7 identified, the utility shall propose such measures and
8 programs to address the opportunities. Expenditures to address
9 such opportunities shall be credited toward the minimum
10 procurement and expenditure requirements set forth in this
11 subsection (c).

12 Implementation of energy efficiency measures and programs
13 targeted at low-income households should be contracted, when
14 it is practicable, to independent third parties that have
15 demonstrated capabilities to serve such households, with a
16 preference for not-for-profit entities and government agencies
17 that have existing relationships with or experience serving
18 low-income communities in the State.

19 Each electric utility shall develop and implement
20 reporting procedures that address and assist in determining
21 the amount of energy savings that can be applied to the
22 low-income procurement and expenditure requirements set forth
23 in this subsection (c). Each electric utility shall also track
24 the types and quantities or volumes of insulation and air
25 sealing materials, and their associated energy saving
26 benefits, installed in energy efficiency programs targeted at

1 low-income single-family and multifamily households.

2 The electric utilities shall participate in a low-income
3 energy efficiency accountability committee ("the committee"),
4 which will directly inform the design, implementation, and
5 evaluation of the low-income and public-housing energy
6 efficiency programs. The committee shall be comprised of the
7 electric utilities subject to the requirements of this
8 Section, the gas utilities subject to the requirements of
9 Section 8-104 of this Act, the utilities' low-income energy
10 efficiency implementation contractors, nonprofit
11 organizations, community action agencies, advocacy groups,
12 State and local governmental agencies, public-housing
13 organizations, and representatives of community-based
14 organizations, especially those living in or working with
15 environmental justice communities and BIPOC communities. The
16 committee shall be composed of 2 geographically differentiated
17 subcommittees: one for stakeholders in northern Illinois and
18 one for stakeholders in central and southern Illinois. The
19 subcommittees shall meet together at least twice per year.

20 There shall be one statewide leadership committee led by
21 and composed of community-based organizations that are
22 representative of BIPOC and environmental justice communities
23 and that includes equitable representation from BIPOC
24 communities. The leadership committee shall be composed of an
25 equal number of representatives from the 2 subcommittees. The
26 subcommittees shall address specific programs and issues, with

1 the leadership committee convening targeted workgroups as
2 needed. The leadership committee may elect to work with an
3 independent facilitator to solicit and organize feedback,
4 recommendations and meeting participation from a wide variety
5 of community-based stakeholders. If a facilitator is used,
6 they shall be fair and responsive to the needs of all
7 stakeholders involved in the committee.

8 All committee meetings must be accessible, with rotating
9 locations if meetings are held in-person, virtual
10 participation options, and materials and agendas circulated in
11 advance.

12 There shall also be opportunities for direct input by
13 committee members outside of committee meetings, such as via
14 individual meetings, surveys, emails and calls, to ensure
15 robust participation by stakeholders with limited capacity and
16 ability to attend committee meetings. Committee meetings shall
17 emphasize opportunities to bundle and coordinate delivery of
18 low-income energy efficiency with other programs that serve
19 low-income communities, such as the Illinois Solar for All
20 Program and bill payment assistance programs. Meetings shall
21 include educational opportunities for stakeholders to learn
22 more about these additional offerings, and the committee shall
23 assist in figuring out the best methods for coordinated
24 delivery and implementation of offerings when serving
25 low-income communities. The committee shall directly and
26 equitably influence and inform utility low-income and

1 public-housing energy efficiency programs and priorities.
2 Participating utilities shall implement recommendations from
3 the committee whenever possible.

4 Participating utilities shall track and report how input
5 from the committee has led to new approaches and changes in
6 their energy efficiency portfolios. This reporting shall occur
7 at committee meetings and in quarterly energy efficiency
8 reports to the Stakeholder Advisory Group and Illinois
9 Commerce Commission, and other relevant reporting mechanisms.
10 Participating utilities shall also report on relevant equity
11 data and metrics requested by the committee, such as energy
12 burden data, geographic, racial, and other relevant
13 demographic data on where programs are being delivered and
14 what populations programs are serving.

15 The Illinois Commerce Commission shall oversee and have
16 relevant staff participate in the committee. The committee
17 shall have a budget of 0.25% of each utility's entire
18 efficiency portfolio funding for a given year. The budget
19 shall be overseen by the Commission. The budget shall be used
20 to provide grants for community-based organizations serving on
21 the leadership committee, stipends for community-based
22 organizations participating in the committee, grants for
23 community-based organizations to do energy efficiency outreach
24 and education, and relevant meeting needs as determined by the
25 leadership committee. The education and outreach shall
26 include, but is not limited to, basic energy efficiency

1 education, information about low-income energy efficiency
2 programs, and information on the committee's purpose,
3 structure, and activities.

4 (d) Notwithstanding any other provision of law to the
5 contrary, a utility providing approved energy efficiency
6 measures and, if applicable, demand-response measures in the
7 State shall be permitted to recover all reasonable and
8 prudently incurred costs of those measures from all retail
9 customers, except as provided in subsection (1) of this
10 Section, as follows, provided that nothing in this subsection
11 (d) permits the double recovery of such costs from customers:

12 (1) The utility may recover its costs through an
13 automatic adjustment clause tariff filed with and approved
14 by the Commission. The tariff shall be established outside
15 the context of a general rate case. Each year the
16 Commission shall initiate a review to reconcile any
17 amounts collected with the actual costs and to determine
18 the required adjustment to the annual tariff factor to
19 match annual expenditures. To enable the financing of the
20 incremental capital expenditures, including regulatory
21 assets, for electric utilities that serve less than
22 3,000,000 retail customers but more than 500,000 retail
23 customers in the State, the utility's actual year-end
24 capital structure that includes a common equity ratio,
25 excluding goodwill, of up to and including 50% of the
26 total capital structure shall be deemed reasonable and

1 used to set rates.

2 (2) A utility may recover its costs through an energy
3 efficiency formula rate approved by the Commission under a
4 filing under subsections (f) and (g) of this Section,
5 which shall specify the cost components that form the
6 basis of the rate charged to customers with sufficient
7 specificity to operate in a standardized manner and be
8 updated annually with transparent information that
9 reflects the utility's actual costs to be recovered during
10 the applicable rate year, which is the period beginning
11 with the first billing day of January and extending
12 through the last billing day of the following December.
13 The energy efficiency formula rate shall be implemented
14 through a tariff filed with the Commission under
15 subsections (f) and (g) of this Section that is consistent
16 with the provisions of this paragraph (2) and that shall
17 be applicable to all delivery services customers. The
18 Commission shall conduct an investigation of the tariff in
19 a manner consistent with the provisions of this paragraph
20 (2), subsections (f) and (g) of this Section, and the
21 provisions of Article IX of this Act to the extent they do
22 not conflict with this paragraph (2). The energy
23 efficiency formula rate approved by the Commission shall
24 remain in effect at the discretion of the utility and
25 shall do the following:

26 (A) Provide for the recovery of the utility's

1 actual costs incurred under this Section that are
2 prudently incurred and reasonable in amount consistent
3 with Commission practice and law. The sole fact that a
4 cost differs from that incurred in a prior calendar
5 year or that an investment is different from that made
6 in a prior calendar year shall not imply the
7 imprudence or unreasonableness of that cost or
8 investment.

9 (B) Reflect the utility's actual year-end capital
10 structure for the applicable calendar year, excluding
11 goodwill, subject to a determination of prudence and
12 reasonableness consistent with Commission practice and
13 law. To enable the financing of the incremental
14 capital expenditures, including regulatory assets, for
15 electric utilities that serve less than 3,000,000
16 retail customers but more than 500,000 retail
17 customers in the State, a participating electric
18 utility's actual year-end capital structure that
19 includes a common equity ratio, excluding goodwill, of
20 up to and including 50% of the total capital structure
21 shall be deemed reasonable and used to set rates.

22 (C) Include a cost of equity that shall be equal to
23 the baseline cost of equity approved by the Commission
24 for the utility's electric distribution rates
25 effective during the applicable year, whether those
26 rates are set pursuant to Section 9-201, subparagraph

1 (B) of paragraph (3) of subsection (d) of Section
2 16-108.18, or any successor electric distribution
3 ratemaking paradigm, as developed in a manner
4 consistent with Commission practice and law. For
5 purposes of this paragraph (2), "baseline cost of
6 equity" means the approved cost of equity excluding
7 any performance measure adjustments., which shall be
8 ~~calculated as the sum of the following:~~

- 9 ~~(i) the average for the applicable calendar~~
10 ~~year of the monthly average yields of 30-year U.S.~~
11 ~~Treasury bonds published by the Board of Governors~~
12 ~~of the Federal Reserve System in its weekly H.15~~
13 ~~Statistical Release or successor publication; and~~
14 ~~(ii) 580 basis points.~~

15 ~~At such time as the Board of Governors of the~~
16 ~~Federal Reserve System ceases to include the monthly~~
17 ~~average yields of 30 year U.S. Treasury bonds in its~~
18 ~~weekly H.15 Statistical Release or successor~~
19 ~~publication, the monthly average yields of the U.S.~~
20 ~~Treasury bonds then having the longest duration~~
21 ~~published by the Board of Governors in its weekly H.15~~
22 ~~Statistical Release or successor publication shall~~
23 ~~instead be used for purposes of this paragraph (2).~~

24 (D) Permit and set forth protocols, subject to a
25 determination of prudence and reasonableness
26 consistent with Commission practice and law, for the

1 following:

2 (i) recovery of incentive compensation expense
3 that is based on the achievement of operational
4 metrics, including metrics related to budget
5 controls, outage duration and frequency, safety,
6 customer service, efficiency and productivity, and
7 environmental compliance; however, this protocol
8 shall not apply if such expense related to costs
9 incurred under this Section is recovered under
10 Article IX or Section 16-108.5 of this Act;
11 incentive compensation expense that is based on
12 net income or an affiliate's earnings per share
13 shall not be recoverable under the energy
14 efficiency formula rate;

15 (ii) recovery of pension and other
16 post-employment benefits expense, provided that
17 such costs are supported by an actuarial study;
18 however, this protocol shall not apply if such
19 expense related to costs incurred under this
20 Section is recovered under Article IX or Section
21 16-108.5 of this Act;

22 (iii) recovery of existing regulatory assets
23 over the periods previously authorized by the
24 Commission;

25 (iv) as described in subsection (e),
26 amortization of costs incurred under this Section;

1 and

2 (v) projected, weather normalized billing
3 determinants for the applicable rate year.

4 (E) Provide for an annual reconciliation, as
5 described in paragraph (3) of this subsection (d),
6 less any deferred taxes related to the reconciliation,
7 with interest at an annual rate of return equal to the
8 utility's weighted average cost of capital, including
9 a revenue conversion factor calculated to recover or
10 refund all additional income taxes that may be payable
11 or receivable as a result of that return, of the energy
12 efficiency revenue requirement reflected in rates for
13 each calendar year, beginning with the calendar year
14 in which the utility files its energy efficiency
15 formula rate tariff under this paragraph (2), with
16 what the revenue requirement would have been had the
17 actual cost information for the applicable calendar
18 year been available at the filing date.

19 The utility shall file, together with its tariff, the
20 projected costs to be incurred by the utility during the
21 rate year under the utility's multi-year plan approved
22 under subsections (f) and (g) of this Section, including,
23 but not limited to, the projected capital investment costs
24 and projected regulatory asset balances with
25 correspondingly updated depreciation and amortization
26 reserves and expense, that shall populate the energy

1 efficiency formula rate and set the initial rates under
2 the formula.

3 The Commission shall review the proposed tariff in
4 conjunction with its review of a proposed multi-year plan,
5 as specified in paragraph (5) of subsection (g) of this
6 Section. The review shall be based on the same evidentiary
7 standards, including, but not limited to, those concerning
8 the prudence and reasonableness of the costs incurred by
9 the utility, the Commission applies in a hearing to review
10 a filing for a general increase in rates under Article IX
11 of this Act. The initial rates shall take effect beginning
12 with the January monthly billing period following the
13 Commission's approval.

14 The tariff's rate design and cost allocation across
15 customer classes shall be consistent with the utility's
16 automatic adjustment clause tariff in effect on June 1,
17 2017 (the effective date of Public Act 99-906); however,
18 the Commission may revise the tariff's rate design and
19 cost allocation in subsequent proceedings under paragraph
20 (3) of this subsection (d).

21 If the energy efficiency formula rate is terminated,
22 the then current rates shall remain in effect until such
23 time as the energy efficiency costs are incorporated into
24 new rates that are set under this subsection (d) or
25 Article IX of this Act, subject to retroactive rate
26 adjustment, with interest, to reconcile rates charged with

1 actual costs.

2 (3) The provisions of this paragraph (3) shall only
3 apply to an electric utility that has elected to file an
4 energy efficiency formula rate under paragraph (2) of this
5 subsection (d). Subsequent to the Commission's issuance of
6 an order approving the utility's energy efficiency formula
7 rate structure and protocols, and initial rates under
8 paragraph (2) of this subsection (d), the utility shall
9 file, on or before June 1 of each year, with the Chief
10 Clerk of the Commission its updated cost inputs to the
11 energy efficiency formula rate for the applicable rate
12 year and the corresponding new charges, as well as the
13 information described in paragraph (9) of subsection (g)
14 of this Section. Each such filing shall conform to the
15 following requirements and include the following
16 information:

17 (A) The inputs to the energy efficiency formula
18 rate for the applicable rate year shall be based on the
19 projected costs to be incurred by the utility during
20 the rate year under the utility's multi-year plan
21 approved under subsections (f) and (g) of this
22 Section, including, but not limited to, projected
23 capital investment costs and projected regulatory
24 asset balances with correspondingly updated
25 depreciation and amortization reserves and expense.
26 The filing shall also include a reconciliation of the

1 energy efficiency revenue requirement that was in
2 effect for the prior rate year (as set by the cost
3 inputs for the prior rate year) with the actual
4 revenue requirement for the prior rate year
5 (determined using a year-end rate base) that uses
6 amounts reflected in the applicable FERC Form 1 that
7 reports the actual costs for the prior rate year. Any
8 over-collection or under-collection indicated by such
9 reconciliation shall be reflected as a credit against,
10 or recovered as an additional charge to, respectively,
11 with interest calculated at a rate equal to the
12 utility's weighted average cost of capital approved by
13 the Commission for the prior rate year, the charges
14 for the applicable rate year. Such over-collection or
15 under-collection shall be adjusted to remove any
16 deferred taxes related to the reconciliation, for
17 purposes of calculating interest at an annual rate of
18 return equal to the utility's weighted average cost of
19 capital approved by the Commission for the prior rate
20 year, including a revenue conversion factor calculated
21 to recover or refund all additional income taxes that
22 may be payable or receivable as a result of that
23 return. Each reconciliation shall be certified by the
24 participating utility in the same manner that FERC
25 Form 1 is certified. The filing shall also include the
26 charge or credit, if any, resulting from the

1 calculation required by subparagraph (E) of paragraph
2 (2) of this subsection (d).

3 Notwithstanding any other provision of law to the
4 contrary, the intent of the reconciliation is to
5 ultimately reconcile both the revenue requirement
6 reflected in rates for each calendar year, beginning
7 with the calendar year in which the utility files its
8 energy efficiency formula rate tariff under paragraph
9 (2) of this subsection (d), with what the revenue
10 requirement determined using a year-end rate base for
11 the applicable calendar year would have been had the
12 actual cost information for the applicable calendar
13 year been available at the filing date.

14 For purposes of this Section, "FERC Form 1" means
15 the Annual Report of Major Electric Utilities,
16 Licensees and Others that electric utilities are
17 required to file with the Federal Energy Regulatory
18 Commission under the Federal Power Act, Sections 3,
19 4(a), 304 and 209, modified as necessary to be
20 consistent with 83 Ill. Adm. Code Part 415 as of May 1,
21 2011. Nothing in this Section is intended to allow
22 costs that are not otherwise recoverable to be
23 recoverable by virtue of inclusion in FERC Form 1.

24 (B) The new charges shall take effect beginning on
25 the first billing day of the following January billing
26 period and remain in effect through the last billing

1 day of the next December billing period regardless of
2 whether the Commission enters upon a hearing under
3 this paragraph (3).

4 (C) The filing shall include relevant and
5 necessary data and documentation for the applicable
6 rate year. Normalization adjustments shall not be
7 required.

8 Within 45 days after the utility files its annual
9 update of cost inputs to the energy efficiency formula
10 rate, the Commission shall with reasonable notice,
11 initiate a proceeding concerning whether the projected
12 costs to be incurred by the utility and recovered during
13 the applicable rate year, and that are reflected in the
14 inputs to the energy efficiency formula rate, are
15 consistent with the utility's approved multi-year plan
16 under subsections (f) and (g) of this Section and whether
17 the costs incurred by the utility during the prior rate
18 year were prudent and reasonable. The Commission shall
19 also have the authority to investigate the information and
20 data described in paragraph (9) of subsection (g) of this
21 Section, including the proposed adjustment to the
22 utility's return on equity component of its weighted
23 average cost of capital. During the course of the
24 proceeding, each objection shall be stated with
25 particularity and evidence provided in support thereof,
26 after which the utility shall have the opportunity to

1 rebut the evidence. Discovery shall be allowed consistent
2 with the Commission's Rules of Practice, which Rules of
3 Practice shall be enforced by the Commission or the
4 assigned administrative law judge. The Commission shall
5 apply the same evidentiary standards, including, but not
6 limited to, those concerning the prudence and
7 reasonableness of the costs incurred by the utility,
8 during the proceeding as it would apply in a proceeding to
9 review a filing for a general increase in rates under
10 Article IX of this Act. The Commission shall not, however,
11 have the authority in a proceeding under this paragraph
12 (3) to consider or order any changes to the structure or
13 protocols of the energy efficiency formula rate approved
14 under paragraph (2) of this subsection (d). In a
15 proceeding under this paragraph (3), the Commission shall
16 enter its order no later than the earlier of 195 days after
17 the utility's filing of its annual update of cost inputs
18 to the energy efficiency formula rate or December 15. The
19 utility's proposed return on equity calculation, as
20 described in paragraphs (7) through (9) of subsection (g)
21 of this Section, shall be deemed the final, approved
22 calculation on December 15 of the year in which it is filed
23 unless the Commission enters an order on or before
24 December 15, after notice and hearing, that modifies such
25 calculation consistent with this Section. The Commission's
26 determinations of the prudence and reasonableness of the

1 costs incurred, and determination of such return on equity
2 calculation, for the applicable calendar year shall be
3 final upon entry of the Commission's order and shall not
4 be subject to reopening, reexamination, or collateral
5 attack in any other Commission proceeding, case, docket,
6 order, rule, or regulation; however, nothing in this
7 paragraph (3) shall prohibit a party from petitioning the
8 Commission to rehear or appeal to the courts the order
9 under the provisions of this Act.

10 (e) Beginning on June 1, 2017 (the effective date of
11 Public Act 99-906), a utility subject to the requirements of
12 this Section may elect to defer, as a regulatory asset, up to
13 the full amount of its expenditures incurred under this
14 Section for each annual period, including, but not limited to,
15 any expenditures incurred above the funding level set by
16 subsection (f) of this Section for a given year. The total
17 expenditures deferred as a regulatory asset in a given year
18 shall be amortized and recovered over a period that is equal to
19 the weighted average of the energy efficiency measure lives
20 implemented for that year that are reflected in the regulatory
21 asset. The unamortized balance shall be recognized as of
22 December 31 for a given year. The utility shall also earn a
23 return on the total of the unamortized balances of all of the
24 energy efficiency regulatory assets, less any deferred taxes
25 related to those unamortized balances, at an annual rate equal
26 to the utility's weighted average cost of capital that

1 includes, based on a year-end capital structure, the utility's
2 actual cost of debt for the applicable calendar year and a cost
3 of equity, which shall be determined as set forth in
4 subparagraph (C) of paragraph (2) of subsection of this
5 Section ~~calculated as the sum of the (i) the average for the~~
6 ~~applicable calendar year of the monthly average yields of~~
7 ~~30 year U.S. Treasury bonds published by the Board of~~
8 ~~Governors of the Federal Reserve System in its weekly H.15~~
9 ~~Statistical Release or successor publication; and (ii) 500~~
10 ~~basis points~~, including a revenue conversion factor calculated
11 to recover or refund all additional income taxes that may be
12 payable or receivable as a result of that return. Capital
13 investment costs shall be depreciated and recovered over their
14 useful lives consistent with generally accepted accounting
15 principles. The weighted average cost of capital shall be
16 applied to the capital investment cost balance, less any
17 accumulated depreciation and accumulated deferred income
18 taxes, as of December 31 for a given year.

19 When an electric utility creates a regulatory asset under
20 the provisions of this Section, the costs are recovered over a
21 period during which customers also receive a benefit which is
22 in the public interest. Accordingly, it is the intent of the
23 General Assembly that an electric utility that elects to
24 create a regulatory asset under the provisions of this Section
25 shall recover all of the associated costs as set forth in this
26 Section. After the Commission has approved the prudence and

1 reasonableness of the costs that comprise the regulatory
2 asset, the electric utility shall be permitted to recover all
3 such costs, and the value and recoverability through rates of
4 the associated regulatory asset shall not be limited, altered,
5 impaired, or reduced.

6 (f) Beginning in 2017, each electric utility shall file an
7 energy efficiency plan with the Commission to meet the energy
8 efficiency standards for the next applicable multi-year period
9 beginning January 1 of the year following the filing,
10 according to the schedule set forth in paragraphs (1) through
11 (3) of this subsection (f). If a utility does not file such a
12 plan on or before the applicable filing deadline for the plan,
13 it shall face a penalty of \$100,000 per day until the plan is
14 filed.

15 (1) No later than 30 days after June 1, 2017 (the
16 effective date of Public Act 99-906), each electric
17 utility shall file a 4-year energy efficiency plan
18 commencing on January 1, 2018 that is designed to achieve
19 the cumulative persisting annual savings goals specified
20 in paragraphs (1) through (4) of subsection (b-5) of this
21 Section or in paragraphs (1) through (4) of subsection
22 (b-15) of this Section, as applicable, through
23 implementation of energy efficiency measures; however, the
24 goals may be reduced if the utility's expenditures are
25 limited pursuant to subsection (m) of this Section or, for
26 a utility that serves less than 3,000,000 retail

1 customers, if each of the following conditions are met:

2 (A) the plan's analysis and forecasts of the utility's
3 ability to acquire energy savings demonstrate that
4 achievement of such goals is not cost effective; and (B)
5 the amount of energy savings achieved by the utility as
6 determined by the independent evaluator for the most
7 recent year for which savings have been evaluated
8 preceding the plan filing was less than the average annual
9 amount of savings required to achieve the goals for the
10 applicable 4-year plan period. Except as provided in
11 subsection (m) of this Section, annual increases in
12 cumulative persisting annual savings goals during the
13 applicable 4-year plan period shall not be reduced to
14 amounts that are less than the maximum amount of
15 cumulative persisting annual savings that is forecast to
16 be cost-effectively achievable during the 4-year plan
17 period. The Commission shall review any proposed goal
18 reduction as part of its review and approval of the
19 utility's proposed plan.

20 (2) No later than March 1, 2021, each electric utility
21 shall file a 4-year energy efficiency plan commencing on
22 January 1, 2022 that is designed to achieve the cumulative
23 persisting annual savings goals specified in paragraphs
24 (5) through (8) of subsection (b-5) of this Section or in
25 paragraphs (5) through (8) of subsection (b-15) of this
26 Section, as applicable, through implementation of energy

1 efficiency measures; however, the goals may be reduced if
2 either (1) clear and convincing evidence demonstrates,
3 through independent analysis, that the expenditure limits
4 in subsection (m) of this Section preclude full
5 achievement of the goals or (2) each of the following
6 conditions are met: (A) the plan's analysis and forecasts
7 of the utility's ability to acquire energy savings
8 demonstrate by clear and convincing evidence and through
9 independent analysis that achievement of such goals is not
10 cost effective; and (B) the amount of energy savings
11 achieved by the utility as determined by the independent
12 evaluator for the most recent year for which savings have
13 been evaluated preceding the plan filing was less than the
14 average annual amount of savings required to achieve the
15 goals for the applicable 4-year plan period. If there is
16 not clear and convincing evidence that achieving the
17 savings goals specified in paragraph (b-5) or (b-15) of
18 this Section is possible both cost-effectively and within
19 the expenditure limits in subsection (m), such savings
20 goals shall not be reduced. Except as provided in
21 subsection (m) of this Section, annual increases in
22 cumulative persisting annual savings goals during the
23 applicable 4-year plan period shall not be reduced to
24 amounts that are less than the maximum amount of
25 cumulative persisting annual savings that is forecast to
26 be cost-effectively achievable during the 4-year plan

1 period. The Commission shall review any proposed goal
2 reduction as part of its review and approval of the
3 utility's proposed plan.

4 (2.5) The Commission shall consider and either approve
5 or modify the energy efficiency plans for calendar year
6 2026, including any savings goals and any stipulated
7 agreements between electric utilities and other parties,
8 that were part of the multi-year plans for calendar years
9 2026 through 2029 filed by the electric utilities on
10 February 28, 2025. Plans for calendar years 2027 through
11 2029 shall be modified and resubmitted to the Commission
12 by the electric utilities pursuant to paragraph (3) of
13 this subsection (f).

14 (3) No later than March 1, 2026 ~~2025~~, each electric
15 utility shall file a 3-year ~~4-year~~ energy efficiency plan
16 commencing on January 1, 2027 ~~2026~~ that is designed to
17 achieve lifetime energy and peak demand savings equal to
18 the product of the incremental annual savings goals
19 defined by paragraphs (1) and (2) of subsection (b-16) and
20 the minimum average savings life defined by paragraph (3)
21 of subsection (b-16) through implementation of energy
22 efficiency measures. The savings goals may be reduced if
23 either (i) clear and convincing evidence and independent
24 analysis demonstrates that the expenditure limits in
25 subsection (m) of this Section preclude full achievement
26 of the goals or (ii) each of the following conditions are

1 met: (A) the plan's analysis and forecasts of the
2 utility's ability to acquire energy savings demonstrate by
3 clear and convincing evidence and through independent
4 analysis that achievement of such goals is not
5 cost-effective; and (B) the amount of energy savings
6 achieved by the utility, as determined by the independent
7 evaluator, for the most recent year for which savings have
8 been evaluated preceding the plan filing was less than the
9 average annual amount of savings required to achieve the
10 goals for the applicable multi-year plan period. If there
11 is not clear and convincing evidence that achieving the
12 savings goals specified in subsection (b-16) is possible
13 both cost-effectively and within the expenditure limits in
14 subsection (m), such savings goals shall not be reduced.
15 Except as provided in subsection (m), annual savings goals
16 during the applicable multi-year plan period shall not be
17 reduced to amounts that are less than the maximum amount
18 of annual savings that is forecasted to be
19 cost-effectively achievable during the applicable
20 multi-year plan period. The Commission shall review any
21 proposed goal reduction as part of its review and approval
22 of the utility's proposed plan. ~~the cumulative persisting~~
23 ~~annual savings goals specified in paragraphs (9) through~~
24 ~~(12) of subsection (b-5) of this Section or in paragraphs~~
25 ~~(9) through (12) of subsection (b-15) of this Section, as~~
26 ~~applicable, through implementation of energy efficiency~~

1 ~~measures; however, the goals may be reduced if either (1)~~
2 ~~clear and convincing evidence demonstrates, through~~
3 ~~independent analysis, that the expenditure limits in~~
4 ~~subsection (m) of this Section preclude full achievement~~
5 ~~of the goals or (2) each of the following conditions are~~
6 ~~met: (A) the plan's analysis and forecasts of the~~
7 ~~utility's ability to acquire energy savings demonstrate by~~
8 ~~clear and convincing evidence and through independent~~
9 ~~analysis that achievement of such goals is not cost~~
10 ~~effective; and (B) the amount of energy savings achieved~~
11 ~~by the utility as determined by the independent evaluator~~
12 ~~for the most recent year for which savings have been~~
13 ~~evaluated preceding the plan filing was less than the~~
14 ~~average annual amount of savings required to achieve the~~
15 ~~goals for the applicable 4 year plan period. If there is~~
16 ~~not clear and convincing evidence that achieving the~~
17 ~~savings goals specified in paragraphs (b 5) or (b 15) of~~
18 ~~this Section is possible both cost effectively and within~~
19 ~~the expenditure limits in subsection (m), such savings~~
20 ~~goals shall not be reduced. Except as provided in~~
21 ~~subsection (m) of this Section, annual increases in~~
22 ~~cumulative persisting annual savings goals during the~~
23 ~~applicable 4 year plan period shall not be reduced to~~
24 ~~amounts that are less than the maximum amount of~~
25 ~~cumulative persisting annual savings that is forecast to~~
26 ~~be cost effectively achievable during the 4 year plan~~

1 ~~period. The Commission shall review any proposed goal~~
2 ~~reduction as part of its review and approval of the~~
3 ~~utility's proposed plan.~~

4 (4) No later than March 1, 2029, and every 4 years
5 thereafter, each electric utility shall file a 4-year
6 energy efficiency plan commencing on January 1, 2030, and
7 every 4 years thereafter, respectively, that is designed
8 to achieve lifetime energy and peak demand savings equal
9 to the product of the incremental annual savings goals
10 defined by paragraphs (1) and (2) of subsection (b-16) and
11 the minimum average savings life described in paragraph
12 (C) of subsection (b-16) ~~the cumulative persisting annual~~
13 ~~savings goals established by the Illinois Commerce~~
14 ~~Commission pursuant to direction of subsections (b 5) and~~
15 ~~(b-15) of this Section, as applicable,~~ through
16 implementation of energy efficiency measures; however, the
17 goals may be reduced if either (1) clear and convincing
18 evidence and independent analysis demonstrates that the
19 expenditure limits in subsection (m) of this Section
20 preclude full achievement of the goals or (2) each of the
21 following conditions are met: (A) the plan's analysis and
22 forecasts of the utility's ability to acquire energy
23 savings demonstrate by clear and convincing evidence and
24 through independent analysis that achievement of such
25 goals is not cost-effective; and (B) the amount of energy
26 savings achieved by the utility as determined by the

1 independent evaluator for the most recent year for which
2 savings have been evaluated preceding the plan filing was
3 less than the average annual amount of savings required to
4 achieve the goals for the applicable multi-year ~~4-year~~
5 plan period. If there is not clear and convincing evidence
6 that achieving the savings goals specified in paragraph
7 (b-16) ~~paragraphs (b-5) or (b-15)~~ of this Section is
8 possible both cost-effectively and within the expenditure
9 limits in subsection (m), such savings goals shall not be
10 reduced. Except as provided in subsection (m) of this
11 Section, ~~annual increases in cumulative persisting~~ annual
12 savings goals during the applicable multi-year ~~4-year~~ plan
13 period shall not be reduced to amounts that are less than
14 the maximum amount of ~~cumulative persisting~~ annual savings
15 that is forecast to be cost-effectively achievable during
16 the applicable multi-year ~~4-year~~ plan period. The
17 Commission shall review any proposed goal reduction as
18 part of its review and approval of the utility's proposed
19 plan.

20 Each utility's plan shall set forth the utility's
21 proposals to meet the energy efficiency standards identified
22 in subsection (b-5), ~~or~~ (b-15), or (b-16), as applicable and
23 as such standards may have been modified under this subsection
24 (f), taking into account the unique circumstances of the
25 utility's service territory. For those plans commencing on
26 January 1, 2018, the Commission shall seek public comment on

1 the utility's plan and shall issue an order approving or
2 disapproving each plan no later than 105 days after June 1,
3 2017 (the effective date of Public Act 99-906). For those
4 plans commencing after December 31, 2021, the Commission shall
5 seek public comment on the utility's plan and shall issue an
6 order approving or disapproving each plan within 6 months
7 after its submission. If the Commission disapproves a plan,
8 the Commission shall, within 30 days, describe in detail the
9 reasons for the disapproval and describe a path by which the
10 utility may file a revised draft of the plan to address the
11 Commission's concerns satisfactorily. If the utility does not
12 refile with the Commission within 60 days, the utility shall
13 be subject to penalties at a rate of \$100,000 per day until the
14 plan is filed. This process shall continue, and penalties
15 shall accrue, until the utility has successfully filed a
16 portfolio of energy efficiency and demand-response measures.
17 Penalties shall be deposited into the Energy Efficiency Trust
18 Fund.

19 (g) In submitting proposed plans and funding levels under
20 subsection (f) of this Section to meet the savings goals
21 identified in subsection (b-5), ~~or~~ (b-15), or (b-16) of this
22 Section, as applicable, the utility shall:

23 (1) Demonstrate that its proposed energy efficiency
24 measures will achieve the applicable requirements that are
25 identified in subsection (b-5), ~~or~~ (b-15), or (b-16) of
26 this Section, as modified by subsection (f) of this

1 Section.

2 (2) (Blank).

3 (2.5) Demonstrate consideration of program options for
4 (A) advancing new building codes, appliance standards, and
5 municipal regulations governing existing and new building
6 efficiency improvements and (B) supporting efforts to
7 improve compliance with new building codes, appliance
8 standards and municipal regulations, as potentially
9 cost-effective means of acquiring energy savings to count
10 toward savings goals.

11 (3) Demonstrate that its overall portfolio of
12 measures, not including low-income programs described in
13 subsection (c) of this Section, is cost-effective using
14 the total resource cost test or complies with paragraphs
15 (1) through (3) of subsection (f) of this Section and
16 represents a diverse cross-section of opportunities for
17 customers of all rate classes, other than those customers
18 described in subsection (1) of this Section, to
19 participate in the programs. Individual measures need not
20 be cost effective.

21 (3.5) Demonstrate that the utility's plan integrates
22 the delivery of energy efficiency programs with natural
23 gas efficiency programs, programs promoting distributed
24 solar, programs promoting demand response and other
25 efforts to address bill payment issues, including, but not
26 limited to, LIHEAP and the Percentage of Income Payment

1 Plan, to the extent such integration is practical and has
2 the potential to enhance customer engagement, minimize
3 market confusion, or reduce administrative costs.

4 (4) Present a third-party energy efficiency
5 implementation program subject to the following
6 requirements:

7 (A) beginning with the year commencing January 1,
8 2019, electric utilities that serve more than
9 3,000,000 retail customers in the State shall fund
10 third-party energy efficiency programs in an amount
11 that is no less than \$25,000,000 per year, and
12 electric utilities that serve less than 3,000,000
13 retail customers but more than 500,000 retail
14 customers in the State shall fund third-party energy
15 efficiency programs in an amount that is no less than
16 \$8,350,000 per year;

17 (B) during 2018, the utility shall conduct a
18 solicitation process for purposes of requesting
19 proposals from third-party vendors for those
20 third-party energy efficiency programs to be offered
21 during one or more of the years commencing January 1,
22 2019, January 1, 2020, and January 1, 2021; for those
23 multi-year plans commencing on January 1, 2022 and
24 January 1, 2026, the utility shall conduct a
25 solicitation process during 2021 and 2025,
26 respectively, for purposes of requesting proposals

1 from third-party vendors for those third-party energy
2 efficiency programs to be offered during one or more
3 years of the respective multi-year plan period; for
4 each solicitation process, the utility shall identify
5 the sector, technology, or geographical area for which
6 it is seeking requests for proposals; the solicitation
7 process must be either for programs that fill gaps in
8 the utility's program portfolio and for programs that
9 target low-income customers, business sectors,
10 building types, geographies, or other specific parts
11 of its customer base with initiatives that would be
12 more effective at reaching these customer segments
13 than the utilities' programs filed in its energy
14 efficiency plans;

15 (C) the utility shall propose the bidder
16 qualifications, performance measurement process, and
17 contract structure, which must include a performance
18 payment mechanism and general terms and conditions;
19 the proposed qualifications, process, and structure
20 shall be subject to Commission approval; and

21 (D) the utility shall retain an independent third
22 party to score the proposals received through the
23 solicitation process described in this paragraph (4),
24 rank them according to their cost per lifetime
25 kilowatt-hours saved, and assemble the portfolio of
26 third-party programs.

1 The electric utility shall recover all costs
2 associated with Commission-approved, third-party
3 administered programs regardless of the success of those
4 programs.

5 (4.5) Implement cost-effective demand-response
6 measures to reduce peak demand by 0.1% over the prior year
7 for eligible retail customers, as defined in Section
8 16-111.5 of this Act, and for customers that elect hourly
9 service from the utility pursuant to Section 16-107 of
10 this Act, provided those customers have not been declared
11 competitive. This requirement continues until December 31,
12 2026.

13 (5) Include a proposed or revised cost-recovery tariff
14 mechanism, as provided for under subsection (d) of this
15 Section, to fund the proposed energy efficiency and
16 demand-response measures and to ensure the recovery of the
17 prudently and reasonably incurred costs of
18 Commission-approved programs.

19 (6) Provide for an annual independent evaluation of
20 the performance of the cost-effectiveness of the utility's
21 portfolio of measures, as well as a full review of the
22 multi-year plan results of the broader net program impacts
23 and, to the extent practical, for adjustment of the
24 measures on a going-forward basis as a result of the
25 evaluations. The resources dedicated to evaluation shall
26 not exceed 3% of portfolio resources in any given year.

1 (7) For electric utilities that serve more than
2 3,000,000 retail customers in the State:

3 (A) Through December 31, 2026 ~~2025~~, provide for an
4 adjustment to the return on equity component of the
5 utility's weighted average cost of capital calculated
6 under subsection (d) of this Section:

7 (i) If the independent evaluator determines
8 that the utility achieved a cumulative persisting
9 annual savings that is less than the applicable
10 annual incremental goal, then the return on equity
11 component shall be reduced by a maximum of 200
12 basis points in the event that the utility
13 achieved no more than 75% of such goal. If the
14 utility achieved more than 75% of the applicable
15 annual incremental goal but less than 100% of such
16 goal, then the return on equity component shall be
17 reduced by 8 basis points for each percent by
18 which the utility failed to achieve the goal.

19 (ii) If the independent evaluator determines
20 that the utility achieved a cumulative persisting
21 annual savings that is more than the applicable
22 annual incremental goal, then the return on equity
23 component shall be increased by a maximum of 200
24 basis points in the event that the utility
25 achieved at least 125% of such goal. If the
26 utility achieved more than 100% of the applicable

1 annual incremental goal but less than 125% of such
2 goal, then the return on equity component shall be
3 increased by 8 basis points for each percent by
4 which the utility achieved above the goal. If the
5 applicable annual incremental goal was reduced
6 under paragraph (1) or (2) of subsection (f) of
7 this Section, then the following adjustments shall
8 be made to the calculations described in this item
9 (ii):

10 (aa) the calculation for determining
11 achievement that is at least 125% of the
12 applicable annual incremental goal shall use
13 the unreduced applicable annual incremental
14 goal to set the value; and

15 (bb) the calculation for determining
16 achievement that is less than 125% but more
17 than 100% of the applicable annual incremental
18 goal shall use the reduced applicable annual
19 incremental goal to set the value for 100%
20 achievement of the goal and shall use the
21 unreduced goal to set the value for 125%
22 achievement. The 8 basis point value shall
23 also be modified, as necessary, so that the
24 200 basis points are evenly apportioned among
25 each percentage point value between 100% and
26 125% achievement.

1 (B) (Blank). ~~For the period January 1, 2026~~
2 ~~through December 31, 2029 and in all subsequent 4-year~~
3 ~~periods, provide for an adjustment to the return on~~
4 ~~equity component of the utility's weighted average~~
5 ~~cost of capital calculated under subsection (d) of~~
6 ~~this Section.~~

7 ~~(i) If the independent evaluator determines~~
8 ~~that the utility achieved a cumulative persisting~~
9 ~~annual savings that is less than the applicable~~
10 ~~annual incremental goal, then the return on equity~~
11 ~~component shall be reduced by a maximum of 200~~
12 ~~basis points in the event that the utility~~
13 ~~achieved no more than 66% of such goal. If the~~
14 ~~utility achieved more than 66% of the applicable~~
15 ~~annual incremental goal but less than 100% of such~~
16 ~~goal, then the return on equity component shall be~~
17 ~~reduced by 6 basis points for each percent by~~
18 ~~which the utility failed to achieve the goal.~~

19 ~~(ii) If the independent evaluator determines~~
20 ~~that the utility achieved a cumulative persisting~~
21 ~~annual savings that is more than the applicable~~
22 ~~annual incremental goal, then the return on equity~~
23 ~~component shall be increased by a maximum of 200~~
24 ~~basis points in the event that the utility~~
25 ~~achieved at least 134% of such goal. If the~~
26 ~~utility achieved more than 100% of the applicable~~

1 ~~annual incremental goal but less than 134% of such~~
2 ~~goal, then the return on equity component shall be~~
3 ~~increased by 6 basis points for each percent by~~
4 ~~which the utility achieved above the goal. If the~~
5 ~~applicable annual incremental goal was reduced~~
6 ~~under paragraph (3) of subsection (f) of this~~
7 ~~Section, then the following adjustments shall be~~
8 ~~made to the calculations described in this item~~
9 ~~(ii):~~

10 ~~(aa) the calculation for determining~~
11 ~~achievement that is at least 134% of the~~
12 ~~applicable annual incremental goal shall use~~
13 ~~the unreduced applicable annual incremental~~
14 ~~goal to set the value; and~~

15 ~~(bb) the calculation for determining~~
16 ~~achievement that is less than 134% but more~~
17 ~~than 100% of the applicable annual incremental~~
18 ~~goal shall use the reduced applicable annual~~
19 ~~incremental goal to set the value for 100%~~
20 ~~achievement of the goal and shall use the~~
21 ~~unreduced goal to set the value for 134%~~
22 ~~achievement. The 6 basis point value shall~~
23 ~~also be modified, as necessary, so that the~~
24 ~~200 basis points are evenly apportioned among~~
25 ~~each percentage point value between 100% and~~
26 ~~134% achievement.~~

1 (C) (Blank). ~~Notwithstanding the provisions of~~
2 ~~subparagraphs (A) and (B) of this paragraph (7), if~~
3 ~~the applicable annual incremental goal for an electric~~
4 ~~utility is ever less than 0.6% of deemed average~~
5 ~~weather normalized sales of electric power and energy~~
6 ~~during calendar years 2014, 2015, and 2016, an~~
7 ~~adjustment to the return on equity component of the~~
8 ~~utility's weighted average cost of capital calculated~~
9 ~~under subsection (d) of this Section shall be made as~~
10 ~~follows:~~

11 ~~(i) If the independent evaluator determines~~
12 ~~that the utility achieved a cumulative persisting~~
13 ~~annual savings that is less than would have been~~
14 ~~achieved had the applicable annual incremental~~
15 ~~goal been achieved, then the return on equity~~
16 ~~component shall be reduced by a maximum of 200~~
17 ~~basis points if the utility achieved no more than~~
18 ~~75% of its applicable annual total savings~~
19 ~~requirement as defined in paragraph (7.5) of this~~
20 ~~subsection. If the utility achieved more than 75%~~
21 ~~of the applicable annual total savings requirement~~
22 ~~but less than 100% of such goal, then the return on~~
23 ~~equity component shall be reduced by 8 basis~~
24 ~~points for each percent by which the utility~~
25 ~~failed to achieve the goal.~~

26 ~~(ii) If the independent evaluator determines~~

1 ~~that the utility achieved a cumulative persisting~~
2 ~~annual savings that is more than would have been~~
3 ~~achieved had the applicable annual incremental~~
4 ~~goal been achieved, then the return on equity~~
5 ~~component shall be increased by a maximum of 200~~
6 ~~basis points if the utility achieved at least 125%~~
7 ~~of its applicable annual total savings~~
8 ~~requirement. If the utility achieved more than~~
9 ~~100% of the applicable annual total savings~~
10 ~~requirement but less than 125% of such goal, then~~
11 ~~the return on equity component shall be increased~~
12 ~~by 8 basis points for each percent by which the~~
13 ~~utility achieved above the applicable annual total~~
14 ~~savings requirement. If the applicable annual~~
15 ~~incremental goal was reduced under paragraph (1)~~
16 ~~or (2) of subsection (f) of this Section, then the~~
17 ~~following adjustments shall be made to the~~
18 ~~calculations described in this item (ii):~~

19 ~~(aa) the calculation for determining~~
20 ~~achievement that is at least 125% of the~~
21 ~~applicable annual total savings requirement~~
22 ~~shall use the unreduced applicable annual~~
23 ~~incremental goal to set the value; and~~

24 ~~(bb) the calculation for determining~~
25 ~~achievement that is less than 125% but more~~
26 ~~than 100% of the applicable annual total~~

~~savings requirement shall use the reduced applicable annual incremental goal to set the value for 100% achievement of the goal and shall use the unreduced goal to set the value for 125% achievement. The 8 basis point value shall also be modified, as necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 125% achievement.~~

(7.5) For purposes of this Section, the term "applicable annual incremental goal" means the difference between the cumulative persisting annual savings goal for the calendar year that is the subject of the independent evaluator's determination and the cumulative persisting annual savings goal for the immediately preceding calendar year, as such goals are defined in subsections (b-5) and (b-15) of this Section and as these goals may have been modified as provided for under subsection (b-20) and paragraphs (1) and (2) ~~through (3)~~ of subsection (f) of this Section. Under subsections (b), (b-5), (b-10), and (b-15) of this Section, a utility must first replace energy savings from measures that have expired before any progress towards achievement of its applicable annual incremental goal may be counted. Savings may expire because measures installed in previous years have reached the end of their lives, because measures installed in

1 previous years are producing lower savings in the current
2 year than in the previous year, or for other reasons
3 identified by independent evaluators. Notwithstanding
4 anything else set forth in this Section, the difference
5 between the actual annual incremental savings achieved in
6 any given year, including the replacement of energy
7 savings that have expired, and the applicable annual
8 incremental goal shall not affect adjustments to the
9 return on equity for subsequent calendar years under this
10 subsection (g).

11 In this Section, "applicable annual total savings
12 requirement" means the total amount of new annual savings
13 that the utility must achieve in any given year to achieve
14 the applicable annual incremental goal. This is equal to
15 the applicable annual incremental goal plus the total new
16 annual savings that are required to replace savings that
17 expired in or at the end of the previous year.

18 (8) For electric utilities that serve less than
19 3,000,000 retail customers but more than 500,000 retail
20 customers in the State:

21 (A) Through December 31, 2026 ~~2025~~, the applicable
22 annual incremental goal shall be compared to the
23 annual incremental savings as determined by the
24 independent evaluator.

25 (i) The return on equity component shall be
26 reduced by 8 basis points for each percent by

1 which the utility did not achieve 84.4% of the
2 applicable annual incremental goal.

3 (ii) The return on equity component shall be
4 increased by 8 basis points for each percent by
5 which the utility exceeded 100% of the applicable
6 annual incremental goal.

7 (iii) The return on equity component shall not
8 be increased or decreased if the annual
9 incremental savings as determined by the
10 independent evaluator is greater than 84.4% of the
11 applicable annual incremental goal and less than
12 100% of the applicable annual incremental goal.

13 (iv) The return on equity component shall not
14 be increased or decreased by an amount greater
15 than 200 basis points pursuant to this
16 subparagraph (A).

17 (B) (Blank). ~~For the period of January 1, 2026~~
18 ~~through December 31, 2029 and in all subsequent 4 year~~
19 ~~periods, the applicable annual incremental goal shall~~
20 ~~be compared to the annual incremental savings as~~
21 ~~determined by the independent evaluator.~~

22 ~~(i) The return on equity component shall be~~
23 ~~reduced by 6 basis points for each percent by~~
24 ~~which the utility did not achieve 100% of the~~
25 ~~applicable annual incremental goal.~~

26 ~~(ii) The return on equity component shall be~~

1 ~~increased by 6 basis points for each percent by~~
2 ~~which the utility exceeded 100% of the applicable~~
3 ~~annual incremental goal.~~

4 ~~(iii) The return on equity component shall not~~
5 ~~be increased or decreased by an amount greater~~
6 ~~than 200 basis points pursuant to this~~
7 ~~subparagraph (B).~~

8 ~~(C) (Blank). Notwithstanding provisions in~~
9 ~~subparagraphs (A) and (B) of paragraph (7) of this~~
10 ~~subsection, if the applicable annual incremental goal~~
11 ~~for an electric utility is ever less than 0.6% of~~
12 ~~deemed average weather normalized sales of electric~~
13 ~~power and energy during calendar years 2014, 2015 and~~
14 ~~2016, an adjustment to the return on equity component~~
15 ~~of the utility's weighted average cost of capital~~
16 ~~calculated under subsection (d) of this Section shall~~
17 ~~be made as follows:~~

18 ~~(i) The return on equity component shall be~~
19 ~~reduced by 8 basis points for each percent by~~
20 ~~which the utility did not achieve 100% of the~~
21 ~~applicable annual total savings requirement.~~

22 ~~(ii) The return on equity component shall be~~
23 ~~increased by 8 basis points for each percent by~~
24 ~~which the utility exceeded 100% of the applicable~~
25 ~~annual total savings requirement.~~

26 ~~(iii) The return on equity component shall not~~

1 ~~be increased or decreased by an amount greater~~
2 ~~than 200 basis points pursuant to this~~
3 ~~subparagraph (C).~~

4 (D) (Blank). ~~If the applicable annual incremental~~
5 ~~goal was reduced under paragraph (1), (2), (3), or (4)~~
6 ~~of subsection (f) of this Section, then the following~~
7 ~~adjustments shall be made to the calculations~~
8 ~~described in subparagraphs (A), (B), and (C) of this~~
9 ~~paragraph (8):~~

10 ~~(i) The calculation for determining~~
11 ~~achievement that is at least 125% or 134%, as~~
12 ~~applicable, of the applicable annual incremental~~
13 ~~goal or the applicable annual total savings~~
14 ~~requirement, as applicable, shall use the~~
15 ~~unreduced applicable annual incremental goal to~~
16 ~~set the value.~~

17 ~~(ii) For the period through December 31, 2025,~~
18 ~~the calculation for determining achievement that~~
19 ~~is less than 125% but more than 100% of the~~
20 ~~applicable annual incremental goal or the~~
21 ~~applicable annual total savings requirement, as~~
22 ~~applicable, shall use the reduced applicable~~
23 ~~annual incremental goal to set the value for 100%~~
24 ~~achievement of the goal and shall use the~~
25 ~~unreduced goal to set the value for 125%~~
26 ~~achievement. The 8 basis point value shall also be~~

1 ~~modified, as necessary, so that the 200 basis~~
2 ~~points are evenly apportioned among each~~
3 ~~percentage point value between 100% and 125%~~
4 ~~achievement.~~

5 ~~(iii) For the period of January 1, 2026~~
6 ~~through December 31, 2029 and all subsequent~~
7 ~~4 year periods, the calculation for determining~~
8 ~~achievement that is less than 125% or 134%, as~~
9 ~~applicable, but more than 100% of the applicable~~
10 ~~annual incremental goal or the applicable annual~~
11 ~~total savings requirement, as applicable, shall~~
12 ~~use the reduced applicable annual incremental goal~~
13 ~~to set the value for 100% achievement of the goal~~
14 ~~and shall use the unreduced goal to set the value~~
15 ~~for 125% achievement. The 6 basis point value or 8~~
16 ~~basis point value, as applicable, shall also be~~
17 ~~modified, as necessary, so that the 200 basis~~
18 ~~points are evenly apportioned among each~~
19 ~~percentage point value between 100% and 125% or~~
20 ~~between 100% and 134% achievement, as applicable.~~

21 (8.5) Beginning January 1, 2027, a utility that serves
22 greater than 500,000 retail customers in the State shall
23 have the utility's return on equity modified for
24 performance on the utility's energy savings and peak
25 demand savings goals as follows:

26 (A) A utility's return on equity may be adjusted

1 up or down by a maximum of 150 basis points for its
2 performance relative to its incremental annual energy
3 savings goal. A utility's return on equity may be
4 adjusted up or down by a maximum of 50 basis points for
5 its performance relative to its incremental annual
6 coincident peak demand savings goal.

7 (B) A utility's performance on both its savings
8 goals shall be established by comparing the actual
9 lifetime energy and peak demand savings achieved from
10 efficiency measures installed in a given year to the
11 product of the incremental annual goals established in
12 paragraphs (1) and (2) of subsection (b-16) and the
13 minimum average savings lives established in paragraph
14 (3) of subsection (b-16), as modified, if applicable,
15 by the Commission under paragraph (4) of subsection
16 (f) of this Section. For the purposes of this
17 paragraph (8.5), "lifetime savings" means the total
18 incremental savings that installed efficiency measures
19 are projected to produce, relative to what would have
20 occurred absent to the utility's efficiency programs,
21 over the useful lives of the measures. Performance on
22 the energy savings goal and peak demand savings goal
23 shall be assessed separately, such that it is possible
24 to earn penalties on both, earn bonuses on both, or
25 earn a bonus for performance on one goal and a penalty
26 on the other.

1 (C) No bonus shall be earned if a utility does not
2 achieve greater than 100% of an approved goal. The
3 maximum bonus for a goal shall be earned if the utility
4 achieves 133.3% of the unmodified goal. The bonus
5 earned for achieving more than 100% of an approved
6 goal but less than 133.3% of the unmodified goal shall
7 be linearly interpolated.

8 (D) For utilities with greater than 3,000,000
9 retail customers, the return on equity shall be
10 unmodified due to performance on an individual goal
11 only if the utility achieves exactly 100% of the goal.
12 For utilities with more than 500,000 but fewer than
13 3,000,000 retail customers, the return on equity shall
14 be unmodified, if goals established in paragraph
15 (b-16) are unmodified, for the following levels of
16 performance:

17 (i) achieving between 85% and 100% of an
18 unmodified goal during the 2027 to 2029 plan
19 cycle;

20 (ii) achieving between 92.5% and 100% of an
21 unmodified goal during the 2030 to 2033 plan
22 cycle; and

23 (iii) achieving exactly 100% of an unmodified
24 goal for the 2034 to 2037 plan cycle and all
25 subsequent plan cycles.

26 (E) Penalties may be earned for falling short of

1 goals, with the magnitude of any penalty being a
2 function of both the size of the utility and whether
3 goals established in subsection (b-16) are modified by
4 the Commission under paragraph (4) of subsection (f)
5 of this Section, as follows:

6 (i) If the savings goals specified in
7 subsection (b-16) of this Section are unmodified,
8 a utility with more than 3,000,000 retail
9 customers shall earn the maximum penalty allocated
10 to a goal for achieving 66.7% or less of the goal.
11 The penalty for achieving greater than 66.7% but
12 less than 100% of the goal shall be linearly
13 interpolated.

14 (ii) If the savings goals specified in
15 subsection (b-16) of this Section are unmodified,
16 a utility with more than 500,000 but fewer than
17 3,000,000 retail customers shall earn the maximum
18 penalty allocated to a goal for achieving at least
19 33.3 percentage points less than the bottom end of
20 the deadband specified in subparagraph (D) of this
21 paragraph (8.5). The penalty for achieving less
22 than the bottom end of the deadband and greater
23 than 25 percentage points less than the bottom end
24 of the deadband shall be linearly interpolated.

25 (iii) If either the energy and peak demand
26 savings goals specified in subsection (b-16) are

1 reduced under paragraph (4) of subsection (f) of
2 this Section, the maximum penalty allocated to a
3 goal shall be earned if the utility achieves 80%
4 or less of the modified goal. The penalty for
5 achieving more than 80% but less than 100% of a
6 modified goal shall be linearly interpolated.

7 (9) The utility shall submit the energy savings data
8 to the independent evaluator no later than 30 days after
9 the close of the plan year. The independent evaluator
10 shall determine the cumulative persisting annual savings
11 and annual incremental savings for a given plan year, as
12 well as an estimate of job impacts and other macroeconomic
13 impacts of the efficiency programs for that year, no later
14 than 120 days after the close of the plan year. The utility
15 shall submit an informational filing to the Commission no
16 later than 160 days after the close of the plan year that
17 attaches the independent evaluator's final report
18 identifying the cumulative persisting annual savings for
19 the year and calculates, under paragraph (7) or (8) of
20 this subsection (g), as applicable, any resulting change
21 to the utility's return on equity component of the
22 weighted average cost of capital applicable to the next
23 plan year beginning with the January monthly billing
24 period and extending through the December monthly billing
25 period. However, if the utility recovers the costs
26 incurred under this Section under paragraphs (2) and (3)

1 of subsection (d) of this Section, then the utility shall
2 not be required to submit such informational filing, and
3 shall instead submit the information that would otherwise
4 be included in the informational filing as part of its
5 filing under paragraph (3) of such subsection (d) that is
6 due on or before June 1 of each year.

7 For those utilities that must submit the informational
8 filing, the Commission may, on its own motion or by
9 petition, initiate an investigation of such filing,
10 provided, however, that the utility's proposed return on
11 equity calculation shall be deemed the final, approved
12 calculation on December 15 of the year in which it is filed
13 unless the Commission enters an order on or before
14 December 15, after notice and hearing, that modifies such
15 calculation consistent with this Section.

16 The adjustments to the return on equity component
17 described in paragraphs (7) and (8) of this subsection (g)
18 shall be applied as described in such paragraphs through a
19 separate tariff mechanism, which shall be filed by the
20 utility under subsections (f) and (g) of this Section.

21 (9.5) The utility must demonstrate how it will ensure
22 that program implementation contractors and energy
23 efficiency installation vendors will promote workforce
24 equity and quality jobs.

25 (9.6) Utilities shall collect data necessary to ensure
26 compliance with paragraph (9.5) no less than quarterly and

1 shall communicate progress toward compliance with
2 paragraph (9.5) to program implementation contractors and
3 energy efficiency installation vendors no less than
4 quarterly. Utilities shall work with relevant vendors,
5 providing education, training, and other resources needed
6 to ensure compliance and, where necessary, adjusting or
7 terminating work with vendors that cannot assist with
8 compliance.

9 (10) Utilities required to implement efficiency
10 programs under subsections (b-5), ~~and~~ (b-10), and (b-16)
11 shall report annually to the Illinois Commerce Commission
12 and the General Assembly on how hiring, contracting, job
13 training, and other practices related to its energy
14 efficiency programs enhance the diversity of vendors
15 working on such programs. These reports must include data
16 on vendor and employee diversity, including data on the
17 implementation of paragraphs (9.5) and (9.6). If the
18 utility is not meeting the requirements of paragraphs
19 (9.5) and (9.6), the utility shall submit a plan to adjust
20 their activities so that they meet the requirements of
21 paragraphs (9.5) and (9.6) within the following year.

22 (h) No more than 4% of energy efficiency and
23 demand-response program revenue may be allocated for research,
24 development, or pilot deployment of new equipment or measures.
25 Electric utilities shall work with interested stakeholders to
26 formulate a plan for how these funds should be spent,

1 incorporate statewide approaches for these allocations, and
2 file a 4-year plan that demonstrates that collaboration. If a
3 utility files a request for modified annual energy savings
4 goals with the Commission, then a utility shall forgo spending
5 portfolio dollars on research and development proposals.

6 (i) When practicable, electric utilities shall incorporate
7 advanced metering infrastructure data into the planning,
8 implementation, and evaluation of energy efficiency measures
9 and programs, subject to the data privacy and confidentiality
10 protections of applicable law.

11 (j) The independent evaluator shall follow the guidelines
12 and use the savings set forth in Commission-approved energy
13 efficiency policy manuals and technical reference manuals, as
14 each may be updated from time to time. Until such time as
15 measure life values for energy efficiency measures implemented
16 for low-income households under subsection (c) of this Section
17 are incorporated into such Commission-approved manuals, the
18 low-income measures shall have the same measure life values
19 that are established for same measures implemented in
20 households that are not low-income households.

21 (k) Notwithstanding any provision of law to the contrary,
22 an electric utility subject to the requirements of this
23 Section may file a tariff cancelling an automatic adjustment
24 clause tariff in effect under this Section or Section 8-103,
25 which shall take effect no later than one business day after
26 the date such tariff is filed. Thereafter, the utility shall

1 be authorized to defer and recover its expenditures incurred
2 under this Section through a new tariff authorized under
3 subsection (d) of this Section or in the utility's next rate
4 case under Article IX or Section 16-108.5 of this Act, with
5 interest at an annual rate equal to the utility's weighted
6 average cost of capital as approved by the Commission in such
7 case. If the utility elects to file a new tariff under
8 subsection (d) of this Section, the utility may file the
9 tariff within 10 days after June 1, 2017 (the effective date of
10 Public Act 99-906), and the cost inputs to such tariff shall be
11 based on the projected costs to be incurred by the utility
12 during the calendar year in which the new tariff is filed and
13 that were not recovered under the tariff that was cancelled as
14 provided for in this subsection. Such costs shall include
15 those incurred or to be incurred by the utility under its
16 multi-year plan approved under subsections (f) and (g) of this
17 Section, including, but not limited to, projected capital
18 investment costs and projected regulatory asset balances with
19 correspondingly updated depreciation and amortization reserves
20 and expense. The Commission shall, after notice and hearing,
21 approve, or approve with modification, such tariff and cost
22 inputs no later than 75 days after the utility filed the
23 tariff, provided that such approval, or approval with
24 modification, shall be consistent with the provisions of this
25 Section to the extent they do not conflict with this
26 subsection (k). The tariff approved by the Commission shall

1 take effect no later than 5 days after the Commission enters
2 its order approving the tariff.

3 No later than 60 days after the effective date of the
4 tariff cancelling the utility's automatic adjustment clause
5 tariff, the utility shall file a reconciliation that
6 reconciles the moneys collected under its automatic adjustment
7 clause tariff with the costs incurred during the period
8 beginning June 1, 2016 and ending on the date that the electric
9 utility's automatic adjustment clause tariff was cancelled. In
10 the event the reconciliation reflects an under-collection, the
11 utility shall recover the costs as specified in this
12 subsection (k). If the reconciliation reflects an
13 over-collection, the utility shall apply the amount of such
14 over-collection as a one-time credit to retail customers'
15 bills.

16 (1) For the calendar years covered by a multi-year plan
17 commencing after December 31, 2017, subsections (a) through
18 (j) of this Section do not apply to eligible large private
19 energy customers that have chosen to opt out of multi-year
20 plans consistent with this subsection (1).

21 (1) For purposes of this subsection (1), "eligible
22 large private energy customer" means any retail customers,
23 except for federal, State, municipal, and other public
24 customers, of an electric utility that serves more than
25 3,000,000 retail customers, except for federal, State,
26 municipal and other public customers, in the State and

1 whose total highest 30 minute demand was more than 10,000
2 kilowatts, or any retail customers of an electric utility
3 that serves less than 3,000,000 retail customers but more
4 than 500,000 retail customers in the State and whose total
5 highest 15 minute demand was more than 10,000 kilowatts.
6 For purposes of this subsection (1), "retail customer" has
7 the meaning set forth in Section 16-102 of this Act.
8 However, for a business entity with multiple sites located
9 in the State, where at least one of those sites qualifies
10 as an eligible large private energy customer, then any of
11 that business entity's sites, properly identified on a
12 form for notice, shall be considered eligible large
13 private energy customers for the purposes of this
14 subsection (1). A determination of whether this subsection
15 is applicable to a customer shall be made for each
16 multi-year plan beginning after December 31, 2017. The
17 criteria for determining whether this subsection (1) is
18 applicable to a retail customer shall be based on the 12
19 consecutive billing periods prior to the start of the
20 first year of each such multi-year plan.

21 (2) Within 45 days after September 15, 2021 (the
22 effective date of Public Act 102-662), the Commission
23 shall prescribe the form for notice required for opting
24 out of energy efficiency programs. The notice must be
25 submitted to the retail electric utility 12 months before
26 the next energy efficiency planning cycle. However, within

1 120 days after the Commission's initial issuance of the
2 form for notice, eligible large private energy customers
3 may submit a form for notice to an electric utility. The
4 form for notice for opting out of energy efficiency
5 programs shall include all of the following:

6 (A) a statement indicating that the customer has
7 elected to opt out;

8 (B) the account numbers for the customer accounts
9 to which the opt out shall apply;

10 (C) the mailing address associated with the
11 customer accounts identified under subparagraph (B);

12 (D) an American Society of Heating, Refrigerating,
13 and Air-Conditioning Engineers (ASHRAE) level 2 or
14 higher audit report conducted by an independent
15 third-party expert identifying cost-effective energy
16 efficiency project opportunities that could be
17 invested in over the next 10 years. A retail customer
18 with specialized processes may utilize a self-audit
19 process in lieu of the ASHRAE audit;

20 (E) a description of the customer's plans to
21 reallocate the funds toward internal energy efficiency
22 efforts identified in the subparagraph (D) report,
23 including, but not limited to: (i) strategic energy
24 management or other programs, including descriptions
25 of targeted buildings, equipment and operations; (ii)
26 eligible energy efficiency measures; and (iii)

1 expected energy savings, itemized by technology. If
2 the subparagraph (D) audit report identifies that the
3 customer currently utilizes the best available energy
4 efficient technology, equipment, programs, and
5 operations, the customer may provide a statement that
6 more efficient technology, equipment, programs, and
7 operations are not reasonably available as a means of
8 satisfying this subparagraph (E); and

9 (F) the effective date of the opt out, which will
10 be the next January 1 following notice of the opt out.

11 (3) Upon receipt of a properly and timely noticed
12 request for opt out submitted by an eligible large private
13 energy customer, the retail electric utility shall grant
14 the request, file the request with the Commission and,
15 beginning January 1 of the following year, the opted out
16 customer shall no longer be assessed the costs of the plan
17 and shall be prohibited from participating in that 4-year
18 plan cycle to give the retail utility the certainty to
19 design program plan proposals.

20 (4) Upon a customer's election to opt out under
21 paragraphs (1) and (2) of this subsection (1) and
22 commencing on the effective date of said opt out, the
23 account properly identified in the customer's notice under
24 paragraph (2) shall not be subject to any cost recovery
25 and shall not be eligible to participate in, or directly
26 benefit from, compliance with energy efficiency cumulative

1 persisting savings requirements under subsections (a)
2 through (j).

3 (5) A utility's cumulative persisting annual savings
4 targets will exclude any opted out load.

5 (6) The request to opt out is only valid for the
6 requested plan cycle. An eligible large private energy
7 customer must also request to opt out for future energy
8 plan cycles, otherwise the customer will be included in
9 the future energy plan cycle.

10 (m) Notwithstanding the requirements of this Section, as
11 part of a proceeding to approve a multi-year plan under
12 subsections (f) and (g) of this Section if the multi-year plan
13 has been designed to maximize savings, but does not meet the
14 cost cap limitations of this Section, the Commission shall
15 reduce the amount of energy efficiency measures implemented
16 for any single year, and whose costs are recovered under
17 subsection (d) of this Section, by an amount necessary to
18 limit the estimated average net increase due to the cost of the
19 measures to no more than

20 (1) 3.5% for each of the 4 years beginning January 1,
21 2018,

22 (2) (blank),

23 (3) 4% for each of the 4 years beginning January 1,
24 2022,

25 (3.5) 4.25% for 2026,

26 (4) 4.25% for electric utilities that serve more than

1 3,000,000 retail customers in the State, and 5.19% for
2 electric utilities with less than 3,000,000 retail
3 customers but more than 500,000 retail customers in the
4 State, for the 3 4 years beginning January 1, 2027 ~~2026~~,
5 and

6 (5) the percentage specified in paragraph (4) ~~4.25%~~
7 plus an increase sufficient to account for the rate of
8 inflation between January 1, 2027 ~~2026~~ and January 1 of
9 the first year of each subsequent 4-year plan cycle,
10 of the average amount paid per kilowatthour by residential
11 eligible retail customers during calendar year 2015 for plans
12 in effect through 2026 and during calendar years 2021 through
13 2023 for plans commencing in 2027 and thereafter. An electric
14 utility may plan to spend up to 10% more in any year during an
15 applicable multi-year plan period to cost-effectively achieve
16 additional savings so long as the average over the applicable
17 multi-year plan period does not exceed the percentages defined
18 in items (1) through (5). To determine the total amount that
19 may be spent by an electric utility in any single year, the
20 applicable percentage of the average amount paid per
21 kilowatthour shall be multiplied by the total amount of energy
22 delivered by such electric utility in the calendar year 2015
23 for plans in effect through 2026 and during calendar years
24 2021 through 2023 for plans commencing in 2027 and thereafter,
25 adjusted to reflect the proportion of the utility's load
26 attributable to customers that have opted out of subsections

1 (a) through (j) of this Section under subsection (l) of this
2 Section. For purposes of this subsection (m), the amount paid
3 per kilowatthour includes, without limitation, estimated
4 amounts paid for supply, transmission, distribution,
5 surcharges, and add-on taxes. For purposes of this Section,
6 "eligible retail customers" shall have the meaning set forth
7 in Section 16-111.5 of this Act. Once the Commission has
8 approved a plan under subsections (f) and (g) of this Section,
9 no subsequent rate impact determinations shall be made.

10 (n) A utility shall take advantage of the efficiencies
11 available through existing Illinois Home Weatherization
12 Assistance Program infrastructure and services, such as
13 enrollment, marketing, quality assurance and implementation,
14 which can reduce the need for similar services at a lower cost
15 than utility-only programs, subject to capacity constraints at
16 community action agencies, for both single-family and
17 multifamily weatherization services, to the extent Illinois
18 Home Weatherization Assistance Program community action
19 agencies provide multifamily services. A utility's plan shall
20 demonstrate that in formulating annual weatherization budgets,
21 it has sought input and coordination with community action
22 agencies regarding agencies' capacity to expand and maximize
23 Illinois Home Weatherization Assistance Program delivery using
24 the ratepayer dollars collected under this Section.

25 (o) The recent results of PJM and MISO capacity auctions
26 will affect the market prices paid by customers. Load growth,

1 electric supply constraints, and capacity auction rules have
2 resulted in increased PJM and MISO capacity prices for the
3 2025-2026 delivery year, which will increase the rates paid by
4 PJM and MISO customers beginning with the June 1, 2025 billing
5 cycle. To promote bill transparency:

6 (1) For an electric utility serving customers located
7 in the PJM interconnection region, the utility shall
8 include at least the following statement as part of a bill
9 insert or bill message provided with any bill issued to
10 customers: "Your bill has increased this month due to
11 increased capacity prices resulting from PJM capacity
12 auctions.". The amount of the monthly rate increase
13 attributable to increased capacity prices resulting from
14 the PJM capacity auction shall also be reflected in the
15 customer's bill under the description "PJM capacity price
16 increase impact". The electric utility's obligation to
17 reflect the information required by this subsection (o)
18 shall begin with the June 1, 2025 billing cycle and shall
19 not continue past the December 2025 billing period.

20 (2) For an electric and gas combined utility serving
21 customers located in the MISO interconnection region, the
22 utility shall include at least the following statement as
23 part of a bill insert or bill message provided with any
24 bill issued to customers: "Your bill has increased this
25 month due to increased capacity prices resulting from MISO
26 capacity auctions.". The amount of the monthly rate

1 increase attributable to increased capacity prices
2 resulting from the MISO capacity auction shall also be
3 reflected in the customer's bill under the description
4 "MISO capacity price increase impact". The electric and
5 gas combined utility's obligation to reflect the
6 information required by this subsection (o) shall begin
7 with the June 1, 2025 billing cycle and shall not continue
8 past the December 2025 billing period.

9 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-30-23;
10 103-613, eff. 7-1-24.)

11 (220 ILCS 5/8-406) (from Ch. 111 2/3, par. 8-406)

12 Sec. 8-406. Certificate of public convenience and
13 necessity.

14 (a) No public utility not owning any city or village
15 franchise nor engaged in performing any public service or in
16 furnishing any product or commodity within this State as of
17 July 1, 1921 and not possessing a certificate of public
18 convenience and necessity from the Illinois Commerce
19 Commission, the State Public Utilities Commission, or the
20 Public Utilities Commission, at the time Public Act 84-617
21 goes into effect (January 1, 1986), shall transact any
22 business in this State until it shall have obtained a
23 certificate from the Commission that public convenience and
24 necessity require the transaction of such business. A
25 certificate of public convenience and necessity requiring the

1 transaction of public utility business in any area of this
2 State shall include authorization to the public utility
3 receiving the certificate of public convenience and necessity
4 to construct such plant, equipment, property, or facility as
5 is provided for under the terms and conditions of its tariff
6 and as is necessary to provide utility service and carry out
7 the transaction of public utility business by the public
8 utility in the designated area.

9 (b) No public utility shall begin the construction of any
10 new plant, equipment, property, or facility which is not in
11 substitution of any existing plant, equipment, property, or
12 facility, or any extension or alteration thereof or in
13 addition thereto, unless and until it shall have obtained from
14 the Commission a certificate that public convenience and
15 necessity require such construction. Whenever after a hearing
16 the Commission determines that any new construction or the
17 transaction of any business by a public utility will promote
18 the public convenience and is necessary thereto, it shall have
19 the power to issue certificates of public convenience and
20 necessity. The Commission shall determine that proposed
21 construction will promote the public convenience and necessity
22 only if the utility demonstrates: (1) that the proposed
23 construction is necessary to provide adequate, reliable, and
24 efficient service to its customers and is the least-cost means
25 of satisfying the service needs of its customers or that the
26 proposed construction will promote the development of an

1 effectively competitive electricity market that operates
2 efficiently, is equitable to all customers, and is the
3 least-cost ~~least-cost~~ means of satisfying those objectives;
4 (2) that the utility is capable of efficiently managing and
5 supervising the construction process and has taken sufficient
6 action to ensure adequate and efficient construction and
7 supervision thereof; and (3) that the utility is capable of
8 financing the proposed construction without significant
9 adverse financial consequences for the utility or its
10 customers.

11 (b-5) As used in this subsection (b-5):

12 "Qualifying direct current applicant" means an entity that
13 seeks to provide direct current bulk transmission service for
14 the purpose of transporting electric energy in interstate
15 commerce.

16 "Qualifying direct current project" means a high voltage
17 direct current electric service line that crosses at least one
18 Illinois border, the Illinois portion of which is physically
19 located within the region of the Midcontinent Independent
20 System Operator, Inc., or its successor organization, and runs
21 through the counties of Pike, Scott, Greene, Macoupin,
22 Montgomery, Christian, Shelby, Cumberland, and Clark, is
23 capable of transmitting electricity at voltages of 345
24 kilovolts or above, and may also include associated
25 interconnected alternating current interconnection facilities
26 in this State that are part of the proposed project and

1 reasonably necessary to connect the project with other
2 portions of the grid.

3 Notwithstanding any other provision of this Act, a
4 qualifying direct current applicant that does not own,
5 control, operate, or manage, within this State, any plant,
6 equipment, or property used or to be used for the transmission
7 of electricity at the time of its application or of the
8 Commission's order may file an application on or before
9 December 31, 2023 with the Commission pursuant to this Section
10 or Section 8-406.1 for, and the Commission may grant, a
11 certificate of public convenience and necessity to construct,
12 operate, and maintain a qualifying direct current project. The
13 qualifying direct current applicant may also include in the
14 application requests for authority under Section 8-503. The
15 Commission shall grant the application for a certificate of
16 public convenience and necessity and requests for authority
17 under Section 8-503 if it finds that the qualifying direct
18 current applicant and the proposed qualifying direct current
19 project satisfy the requirements of this subsection and
20 otherwise satisfy the criteria of this Section or Section
21 8-406.1 and the criteria of Section 8-503, as applicable to
22 the application and to the extent such criteria are not
23 superseded by the provisions of this subsection. The
24 Commission's order on the application for the certificate of
25 public convenience and necessity shall also include the
26 Commission's findings and determinations on the request or

1 requests for authority pursuant to Section 8-503. Prior to
2 filing its application under either this Section or Section
3 8-406.1, the qualifying direct current applicant shall conduct
4 3 public meetings in accordance with subsection (h) of this
5 Section. If the qualifying direct current applicant
6 demonstrates in its application that the proposed qualifying
7 direct current project is designed to deliver electricity to a
8 point or points on the electric transmission grid in either or
9 both the PJM Interconnection, LLC or the Midcontinent
10 Independent System Operator, Inc., or their respective
11 successor organizations, the proposed qualifying direct
12 current project shall be deemed to be, and the Commission
13 shall find it to be, for public use. If the qualifying direct
14 current applicant further demonstrates in its application that
15 the proposed transmission project has a capacity of 1,000
16 megawatts or larger and a voltage level of 345 kilovolts or
17 greater, the proposed transmission project shall be deemed to
18 satisfy, and the Commission shall find that it satisfies, the
19 criteria stated in item (1) of subsection (b) of this Section
20 or in paragraph (1) of subsection (f) of Section 8-406.1, as
21 applicable to the application, without the taking of
22 additional evidence on these criteria. Prior to the transfer
23 of functional control of any transmission assets to a regional
24 transmission organization, a qualifying direct current
25 applicant shall request Commission approval to join a regional
26 transmission organization in an application filed pursuant to

1 this subsection (b-5) or separately pursuant to Section 7-102
2 of this Act. The Commission may grant permission to a
3 qualifying direct current applicant to join a regional
4 transmission organization if it finds that the membership, and
5 associated transfer of functional control of transmission
6 assets, benefits Illinois customers in light of the attendant
7 costs and is otherwise in the public interest. Nothing in this
8 subsection (b-5) requires a qualifying direct current
9 applicant to join a regional transmission organization.
10 Nothing in this subsection (b-5) requires the owner or
11 operator of a high voltage direct current transmission line
12 that is not a qualifying direct current project to obtain a
13 certificate of public convenience and necessity to the extent
14 it is not otherwise required by this Section 8-406 or any other
15 provision of this Act.

16 (c) As used in this subsection (c):

17 "Decommissioning" has the meaning given to that term in
18 subsection (a) of Section 8-508.1.

19 "Nuclear power reactor" has the meaning given to that term
20 in Section 8 of the Nuclear Safety Law of 2004.

21 ~~After the effective date of this amendatory Act of the~~
22 ~~103rd General Assembly, no construction shall commence on any~~
23 ~~new nuclear power reactor with a nameplate capacity of more~~
24 ~~than 300 megawatts of electricity to be located within this~~
25 ~~State, and no certificate of public convenience and necessity~~
26 ~~or other authorization shall be issued therefor by the~~

1 ~~Commission, until the Illinois Emergency Management Agency and~~
2 ~~Office of Homeland Security, in consultation with the Illinois~~
3 ~~Environmental Protection Agency and the Illinois Department of~~
4 ~~Natural Resources, finds that the United States Government,~~
5 ~~through its authorized agency, has identified and approved a~~
6 ~~demonstrable technology or means for the disposal of high~~
7 ~~level nuclear waste, or until such construction has been~~
8 ~~specifically approved by a statute enacted by the General~~
9 ~~Assembly.~~ Beginning January 1, 2026, construction may commence
10 on a new nuclear power reactor ~~with a nameplate capacity of 300~~
11 ~~megawatts of electricity or less~~ within this State if the
12 entity constructing the new nuclear power reactor has obtained
13 all permits, licenses, permissions, or approvals governing the
14 construction, operation, and funding of decommissioning of
15 such nuclear power reactors required by: (1) this Act; (2) any
16 rules adopted by the Illinois Emergency Management Agency and
17 Office of Homeland Security under the authority of this Act;
18 (3) any applicable federal statutes, including, but not
19 limited to, the Atomic Energy Act of 1954, the Energy
20 Reorganization Act of 1974, the Low-Level Radioactive Waste
21 Policy Amendments Act of 1985, and the Energy Policy Act of
22 1992; (4) any regulations promulgated or enforced by the U.S.
23 Nuclear Regulatory Commission, including, but not limited to,
24 those codified at Title X, Parts 20, 30, 40, 50, 70, and 72 of
25 the Code of Federal Regulations, as from time to time amended;
26 and (5) any other federal or State statute, rule, or

1 regulation governing the permitting, licensing, operation, or
2 decommissioning of such nuclear power reactors. None of the
3 rules developed by the Illinois Emergency Management Agency
4 and Office of Homeland Security or any other State agency,
5 board, or commission pursuant to this Act shall be construed
6 to supersede the authority of the U.S. Nuclear Regulatory
7 Commission. The changes made by this amendatory Act of the
8 103rd General Assembly shall not apply to the uprate, renewal,
9 or subsequent renewal of any license for an existing nuclear
10 power reactor that began operation prior to the effective date
11 of this amendatory Act of the 103rd General Assembly.

12 None of the changes made in this amendatory Act of the
13 103rd General Assembly are intended to authorize the
14 construction of nuclear power plants powered by nuclear power
15 reactors that are not either: (1) small modular nuclear
16 reactors; or (2) nuclear power reactors licensed by the U.S.
17 Nuclear Regulatory Commission to operate in this State ~~prior~~
18 ~~to the effective date of this amendatory Act of the 103rd~~
19 ~~General Assembly.~~

20 (d) In making its determination under subsection (b) of
21 this Section, the Commission shall attach primary weight to
22 the cost or cost savings to the customers of the utility. The
23 Commission may consider any or all factors which will or may
24 affect such cost or cost savings, including the public
25 utility's engineering judgment regarding the materials used
26 for construction.

1 (e) The Commission may issue a temporary certificate which
2 shall remain in force not to exceed one year in cases of
3 emergency, to assure maintenance of adequate service or to
4 serve particular customers, without notice or hearing, pending
5 the determination of an application for a certificate, and may
6 by regulation exempt from the requirements of this Section
7 temporary acts or operations for which the issuance of a
8 certificate will not be required in the public interest.

9 A public utility shall not be required to obtain but may
10 apply for and obtain a certificate of public convenience and
11 necessity pursuant to this Section with respect to any matter
12 as to which it has received the authorization or order of the
13 Commission under the Electric Supplier Act, and any such
14 authorization or order granted a public utility by the
15 Commission under that Act shall as between public utilities be
16 deemed to be, and shall have except as provided in that Act the
17 same force and effect as, a certificate of public convenience
18 and necessity issued pursuant to this Section.

19 No electric cooperative shall be made or shall become a
20 party to or shall be entitled to be heard or to otherwise
21 appear or participate in any proceeding initiated under this
22 Section for authorization of power plant construction and as
23 to matters as to which a remedy is available under the Electric
24 Supplier Act.

25 (f) Such certificates may be altered or modified by the
26 Commission, upon its own motion or upon application by the

1 person or corporation affected. Unless exercised within a
2 period of 2 years from the grant thereof, authority conferred
3 by a certificate of convenience and necessity issued by the
4 Commission shall be null and void.

5 No certificate of public convenience and necessity shall
6 be construed as granting a monopoly or an exclusive privilege,
7 immunity or franchise.

8 (g) A public utility that undertakes any of the actions
9 described in items (1) through (3) of this subsection (g) or
10 that has obtained approval pursuant to Section 8-406.1 of this
11 Act shall not be required to comply with the requirements of
12 this Section to the extent such requirements otherwise would
13 apply. For purposes of this Section and Section 8-406.1 of
14 this Act, "high voltage electric service line" means an
15 electric line having a design voltage of 100,000 or more. For
16 purposes of this subsection (g), a public utility may do any of
17 the following:

18 (1) replace or upgrade any existing high voltage
19 electric service line and related facilities,
20 notwithstanding its length;

21 (2) relocate any existing high voltage electric
22 service line and related facilities, notwithstanding its
23 length, to accommodate construction or expansion of a
24 roadway or other transportation infrastructure; or

25 (3) construct a high voltage electric service line and
26 related facilities that is constructed solely to serve a

1 single customer's premises or to provide a generator
2 interconnection to the public utility's transmission
3 system and that will pass under or over the premises owned
4 by the customer or generator to be served or under or over
5 premises for which the customer or generator has secured
6 the necessary right of way.

7 (h) A public utility seeking to construct a high-voltage
8 electric service line and related facilities (Project) must
9 show that the utility has held a minimum of 2 pre-filing public
10 meetings to receive public comment concerning the Project in
11 each county where the Project is to be located, no earlier than
12 6 months prior to filing an application for a certificate of
13 public convenience and necessity from the Commission. Notice
14 of the public meeting shall be published in a newspaper of
15 general circulation within the affected county once a week for
16 3 consecutive weeks, beginning no earlier than one month prior
17 to the first public meeting. If the Project traverses 2
18 contiguous counties and where in one county the transmission
19 line mileage and number of landowners over whose property the
20 proposed route traverses is one-fifth or less of the
21 transmission line mileage and number of such landowners of the
22 other county, then the utility may combine the 2 pre-filing
23 meetings in the county with the greater transmission line
24 mileage and affected landowners. All other requirements
25 regarding pre-filing meetings shall apply in both counties.
26 Notice of the public meeting, including a description of the

1 Project, must be provided in writing to the clerk of each
2 county where the Project is to be located. A representative of
3 the Commission shall be invited to each pre-filing public
4 meeting.

5 (h-5) A public utility seeking to construct a high-voltage
6 electric service line and related facilities must also show
7 that the Project has complied with training and competence
8 requirements under subsection (b) of Section 15 of the
9 Electric Transmission Systems Construction Standards Act.

10 (i) For applications filed after August 18, 2015 (the
11 effective date of Public Act 99-399), the Commission shall, by
12 certified mail, notify each owner of record of land, as
13 identified in the records of the relevant county tax assessor,
14 included in the right-of-way over which the utility seeks in
15 its application to construct a high-voltage electric line of
16 the time and place scheduled for the initial hearing on the
17 public utility's application. The utility shall reimburse the
18 Commission for the cost of the postage and supplies incurred
19 for mailing the notice.

20 (Source: P.A. 102-609, eff. 8-27-21; 102-662, eff. 9-15-21;
21 102-813, eff. 5-13-22; 102-931, eff. 5-27-22; 103-569, eff.
22 6-1-24; 103-1066, eff. 2-20-25.)

23 (220 ILCS 5/8-512)

24 Sec. 8-512. Renewable energy access plan.

25 (a) It is the policy of this State to promote

1 cost-effective transmission system development that ensures
2 reliability of the electric transmission system, lowers carbon
3 emissions, minimizes long-term costs for consumers, and
4 supports the electric policy goals of this State. The General
5 Assembly finds that:

6 (1) Transmission planning, primarily for reliability
7 purposes, but also for economic and public policy reasons
8 is conducted by regional transmission organizations in
9 which transmission-owning Illinois utilities and other
10 stakeholders are members.

11 (2) Order No. 1000 of the Federal Energy Regulatory
12 Commission requires regional transmission organizations to
13 plan for transmission system needs in light of State
14 public policies and to accept input from states during the
15 transmission system planning processes.

16 (3) The State of Illinois does not currently have a
17 comprehensive power and environmental policy planning
18 process to identify transmission infrastructure needs that
19 can serve as a vital input into the regional and
20 interregional transmission organization planning
21 processes conducted under Order No. 1000 and other laws
22 and regulations.

23 (4) This State is an electricity generation and power
24 transmission hub, and can leverage that position to invest
25 in infrastructure that enables new and existing Illinois
26 generators to meet the public policy goals of the State of

1 Illinois and of interconnected states while
2 cost-effectively supporting tens of thousands of jobs in
3 the renewable energy sector in this State.

4 (5) The nation has a need to readily access this
5 State's low-cost, clean electric power, and this State
6 also desires access to clean energy resources in other
7 states to develop and support its low-carbon economy and
8 keep electricity prices low in Illinois and interconnected
9 States.

10 (6) Existing transmission infrastructure may constrain
11 the State's achievement of 100% renewable energy by 2050,
12 the accelerated adoption of electric vehicles in a just
13 and equitable way, and electrification of additional
14 sectors of the Illinois economy.

15 (7) Transmission system congestion within this State
16 and the regional transmission organizations serving this
17 State limits the ability of this State's existing and new
18 electric generation facilities that do not emit carbon
19 dioxide, including renewable energy resources and zero
20 emission facilities, to serve the public policy goals of
21 this State and other states, which constrains investment
22 in this State.

23 (8) Investment in infrastructure to support existing
24 and new electric generation facilities that do not emit
25 carbon dioxide, including renewable energy resources and
26 zero emission facilities, stimulates significant economic

1 development and job growth in this State, as well as
2 creates environmental and public health benefits in this
3 State.

4 (9) Creating a forward-looking plan for this State's
5 electric transmission infrastructure, as opposed to
6 relying on case-by-case development and repeated marginal
7 upgrades, will achieve a lower-cost system for Illinois'
8 electricity customers. A forward-looking plan can also
9 help integrate and achieve a comprehensive set of
10 objectives and multiple state, regional, and national
11 policy goals.

12 (10) Alternatives to overhead electric transmission
13 lines can achieve cost-effective resolution of system
14 impacts and warrant investigation of the circumstances
15 under which those alternatives should be considered and
16 approved. The alternatives are likely to be beneficial as
17 investment in electric transmission infrastructure moves
18 forward.

19 (11) Because transmission planning is conducted
20 primarily by the regional transmission organizations, the
21 Commission should be advocating for the State's interests
22 at the regional transmission organizations to ensure that
23 such planning facilitates the State's policies and goals,
24 including overall consumer savings, power system
25 reliability, economic development, environmental
26 improvement, and carbon reduction.

1 (12) Advanced transmission technologies have an
2 important role to play in meeting the State's clean energy
3 goals. For the purposes of this Section, "Advanced
4 Transmission Technology" is hardware or software that
5 provides cost-effective increases to the capacity,
6 efficiency, or reliability of existing transmission
7 infrastructure, and includes, but is not limited to: (i)
8 technology that dynamically adjusts the rated capacity of
9 transmission lines based on real-time conditions; (ii)
10 advanced power flow controls used to actively control the
11 flow of electricity across transmission lines to optimize
12 usage or relieve congestion; (iii) software or hardware
13 used to identify optimal transmission grid configurations
14 or enable routing power flows around congestion points;
15 and (iv) reconductoring existing transmission lines with
16 advanced conductors, which are present and future
17 transmission line technologies whose power flow capacities
18 and efficiency exceed the power flow capacities and
19 efficiency of conventional aluminum conductor steel
20 reinforced and aluminum conductor steel supported
21 conductors already installed on the system.

22 (b) Consistent with the findings identified in subsection
23 (a), the Commission shall open an investigation to develop and
24 adopt an initial ~~a~~ renewable energy access plan no later than
25 December 31, 2022. To assist and support the Commission in the
26 development of the plan, the Commission shall retain the

1 services of technical and policy experts with relevant fields
2 of expertise, solicit technical and policy analysis from the
3 public, and provide for a 120-day open public comment period
4 after publication of a draft report, which shall be published
5 no later than 90 days after the comment period ends. The plan
6 shall, at a minimum, do the following:

7 (1) designate renewable energy access plan zones
8 throughout this State in areas in which renewable energy
9 resources and suitable land areas are sufficient for
10 developing generating capacity from renewable energy
11 technologies;

12 (2) develop a plan to achieve transmission capacity
13 necessary to deliver the electric output from renewable
14 energy technologies in the renewable energy access plan
15 zones to customers in Illinois and other states in a
16 manner that is most beneficial and cost-effective to
17 customers;

18 (3) use this State's position as an electricity
19 generation and power transmission hub to create new
20 investment in this State's renewable energy resources;

21 (4) consider programs, policies, and electric
22 transmission projects that can be adopted within this
23 State that promote the cost-effective delivery of power
24 from renewable energy resources interconnected to the bulk
25 electric system to meet the renewable portfolio standard
26 targets under subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act;

2 (5) consider proposals to improve regional
3 transmission organizations' regional and interregional
4 system planning processes, especially proposals that
5 reduce costs and emissions, create jobs, and increase
6 State and regional power system reliability to prevent
7 high-cost outages that can endanger lives, and analyze of
8 how those proposals would improve reliability and
9 cost-effective delivery of electricity in Illinois and the
10 region;

11 (6) make findings and policy recommendations based on
12 technical and policy analysis regarding locations of
13 renewable energy access plan zones and the transmission
14 system developments needed to cost-effectively achieve the
15 public policy goals identified herein;

16 (6.5) make findings and policy recommendations based
17 on analysis regarding the impact of converting non-powered
18 dams to hydropower dams relative to the alternative
19 renewable energy resources; and

20 (7) present the Commission's conclusions and proposed
21 recommendations based on its analysis and use the findings
22 and policy recommendations to determine actions that the
23 Commission should take.

24 (c) No later than December 31, 2025, and every other year
25 thereafter, the Commission shall open an investigation to
26 develop and adopt a ~~an updated~~ renewable energy access plan

1 update that considers electric transmission projects,
2 transmission policies, transmission alternatives, Advanced
3 Transmission Technologies, other ways to expand capacity on
4 existing or future transmission, and transmission headroom
5 and, at a minimum,~~7. evaluates the implementation and~~
6 ~~effectiveness of the renewable energy access plan, recommends~~
7 ~~improvements to the renewable energy access plan, and provides~~
8 ~~changes to transmission capacity necessary to deliver electric~~
9 ~~output from the renewable energy access plan zones.~~

10 (1) evaluates the implementation and effectiveness of
11 the renewable energy access plan;

12 (2) recommends improvements to the renewable energy
13 access plan;

14 (3) includes updated inputs and assumptions developed
15 under the integrated resource plan developed and approved
16 pursuant to Section 16-201 and Section 16-202;

17 (4) invites all parties to identify needed
18 transmission projects, including any associated network
19 upgrades, necessary to facilitate achievement of the goals
20 of the REAP and the most recently approved integrated
21 resource plan. Proposals for projects shall include a
22 description of each project, a proposed target date for
23 completion, an estimated timeline for development, the
24 energy, capacity, and generation profile of renewable
25 generation and energy storage enabled by the project,
26 anticipated new loads served by the project, the proposed

1 technology used including the use of Advanced Transmission
2 Technologies, and the status of any permits or approvals
3 necessary. For projects with a target completion date of
4 within 5 years from the date of proposal, the proposal
5 must also include an estimated project cost of the project
6 and the proposed routing corridor;

7 (5) requests utilities and other parties to
8 specifically identify all elements of the existing
9 transmission system where Advanced Transmission
10 Technologies are likely to achieve enhanced system
11 resilience or reliability, reduce potential siting
12 conflicts or land impacts from the development of new
13 transmission lines, promote the cost-effective delivery of
14 power from renewable energy resources interconnected to
15 the bulk electric system, enable the interconnection of
16 renewable energy resources, or reduce curtailment of
17 renewable energy resources. The plan must identify all
18 elements of the existing transmission system which have
19 experienced capacity constraints or congestion within the
20 prior 2 years and explain whether any Advanced
21 Transmission Technology could reduce or resolve the
22 capacity constraint or congestion;

23 (6) includes an evaluation of identified and proposed
24 transmission projects, including proposed Advanced
25 Transmission Technology projects, based on independent
26 analysis of costs and benefits, including customer bill

1 impacts over the life of the project and achievement of
2 State clean energy goals. Projects shall be evaluated in
3 coordination with other proposals, and may include a
4 combined evaluation of portfolios of projects;

5 (7) develops a recommended list of transmission
6 projects and Advanced Transmission Technology projects
7 that achieve the clean energy public policy objectives of
8 the State. Nothing in this Section shall limit the
9 recommended list of transmission projects to those
10 initially proposed. However, no transmission or Advanced
11 Transmission Technology project can be included in the
12 recommended list unless evaluated; and

13 (8) evaluates options for implementation of the
14 recommended list of transmission projects and advanced
15 transmission technology projects that achieve the clean
16 energy public policy objectives of the State, including
17 through the use of a state agreement approach or a similar
18 structure made available through the relevant regional
19 transmission organizations, and approves final
20 recommendations on implementation.

21 (d) Upon a schedule set by the Commission but not to exceed
22 2 years, each transmission-owning State utility shall prepare
23 a plan for integrating advanced transmission technologies into
24 the utility's existing transmission system. The plan must
25 identify all elements of the existing transmission system
26 where advanced transmission technologies are likely to achieve

1 any of the following purposes:

2 (1) enhance system resilience or reliability;

3 (2) reduce potential siting conflicts or land impacts
4 from the development of new transmission lines;

5 (3) promote the cost-effective delivery of power from
6 renewable energy resources interconnected to the bulk
7 electric system to meet the renewable portfolio standard
8 targets under subsection (c) of Section 1-75 of the
9 Illinois Power Agency Act;

10 (4) enable the interconnection of renewable energy
11 resources to meet the renewable portfolio standard targets
12 under subsection (c) of Section 1-75 of the Illinois Power
13 Agency Act; or

14 (5) reduce curtailment of renewable or zero-carbon
15 resources.

16 The plan must identify all elements of the existing
17 transmission system which have experienced capacity
18 constraints or congestion within the prior 2 years and explain
19 whether any advanced transmission technology could reduce or
20 resolve the capacity constraint or congestion. Each
21 transmission-owning State utility shall submit an advanced
22 transmission technology integration plan to the Commission for
23 consideration as part of the Commission's updated renewable
24 energy access plan investigation under subsection (c). If the
25 Commission finds that a transmission-owning utility's advanced
26 transmission technology integration plan fails to satisfy the

1 requirements of this subsection (d), the Commission may direct
2 the utility to revise and resubmit the plan. In the
3 Commission's updated renewable energy access plan, the
4 Commission may evaluate, request modifications for, change the
5 timelines of implementation for, and determine the next steps
6 for each advanced transmission integration plan.

7 (e) Upon a schedule set by the Commission but not to exceed
8 2 years, each transmission-owning State utility shall conduct
9 a comprehensive Transmission Headroom Study that shall
10 identify, at a minimum, the points of interconnection with
11 unused, existing transmission headroom on the State system,
12 including available capacity behind existing, underutilized
13 points of interconnection, and the amount of available
14 headroom in megawatts at each identified point of
15 interconnection. Each transmission-owning State utility shall
16 submit a Transmission Headroom Study to the Commission for
17 consideration as part of the Commission's updated renewable
18 energy access plan investigation under subsection (c). If the
19 Commission finds that a utility's Transmission Headroom Study
20 fails to satisfy the requirements of this subsection (e), the
21 Commission may direct the utility to revise and resubmit the
22 Study.

23 (f) The Commission shall approve a utility's updated
24 renewable energy access plan if it finds that, at a minimum,
25 the evidence in the investigation meets the criteria outlined
26 in subsection (c) and demonstrates that the updated plan will

1 support the clean energy public policy objectives of the
2 State.

3 (g) The Commission shall notify the applicable regional
4 transmission organizations and utilities of any final
5 recommendations to support the clean energy public policy
6 objectives of the State.

7 (h) Nothing in this Section alters the rights of
8 transmission utilities (i) under rates on file with the
9 Federal Energy Regulatory Commission or the Illinois Commerce
10 Commission, (ii) under orders and determinations of the
11 Federal Energy Regulatory Commission or a regional
12 transmission organization, or (iii) under applicable State
13 laws and policies.

14 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24.)

15 (220 ILCS 5/8-513 new)

16 Sec. 8-513. Thermal Energy Network Pilot Program.

17 (a) As used in this Section:

18 "Customer-side installations" means components of a
19 thermal energy network project that involve a physical,
20 operational, or behavioral modification to a customer's
21 premises, including, but not limited to, the installation or
22 replacement of appliances, pipe installation, pumps,
23 electrical upgrades, ventilation and air distribution systems,
24 and associated building construction to accommodate such
25 systems.

1 "Thermal energy network" means all real estate, fixtures,
2 and personal property operated, owned, used, or to be used for
3 in connection with or to facilitate a community-scale
4 distribution infrastructure project that transfers heat into
5 and out of buildings using non-combusting thermal energy,
6 sourced from zero-emission technologies, including geothermal
7 energy, for the purpose of reducing emissions. "Thermal energy
8 network" includes real estate, fixtures, and personal property
9 that is operated, owned, or used by multiple parties.

10 "Thermal energy network system" means components of a
11 thermal energy network that are not located on an individual
12 customer's premises, are necessary for thermal system
13 interconnection or heat transfer, or are shared among multiple
14 customers.

15 (b) Within 180 days after the effective date of this
16 amendatory Act of the 104th General Assembly, the Commission
17 shall open an investigation into the approval of initial
18 thermal energy network pilot projects. As part of the
19 investigation, the Commission shall invite interested parties
20 to submit proposals for pilot projects that provide at least
21 the following information:

22 (1) a specifically defined geographic area for the
23 location of the pilot project, including the anticipated
24 area served, that identifies specific census blocks and
25 addresses eligible to connect to the thermal energy
26 network;

1 (2) a detailed description of the community served by
2 the system, including the demographics and income levels
3 of customers served, the types of customers and any
4 critical facilities served, the condition of the existing
5 gas distribution infrastructure and any history of leaks
6 and emergency repairs, and the building heating methods,
7 including heating fuel and equipment type;

8 (3) the planned scale of the system, including details
9 on the anticipated thermal heating and cooling load, the
10 thermal energy network footprint and layout, the expected
11 energy use of the thermal energy network system
12 components, and the expected electricity use of
13 customer-side installations;

14 (4) the technological approach for the pilot project,
15 including the heating and cooling sources, the projected
16 number and depth of boreholes for any geothermal-based
17 system, and the role and contribution of equipment to the
18 thermal energy network system and in customer-side
19 installations;

20 (5) the projected participation by customers in the
21 network, including the projected number of customers and
22 projected thermal load at different stages in the
23 lifecycle of the project and the minimum number and
24 thermal load of customers needed to participate from
25 within the identified geographic area in order to make the
26 project financially viable;

1 (6) a description of the anticipated needs for
2 customer-side installations within the project footprint,
3 any associated installation costs and ongoing operating
4 costs and obligations of customer-side equipment, and the
5 timing of customer-side installations in coordination with
6 the pilot project timeline;

7 (7) a demonstration of how the project will coordinate
8 and maximize the value of existing State, federal, and
9 utility energy efficiency, weatherization, renewable
10 energy, energy storage, or electrification programs,
11 policies, incentives, and initiatives;

12 (8) a detailed analysis on the role of State or
13 federal tax credits in the pilot project's financial
14 viability and impact on customers' bills;

15 (9) a proposed rate structure for the thermal energy
16 services supplied to network end users and consumer
17 protection plans for end users;

18 (10) a pro forma analysis of the pilot project's
19 financial viability under various customer participation
20 scenarios and cost assumptions; and

21 (11) a proposed timeline for the project, including
22 the planned construction start date, the operational date
23 of the thermal energy network system, the life of the
24 system, and other major milestones for the project.

25 (c) The Commission shall coordinate with the Illinois
26 Finance Authority, in its role as the Climate Bank for the

1 State, to conduct and evaluate each pilot project proposal on
2 its ability to meet the goals of the program, and the
3 Commission's and the Climate Bank's ability to meet the
4 objectives and requirements of any supplemental funding
5 sources. The Commission will develop a prioritized list of
6 thermal energy network pilot projects as part of the
7 investigation. No later than January 1, 2027, the Commission
8 shall approve, or approve with modifications, pilot projects
9 up to the available funding as described in subsection (d) of
10 this Section, if it determines that a portfolio of thermal
11 energy network pilot projects (i) is in the public interest,
12 (ii) will develop information useful for the Commission in
13 adopting rules governing thermal energy networks, (iii)
14 furtheres emissions reduction, (iv) advances financial and
15 technical approaches to equitable and affordable building
16 electrification, and (v) creates benefits to customers and
17 society at large, including, but not limited to, public health
18 benefits in areas with disproportionate environmental or
19 public health burdens, job retention and creation,
20 reliability, and increased affordability of renewable thermal
21 energy options. The Commission shall have broad discretion in
22 approving proposed pilot projects that are consistent with the
23 public interest as detailed in this Section, approving all
24 tariffs, and issuing other regulatory approvals as necessary
25 to permit a pilot project program that facilitates a full
26 review of thermal network technologies and associated policies

1 in the State.

2 (d) The Commission shall coordinate with the Illinois
3 Finance Authority, in its role as Climate Bank for the State,
4 to leverage any available federal funding to support thermal
5 energy network pilot projects through the provision of grants
6 or to provide or leverage financing. If that federal funding
7 is not available or not sufficient to meet program objectives,
8 the Commission shall authorize the allocation of up to
9 \$20,000,000 to support the thermal energy network pilot
10 projects, to be provided to the Illinois Finance Authority to
11 distribute to projects as a grant or to provide or leverage
12 financing. Any funding authorized for the pilot projects by
13 the Commission, except for federal or other funding sources,
14 shall be recovered as part of utility grid plans pursuant to
15 Section 16-105.17 and in a manner determined by the
16 Commission.

17 (e) As part of any pilot project proposed pursuant to this
18 Section, the Commission is authorized to approve any specific
19 customer rebates and incentives and any project-specific
20 tariffs and rules. The Commission may create a standard
21 proposed rate structure or minimum requirements for a rate
22 structure to be required of all thermal energy network pilot
23 projects. The Commission may approve the proposed rate
24 structure of a thermal energy network pilot project if the
25 projected heating and cooling costs for end users is not
26 greater than the heating and cooling costs the end users would

1 have incurred if the end users had not participated in the
2 program. In its approval process, the Commission shall take
3 into account scenarios where pilot projects enhance comfort
4 and safety for customers through expanded access to affordable
5 heating and cooling.

6 (f) Approved thermal energy network pilot projects shall
7 report to the Commission, on a quarterly basis and until
8 completion of the thermal energy network pilot project, the
9 status of each thermal energy network pilot project. The
10 Commission shall post and make publicly available the reports
11 on its website. The reports shall include, but not be limited
12 to:

13 (1) the stage of development of each pilot project;

14 (2) the barriers to development;

15 (3) the number of customers served;

16 (4) the costs of the pilot project;

17 (5) the number of jobs retained or created by the
18 pilot project;

19 (6) energy savings and fuel savings from the project
20 and energy consumption by the project; and

21 (7) other information the Commission deems to be in
22 the public interest or considers likely to prove useful or
23 relevant to the rulemaking described in subsection (i).

24 (g) Any entity operating a Commission-approved thermal
25 energy network pilot project shall demonstrate that it has
26 entered into a labor peace agreement with a bona fide labor

1 organization that is actively engaged in representing its
2 employees. The labor peace agreement shall apply to the
3 employees necessary for the ongoing maintenance and operation
4 of the thermal energy network. The existence of a labor peace
5 agreement shall be an ongoing material condition of an
6 entity's authorization to maintain and operate the thermal
7 energy networks.

8 (h) Any contractor or subcontractor that performs work on
9 a thermal energy network pilot project under this Section
10 shall be a responsible bidder, as described in Section 30-22
11 of the Illinois Procurement Code, and shall certify that not
12 less than prevailing wage, as determined under the Prevailing
13 Wage Act, was or will be paid to the employees who are engaged
14 in construction activities associated with the pilot thermal
15 energy network system. The contractor or subcontractor shall
16 submit evidence to the Commission that it complied with the
17 requirements of this subsection (h). For any approved thermal
18 energy network pilot project, the contractor or subcontractor
19 shall submit evidence that the contractor or subcontractor has
20 entered into a fully executed project labor agreement for the
21 thermal energy network system prior to the initiation of
22 construction activities.

23 (i) Within 4 years after the effective date of this
24 amendatory Act of the 104th General Assembly, the Commission
25 shall adopt rules to, at a minimum:

26 (1) create fair market access rules for thermal energy

1 networks that do not increase greenhouse gas emissions or
2 copollutants;

3 (2) to the extent it is in the public interest to do
4 so, exempt small-scale thermal energy networks from active
5 regulation by the Commission;

6 (3) promote the training and transition of utility
7 workers impacted by this amendatory Act of the 104th
8 General Assembly; and

9 (4) encourage third-party participation and
10 competition where it will maximize benefits to customers.

11 (220 ILCS 5/9-229)

12 Sec. 9-229. Consideration of attorney and expert
13 compensation as an expense and intervenor compensation fund.

14 (a) The Commission shall specifically assess the justness
15 and reasonableness of any amount expended by a public utility
16 to compensate attorneys or technical experts to prepare and
17 litigate a general rate case filing. This issue shall be
18 expressly addressed in the Commission's final order.

19 (b) The State of Illinois shall create a Consumer
20 Intervenor Compensation Fund subject to the following:

21 (1) Provision of compensation for consumer interest
22 representatives ~~Consumer Interest Representatives~~ that
23 intervene in Illinois Commerce Commission proceedings will
24 increase public engagement, encourage additional
25 transparency, expand the information available to the

Commission, and improve decision-making.

(2) As used in this Section, "consumer ~~Consumer~~ interest representative" means:

(A) a residential utility customer or group of residential utility customers represented by a not-for-profit group or organization registered with the Illinois Attorney General under the Solicitation for Charity Act;

(B) representatives of not-for-profit groups or organizations whose membership is limited to residential utility customers; or

(C) representatives of not-for-profit groups or organizations whose membership includes Illinois residents and that address the community, economic, environmental, or social welfare of Illinois residents, except government agencies ~~or intervenors~~ specifically authorized by Illinois law to participate in Commission proceedings on behalf of Illinois consumers.

(3) A consumer interest representative is eligible to receive compensation from the Consumer Intervenor Compensation Fund ~~consumer intervenor compensation fund~~ if its participation included lay or expert testimony or legal briefing and argument concerning the expenses, investments, rate design, rate impact, or other matters affecting the pricing, rates, costs or other charges

1 associated with utility service ~~and~~, the Commission does
2 not find the participation to be immaterial ~~adopts a~~
3 ~~material recommendation related to a significant issue in~~
4 ~~the docket, and participation caused a significant~~
5 ~~financial hardship to the participant;~~ however, no
6 consumer interest representative shall be eligible to
7 receive an award pursuant to this Section if the consumer
8 interest representative receives any compensation,
9 funding, or donations, directly or indirectly, from
10 parties that have a financial interest in the outcome of
11 the proceeding. Funding from residential ratepayers shall
12 not be considered funding from a party with a financial
13 interest unless determined to be by the Commission. The
14 Commission shall determine participation by the consumer
15 interest representative to be material if recommendations
16 made by the consumer interest representative are:

17 (A) relevant to issues in the proceeding on which
18 the Commission makes a finding;

19 (B) supported by facts, such as studies, methods,
20 or calculations, or by legal or policy analysis; and

21 (C) offered by the consumer interest
22 representative into evidence in the record of that
23 proceeding, or for legal or policy analysis, are filed
24 in the docket of that proceeding, through briefing,
25 motion, or other method.

26 (4) Within 30 days after September 15, 2021 (the

1 effective date of Public Act 102-662), each utility that
2 files a request for an increase in rates under Article IX
3 or Article XVI shall deposit an amount equal to one half of
4 the rate case attorney and expert expense allowed by the
5 Commission, but not to exceed \$500,000, into the fund
6 within 35 days of the date of the Commission's final Order
7 in the rate case or 20 days after the denial of rehearing
8 under Section 10-113 of this Act, whichever is later. The
9 Consumer Intervenor Compensation Fund shall be used to
10 provide payment to consumer interest representatives as
11 described in this Section.

12 (5) An electric public utility with 3,000,000 or more
13 retail customers shall contribute \$450,000 to the Consumer
14 Intervenor Compensation Fund within 60 days after
15 September 15, 2021 (the effective date of Public Act
16 102-662). A combined electric and gas public utility
17 serving fewer than 3,000,000 but more than 500,000 retail
18 customers shall contribute \$225,000 to the Consumer
19 Intervenor Compensation Fund within 60 days after
20 September 15, 2021 (the effective date of Public Act
21 102-662). A gas public utility with 1,500,000 or more
22 retail customers that is not a combined electric and gas
23 public utility shall contribute \$225,000 to the Consumer
24 Intervenor Compensation Fund within 60 days after
25 September 15, 2021 (the effective date of Public Act
26 102-662). A gas public utility with fewer than 1,500,000

1 retail customers but more than 300,000 retail customers
2 that is not a combined electric and gas public utility
3 shall contribute \$80,000 to the Consumer Intervenor
4 Compensation Fund within 60 days after September 15, 2021
5 (the effective date of Public Act 102-662). A gas public
6 utility with fewer than 300,000 retail customers that is
7 not a combined electric and gas public utility shall
8 contribute \$20,000 to the Consumer Intervenor Compensation
9 Fund within 60 days after September 15, 2021 (the
10 effective date of Public Act 102-662). A combined electric
11 and gas public utility serving fewer than 500,000 retail
12 customers shall contribute \$20,000 to the Consumer
13 Intervenor Compensation Fund within 60 days after
14 September 15, 2021 (the effective date of Public Act
15 102-662). A water or sewer public utility serving more
16 than 100,000 retail customers shall contribute \$80,000,
17 and a water or sewer public utility serving fewer than
18 100,000 but more than 10,000 retail customers shall
19 contribute \$20,000.

20 (6)(A) Prior to the entry of a Final Order in a
21 docketed case, the Commission Administrator shall provide
22 a payment to a consumer interest representative that
23 demonstrates through a verified application for funding
24 that the consumer interest representative's participation
25 or intervention without an award of fees or costs imposes
26 a significant financial hardship based on a schedule to be

1 developed by the Commission. The Administrator may require
2 verification of costs incurred, including statements of
3 hours spent, as a condition to paying the consumer
4 interest representative prior to the entry of a Final
5 Order in a docketed case. The payment provided for under
6 this subparagraph is subject to the reconciliation process
7 described in subparagraph (C) of this paragraph. For
8 purposes of payments provided for under this subparagraph,
9 and provided the testimony or legal argument was offered
10 into evidence or filed in the docket, a decision by the
11 Commission prior to entry of a Final Order that a consumer
12 interest representative's evidence or legal argument is
13 relevant to issues in the proceeding under subparagraph
14 (A) of paragraph (3) shall not be subject to
15 reconsideration; provided, however, that any compensation
16 awarded shall be subject to review and reconciliation
17 under subparagraph (C) of this paragraph.

18 (B) If the Commission does not find the participation
19 to be immaterial ~~adopts a material recommendation related~~
20 ~~to a significant issue in the docket and participation~~
21 ~~caused a financial hardship to the participant,~~ then the
22 consumer interest representative shall be allowed payment
23 for some or all of the consumer interest representative's
24 reasonable attorney's or advocate's fees, reasonable
25 expert witness fees, and other reasonable costs of
26 preparation for and participation in a hearing or

1 proceeding. Expenses related to travel or meals shall not
2 be compensable. Expenses incurred by participation in
3 workshops or other informal processes outside a docketed
4 proceeding shall not be compensable. Attorneys and expert
5 witnesses who represent or testify for more than one party
6 in the same docketed proceeding and perform essentially
7 the same work on behalf of the parties shall not be
8 compensated more than once for those same services
9 rendered in that proceeding.

10 (C) The consumer interest representative shall submit
11 an itemized request for compensation to the Consumer
12 Intervenor Compensation Fund, including the advocate's or
13 attorney's reasonable fee rate, the number of hours
14 expended, reasonable expert and expert witness fees, and
15 other reasonable costs for the preparation for and
16 participation in the hearing and briefing within 30 days
17 of the Commission's final order after denial or decision
18 on rehearing, if any.

19 (7) Administration of the Fund.

20 (A) The Consumer Intervenor Compensation Fund is
21 created as a special fund in the State treasury. All
22 disbursements from the Consumer Intervenor Compensation
23 Fund shall be made only upon warrants of the Comptroller
24 drawn upon the Treasurer as custodian of the Fund upon
25 vouchers signed by the Executive Director of the
26 Commission or by the person or persons designated by the

1 Director for that purpose. The Comptroller is authorized
2 to draw the warrant upon vouchers so signed. The Treasurer
3 shall accept all warrants so signed and shall be released
4 from liability for all payments made on those warrants.
5 The Consumer Intervenor Compensation Fund shall be
6 administered by an Administrator that is a person or
7 entity that is independent of the Commission. The
8 administrator will be responsible for the prudent
9 management of the Consumer Intervenor Compensation Fund
10 and for recommendations for the award of consumer
11 intervenor compensation from the Consumer Intervenor
12 Compensation Fund. The Commission shall issue a request
13 for qualifications for a third-party program administrator
14 to administer the Consumer Intervenor Compensation Fund.
15 The third-party administrator shall be chosen through a
16 competitive bid process based on selection criteria and
17 requirements developed by the Commission. The Illinois
18 Procurement Code does not apply to the hiring or payment
19 of the Administrator. All Administrator costs may be paid
20 for using monies from the Consumer Intervenor Compensation
21 Fund, but the Program Administrator shall strive to
22 minimize costs in the implementation of the program.

23 (B) The computation of compensation awarded from the
24 fund shall take into consideration the market rates paid
25 to persons of comparable training and experience who offer
26 similar services, but may not exceed the comparable market

1 rate for services paid by the public utility as part of its
2 rate case expense.

3 (C) (1) Recommendations on the award of compensation by
4 the administrator shall include consideration of whether
5 the participation was material ~~Commission adopted a~~
6 ~~material recommendation related to a significant issue in~~
7 ~~the docket and whether participation caused a financial~~
8 ~~hardship to the participant and the payment of~~
9 ~~compensation is fair, just and reasonable.~~

10 (2) Recommendations on the award of compensation by
11 the administrator shall be submitted to the Commission for
12 approval within 30 days after when the application for
13 funding is submitted to the administrator. Unless the
14 Commission initiates an investigation within 60 ~~45~~ days
15 after an application for funding is submitted to the
16 administrator, the Commission shall within 90 days after
17 the application is submitted to the administrator, or as
18 soon as practicable thereafter, award funding to the
19 applicant. Notice of the administrator's award
20 recommendation ~~the notice to the Commission, the award of~~
21 ~~compensation shall be allowed 45 days after notice to the~~
22 ~~Commission. Such notice~~ shall be given by filing with the
23 Commission on the Commission's e-docket system, and
24 keeping open for public inspection the award for
25 compensation proposed by the Administrator. The Commission
26 shall have power, and it is hereby given authority, either

1 upon complaint or upon its own initiative without
2 complaint, at once, and if it so orders, without answer or
3 other formal pleadings, but upon reasonable notice, to
4 enter upon a hearing concerning the propriety of the
5 award.

6 (c) The Commission may adopt rules to implement this
7 Section.

8 (Source: P.A. 102-662, eff. 9-15-21; 103-605, eff. 7-1-24.)

9 (220 ILCS 5/16-105.5)

10 Sec. 16-105.5. Rate case filing and revenue-neutral rate
11 design.

12 (a) An electric utility that files a general rate case
13 pursuant to Section 9-201 of this Act or a Multi-Year Rate Plan
14 pursuant to Section 16-108.18 of this Act may omit the rate
15 design component of such filing and subsequently separately
16 file this component with the Commission, subject to the
17 requirements of subsections (b) and (c) of this Section.

18 (b) If the electric utility makes the election described
19 in this Section, then the filing shall be consistent with the
20 rate design and cost allocation across customer classes
21 approved in the Commission's most recent order regarding the
22 electric utility's request for a general adjustment to its
23 rates entered under Section 9-201, subsection (e) of Section
24 16-108.5, or Section 16-108.18 of this Act, as applicable.

25 (c) If the electric utility makes the election described

1 in this Section, then the following provisions apply to the
2 separate filing of the revenue-neutral rate design component:

3 (1) No later than one year after the tariffs
4 implementing the general rate case filing or Multi-year
5 Rate Plan filing, as described in subsection (b) of this
6 Section, are placed into effect, the electric utility
7 shall make a filing with the Commission that proposes
8 changes to the tariffs to incorporate the findings of any
9 final rate design orders of the Commission applicable to
10 the electric utility and entered subsequent to the
11 Commission's approval of the tariffs. If no such orders
12 have been entered, then the electric utility must submit
13 its separate revenue-neutral rate design filing no later
14 than 3 years after the date on which the Commission's most
15 recent final rate design order was entered for the
16 electric utility. The electric utility's separate
17 revenue-neutral rate design filing may either propose
18 revenue-neutral tariff changes or refile the existing
19 tariffs without change, which shall present the Commission
20 with an opportunity to suspend the tariffs and consider
21 revenue-neutral tariff changes related to rate design. The
22 Commission shall, after notice and hearing, enter its
23 order approving, or approving with modification, the
24 proposed changes to the tariffs within 240 days after the
25 electric utility's filing. Any changes ordered by the
26 Commission shall become effective at the commencement of

1 the first January monthly billing period that begins no
2 earlier than 30 days after the Commission issues its order
3 adopting such changes.

4 (2) Following Commission approval under paragraph (1)
5 of this subsection (c), the electric utility shall make a
6 filing with the Commission during each subsequent 3-year
7 period that either proposes revenue-neutral tariff changes
8 or refiles the existing tariffs without change, which
9 shall present the Commission with an opportunity to
10 suspend the tariffs and consider revenue-neutral tariff
11 changes related to rate design. The requirements of this
12 paragraph (2) shall terminate at the time that the
13 electric utility files a general rate case or Multi-Year
14 Rate Plan that includes the rate design component or when
15 the electric utility makes a filing with the Commission
16 proposing revenue-neutral tariff changes consistent with
17 paragraph (3) of this subsection (c).

18 (3) The electric utility shall, no later than 90 days
19 after the effective date of this amendatory Act of the
20 104th General Assembly, make a filing with the Commission
21 that proposes revenue-neutral tariff changes which shall
22 present the Commission with an opportunity to suspend the
23 tariffs and consider revenue-neutral tariff changes
24 related to rate design. The electric utility's proposal
25 shall include, but is not limited to, proposed rates for
26 the class of extremely large, inflexible-load,

1 non-residential customers.

2 For purposes of this Section, the term "extremely
3 large, inflexible-load, non-residential customer" means:

4 (A) any new retail customer after the effective
5 date of this amendatory Act of the 104th General
6 Assembly located in the service territory of an
7 electric utility that serves more than 3,000,000
8 retail customers in the State, and whose total highest
9 30-minute demand established by the retail customer
10 during the most recent 12 consecutive monthly billing
11 periods or a forecast of its next 12 consecutive
12 monthly billing periods was more than 75,000 kilowatts
13 and the customer has during the most recent 12
14 consecutive monthly billing periods or is forecasted
15 to have during its next 12 consecutive monthly billing
16 periods a load factor of greater than 50%; or

17 (B) any new retail customer after the effective
18 date of this amendatory Act of the 104th General
19 Assembly located in the service territory of an
20 electric utility that serves fewer than 3,000,000
21 retail customers but more than 500,000 retail
22 customers in the State, and whose total highest
23 15-minute demand established by the retail customer
24 during the most recent 12 consecutive monthly billing
25 periods or a forecast of its next 12 consecutive
26 monthly billing periods was more than 75,000

1 kilowatts, and the customer has during the most recent
2 12 consecutive monthly billing periods or is
3 forecasted to have during its next 12 consecutive
4 monthly billing periods a load factor of greater than
5 50%.

6 "Extremely large, inflexible-load, non-residential
7 customer" does not include an entity located within an
8 area approved by the Department of Commerce and Economic
9 Opportunity as a quantum computing campus enterprise zone
10 pursuant to Section 605-1115 of the Department of Commerce
11 and Economic Opportunity Law as of May 1, 2025 or an entity
12 owned and operated by a federally funded research and
13 development center, as defined in 48 CFR 35.017, as of May
14 1, 2025.

15 For purposes of this Section, the term "load factor"
16 means, for any period, average power used during the
17 period as a percentage of peak power used during the
18 period.

19 To ensure that this Section allows for the expansion
20 of existing retail customer load to account for increased
21 activity that serves to benefit the State's economy, for
22 the purposes of the extremely large, inflexible-load,
23 non-residential customer class described in this paragraph
24 (3), in the event that an existing customer's demand
25 expands to above 75,000 kilowatts under this paragraph
26 (3), the calculation of the customer's total highest

1 15-minute or 30-minute demand shall only include increases
2 in demand additive to that customer's existing load as of
3 the effective date of this amendatory Act of the 104th
4 General Assembly.

5 To accommodate the resource needs of the State in
6 meeting the needs of rapidly emerging new loads without
7 negatively impact existing customers, the electric
8 utility's extremely large, inflexible-load,
9 non-residential customer tariff shall include a
10 requirement that, as a condition of receiving electric
11 service pursuant to the tariff, any extremely large,
12 inflexible-load, non-residential customer shall
13 contribute to the renewable portfolio standard pursuant to
14 subsection (c) of Section 1-75 of the Illinois Power
15 Agency Act at 3 times the per kilowatthour rate applicable
16 to all other retail customers as established pursuant to
17 subparagraph (E) of paragraph (1) of subsection (c) of
18 Section 1-75 of the Illinois Power Agency Act, and
19 contribute to the Energy Storage System Portfolio Standard
20 pursuant to subsection (d-20) of Section 1-75 of the
21 Illinois Power Agency Act at 3 times the per
22 kilowatthour/kilowatt rate applicable to all other retail
23 customers. An extremely large, inflexible-load,
24 non-residential customer shall have the option to reduce
25 this contribution through participation in the Agency's
26 self-direct renewable portfolio standard program pursuant

1 to subparagraph (R-5) of paragraph (1) of subsection (c)
2 of Section 1-75 of the Illinois Power Agency Act, with the
3 resulting crediting rate for both the renewable portfolio
4 standard charge and the energy storage system portfolio
5 standard charge reduced based on the energy and capacity
6 value of the energy generation and storage facilitated by
7 the customer consistent with the crediting methodology
8 outlined in subparagraph (R-5) of paragraph (1) of
9 subsection (c) of Section 1-75 of the Illinois Power
10 Agency Act.

11 The electric utility's extremely large,
12 inflexible-load, non-residential customer tariff shall
13 ensure that the utility recovers from the customer all
14 distribution and transmission costs that providing service
15 to the customer causes the utility to incur. The tariff
16 shall also include or reference other terms and conditions
17 of service, including, but not limited to, the process and
18 standards for connection of high-density load customers to
19 the electric delivery system, distribution line
20 extensions, distribution facility expansions, the
21 provision of non-standard service, and establishing
22 protections against other customers bearing costs of
23 serving those customers. Pursuant to the objectives stated
24 in this Section, the Commission may approve, reject, or
25 modify proposals by the utilities and other parties,
26 including, but not limited to, proposals regarding

1 deposits, other security, direct assignment of the costs
2 of utility investments that serve such customers, minimum
3 charges, minimum contract length, minimum monthly billing
4 demand, time-variant rates, collateral requirements,
5 mandatory notice periods for contract reduction or
6 termination, fees for large reductions in contract
7 capacity, premature exit or termination fees, and any
8 other provisions the Commission deems necessary to
9 mitigate the risk of imposing stranded costs incurred in
10 serving or preparing to serve extremely large,
11 inflexible-load, non-residential customers on other
12 customers.

13 (Source: P.A. 102-662, eff. 9-15-21.)

14 (220 ILCS 5/16-107.5)

15 Sec. 16-107.5. Net electricity metering.

16 (a) The General Assembly finds and declares that a program
17 to provide net electricity metering, as defined in this
18 Section, for eligible customers can encourage private
19 investment in renewable energy resources, stimulate economic
20 growth, enhance the continued diversification of Illinois'
21 energy resource mix, and protect the Illinois environment.
22 Further, to achieve the goals of this Act that robust options
23 for customer-site distributed generation and storage continue
24 to thrive in Illinois, the General Assembly finds that a
25 predictable transition must be ensured for customers between

1 full net metering at the retail electricity rate to the
2 distribution generation rebate described in Section 16-107.6.

3 (b) As used in this Section:+

4 (i) "Community ~~community~~ renewable generation project"
5 shall have the meaning set forth in Section 1-10 of the
6 Illinois Power Agency Act.+

7 (ii) "Eligible ~~eligible~~ customer" means a retail
8 customer that owns, hosts, or operates, including any
9 third-party owned systems, a solar, wind, or other
10 eligible renewable electrical generating facility or an
11 eligible storage device that is located on the customer's
12 premises or customer's side of the billing meter and is
13 intended primarily to offset the customer's own current or
14 future electrical requirements.+

15 (iii) "Electricity ~~electricity~~ provider" means an
16 electric utility or alternative retail electric supplier.+

17 (iv) "Eligible ~~eligible~~ renewable electrical
18 generating facility" means a generator, which may include
19 the colocation ~~co-location~~ of an energy storage system,
20 that is interconnected under rules adopted by the
21 Commission and is powered by solar electric energy, wind,
22 dedicated crops grown for electricity generation,
23 agricultural residues, untreated and unadulterated wood
24 waste, livestock manure, anaerobic digestion of livestock
25 or food processing waste, fuel cells or microturbines
26 powered by renewable fuels, or hydroelectric energy.+

1 (v) "Net ~~net~~ electricity metering" (or "net metering")
2 means the measurement, during the billing period
3 applicable to an eligible customer, of the net amount of
4 electricity supplied by an electricity provider to the
5 customer or provided to the electricity provider by the
6 customer or subscriber.+

7 (vi) "Subscriber ~~subscriber~~" shall have the meaning as
8 set forth in Section 1-10 of the Illinois Power Agency
9 Act.+

10 (vii) "Subscription ~~subscription~~" shall have the
11 meaning set forth in Section 1-10 of the Illinois Power
12 Agency Act.+

13 (viii) "Energy ~~energy~~ storage system" means
14 commercially available technology that is capable of
15 absorbing energy and storing it for a period of time for
16 use at a later time, including, but not limited to,
17 electrochemical, thermal, and electromechanical
18 technologies, and may be interconnected behind the
19 customer's meter or interconnected behind its own meter.+

20 ~~and~~

21 (ix) "Future ~~future~~ electrical requirements" means
22 modeled electrical requirements upon occupation of a new
23 or vacant property, and other reasonable expectations of
24 future electrical use, as well as, for occupied
25 properties, a reasonable approximation of the annual load
26 of 2 electric vehicles and, for non-electric heating

1 customers, a reasonable approximation of the incremental
2 electric load associated with fuel switching. The
3 approximations shall be applied to the appropriate net
4 metering tariff and do not need to be unique to each
5 individual eligible customer. The utility shall submit
6 these approximations to the Commission for review,
7 modification, and approval.

8 (x) "Vehicle storage system" means a vehicle that when
9 connected to an electric utility's distribution system is
10 capable of being an energy storage system, as defined in
11 Section 16-107.6.

12 (c) A net metering facility shall be equipped with
13 metering equipment that can measure the flow of electricity in
14 both directions at the same rate.

15 (1) For eligible customers whose electric service has
16 not been declared competitive pursuant to Section 16-113
17 of this Act as of July 1, 2011 and whose electric delivery
18 service is provided and measured on a kilowatt-hour basis
19 and electric supply service is not provided based on
20 hourly pricing, this shall typically be accomplished
21 through use of a single, bi-directional meter. If the
22 eligible customer's existing electric revenue meter does
23 not meet this requirement, the electricity provider shall
24 arrange for the local electric utility or a meter service
25 provider to install and maintain a new revenue meter at
26 the electricity provider's expense, which may be the smart

1 meter described by subsection (b) of Section 16-108.5 of
2 this Act.

3 (2) For eligible customers whose electric service has
4 not been declared competitive pursuant to Section 16-113
5 of this Act as of July 1, 2011 and whose electric delivery
6 service is provided and measured on a kilowatt demand
7 basis and electric supply service is not provided based on
8 hourly pricing, this shall typically be accomplished
9 through use of a dual channel meter capable of measuring
10 the flow of electricity both into and out of the
11 customer's facility at the same rate and ratio. If such
12 customer's existing electric revenue meter does not meet
13 this requirement, then the electricity provider shall
14 arrange for the local electric utility or a meter service
15 provider to install and maintain a new revenue meter at
16 the electricity provider's expense, which may be the smart
17 meter described by subsection (b) of Section 16-108.5 of
18 this Act.

19 (3) For all other eligible customers, until such time
20 as the local electric utility installs a smart meter, as
21 described by subsection (b) of Section 16-108.5 of this
22 Act, the electricity provider may arrange for the local
23 electric utility or a meter service provider to install
24 and maintain metering equipment capable of measuring the
25 flow of electricity both into and out of the customer's
26 facility at the same rate and ratio, typically through the

1 use of a dual channel meter. If the eligible customer's
2 existing electric revenue meter does not meet this
3 requirement, then the costs of installing such equipment
4 shall be paid for by the customer.

5 (d) An electricity provider shall measure and charge or
6 credit for the net electricity supplied to eligible customers
7 or provided by eligible customers whose electric service has
8 not been declared competitive pursuant to Section 16-113 of
9 this Act as of July 1, 2011 and whose electric delivery service
10 is provided and measured on a kilowatt-hour basis and electric
11 supply service is not provided based on hourly pricing in the
12 following manner:

13 (1) If the amount of electricity used by the customer
14 during the billing period exceeds the amount of
15 electricity produced by the customer, the electricity
16 provider shall charge the customer for the net electricity
17 supplied to and used by the customer as provided in
18 subsection (e-5) of this Section.

19 (2) If the amount of electricity produced by a
20 customer during the billing period exceeds the amount of
21 electricity used by the customer during that billing
22 period, the electricity provider supplying that customer
23 shall apply a 1:1 kilowatt-hour credit to a subsequent
24 bill for service to the customer for the net electricity
25 supplied to the electricity provider. The electricity
26 provider shall continue to carry over any excess

1 kilowatt-hour credits earned and apply those credits to
2 subsequent billing periods to offset any
3 customer-generator consumption in those billing periods
4 until all credits are used or until the end of the
5 annualized period.

6 (3) At the end of the year or annualized over the
7 period that service is supplied by means of net metering,
8 or in the event that the retail customer terminates
9 service with the electricity provider prior to the end of
10 the year or the annualized period, any remaining credits
11 in the customer's account shall expire.

12 (d-5) An electricity provider shall measure and charge or
13 credit for the net electricity supplied to eligible customers
14 or provided by eligible customers whose electric service has
15 not been declared competitive pursuant to Section 16-113 of
16 this Act as of July 1, 2011 and whose electric delivery service
17 is provided and measured on a kilowatt-hour basis and electric
18 supply service is provided based on hourly pricing or
19 time-of-use rates in the following manner:

20 (1) If the amount of electricity used by the customer
21 during any hourly period or time-of-use period exceeds the
22 amount of electricity produced by the customer, the
23 electricity provider shall charge the customer for the net
24 electricity supplied to and used by the customer according
25 to the terms of the contract or tariff to which the same
26 customer would be assigned to or be eligible for if the

1 customer was not a net metering customer.

2 (2) If the amount of electricity produced by a
3 customer during any hourly period or time-of-use period
4 exceeds the amount of electricity used by the customer
5 during that hourly period or time-of-use period, the
6 energy provider shall apply a credit for the net
7 kilowatt-hours produced in such period. The credit shall
8 consist of an energy credit and a delivery service credit.
9 The energy credit shall be valued at the same price per
10 kilowatt-hour as the electric service provider would
11 charge for kilowatt-hour energy sales during that same
12 hourly period or time-of-use period. The delivery credit
13 shall be equal to the net kilowatt-hours produced in such
14 hourly period or time-of-use period times a credit that
15 reflects all kilowatt-hour based charges in the customer's
16 electric service rate, excluding energy charges.

17 (e) An electricity provider shall measure and charge or
18 credit for the net electricity supplied to eligible customers
19 whose electric service has not been declared competitive
20 pursuant to Section 16-113 of this Act as of July 1, 2011 and
21 whose electric delivery service is provided and measured on a
22 kilowatt demand basis and electric supply service is not
23 provided based on hourly pricing in the following manner:

24 (1) If the amount of electricity used by the customer
25 during the billing period exceeds the amount of
26 electricity produced by the customer, then the electricity

1 provider shall charge the customer for the net electricity
2 supplied to and used by the customer as provided in
3 subsection (e-5) of this Section. The customer shall
4 remain responsible for all taxes, fees, and utility
5 delivery charges that would otherwise be applicable to the
6 net amount of electricity used by the customer.

7 (2) If the amount of electricity produced by a
8 customer during the billing period exceeds the amount of
9 electricity used by the customer during that billing
10 period, then the electricity provider supplying that
11 customer shall apply a 1:1 kilowatt-hour credit that
12 reflects the kilowatt-hour based charges in the customer's
13 electric service rate to a subsequent bill for service to
14 the customer for the net electricity supplied to the
15 electricity provider. The electricity provider shall
16 continue to carry over any excess kilowatt-hour credits
17 earned and apply those credits to subsequent billing
18 periods to offset any customer-generator consumption in
19 those billing periods until all credits are used or until
20 the end of the annualized period.

21 (3) At the end of the year or annualized over the
22 period that service is supplied by means of net metering,
23 or in the event that the retail customer terminates
24 service with the electricity provider prior to the end of
25 the year or the annualized period, any remaining credits
26 in the customer's account shall expire.

1 (e-5) An electricity provider shall provide electric
2 service to eligible customers who utilize net metering at
3 non-discriminatory rates that are identical, with respect to
4 rate structure, retail rate components, and any monthly
5 charges, to the rates that the customer would be charged if not
6 a net metering customer. An electricity provider shall not
7 charge net metering customers any fee or charge or require
8 additional equipment, insurance, or any other requirements not
9 specifically authorized by interconnection standards
10 authorized by the Commission, unless the fee, charge, or other
11 requirement would apply to other similarly situated customers
12 who are not net metering customers. The customer will remain
13 responsible for all taxes, fees, and utility delivery charges
14 that would otherwise be applicable to the net amount of
15 electricity used by the customer. Subsections (c) through (e)
16 of this Section shall not be construed to prevent an
17 arms-length agreement between an electricity provider and an
18 eligible customer that sets forth different prices, terms, and
19 conditions for the provision of net metering service,
20 including, but not limited to, the provision of the
21 appropriate metering equipment for non-residential customers.

22 (f) Notwithstanding the requirements of subsections (c)
23 through (e-5) of this Section, an electricity provider must
24 require dual-channel metering for customers operating eligible
25 renewable electrical generating facilities to whom the
26 provisions of neither subsection (d), (d-5), nor (e) of this

1 Section apply. In such cases, electricity charges and credits
2 shall be determined as follows:

3 (1) The electricity provider shall assess and the
4 customer remains responsible for all taxes, fees, and
5 utility delivery charges that would otherwise be
6 applicable to the gross amount of kilowatt-hours supplied
7 to the eligible customer by the electricity provider.

8 (2) Each month that service is supplied by means of
9 dual-channel metering, the electricity provider shall
10 compensate the eligible customer for any excess
11 kilowatt-hour credits at the electricity provider's
12 avoided cost of electricity supply over the monthly period
13 or as otherwise specified by the terms of a power-purchase
14 agreement negotiated between the customer and electricity
15 provider.

16 (3) For all eligible net metering customers taking
17 service from an electricity provider under contracts or
18 tariffs employing hourly or time-of-use rates, any monthly
19 consumption of electricity shall be calculated according
20 to the terms of the contract or tariff to which the same
21 customer would be assigned to or be eligible for if the
22 customer was not a net metering customer. When those same
23 customer-generators are net generators during any discrete
24 hourly or time-of-use period, the net kilowatt-hours
25 produced shall be valued at the same price per
26 kilowatt-hour as the electric service provider would

1 charge for retail kilowatt-hour sales during that same
2 time-of-use period.

3 (g) For purposes of federal and State laws providing
4 renewable energy credits or greenhouse gas credits, the
5 eligible customer shall be treated as owning and having title
6 to the renewable energy attributes, renewable energy credits,
7 and greenhouse gas emission credits related to any electricity
8 produced by the qualified generating unit. The electricity
9 provider may not condition participation in a net metering
10 program on the signing over of a customer's renewable energy
11 credits; provided, however, this subsection (g) shall not be
12 construed to prevent an arms-length agreement between an
13 electricity provider and an eligible customer that sets forth
14 the ownership or title of the credits.

15 (h) Within 120 days after the effective date of this
16 amendatory Act of the 95th General Assembly, the Commission
17 shall establish standards for net metering and, if the
18 Commission has not already acted on its own initiative,
19 standards for the interconnection of eligible renewable
20 generating equipment to the utility system. The
21 interconnection standards shall address any procedural
22 barriers, delays, and administrative costs associated with the
23 interconnection of customer-generation while ensuring the
24 safety and reliability of the units and the electric utility
25 system. The Commission shall consider the Institute of
26 Electrical and Electronics Engineers (IEEE) Standard 1547 and

1 the issues of (i) reasonable and fair fees and costs, (ii)
2 clear timelines for major milestones in the interconnection
3 process, (iii) nondiscriminatory terms of agreement, and (iv)
4 any best practices for interconnection of distributed
5 generation.

6 ~~(h 5) Within 90 days after the effective date of this~~
7 ~~amendatory Act of the 102nd General Assembly, the Commission~~
8 ~~shall:~~

9 ~~(1) establish an Interconnection Working Group. The~~
10 ~~working group shall include representatives from electric~~
11 ~~utilities, developers of renewable electric generating~~
12 ~~facilities, other industries that regularly apply for~~
13 ~~interconnection with the electric utilities,~~
14 ~~representatives of distributed generation customers, the~~
15 ~~Commission Staff, and such other stakeholders with a~~
16 ~~substantial interest in the topics addressed by the~~
17 ~~Interconnection Working Group. The Interconnection Working~~
18 ~~Group shall address at least the following issues:~~

19 ~~(A) cost and best available technology for~~
20 ~~interconnection and metering, including the~~
21 ~~standardization and publication of standard costs;~~

22 ~~(B) transparency, accuracy and use of the~~
23 ~~distribution interconnection queue and hosting~~
24 ~~capacity maps;~~

25 ~~(C) distribution system upgrade cost avoidance~~
26 ~~through use of advanced inverter functions;~~

1 ~~(D) predictability of the queue management process~~
2 ~~and enforcement of timelines;~~

3 ~~(E) benefits and challenges associated with group~~
4 ~~studies and cost sharing;~~

5 ~~(F) minimum requirements for application to the~~
6 ~~interconnection process and throughout the~~
7 ~~interconnection process to avoid queue clogging~~
8 ~~behavior;~~

9 ~~(G) process and customer service for~~
10 ~~interconnecting customers adopting distributed energy~~
11 ~~resources, including energy storage;~~

12 ~~(H) options for metering distributed energy~~
13 ~~resources, including energy storage;~~

14 ~~(I) interconnection of new technologies, including~~
15 ~~smart inverters and energy storage;~~

16 ~~(J) collect, share, and examine data on Level 1~~
17 ~~interconnection costs, including cost and type of~~
18 ~~upgrades required for interconnection, and use this~~
19 ~~data to inform the final standardized cost of Level 1~~
20 ~~interconnection; and~~

21 ~~(K) such other technical, policy, and tariff~~
22 ~~issues related to and affecting interconnection~~
23 ~~performance and customer service as determined by the~~
24 ~~Interconnection Working Group.~~

25 ~~The Commission may create subcommittees of the~~
26 ~~Interconnection Working Group to focus on specific issues~~

1 ~~of importance, as appropriate. The Interconnection Working~~
2 ~~Group shall report to the Commission on recommended~~
3 ~~improvements to interconnection rules and tariffs and~~
4 ~~policies as determined by the Interconnection Working~~
5 ~~Group at least every 6 months. Such reports shall include~~
6 ~~consensus recommendations of the Interconnection Working~~
7 ~~Group and, if applicable, additional recommendations for~~
8 ~~which consensus was not reached. The Commission shall use~~
9 ~~the report from the Interconnection Working Group to~~
10 ~~determine whether processes should be commenced to~~
11 ~~formally codify or implement the recommendations;~~

12 ~~(2) create or contract for an Ombudsman to resolve~~
13 ~~interconnection disputes through non-binding arbitration.~~
14 ~~The Ombudsman may be paid in full or in part through fees~~
15 ~~levied on the initiators of the dispute; and~~

16 ~~(3) determine a single standardized cost for Level 1~~
17 ~~interconnections, which shall not exceed \$200.~~

18 (i) All electricity providers shall begin to offer net
19 metering no later than April 1, 2008.

20 (j) An electricity provider shall provide net metering to
21 eligible customers according to subsections (d), (d-5), and
22 (e). Eligible renewable electrical generating facilities for
23 which eligible customers registered for net metering before
24 January 1, 2025 shall continue to receive net metering
25 services according to subsections (d), (d-5), and (e) of this
26 Section for the lifetime of the system, regardless of whether

1 those retail customers change electricity providers or whether
2 the retail customer benefiting from the system changes. On and
3 after January 1, 2025, any eligible customer that applies for
4 net metering and previously would have qualified under
5 subsections (d), (d-5), or (e) shall only be eligible for net
6 metering as described in subsection (n).

7 (k) Each electricity provider shall maintain records and
8 report annually to the Commission the total number of net
9 metering customers served by the provider, as well as the
10 type, capacity, and energy sources of the generating systems
11 used by the net metering customers. Nothing in this Section
12 shall limit the ability of an electricity provider to request
13 the redaction of information deemed by the Commission to be
14 confidential business information.

15 (l)(1) Notwithstanding the definition of "eligible
16 customer" in item (ii) of subsection (b) of this Section, each
17 electricity provider shall allow net metering as set forth in
18 this subsection (l) and for the following projects, provided
19 that only electric utilities serving more than 200,000
20 customers as of January 1, 2021 shall provide net metering for
21 projects that are eligible for subparagraph (C) of this
22 paragraph (l) and have energized after the effective date of
23 this amendatory Act of the 102nd General Assembly:

24 (A) properties owned or leased by multiple customers
25 that contribute to the operation of an eligible renewable
26 electrical generating facility through an ownership or

1 leasehold interest of at least 200 watts in such facility,
2 such as a community-owned wind project, a community-owned
3 biomass project, a community-owned solar project, or a
4 community methane digester processing livestock waste from
5 multiple sources, provided that the facility is also
6 located within the utility's service territory;

7 (B) individual units, apartments, or properties
8 located in a single building that are owned or leased by
9 multiple customers and collectively served by a common
10 eligible renewable electrical generating facility, such as
11 an office or apartment building, a shopping center or
12 strip mall served by photovoltaic panels on the roof; and

13 (C) subscriptions to community renewable generation
14 projects, including community renewable generation
15 projects on the customer's side of the billing meter of a
16 host facility and partially used for the customer's own
17 load.

18 In addition, the nameplate capacity of the eligible
19 renewable electric generating facility that serves the demand
20 of the properties, units, or apartments identified in
21 paragraphs (1) and (2) of this subsection (1) shall not exceed
22 5,000 kilowatts in nameplate capacity in total. Any eligible
23 renewable electrical generating facility or community
24 renewable generation project that is powered by photovoltaic
25 electric energy and installed after the effective date of this
26 amendatory Act of the 99th General Assembly must be installed

1 by a qualified person in compliance with the requirements of
2 Section 16-128A of the Public Utilities Act and any rules or
3 regulations adopted thereunder.

4 (2) Notwithstanding anything to the contrary, an
5 electricity provider shall provide credits for the electricity
6 produced by the projects described in paragraph (1) of this
7 subsection (1). The electricity provider shall provide credits
8 that include at least energy supply, capacity, transmission,
9 and, if applicable, the purchased energy adjustment on the
10 subscriber's monthly bill equal to the subscriber's share of
11 the production of electricity from the project, as determined
12 by paragraph (3) of this subsection (1). For customers with
13 transmission or capacity charges not charged on a
14 kilowatt-hour basis, the electricity provider shall prepare a
15 reasonable approximation of the kilowatt-hour equivalent value
16 and provide that value as a monetary credit. The electricity
17 provider shall submit these approximation methodologies to the
18 Commission for review, modification, and approval.
19 Notwithstanding anything to the contrary, customers on payment
20 plans or participating in budget billing programs shall have
21 credits applied on a monthly basis.

22 (3) Notwithstanding anything to the contrary and
23 regardless of whether a subscriber to an eligible community
24 renewable generation project receives power and energy service
25 from the electric utility or an alternative retail electric
26 supplier, for projects eligible under paragraph (C) of

1 subparagraph (1) of this subsection (1), electric utilities
2 serving more than 200,000 customers as of January 1, 2021
3 shall provide the monetary credits to a subscriber's
4 subsequent bill for the electricity produced by community
5 renewable generation projects. The electric utility shall
6 provide monetary credits to a subscriber's subsequent bill at
7 the utility's total price to compare equal to the subscriber's
8 share of the production of electricity from the project, as
9 determined by paragraph (5) of this subsection (1). For the
10 purposes of this subsection, "total price to compare" means
11 the rate or rates published by the Illinois Commerce
12 Commission for energy supply for eligible customers receiving
13 supply service from the electric utility, and shall include
14 energy, capacity, transmission, and the purchased energy
15 adjustment. Notwithstanding anything to the contrary,
16 customers on payment plans or participating in budget billing
17 programs shall have credits applied on a monthly basis. Any
18 applicable credit or reduction in load obligation from the
19 production of the community renewable generating projects
20 receiving a credit under this subsection shall be credited to
21 the electric utility to offset the cost of providing the
22 credit. To the extent that the credit or load obligation
23 reduction does not completely offset the cost of providing the
24 credit to subscribers of community renewable generation
25 projects as described in this subsection, the electric utility
26 may recover the remaining costs through its Multi-Year Rate

1 Plan. All electric utilities serving 200,000 or fewer
2 customers as of January 1, 2021 shall only provide the
3 monetary credits to a subscriber's subsequent bill for the
4 electricity produced by community renewable generation
5 projects if the subscriber receives power and energy service
6 from the electric utility. Alternative retail electric
7 suppliers providing power and energy service to a subscriber
8 located within the service territory of an electric utility
9 not subject to Sections 16-108.18 and 16-118 shall provide the
10 monetary credits to the subscriber's subsequent bill for the
11 electricity produced by community renewable generation
12 projects.

13 (4) If requested by the owner or operator of a community
14 renewable generating project, an electric utility serving more
15 than 200,000 customers as of January 1, 2021 shall enter into a
16 net crediting agreement with the owner or operator to include
17 a subscriber's subscription fee on the subscriber's monthly
18 electric bill and provide the subscriber with a net credit
19 equivalent to the total bill credit value for that generation
20 period minus the subscription fee, provided the subscription
21 fee is structured as a fixed percentage of bill credit value.
22 The net crediting agreement shall set forth payment terms from
23 the electric utility to the owner or operator of the community
24 renewable generating project, and the electric utility may
25 charge a net crediting fee to the owner or operator of a
26 community renewable generating project that may not exceed 1%

1 ~~2%~~ of the subscription fee bill credit value. Notwithstanding
2 anything to the contrary, an electric utility serving 200,000
3 customers or fewer as of January 1, 2021 shall not be obligated
4 to enter into a net crediting agreement with the owner or
5 operator of a community renewable generating project. An
6 electric utility shall use the same net crediting format for
7 subscribers on payment plans and subscribers participating in
8 budget billing programs. For the purposes of this paragraph
9 (4), "net crediting" means a program offered by an electric
10 utility under which the electric utility, upon authorization
11 by or on behalf of a subscriber, remits the cash value of the
12 subscription fee to the owner or operator of the community
13 renewable generation facility without regard to whether the
14 subscriber has paid the subscriber's monthly electric bill and
15 places the cash value of the remaining bill credit on the
16 subscriber's bill.

17 (5) For the purposes of facilitating net metering, the
18 owner or operator of the eligible renewable electrical
19 generating facility or community renewable generation project
20 shall be responsible for determining the amount of the credit
21 that each customer or subscriber participating in a project
22 under this subsection (1) is to receive in the following
23 manner:

24 (A) The owner or operator shall, on a monthly basis,
25 provide to the electric utility the kilowatthours of
26 generation attributable to each of the utility's retail

1 customers and subscribers participating in projects under
2 this subsection (1) in accordance with the customer's or
3 subscriber's share of the eligible renewable electric
4 generating facility's or community renewable generation
5 project's output of power and energy for such month. The
6 owner or operator shall electronically transmit such
7 calculations and associated documentation to the electric
8 utility, in a format or method set forth in the applicable
9 tariff, on a monthly basis so that the electric utility
10 can reflect the monetary credits on customers' and
11 subscribers' electric utility bills. The electric utility
12 shall be permitted to revise its tariffs to implement the
13 provisions of this amendatory Act of the 102nd General
14 Assembly. The owner or operator shall separately provide
15 the electric utility with the documentation detailing the
16 calculations supporting the credit in the manner set forth
17 in the applicable tariff.

18 (B) For those participating customers and subscribers
19 who receive their energy supply from an alternative retail
20 electric supplier, the electric utility shall remit to the
21 applicable alternative retail electric supplier the
22 information provided under subparagraph (A) of this
23 paragraph (3) for such customers and subscribers in a
24 manner set forth in such alternative retail electric
25 supplier's net metering program, or as otherwise agreed
26 between the utility and the alternative retail electric

1 supplier. The alternative retail electric supplier shall
2 then submit to the utility the amount of the charges for
3 power and energy to be applied to such customers and
4 subscribers, including the amount of the credit associated
5 with net metering.

6 (C) A participating customer or subscriber may provide
7 authorization as required by applicable law that directs
8 the electric utility to submit information to the owner or
9 operator of the eligible renewable electrical generating
10 facility or community renewable generation project to
11 which the customer or subscriber has an ownership or
12 leasehold interest or a subscription. Such information
13 shall be limited to the components of the net metering
14 credit calculated under this subsection (1), including the
15 bill credit rate, total kilowatthours, and total monetary
16 credit value applied to the customer's or subscriber's
17 bill for the monthly billing period.

18 (1-5) Within 90 days after the effective date of this
19 amendatory Act of the 102nd General Assembly, each electric
20 utility subject to this Section shall file a tariff or tariffs
21 to implement the provisions of subsection (1) of this Section,
22 which shall, consistent with the provisions of subsection (1),
23 describe the terms and conditions under which owners or
24 operators of qualifying properties, units, or apartments may
25 participate in net metering. The Commission shall approve, or
26 approve with modification, the tariff within 120 days after

1 the effective date of this amendatory Act of the 102nd General
2 Assembly.

3 (1-10) Each electricity provider shall allow net metering
4 as set forth in this subsection for an energy storage system or
5 vehicle storage system energized after the effective date of
6 this amendatory Act of the 104th General Assembly with a
7 nameplate capacity of not more than 5,000 kilowatts.

8 An energy storage system or vehicle storage system
9 eligible for net metering under this subsection may be
10 interconnected behind the meter of a retail customer or at the
11 distribution system level of an electric utility as follows:

12 (A) if the energy storage system or vehicle storage
13 system is interconnected behind the meter of a retail
14 customer, in order to receive net metering under this
15 subsection, the eligible customer behind whose meter the
16 energy storage system is interconnected must receive
17 service from an electricity provider under an hourly
18 supply tariff, a time-of-use supply tariff, or a
19 time-of-use contract with an alternative retail electric
20 supplier; or

21 (B) if the energy storage system or vehicle storage
22 system is interconnected at the distribution system level
23 of an electric utility and not behind the meter of a retail
24 customer, the energy storage system or vehicle storage
25 system must receive service from an electricity provider
26 as a retail customer under an hourly supply tariff

1 authorized by Section 16-107, a supply tariff or contract
2 on substantially similar terms and conditions with an
3 alternative retail electric supplier, a time-of-use supply
4 tariff, or a time-of-use supply contract with an
5 alternative retail electric supplier.

6 If the energy storage system or vehicle storage system is
7 interconnected behind the meter of an eligible customer, the
8 eligible customer shall receive net metering based on hourly
9 or time-of-use rates in accordance with the terms of
10 subsection (d-5) or (f) or paragraph (2) of subsection (n) of
11 this Section, as applicable to the eligible customer. If the
12 energy storage system or vehicle storage system is
13 interconnected at the distribution system level of an electric
14 utility and not behind the meter of a retail customer, then the
15 energy storage system or vehicle storage system shall receive
16 net metering pursuant to the terms of subsection (f) of this
17 Section.

18 (m) Nothing in this Section shall affect the right of an
19 electricity provider to continue to provide, or the right of a
20 retail customer to continue to receive service pursuant to a
21 contract for electric service between the electricity provider
22 and the retail customer in accordance with the prices, terms,
23 and conditions provided for in that contract. Either the
24 electricity provider or the customer may require compliance
25 with the prices, terms, and conditions of the contract.

26 (n) On and after January 1, 2025, the net metering

1 services described in subsections (d), (d-5), and (e) of this
2 Section shall no longer be offered, except as to those
3 eligible renewable electrical generating facilities for which
4 retail customers are receiving net metering service under
5 these subsections at the time the net metering services under
6 those subsections are no longer offered; those systems shall
7 continue to receive net metering services described in
8 subsections (d), (d-5), and (e) of this Section for the
9 lifetime of the system, regardless of if those retail
10 customers change electricity providers or whether the retail
11 customer benefiting from the system changes. The electric
12 utility serving more than 200,000 customers as of January 1,
13 2021 is responsible for ensuring the billing credits continue
14 without lapse for the lifetime of systems, as required in
15 subsection (o). Those retail customers that begin taking net
16 metering service after the date that net metering services are
17 no longer offered under such subsections shall be subject to
18 the provisions set forth in the following paragraphs (1)
19 through (3) of this subsection (n):

20 (1) An electricity provider shall charge or credit for
21 the net electricity supplied to eligible customers or
22 provided by eligible customers whose electric supply
23 service is not provided based on hourly pricing in the
24 following manner:

25 (A) If the amount of electricity used by the
26 customer during the monthly billing period exceeds the

1 amount of electricity produced by the customer, then
2 the electricity provider shall charge the customer for
3 the net kilowatt-hour based electricity charges
4 reflected in the customer's electric service rate
5 supplied to and used by the customer as provided in
6 paragraph (3) of this subsection (n).

7 (B) If the amount of electricity produced by a
8 customer during the monthly billing period exceeds the
9 amount of electricity used by the customer during that
10 billing period, then the electricity provider
11 supplying that customer shall apply a 1:1
12 kilowatt-hour energy or monetary credit kilowatt-hour
13 supply charges to the customer's subsequent bill. The
14 customer shall choose between 1:1 kilowatt-hour or
15 monetary credit at the time of application. For the
16 purposes of this subsection, "kilowatt-hour supply
17 charges" means the kilowatt-hour equivalent values for
18 energy, capacity, transmission, and the purchased
19 energy adjustment, if applicable. Notwithstanding
20 anything to the contrary, customers on payment plans
21 or participating in budget billing programs shall have
22 credits applied on a monthly basis. The electricity
23 provider shall continue to carry over any excess
24 kilowatt-hour or monetary energy credits earned and
25 apply those credits to subsequent billing periods. For
26 customers with transmission or capacity charges not

1 charged on a kilowatt-hour basis, the electricity
2 provider shall prepare a reasonable approximation of
3 the kilowatt-hour equivalent value and provide that
4 value as a monetary credit. The electricity provider
5 shall submit these approximation methodologies to the
6 Commission for review, modification, and approval.

7 (C) (Blank).

8 (2) An electricity provider shall charge or credit for
9 the net electricity supplied to eligible customers or
10 provided by eligible customers whose electric supply
11 service is provided based on hourly pricing in the
12 following manner:

13 (A) If the amount of electricity used by the
14 customer during any hourly period exceeds the amount
15 of electricity produced by the customer, then the
16 electricity provider shall charge the customer for the
17 net electricity supplied to and used by the customer
18 as provided in paragraph (3) of this subsection (n).

19 (B) If the amount of electricity produced by a
20 customer during any hourly period exceeds the amount
21 of electricity used by the customer during that hourly
22 period, the energy provider shall calculate an energy
23 credit for the net kilowatt-hours produced in such
24 period, and shall apply that credit as a monetary
25 credit to the customer's subsequent bill. The value of
26 the energy credit shall be calculated using the same

1 price per kilowatt-hour as the electric service
2 provider would charge for kilowatt-hour energy sales
3 during that same hourly period and shall also include
4 values for capacity and transmission. For customers
5 with transmission or capacity charges not charged on a
6 kilowatt-hour basis, the electricity provider shall
7 prepare a reasonable approximation of the
8 kilowatt-hour equivalent value and provide that value
9 as a monetary credit. The electricity provider shall
10 submit these approximation methodologies to the
11 Commission for review, modification, and approval.
12 Notwithstanding anything to the contrary, customers on
13 payment plans or participating in budget billing
14 programs shall have credits applied on a monthly
15 basis.

16 (3) An electricity provider shall provide electric
17 service to eligible customers who utilize net metering at
18 non-discriminatory rates that are identical, with respect
19 to rate structure, retail rate components, and any monthly
20 charges, to the rates that the customer would be charged
21 if not a net metering customer. An electricity provider
22 shall charge the customer for the net electricity supplied
23 to and used by the customer according to the terms of the
24 contract or tariff to which the same customer would be
25 assigned or be eligible for if the customer was not a net
26 metering customer. An electricity provider shall not

1 charge net metering customers any fee or charge or require
2 additional equipment, insurance, or any other requirements
3 not specifically authorized by interconnection standards
4 authorized by the Commission, unless the fee, charge, or
5 other requirement would apply to other similarly situated
6 customers who are not net metering customers. The customer
7 remains responsible for the gross amount of delivery
8 services charges, supply-related charges that are kilowatt
9 based, and all taxes and fees related to such charges. The
10 customer also remains responsible for all taxes and fees
11 that would otherwise be applicable to the net amount of
12 electricity used by the customer. Paragraphs (1) and (2)
13 of this subsection (n) shall not be construed to prevent
14 an arms-length agreement between an electricity provider
15 and an eligible customer that sets forth different prices,
16 terms, and conditions for the provision of net metering
17 service, including, but not limited to, the provision of
18 the appropriate metering equipment for non-residential
19 customers. Nothing in this paragraph (3) shall be
20 interpreted to mandate that a utility that is only
21 required to provide delivery services to a given customer
22 must also sell electricity to such customer.

23 (o) Within 90 days after the effective date of this
24 amendatory Act of the 102nd General Assembly, each electric
25 utility subject to this Section shall file a tariff, which
26 shall, consistent with the provisions of this Section, propose

1 the terms and conditions under which a customer may
2 participate in net metering. The tariff for electric utilities
3 serving more than 200,000 customers as of January 1, 2021
4 shall also provide a streamlined and transparent bill
5 crediting system for net metering to be managed by the
6 electric utilities. The terms and conditions shall include,
7 but are not limited to, that an electric utility shall manage
8 and maintain billing of net metering credits and charges
9 regardless of if the eligible customer takes net metering
10 under an electric utility or alternative retail electric
11 supplier. The electric utility serving more than 200,000
12 customers as of January 1, 2021 shall process and approve all
13 net metering applications, even if an eligible customer is
14 served by an alternative retail electric supplier; and the
15 utility shall forward application approval to the appropriate
16 alternative retail electric supplier. Eligibility for net
17 metering shall remain with the owner of the utility billing
18 address such that, if an eligible renewable electrical
19 generating facility changes ownership, the net metering
20 eligibility transfers to the new owner. The electric utility
21 serving more than 200,000 customers as of January 1, 2021
22 shall manage net metering billing for eligible customers to
23 ensure full crediting occurs on electricity bills, including,
24 but not limited to, ensuring net metering crediting begins
25 upon commercial operation date, net metering billing transfers
26 immediately if an eligible customer switches from an electric

1 utility to alternative retail electric supplier or vice versa,
2 and net metering billing transfers between ownership of a
3 valid billing address. All transfers referenced in the
4 preceding sentence shall include transfer of all banked
5 credits. All electric utilities serving 200,000 or fewer
6 customers as of January 1, 2021 shall manage net metering
7 billing for eligible customers receiving power and energy
8 service from the electric utility to ensure full crediting
9 occurs on electricity bills, ensuring net metering crediting
10 begins upon commercial operation date, net metering billing
11 transfers immediately if an eligible customer switches from an
12 electric utility to alternative retail electric supplier or
13 vice versa, and net metering billing transfers between
14 ownership of a valid billing address. Alternative retail
15 electric suppliers providing power and energy service to
16 eligible customers located within the service territory of an
17 electric utility serving 200,000 or fewer customers as of
18 January 1, 2021 shall manage net metering billing for eligible
19 customers to ensure full crediting occurs on electricity
20 bills, including, but not limited to, ensuring net metering
21 crediting begins upon commercial operation date, net metering
22 billing transfers immediately if an eligible customer switches
23 from an electric utility to alternative retail electric
24 supplier or vice versa, and net metering billing transfers
25 between ownership of a valid billing address.

26 (Source: P.A. 102-662, eff. 9-15-21.)

(220 ILCS 5/16-107.6)

Sec. 16-107.6. Distributed generation and storage rebate.

(a) In this Section:

"Additive services" means the services that distributed energy resources provide to the energy system and society that are described in Section 16-107.9 ~~not (1) already included in the base rebates for system wide grid services; or (2) otherwise already compensated. Additive services may reflect, but shall not be limited to, any geographic, time based, performance based, and other benefits of distributed energy resources, as well as the present and future technological capabilities of distributed energy resources and present and future grid needs.~~

"Distributed energy resource" means a wide range of technologies that are located on the customer side of the customer's electric meter, including, but not limited to, distributed generation, energy storage, electric vehicles, and demand response technologies.

"Energy storage system" means commercially available technology that is capable of absorbing energy and storing it for a period of time for use at a later time, including, but not limited to, electrochemical, thermal, and electromechanical technologies, and may be interconnected behind the customer's meter or interconnected behind its own meter. "Energy storage system" also includes electric vehicle

1 storage systems connected to the distribution grid and capable
2 of discharging to the distribution grid.

3 "Smart inverter" means a device that converts direct
4 current into alternating current and meets the IEEE 1547-2018
5 equipment standards. Until devices that meet the IEEE
6 1547-2018 standard are available, devices that meet the UL
7 1741 SA standard are acceptable.

8 "Subscriber" has the meaning set forth in Section 1-10 of
9 the Illinois Power Agency Act.

10 "Subscription" has the meaning set forth in Section 1-10
11 of the Illinois Power Agency Act.

12 "System-wide grid services" means the benefits that a
13 distributed energy resource provides to the distribution grid
14 for a period of no less than 25 years. System-wide grid
15 services do not vary by location, time, or the performance
16 characteristics of the distributed energy resource.
17 System-wide grid services include, but are not limited to,
18 avoided or deferred distribution capacity costs, resilience
19 and reliability benefits, avoided or deferred distribution
20 operation and maintenance costs, distribution voltage and
21 power quality benefits, and line loss reductions.

22 "Threshold date" means the date 2 years after the
23 effective date of this amendatory Act of the 104th General
24 Assembly ~~December 31, 2024~~ or the date on which the utility's
25 tariff or tariffs authorized by Section 16-107.9 ~~setting the~~
26 ~~new compensation values established under subsection (e) take~~

1 effect, whichever is later.

2 (b) An electric utility that serves more than 200,000
3 customers in the State shall file a petition with the
4 Commission requesting approval of the utility's tariff to
5 provide a rebate to the owner or operator of distributed
6 generation, including third-party owned systems, that meets
7 the following criteria:

8 (1) has a nameplate ~~generating~~ capacity no greater
9 than 5,000 kilowatts and is primarily used to offset a
10 customer's electricity load;

11 (2) is located on the customer's side of the billing
12 meter and for the customer's own use;

13 (3) is interconnected to electric distribution
14 facilities owned by the electric utility under rules
15 adopted by the Commission by means of one or more
16 inverters or smart inverters required by this Section, as
17 applicable.

18 For purposes of this Section, "distributed generation"
19 shall satisfy the definition of distributed renewable energy
20 generation device set forth in Section 1-10 of the Illinois
21 Power Agency Act to the extent such definition is consistent
22 with the requirements of this Section.

23 In addition, any new photovoltaic distributed generation
24 that is installed after June 1, 2017 (the effective date of
25 Public Act 99-906) must be installed by a qualified person, as
26 defined by subsection (i) of Section 1-56 of the Illinois

1 Power Agency Act.

2 The tariff shall include a base rebate that compensates
3 distributed generation for the system-wide grid services
4 associated with distributed generation and, ~~after the~~
5 ~~proceeding described in subsection (c) of this Section,~~ an
6 additional payment or payments for any ~~the~~ additive services
7 identified by the Commission under subsection (e). The
8 distributed generation and storage tariff shall provide that
9 the smart inverter or smart inverters associated with the
10 distributed generation shall provide autonomous response to
11 grid conditions through its default settings as approved by
12 the Commission. Default settings may not be changed after the
13 execution of the interconnection agreement except by mutual
14 agreement between the utility and the owner or operator of the
15 distributed generation. Nothing in this Section shall negate
16 or supersede Institute of Electrical and Electronics Engineers
17 equipment standards or other similar standards or
18 requirements. The tariff shall not limit the ability of the
19 smart inverter or smart inverters or other distributed energy
20 resource to provide wholesale market products such as
21 regulation, demand response, or other services, or limit the
22 ability of the owner of the smart inverter or the other
23 distributed energy resource to receive compensation for
24 providing those wholesale market products or services.

25 To be eligible for a rebate described in this subsection
26 (b-5), the owner or operator of the distributed generation

1 shall provide proof of participation in the frequency
2 regulation market. Upon providing proof of participation, the
3 retail customer shall be entitled to a rebate equal to the cost
4 of the interconnection facilities paid to ComEd, regardless of
5 whether the retail customer would have incurred the
6 interconnection costs in the absence of participating in the
7 frequency regulation market, plus the cost of software,
8 telecommunications hardware, and telemetry paid to enable
9 communication with PJM for purposes of participating in the
10 frequency regulation market. A utility providing rebates
11 described in this subsection (b-5) shall be entitled to
12 recover the costs of the rebates as provided for in subsection
13 (h) of this Section. To the extent the electric utility's
14 tariff shall be modified to comply with this subsection (b-5),
15 it shall file a revised tariff with the Commission within 120
16 days after this amendatory Act of the 104th General Assembly,
17 and the Commission shall approve, or approve with
18 modification, the tariff within 240 days after the utility's
19 filing.

20 (b-5) Within 30 days after the effective date of this
21 amendatory Act of the 102nd General Assembly, each electric
22 public utility with 3,000,000 or more retail customers shall
23 file a tariff with the Commission that further compensates any
24 retail customer that installs or has installed photovoltaic
25 facilities paired with energy storage facilities on or
26 adjacent to its premises for the benefits the facilities

1 provide to the distribution grid. The tariff shall provide
2 that, in addition to the other rebates identified in this
3 Section, the electric utility shall rebate to such retail
4 customer (i) the previously incurred and future costs of
5 installing interconnection facilities and related
6 infrastructure to enable full participation in the PJM
7 Interconnection, LLC or its successor organization frequency
8 regulation market; and (ii) all wholesale demand charges
9 incurred after the effective date of this amendatory Act of
10 the 102nd General Assembly. The Commission shall approve, or
11 approve with modification, the tariff within 120 days after
12 the utility's filing.

13 (c) The proposed tariff authorized by subsection (b) of
14 this Section shall include the following participation terms
15 for rebates to be applied under this Section for distributed
16 generation that satisfies the criteria set forth in subsection
17 (b) of this Section:

18 (1) The owner or operator of distributed generation or
19 distributed storage that services customers not eligible
20 for net metering under subsection (d), (d-5), or (e) of
21 Section 16-107.5 of this Act may apply for a rebate as
22 provided for in this Section. The ~~Until the threshold~~
23 ~~date, the~~ value of the rebate shall be \$250 per kilowatt of
24 nameplate generating capacity, measured as nominal DC
25 power output, of that customer's distributed generation.
26 To the extent the distributed generation also has an

1 associated energy storage, then until the threshold date
2 for systems other than community renewable generation
3 projects paired with an energy storage system, the energy
4 storage system shall be separately compensated with a ~~base~~
5 rebate of \$250 per kilowatt-hour of nameplate capacity. To
6 the extent that a community renewable generation project
7 is paired with an energy storage system, the energy
8 storage system shall be separately compensated with a
9 rebate of \$250 per kilowatt-hour of nameplate capacity.
10 Any distributed generation device that is compensated for
11 storage in this subsection (1) after the effective date of
12 this amendatory Act of the 104th General Assembly ~~before~~
13 ~~the threshold date~~ shall participate in one or more
14 programs authorized by paragraph (1) of subsection (e).
15 Compensation ~~determined through the Multi Year Integrated~~
16 ~~Grid Planning process that are designed to meet peak~~
17 ~~reduction and flexibility. After the threshold date, the~~
18 ~~value of the base rebate and additional compensation for~~
19 any additive services shall be as determined by the
20 Commission in the proceeding described in Section 16-107.9
21 ~~subsection (c) of this Section, provided that the value of~~
22 ~~the base rebate for system-wide grid services shall not be~~
23 ~~lower than \$250 per kilowatt of nameplate generating~~
24 ~~capacity of distributed generation or community renewable~~
25 ~~generation project.~~ To the extent that an electric
26 utility's tariffs are inconsistent with the requirements

1 of this paragraph (1) as modified by this amendatory Act
2 of the 104th General Assembly, the electric utility shall,
3 within 60 days after the effective date of this amendatory
4 Act of the 104th General Assembly, file modified tariffs
5 consistent with the requirements of this paragraph (1).

6 (2) The owner or operator of distributed generation
7 that, before the threshold date, would have been eligible
8 for net metering under subsection (d), (d-5), or (e) of
9 Section 16-107.5 of this Act and that has not previously
10 received a distributed generation rebate, may apply for a
11 rebate as provided for in this Section. Until December 31,
12 2029 ~~the threshold date~~, the value of the base rebate
13 shall be \$300 per kilowatt of nameplate generating
14 capacity, measured as nominal DC power output, of the
15 distributed generation. On or after January 1, 2030, the
16 value of the base rebate shall be \$250 per kilowatt of
17 nameplate generating capacity, measured as nominal DC
18 power output, of the distributed generation. The owner or
19 operator of distributed generation that, before the
20 threshold date, is eligible for net metering under
21 subsection (d), (d-5), or (e) of Section 16-107.5 of this
22 Act may apply for a base rebate for an associated energy
23 storage device behind the same retail customer meter as
24 the distributed generation, regardless of whether the
25 distributed generation applies for a rebate for the
26 distributed generation device. An ~~The~~ energy storage

1 system, whether or not paired with distributed generation,
2 shall be separately compensated at a base payment of \$300
3 per kilowatt-hour of nameplate capacity until the
4 threshold date. Any distributed generation device that is
5 compensated for storage in this subsection (2) has the
6 option to ~~before the threshold date shall~~ participate in
7 either an ~~a peak time rebate program,~~ hourly pricing
8 program~~,~~ or time-of-use rate program and any distributed
9 generation device that is compensated for storage in this
10 subsection (2) after the effective date of this amendatory
11 act of the 104th General Assembly shall participate in a
12 scheduled dispatch program set forth in paragraph (1) of
13 subsection (e) when it becomes available ~~offered by the~~
14 ~~applicable electric utility. Compensation After the~~
15 ~~threshold date, the value of the base rebate and~~
16 ~~additional compensation~~ for any additive services or other
17 programs shall be as determined by the Commission in the
18 proceeding described in Section 16-107.9 ~~subsection (e) of~~
19 ~~this Section, provided that, prior to December 31, 2029,~~
20 ~~the value of the base rebate for system-wide services~~
21 ~~shall not be lower than \$300 per kilowatt of nameplate~~
22 ~~generating capacity of distributed generation, after which~~
23 ~~it shall not be lower than \$250 per kilowatt of nameplate~~
24 ~~capacity. The eligibility of energy storage devices that~~
25 ~~are interconnected behind the same retail customer meter~~
26 ~~as the distributed generation shall not be limited to~~

~~energy storage devices interconnected after the effective date of this amendatory Act of the 103rd General Assembly.~~

To the extent that an electric utility's tariffs are inconsistent with the requirements of this paragraph (2) as modified by this amendatory Act of the 104th General Assembly ~~this amendatory Act of the 103rd General Assembly~~, such electric utility shall, within 60 ~~30~~ days, file modified tariffs consistent with the requirements of this paragraph (2).

(3) Upon approval of a rebate application submitted under this subsection (c), the retail customer shall no longer be entitled to receive any delivery service credits for the excess electricity generated by its facility and shall be subject to the provisions of subsection (n) of Section 16-107.5 of this Act unless the owner or operator receives a rebate only for an energy storage device and not for the distributed generation device.

(4) To be eligible for a rebate described in this subsection (c), the owner or operator of the distributed generation must have a smart inverter installed and in operation on the distributed generation.

(5) The owner or operator of any distributed generation or distributed storage system whose electric service has not been declared competitive under Section 15-113 as of July 1, 2011 or the owner or operator of a community renewable generation project participating in

1 the Adjustable Block Program as a community-driven
2 community solar project as defined in item (v) or
3 subparagraph (1) of paragraph (K) of subsection (c) of
4 Section 1-75 of the Illinois Power Agency Act and that has
5 an interconnection agreement dated after the effective
6 date of this amendatory Act of the 104th General Assembly
7 shall be eligible for an additional payment or payments to
8 the applicable rebate under paragraphs (1) or (2) of this
9 subsection (c) in an amount set by tariff and approved by
10 the Commission if located in an equity investment eligible
11 community, as defined in Section 1-10 of the Illinois
12 Power Agency Act, at the time the interconnection
13 agreement is signed.

14 (d) The Commission shall review the proposed tariff
15 authorized by subsection (b) of this Section and may make
16 changes to the tariff that are consistent with this Section
17 and with the Commission's authority under Article IX of this
18 Act, subject to notice and hearing. Following notice and
19 hearing, the Commission shall issue an order approving, or
20 approving with modification, such tariff no later than 240
21 days after the utility files its tariff. Upon the effective
22 date of this amendatory Act of the 102nd General Assembly, an
23 electric utility shall file a petition with the Commission to
24 amend and update any existing tariffs to comply with
25 subsections (b) and (c).

26 (e) By no later than December 31, 2025 ~~June 30, 2023~~, the

1 Commission shall establish a scheduled dispatch virtual power
2 plant program that shall be required for customers that own or
3 operate an energy storage system that receive a rebate for the
4 distributed storage portion under paragraphs (1) and (2) of
5 subsection (c) ~~open an independent, statewide investigation~~
6 ~~into the value of, and compensation for, distributed energy~~
7 ~~resources. The Commission shall conduct the investigation, but~~
8 ~~may arrange for experts or consultants independent of the~~
9 ~~utilities and selected by the Commission to assist with the~~
10 ~~investigation. The cost of the investigation shall be shared~~
11 ~~by the utilities filing tariffs under subsection (b) of this~~
12 ~~Section but may be recovered as an expense through normal~~
13 ~~ratemaking procedures.~~

14 (1) The scheduled dispatch virtual power plant program
15 shall require an enrollment period of 5 years and require
16 each participating system to commit to dispatch each
17 weekday during the months of June, July, August, and
18 September from 4 p.m. to 6 p.m. for systems interconnected
19 behind the meter of a retail customer and from 4 p.m. to 7
20 p.m. for systems interconnected on the distribution system
21 of an electric utility and not behind the meter of a retail
22 customer. Upon petition by the applicable electric utility
23 or on its own motion, the Commission may approve different
24 dispatch schedules provided that dispatch events do not
25 exceed 80 days and shall not exceed 2 hours for systems
26 interconnected behind the meter of a retail customer or 3

1 hours for systems interconnected on the distribution
2 system of an electric utility and not behind the meter of a
3 retail customer. ~~The Commission shall ensure that the~~
4 ~~investigation includes, at minimum, diverse sets of~~
5 ~~stakeholders; a review of best practices in calculating~~
6 ~~the value of distributed energy resource benefits; a~~
7 ~~review of the full value of the distributed energy~~
8 ~~resources and the manner in which each component of that~~
9 ~~value is or is not otherwise compensated; and assessments~~
10 ~~of how the value of distributed energy resources may~~
11 ~~evolve based on the present and future technological~~
12 ~~capabilities of distributed energy resources and based on~~
13 ~~present and future grid needs.~~

14 (2) The scheduled dispatch virtual power plant program
15 shall be open to all customer classes with eligible energy
16 storage systems and shall measure performance based on
17 combined export of paired resources if the eligible device
18 is inverter-based renewables paired with storage through
19 at least December 31, 2030. The scheduled dispatch virtual
20 power plant program shall be required for all community
21 renewable generation projects paired with an energy
22 storage system without regard to the threshold date. ~~The~~
23 ~~Commission's final order concluding this investigation~~
24 ~~shall establish an annual process and formula for the~~
25 ~~compensation of distributed generation and energy storage~~
26 ~~systems, and an initial set of inputs for that formula.~~

~~The Commission's final order concluding this investigation shall establish base rebates that compensate distributed generation, community renewable generation projects and energy storage systems for the system-wide grid services that they provide. Those base rebate values shall be consistent across the state, and shall not vary by customer, customer class, customer location, or any other variable. With respect to rebates for distributed generation or community renewable generation projects, that rebate shall not be lower than \$250 per kilowatt of nameplate generating capacity of the distributed generation or community renewable generation project. The Commission's final order concluding this proceeding shall also direct the utilities to update the formula, on an annual basis, with inputs derived from their integrated grid plans developed pursuant to Section 16-105.17. The base rebate shall be updated annually based on the annual updates to the formula inputs, but, with respect to rebates for distributed generation or community renewable generation projects, shall be no lower than \$250 per kilowatt of nameplate generating capacity of the distributed generation or community renewable generation project.~~

(3) Compensation shall be set by the Commission but shall not be less than \$10 per kilowatt of average dispatch during identified hours, paid to enrolled

1 customers or project owners at end of program year. For
2 distributed generation interconnected to an electric
3 utility's distribution system and not behind the meter of
4 a retail customer, dispatch to determine compensation
5 shall be measured at point of interconnection. For
6 distributed generation and storage interconnected behind
7 the meter of a retail customer, dispatch to determine
8 compensation shall be measured at the inverter connected
9 to the storage device. ~~The Commission shall also~~
10 ~~determine, as a part of its investigation under this~~
11 ~~subsection, whether distributed energy resources can~~
12 ~~provide any additive services. Those additive services may~~
13 ~~include services that are provided through~~
14 ~~utility controlled responses to grid conditions. If the~~
15 ~~Commission determines that distributed energy resources~~
16 ~~can provide additive grid services, the Commission shall~~
17 ~~determine the terms and conditions for the operation and~~
18 ~~compensation of those services. That compensation shall be~~
19 ~~above and beyond the base rebate that the distributed~~
20 ~~energy generation, community renewable generation project~~
21 ~~and energy storage system receives. Compensation for~~
22 ~~additive services may vary by location, time, performance~~
23 ~~characteristics, technology types, or other variables.~~

24 (4) The Commission shall approve the initial scheduled
25 dispatch virtual power plant tariff for each utility not
26 later than December 31, 2025. ~~The Commission shall ensure~~

1 ~~that compensation for distributed energy resources,~~
2 ~~including base rebates and any payments for additive~~
3 ~~services, shall reflect all reasonably known and~~
4 ~~measurable values of the distributed generation over its~~
5 ~~full expected useful life. Compensation for additive~~
6 ~~services shall reflect, but shall not be limited to, any~~
7 ~~geographic, time based, performance based, and other~~
8 ~~benefits of distributed generation, as well as the present~~
9 ~~and future technological capabilities of distributed~~
10 ~~energy resources and present and future grid needs.~~

11 (5) The Commission, by its own motion or by petition
12 by an electric utility, may establish other additive
13 services programs in addition to the virtual power plant
14 program under Section 16-107.9. Nothing in this Section is
15 intended to preempt or delay the implementation of other
16 utility programs for devices that are not a part of the
17 scheduled dispatch virtual power plant program that the
18 Commission or utility may propose or require. The
19 ~~Commission shall consider the electric utility's~~
20 ~~integrated grid plan developed pursuant to Section~~
21 ~~16-105.17 of this Act to help identify the value of~~
22 ~~distributed energy resources for the purpose of~~
23 ~~calculating the compensation described in this subsection.~~

24 (6) No later than December 31, 2027, the utilities
25 shall file with the Commission a report that includes
26 information on the following: (A) the number of

1 participants in the scheduled dispatch program; (B)
2 impacts to energy supply prices and wholesale market
3 activities; (C) impacts on distribution system investments
4 and planning; and (D) any potential pathways by which the
5 virtual power plan program described in Section 16-107.9
6 may be designed to capture wholesale market value through
7 participation in the wholesale market and apply that
8 wholesale market revenue to reduce utility distribution or
9 electric supply rates for customers. ~~The Commission shall~~
10 ~~determine additional compensation for distributed energy~~
11 ~~resources that creates savings and value on the~~
12 ~~distribution system by being co-located or in close~~
13 ~~proximity to electric vehicle charging infrastructure in~~
14 ~~use by medium duty and heavy duty vehicles, primarily~~
15 ~~serving environmental justice communities, as outlined in~~
16 ~~the utility integrated grid planning process under Section~~
17 ~~16-105.17 of this Act.~~

18 ~~No later than 60 days after the Commission enters its~~
19 ~~final order under this subsection (c), each utility shall file~~
20 ~~its updated tariff or tariffs in compliance with the order,~~
21 ~~including new tariffs for the recovery of costs incurred under~~
22 ~~this subsection (c) that shall provide for volumetric-based~~
23 ~~cost recovery, and the Commission shall approve, or approve~~
24 ~~with modification, the tariff or tariffs within 240 days after~~
25 ~~the utility's filing.~~

26 (f) Notwithstanding any provision of this Act to the

1 contrary, the owner or operator of a community renewable
2 generation project as defined in Section 1-10 of the Illinois
3 Power Agency Act whether or not a paired energy storage system
4 or the owner or operator of an energy storage system that is
5 eligible for net metering under subsection (1-10) of Section
6 16-107.5 shall also be eligible to apply for the rebate
7 described in this Section. The owner or operator of the
8 community renewable generation project whether or not a paired
9 energy storage system or the owner or operator of an energy
10 storage system that is eligible for net metering under
11 subsection (1-10) of Section 16-107.5 may apply for a rebate
12 only if the owner or operator, or previous owner or operator,
13 of the community renewable generation project whether or not a
14 paired energy storage system or the owner or operator of an
15 energy storage system that is eligible for net metering under
16 subsection (1-10) of Section 16-107.5 has not already
17 submitted an application, and, regardless of whether the
18 subscriber is a residential or non-residential customer, may
19 be allowed the amount identified in paragraph (1) of
20 subsection (c) applicable on the date that the application is
21 submitted.

22 (g) The owner of a distributed storage system, whether or
23 not paired with distributed generation, the distributed
24 ~~generation or community renewable generation project~~ may apply
25 for the rebate or rebates approved under this Section at the
26 time of execution of an interconnection agreement with the

1 distribution utility and shall receive the value available at
2 that time of execution of the interconnection agreement,
3 ~~provided the project reaches mechanical completion within 24~~
4 ~~months after execution of the interconnection agreement. If~~
5 ~~the project has not reached mechanical completion within 24~~
6 ~~months after execution, the owner may reapply for the rebate~~
7 ~~or rebates approved under this Section available at the time~~
8 ~~of application and shall receive the value available at the~~
9 ~~time of application.~~ The utility shall issue the rebate no
10 later than 60 days after the project is energized. In the event
11 the application is incomplete or the utility is otherwise
12 unable to calculate the payment based on the information
13 provided by the owner, the utility shall issue the payment no
14 later than 60 days after the application is complete or all
15 requested information is received.

16 (h) An electric utility shall recover from its retail
17 customers all of the costs of the rebates made under a tariff
18 or tariffs approved under ~~subsection (d) of~~ this Section,
19 including, but not limited to, the value of the rebates and all
20 costs incurred by the utility to comply with and implement
21 subsections (b), (b-5), ~~and~~ (c), and (e) of this Section, ~~but~~
22 ~~not including costs incurred by the utility to comply with and~~
23 ~~implement subsection (e) of this Section,~~ consistent with the
24 following provisions:

25 (1) The utility shall defer the full amount of its
26 costs as a regulatory asset. The total costs deferred as a

1 regulatory asset shall be amortized over a 15-year period.
2 The unamortized balance shall be recognized as of December
3 31 for a given year. The utility shall also earn a return
4 on the total of the unamortized balance of the regulatory
5 assets, less any deferred taxes related to the unamortized
6 balance, at an annual rate equal to the utility's weighted
7 average cost of capital that includes, based on a year-end
8 capital structure, the utility's actual cost of debt for
9 the applicable calendar year and a cost of equity, which
10 shall be equal to the cost of equity established in the
11 utility's most recent distribution rate case ~~calculated as~~
12 ~~the sum of (i) the average for the applicable calendar~~
13 ~~year of the monthly average yields of 30-year U.S.~~
14 ~~Treasury bonds published by the Board of Governors of the~~
15 ~~Federal Reserve System in its weekly H.15 Statistical~~
16 ~~Release or successor publication; and (ii) 580 basis~~
17 ~~points, including a revenue conversion factor calculated~~
18 ~~to recover or refund all additional income taxes that may~~
19 ~~be payable or receivable as a result of that return.~~

20 When an electric utility creates a regulatory asset
21 under the provisions of this paragraph (1) of subsection
22 (h), the costs are recovered over a period during which
23 customers also receive a benefit, which is in the public
24 interest. Accordingly, it is the intent of the General
25 Assembly that an electric utility that elects to create a
26 regulatory asset under the provisions of this paragraph

1 (1) shall recover all of the associated costs, including,
2 but not limited to, its cost of capital as set forth in
3 this paragraph (1). After the Commission has approved the
4 prudence and reasonableness of the costs that comprise the
5 regulatory asset, the electric utility shall be permitted
6 to recover all such costs, and the value and
7 recoverability through rates of the associated regulatory
8 asset shall not be limited, altered, impaired, or reduced.
9 To enable the financing of the incremental capital
10 expenditures, including regulatory assets, for electric
11 utilities that serve less than 3,000,000 retail customers
12 but more than 500,000 retail customers in the State, the
13 utility's actual year-end capital structure that includes
14 a common equity ratio, excluding goodwill, of up to and
15 including 50% of the total capital structure shall be
16 deemed reasonable and used to set rates.

17 (2) The utility, at its election, may recover all of
18 the costs as part of a filing for a general increase in
19 rates under Article IX of this Act, as part of an annual
20 filing to update a performance-based ~~formula~~ rate under
21 ~~Section 16-108.18 subsection (d) of Section 16-108.5 of~~
22 ~~this Act~~, or through an automatic adjustment clause
23 tariff, provided that nothing in this paragraph (2)
24 permits the double recovery of such costs from customers.
25 If the utility elects to recover the costs it incurs under
26 subsections (b), (b-5), and (c), and (e) through an

1 automatic adjustment clause tariff, the utility may file
2 its proposed tariff together with the tariff it files
3 under subsection (b) of this Section or at a later time.
4 The proposed tariff shall provide for an annual
5 reconciliation, less any deferred taxes related to the
6 reconciliation, with interest at an annual rate of return
7 equal to the utility's weighted average cost of capital as
8 calculated under paragraph (1) of this subsection (h),
9 including a revenue conversion factor calculated to
10 recover or refund all additional income taxes that may be
11 payable or receivable as a result of that return, of the
12 revenue requirement reflected in rates for each calendar
13 year, beginning with the calendar year in which the
14 utility files its automatic adjustment clause tariff under
15 this subsection (h), with what the revenue requirement
16 would have been had the actual cost information for the
17 applicable calendar year been available at the filing
18 date. The Commission shall review the proposed tariff and
19 may make changes to the tariff that are consistent with
20 this Section and with the Commission's authority under
21 Article IX of this Act, subject to notice and hearing.
22 Following notice and hearing, the Commission shall issue
23 an order approving, or approving with modification, such
24 tariff no later than 240 days after the utility files its
25 tariff.

26 (i) (Blank). ~~An electric utility shall recover from its~~

1 ~~retail customers, on a volumetric basis, all of the costs of~~
2 ~~the rebates made under a tariff or tariffs placed into effect~~
3 ~~under subsection (c) of this Section, including, but not~~
4 ~~limited to, the value of the rebates and all costs incurred by~~
5 ~~the utility to comply with and implement subsection (c) of~~
6 ~~this Section, consistent with the following provisions:~~

7 ~~(1) The utility may defer a portion of its costs as a~~
8 ~~regulatory asset. The Commission shall determine the~~
9 ~~portion that may be appropriately deferred as a regulatory~~
10 ~~asset. Factors that the Commission shall consider in~~
11 ~~determining the portion of costs that shall be deferred as~~
12 ~~a regulatory asset include, but are not limited to: (i)~~
13 ~~whether and the extent to which a cost effectively~~
14 ~~deferred or avoided other distribution system operating~~
15 ~~costs or capital expenditures; (ii) the extent to which a~~
16 ~~cost provides environmental benefits; (iii) the extent to~~
17 ~~which a cost improves system reliability or resilience;~~
18 ~~(iv) the electric utility's distribution system plan~~
19 ~~developed pursuant to Section 16-105.17 of this Act; (v)~~
20 ~~the extent to which a cost advances equity principles; and~~
21 ~~(vi) such other factors as the Commission deems~~
22 ~~appropriate. The remainder of costs shall be deemed an~~
23 ~~operating expense and shall be recoverable if found~~
24 ~~prudent and reasonable by the Commission.~~

25 ~~The total costs deferred as a regulatory asset shall~~
26 ~~be amortized over a 15 year period. The unamortized~~

1 ~~balance shall be recognized as of December 31 for a given~~
2 ~~year. The utility shall also earn a return on the total of~~
3 ~~the unamortized balance of the regulatory assets, less any~~
4 ~~deferred taxes related to the unamortized balance, at an~~
5 ~~annual rate equal to the utility's weighted average cost~~
6 ~~of capital that includes, based on a year end capital~~
7 ~~structure, the utility's actual cost of debt for the~~
8 ~~applicable calendar year and a cost of equity, which shall~~
9 ~~be calculated as the sum of: (I) the average for the~~
10 ~~applicable calendar year of the monthly average yields of~~
11 ~~30-year U.S. Treasury bonds published by the Board of~~
12 ~~Governors of the Federal Reserve System in its weekly H.15~~
13 ~~Statistical Release or successor publication; and (II) 580~~
14 ~~basis points, including a revenue conversion factor~~
15 ~~calculated to recover or refund all additional income~~
16 ~~taxes that may be payable or receivable as a result of that~~
17 ~~return.~~

18 ~~(2) The utility may recover all of the costs through~~
19 ~~an automatic adjustment clause tariff, on a volumetric~~
20 ~~basis. The utility may file its proposed cost recovery~~
21 ~~tariff together with the tariff it files under subsection~~
22 ~~(c) of this Section or at a later time. The proposed tariff~~
23 ~~shall provide for an annual reconciliation, less any~~
24 ~~deferred taxes related to the reconciliation, with~~
25 ~~interest at an annual rate of return equal to the~~
26 ~~utility's weighted average cost of capital as calculated~~

~~under paragraph (1) of this subsection (i), including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return, of the revenue requirement reflected in rates for each calendar year, beginning with the calendar year in which the utility files its automatic adjustment clause tariff under this subsection (i), with what the revenue requirement would have been had the actual cost information for the applicable calendar year been available at the filing date. The Commission shall review the proposed tariff and may make changes to the tariff that are consistent with this Section and with the Commission's authority under Article IX of this Act, subject to notice and hearing. Following notice and hearing, the Commission shall issue an order approving, or approving with modification, such tariff no later than 240 days after the utility files its tariff.~~

(j) No later than 90 days after the Commission enters an order, or order on rehearing, whichever is later, approving an electric utility's proposed tariff under this Section, the electric utility shall provide notice of the availability of rebates under this Section.

(k) No later than January 1, 2030, the utilities shall file with the Commission a report that includes:

(1) the number and geographic distribution of

1 participants receiving rebates pursuant to this Section;

2 (2) impacts to energy supply prices and wholesale
3 market activities;

4 (3) impacts on distribution system investments and
5 planning; and

6 (4) any other values deemed relevant by the
7 Commission.

8 (1) Upon petition by the applicable electric utility or on
9 its own motion, the Commission may adjust rebate levels for
10 new customers and make other appropriate changes to the rebate
11 program in a manner that is consistent with the State's clean
12 energy goals and the public interest.

13 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22;
14 103-1066, eff. 2-20-25.)

15 (220 ILCS 5/16-107.8 new)

16 Sec. 16-107.8. Time-of-use pricing.

17 (a) The General Assembly finds that market-based
18 time-of-use rates and pricing plans can reduce costs and help
19 the State achieve its energy policy goals by improving load
20 shape, encouraging energy conservation, and shifting usage
21 away from periods where fossil fuels are used. By providing
22 consumers information relating the costs of service to the
23 time of energy usage, time-of-use rates can help consumers
24 reduce energy bills by using electricity when it is less
25 costly.

1 (b) An electric utility shall offer at least one
2 market-based rate option for eligible retail customers,
3 including, but not limited to, customers participating in net
4 electricity metering under the terms of Section 16-107.5, who
5 choose to take power and energy supply service from the
6 utility. The utility shall file its time-of-use rate tariff no
7 later than 120 days after the effective date of this
8 amendatory Act of the 104th General Assembly. The tariff or
9 tariffs shall be subject to the following requirements:

10 (1) If more than one tariff is proposed, at least one
11 tariff shall include at least the following 3 time blocks:

12 (A) a peak time block of consecutive hours best
13 reflecting the average consecutive highest system
14 power and energy use per hour in a calendar day;

15 (B) an off-peak time block, which reflects the
16 next highest system power and energy demands in a
17 calendar day; and

18 (C) a super-off-peak time block, defined as all
19 other hours in a calendar day.

20 Time blocks shall reflect the hour and weekday for
21 which the costs of services outlined in paragraphs (2)
22 and (3) of this subsection (b) are charged.

23 (2) The tariff or tariffs shall describe the
24 methodology for determining the prices for each time block
25 using the applicable average zonal and capacity prices of
26 the PJM Interconnection, LLC (PJM) and the Midcontinent

1 Independent System Operator (MISO) and describe the manner
2 in which customers who elect time-of-use pricing will be
3 provided with the time blocks, associated block pricing,
4 and day-ahead energy prices. Costs for electric capacity
5 shall be determined in a manner that recovers the capacity
6 obligation costs incurred by the electric utility.

7 (3) The time-of-use rate shall include the costs of
8 transmission services and the charges for network
9 integration transmission service, transmission
10 enhancement, and locational reliability, as these terms
11 are defined in the PJM and MISO Open Access Transmission
12 Tariffs and manuals. If the Open Access Transmission
13 Tariff or the manuals subsequently rename those terms, the
14 services reflected under those terms shall continue to be
15 included in the time-of-use rate described in this
16 paragraph (3).

17 (4) Adjustments to the charges set by the tariff may
18 be made on a monthly basis and adjustments to the time
19 blocks may be made on an annual basis. A utility shall
20 submit to the Commission, through a supplemental
21 informational sheet, a tariff schedule. Customers shall be
22 provided at least 2 weeks advance notice of any changes to
23 charges or time blocks.

24 (5) A purchased energy adjustment shall be calculated
25 to fully recover costs to supply power and energy. A
26 utility shall procure power and energy in the applicable

1 day-ahead market.

2 (c) The Commission shall approve or approve with
3 modifications the tariff or tariffs after notice and hearing.
4 A proceeding under this subsection (c) may not exceed 240 days
5 in length.

6 (d) An electric utility shall submit an annual report to
7 the Commission no later than April 1 of each year that
8 describes the operation and results of the rate option,
9 including information concerning the number and types of
10 customers using the rate option, changes in customers' energy
11 use patterns, an assessment of the value of the rate option to
12 both participants and nonparticipants, and recommendations
13 concerning modification of the rate option and the tariff or
14 tariffs filed under this Section. The report shall be made
15 available to the public on the Commission's website.

16 (e) Once a tariff or tariffs has been in effect, the
17 Commission may, upon complaint, petition, or its own
18 initiative, open a proceeding to investigate whether changes
19 or modifications, consistent with the requirements of this
20 Section, to the tariff or tariffs, rate option administration,
21 or any other rate option element is necessary to achieve the
22 goals described in subsection (a). Such a proceeding may not
23 last more than 180 days from the date upon which the
24 investigation was opened.

25 (f) An electric utility shall be entitled to recover
26 reasonable costs incurred in complying with this Section from

1 its residential customers.

2 (g) An electric utility's tariff or tariffs filed under
3 this Section shall be subject to the provisions of Article IX
4 as long as such provisions do not conflict with this Section.

5 (h) The Commission shall adopt rules to implement this
6 Section. Such rules shall, at a minimum, establish the
7 following:

8 (1) reasonable average and maximum target energization
9 time periods. The targets shall ensure that work is
10 completed in a safe and reliable manner that minimizes
11 delay in meeting the date requested by a customer for
12 completion of the project to the greatest extent possible
13 and prioritizes work in a manner consistent with Sections
14 25 and 30. The targets may vary based on factors,
15 including, but not limited to, customer class, size of the
16 project, the complexity and magnitude of the work
17 required, and uncertainties regarding the readiness of the
18 customer project needing energization. The targets may
19 also recognize any factors beyond the electric utility's
20 control;

21 (2) requirements for an electric utility to report to
22 the Commission, at least annually, in order to track and
23 improve electric utility performance. The report shall, at
24 a minimum, include the average, median, and standard
25 deviation time between receiving an application for
26 electrical service and energizing the electrical service,

1 and detailed explanations for energization time periods
2 that exceed the target maximum for energization projects,
3 constraints and obstacles to each type of energization,
4 including, but not limited to, funding limitations,
5 qualified staffing availability, or equipment
6 availability, and any other information that the
7 Commission, in its discretion, concludes that such reports
8 should contain; and

9 (3) procedures for customers to report energization
10 delays to the Commission.

11 (i) If an electric utility's average time period for
12 energization in a calendar year exceeds the Commission's
13 target averages or if an electric utility has exceeded the
14 Commission's target maximums as established by rule, the
15 electric utility shall include in its report pursuant to rules
16 adopted under paragraph (2) of subsection (a) a detailed
17 remedial plan for meeting the targets in the future. The
18 Commission may require modification to the electric utility's
19 remedial plan to ensure that the electric utility meets
20 targets promptly.

21 (j) Data reported by electric utilities shall be
22 anonymized or aggregated to the extent necessary to prevent
23 identifying individual customers. The Commission shall make
24 all such reports publicly available.

25 (k) In addition to requiring remedial plans pursuant to
26 subsection (i) of this Section, the Commission may require an

1 electric utility to take any remedial actions necessary to
2 achieve the Commission's targets, including the use of
3 incentives or penalties.

4 (1) This Section does not apply to an electric utility
5 that provides service to 100,000 or fewer customers.

6 (220 ILCS 5/16-107.9 new)

7 Sec. 16-107.9. Virtual power plant program.

8 (a) As used in this Section:

9 "Aggregator" means a third-party entity that participates
10 in the program, other than the electric utility or its
11 affiliate, that (i) represents and aggregates the load of
12 participating customers who collectively have the ability to
13 deploy 100 kilowatts or more of deployment of eligible devices
14 and (ii) is responsible for performance of the aggregation in
15 the program.

16 "Battery" means a behind-the-meter energy storage device
17 and associated equipment that operate together to fulfill
18 program requirements.

19 "Commission" means the Illinois Commerce Commission.

20 "Customer" means an active electric service account holder
21 of a utility.

22 "Direct participant" means a customer that enrolls in the
23 program directly with the utility, rather than participating
24 in the program through an aggregator.

25 "Distributed energy resource" has the meaning set forth in

1 Section 16-107.6.

2 "Distributed energy resources management system" means a
3 platform that may be used by distribution system operators or
4 utilities to integrate grid resources, such as distributed
5 energy resources, into system operations.

6 "Eligible device" means a customer or third party-owned
7 distributed energy resource that satisfies the requirements
8 for participation in the program as specified in the relevant
9 program rider. "Eligible device" also means any device that
10 can be controlled to respond to pricing, provide services,
11 including decrease peak electricity demand or shift demand
12 from peak to off-peak periods, or inject power to the grid.

13 "Eligible device" includes, but is not limited to,
14 behind-the-meter energy storage systems, smart thermostats,
15 electric vehicle batteries, including fleets, and distributed
16 renewable energy devices paired with one or more energy
17 storage systems.

18 "Emergency event" means an event called by the utility
19 with fewer than 24 hours notice.

20 "Energy storage system" has the meaning set forth in
21 subsection (a) of Section 16-107.6.

22 "Enrolled customer" means a customer that participates in
23 the program through either an aggregator or as a direct
24 participant.

25 "Enrolled device" means an enrolled customer's eligible
26 device, as specified in the relevant tariff.

1 "Enterprise distributed energy resources management
2 system" means a platform operated by the electric utility that
3 interfaces with a grid-edge distributed energy resources
4 management system to integrate distributed energy resources
5 into utility electric system operations.

6 "Grid-edge distributed energy resources management system"
7 means a platform owned by a party other than the electric
8 utility that may be used to integrate distributed energy
9 resources.

10 "Grid event" means a grid condition for which the utility
11 schedules or remotely dispatches enrolled devices to respond
12 to, as specified in the grid service opportunities for each
13 tariff.

14 "Grid service" means a capacity, energy, or ancillary
15 service that supports grid operations.

16 "Participating customer" means an aggregator or a direct
17 retail customer, as defined in Section 16-102, with one or
18 more eligible devices.

19 "Performance payment" means a payment made to the
20 participant based on the performance of an enrolled device
21 providing a grid service during a grid event.

22 "Performance payment rate" means the compensation rate
23 paid to participants for providing a particular grid service
24 during a grid event.

25 "Smart inverter" has the meaning set forth in subsection
26 (a) of Section 16-107.6.

1 "Upfront payment" means a one-time payment made at the
2 time of enrollment.

3 "Virtual power plant" means an aggregation of
4 behind-the-meter distributed energy resources operated in
5 coordination to provide one or more grid services.

6 (b) The General Assembly finds that:

7 (1) virtual power plants are dynamic load management
8 and energy supply resources that can support grid
9 operations, reduce ratepayer costs, and achieve other
10 important public policy goals;

11 (2) virtual power plants can reduce demand for grid
12 supplied electricity during peak periods, shift
13 electricity consumption out of peak periods, make
14 renewable energy generated during off-peak periods
15 available for use during peak periods, supply energy to
16 the grid at desired times, provide frequency regulation,
17 voltage support, and other ancillary services, reduce
18 strain on the distribution system, manage localized peaks,
19 improve system resiliency and reliability, and provide
20 other grid services;

21 (3) virtual power plants can facilitate and optimize
22 the utilization of electrical generation from wind and
23 solar energy to help utilities increase hosting capacity
24 and integrate more renewable energy resources;

25 (4) virtual power plants can reduce costs to
26 ratepayers by utilizing customer-sited resources to

1 provide grid services, avoiding or reducing reliance on
2 fossil-fuel fired peaker plants, avoiding or deferring the
3 need to construct new and more costly grid scale
4 resources, optimizing the use of existing assets, and
5 avoiding or deferring distribution and transmission system
6 upgrades and other grid investments;

7 (5) virtual power plants can promote equity by
8 reducing costs for all ratepayers, expanding access to
9 distributed energy resources among low-income and
10 moderate-income customers through improved distributed
11 energy resource financeability, and providing other
12 important co-benefits, including reduction in emissions of
13 greenhouse gases and other pollutants, especially in
14 environmental justice and other disadvantaged communities
15 that host fossil fuel generation plants;

16 (6) the United States Department of Energy estimates
17 that the United States could deploy 80 to 160 gigawatts of
18 virtual power plants by 2030, a tripling of current
19 levels, to support the rapid electrification of vehicles
20 and homes and provide on the order of \$10,000,000,000 in
21 ratepayer savings annually. The deployment of virtual
22 power plants can provide energy cost savings and other
23 benefits to the people of Illinois;

24 (7) there are significant barriers to deployment and
25 operation of virtual power plants, including the need for
26 statutory and regulatory guidance and support, greater

1 consistency in virtual power plant programs across
2 regulatory jurisdictions, and for utility commitments to
3 incorporate the use of virtual power plants into system
4 operations and long-term resource planning;

5 (8) it is in the public interest to advance customer
6 choice and leverage the expertise of private, non-utility
7 entities to advance innovation and implement
8 cost-effective clean energy solutions; and

9 (9) the policy of Illinois shall be to maximize the
10 use of virtual power plants comprised of customer-owned
11 and third party-owned distributed energy resources to
12 deliver system services and other benefits through utility
13 administered virtual power plant programs in accordance
14 with the provisions of this amendatory Act of the 104th
15 General Assembly.

16 (c) No later than December 31, 2028, the Commission shall
17 approve at least one virtual power plant tariff for each
18 electric utility serving more than 300,000 customers in the
19 State as of January 1, 2023. Each utility shall file a tariff
20 or tariffs for approval no later than December 31, 2027 to
21 allow residential retail customers in the electric utility's
22 service areas to participate in a virtual power plant program
23 proposal consistent with the provisions of this Section. The
24 Commission shall provide opportunities for stakeholders to
25 provide input on the virtual power plant programs proposed for
26 implementation by each utility, which the Commission shall

1 take into consideration in its review of each utility's
2 filing. No later than one year after the utility's filing, the
3 Commission shall approve or modify and approve each utility's
4 virtual power plant program proposal for immediate
5 implementation by the utility.

6 (d) The virtual power plant program filed under subsection
7 (c) shall be developed for implementation through a tariff
8 offering with standard terms and conditions for participation.
9 The virtual power plant program tariff shall allow for
10 customers with battery storage, non-battery storage and
11 electric vehicle technologies to enroll the devices in the
12 program through aggregators or directly with the utility. The
13 virtual power plant program tariff shall:

14 (1) provide a mechanism to incorporate existing
15 programs, such as smart thermostat demand response or
16 electric vehicle charging programs currently offered by
17 the utility, under the virtual power plant program
18 framework;

19 (2) provide grid services opportunities for each
20 eligible technology that customers and aggregators may
21 provide, which shall include, at minimum, reducing the
22 utility's applicable capacity and transmission obligations
23 and capturing daily wholesale energy arbitrage
24 opportunities through provision of grid services;

25 (3) provide additional functions and grid service
26 opportunities that the Commission determines are

1 supportive of efficient planning and operation of the
2 electrical grid, including:

3 (A) minimizing the use of fossil fuels at peak
4 times;

5 (B) local peak demand reductions;

6 (C) locational value;

7 (D) the avoidance or deferral of local
8 transmission or distribution upgrades or capacity
9 expansion;

10 (E) voltage support and other ancillary services;

11 and

12 (F) emergency grid services;

13 (4) provide operational parameters, which shall
14 include, at a minimum:

15 (A) minimum and maximum numbers of grid events for
16 which the utility may require dispatch from the
17 enrolled distributed energy resources;

18 (B) months of the year that grid events may occur;

19 (C) days of the week that grid events may occur;

20 (D) times of day that grid events may occur;

21 (E) maximum duration of grid events; and

22 (F) minimum day-ahead advance notification
23 requirement of grid events, except for emergency
24 events, as applicable;

25 (5) include provisions for aggregators to participate
26 in the virtual power plant program, participate in the

1 utility's distributed energy resource management system as
2 available, automatically enroll and manage their
3 customers' participation, receive dispatch signals and
4 other communications from the utility, deliver performance
5 measurement and verification data to the utility, and
6 receive virtual power plant program payments directly from
7 the utility;

8 (6) include provisions that provide a standardized
9 process for any eligible aggregator to enroll in the
10 program and authorize the eligible aggregators to manage
11 individual customer device participation without
12 additional authorizations from the utility;

13 (7) include provisions that allow a participating
14 customer with multiple eligible devices to enroll the
15 technologies either directly without an aggregator or
16 through one or more aggregators in applicable programs
17 under the tariff approved under this Section, provided
18 that no particular device is accounted for more than once;

19 (8) include provisions for direct participant
20 customers to participate with the utility's distributed
21 energy resource management system as available, receive
22 dispatch signals and other communications from the
23 utility, deliver performance measurement and verification
24 data to the utility, and receive virtual power plant
25 program payments directly from the utility. Any provisions
26 implementing this subpart that necessitate the

1 installation of equipment to enable direct participation
2 via the utility shall apply to customers who elect to
3 participate as a direct participant and shall not be
4 required of customers who participate via an aggregator or
5 to customers who do not participate in the virtual power
6 plant program;

7 (9) provide for measurement and verification of
8 battery non-battery, and electric vehicle technologies
9 performance directly at the device without the requirement
10 for the installation of an additional meter;

11 (10) include upfront payment or performance payment
12 compensation mechanisms for the peak reduction service, as
13 well as for non-battery and electric vehicle technologies
14 as the Commission deems appropriate. The performance
15 payment shall be based on the average capacity provided
16 during grid events. The Commission shall approve
17 additional compensation mechanisms as it determines
18 appropriate for other grid services provided under the
19 battery, non-battery and electric vehicle riders. The
20 virtual power plant program shall not assess penalties for
21 non-performance; provided, however, that the Commission
22 may approve reasonable mechanisms to disenroll customers
23 for continued non-performance;

24 (11) enable low-to-moderate income customers,
25 community-driven community solar projects, and customers
26 whose electric service has not been declared competitive

1 pursuant to Section 15-113 as of July 1, 2011 located in
2 equity investment eligible investment communities to
3 receive a higher upfront enrollment payment. The
4 Commission shall coordinate with State energy officials
5 and departments to make funding from federal programs and
6 such other sources as may be available for use in
7 providing higher upfront payments to customers classes as
8 may be approved by the Commission in accordance with this
9 subsection;

10 (12) provide that the performance payment rate
11 applicable at the time of enrollment shall be for 5 years,
12 after which time the participant may reenroll at the then
13 applicable performance payment rate for an additional
14 5-year term;

15 (13) provide for a transition of customers from the
16 scheduled dispatch program described in Section 16-107.6
17 to the virtual power plant program; and

18 (14) allow enrolled customers to participate in other
19 applicable interconnection tariffs and grid service
20 programs outside the virtual power plant program, so long
21 as it does not result in double-counting of benefits for
22 the same grid services.

23 (e) The Commission may adopt other reasonable requirements
24 for participation consistent with this subsection, provided
25 that collateral from an aggregator shall not be required for
26 participation.

1 (f) The utility may contract with a third party-owned
2 distributed energy resource management system provider to
3 assist with program implementation; however, implementation
4 shall not be delayed due to the lack of utility-owned
5 distributed energy resource management system capabilities or
6 third party-owned distributed energy resource management
7 system capabilities.

8 (g) The utility shall not send or receive dispatch signals
9 directly to or from any participating customer represented by
10 an aggregator for an event under the virtual power plant
11 program described in this Section.

12 (h) Participating aggregators shall have capabilities to
13 receive event signals from utilities or utility-contracted
14 distributed energy resources management system providers.

15 (i) Utilities shall recover prudently incurred costs to
16 facilitate the virtual power plant program approved under
17 subsection (c), including, but not limited to, distributed
18 energy resource management systems provider and other service
19 contract costs, operations and maintenance expenses,
20 information technology costs, and other costs, expenses, and
21 investments that the Commission finds necessary and prudent
22 for the development and implementation of the program. The
23 utility shall recover the cost of virtual power plant program
24 upfront payments and performance payments and such other
25 payments made to participants through the tariff filed
26 pursuant to subsection (h) of Section 16-107.6.

1 (j) No later than January 31 of each year, each utility
2 shall file an annual report that includes, but is not limited
3 to:

4 (1) the total capacity enrolled in each program rider
5 developed in accordance with the requirements of Section,
6 broken down by technology type, customer class, and
7 aggregator and direct participant status for each grid
8 service opportunity offered in the prior calendar year;

9 (2) recommendations to increase participation in the
10 virtual power plant program; and

11 (3) any other information that the Commission may
12 require.

13 (k) Each utility shall amend existing tariffs and
14 procedures that limit the ability of customers to participate
15 in providing grid services under the program, such as
16 limitations on charging energy storage devices with grid
17 energy or exporting energy to the grid from battery discharge.

18 (l) The tariffs approved by the Commission shall not
19 reflect any additional charges, fees, or insurance
20 requirements imposed on those owning or operating demand
21 response technologies beyond those imposed on similarly
22 situated customers that do not own or operate demand response
23 technologies.

24 (220 ILCS 5/16-108)

25 Sec. 16-108. Recovery of costs associated with the

1 provision of delivery and other services.

2 (a) An electric utility shall file a delivery services
3 tariff with the Commission at least 210 days prior to the date
4 that it is required to begin offering such services pursuant
5 to this Act. An electric utility shall provide the components
6 of delivery services that are subject to the jurisdiction of
7 the Federal Energy Regulatory Commission at the same prices,
8 terms and conditions set forth in its applicable tariff as
9 approved or allowed into effect by that Commission. The
10 Commission shall otherwise have the authority pursuant to
11 Article IX to review, approve, and modify the prices, terms
12 and conditions of those components of delivery services not
13 subject to the jurisdiction of the Federal Energy Regulatory
14 Commission, including the authority to determine the extent to
15 which such delivery services should be offered on an unbundled
16 basis. In making any such determination the Commission shall
17 consider, at a minimum, the effect of additional unbundling on
18 (i) the objective of just and reasonable rates, (ii) electric
19 utility employees, and (iii) the development of competitive
20 markets for electric energy services in Illinois.

21 (b) The Commission shall enter an order approving, or
22 approving as modified, the delivery services tariff no later
23 than 30 days prior to the date on which the electric utility
24 must commence offering such services. The Commission may
25 subsequently modify such tariff pursuant to this Act.

26 (c) The electric utility's tariffs shall define the

1 classes of its customers for purposes of delivery services
2 charges. Delivery services shall be priced and made available
3 to all retail customers electing delivery services in each
4 such class on a nondiscriminatory basis regardless of whether
5 the retail customer chooses the electric utility, an affiliate
6 of the electric utility, or another entity as its supplier of
7 electric power and energy. Charges for delivery services shall
8 be cost based, and shall allow the electric utility to recover
9 the costs of providing delivery services through its charges
10 to its delivery service customers that use the facilities and
11 services associated with such costs. Such costs shall include
12 the costs of owning, operating and maintaining transmission
13 and distribution facilities. The Commission shall also be
14 authorized to consider whether, and if so to what extent, the
15 following costs are appropriately included in the electric
16 utility's delivery services rates: (i) the costs of that
17 portion of generation facilities used for the production and
18 absorption of reactive power in order that retail customers
19 located in the electric utility's service area can receive
20 electric power and energy from suppliers other than the
21 electric utility, and (ii) the costs associated with the use
22 and redispatch of generation facilities to mitigate
23 constraints on the transmission or distribution system in
24 order that retail customers located in the electric utility's
25 service area can receive electric power and energy from
26 suppliers other than the electric utility. Nothing in this

1 subsection shall be construed as directing the Commission to
2 allocate any of the costs described in (i) or (ii) that are
3 found to be appropriately included in the electric utility's
4 delivery services rates to any particular customer group or
5 geographic area in setting delivery services rates.

6 (d) The Commission shall establish charges, terms and
7 conditions for delivery services that are just and reasonable
8 and shall take into account customer impacts when establishing
9 such charges. In establishing charges, terms and conditions
10 for delivery services, the Commission shall take into account
11 voltage level differences. A retail customer shall have the
12 option to request to purchase electric service at any delivery
13 service voltage reasonably and technically feasible from the
14 electric facilities serving that customer's premises provided
15 that there are no significant adverse impacts upon system
16 reliability or system efficiency. A retail customer shall also
17 have the option to request to purchase electric service at any
18 point of delivery that is reasonably and technically feasible
19 provided that there are no significant adverse impacts on
20 system reliability or efficiency. Such requests shall not be
21 unreasonably denied.

22 (e) Electric utilities shall recover the costs of
23 installing, operating or maintaining facilities for the
24 particular benefit of one or more delivery services customers,
25 including without limitation any costs incurred in complying
26 with a customer's request to be served at a different voltage

1 level, directly from the retail customer or customers for
2 whose benefit the costs were incurred, to the extent such
3 costs are not recovered through the charges referred to in
4 subsections (c) and (d) of this Section.

5 (f) An electric utility shall be entitled but not required
6 to implement transition charges in conjunction with the
7 offering of delivery services pursuant to Section 16-104. If
8 an electric utility implements transition charges, it shall
9 implement such charges for all delivery services customers and
10 for all customers described in subsection (h), but shall not
11 implement transition charges for power and energy that a
12 retail customer takes from cogeneration or self-generation
13 facilities located on that retail customer's premises, if such
14 facilities meet the following criteria:

15 (i) the cogeneration or self-generation facilities
16 serve a single retail customer and are located on that
17 retail customer's premises (for purposes of this
18 subparagraph and subparagraph (ii), an industrial or
19 manufacturing retail customer and a third party contractor
20 that is served by such industrial or manufacturing
21 customer through such retail customer's own electrical
22 distribution facilities under the circumstances described
23 in subsection (vi) of the definition of "alternative
24 retail electric supplier" set forth in Section 16-102,
25 shall be considered a single retail customer);

26 (ii) the cogeneration or self-generation facilities

1 either (A) are sized pursuant to generally accepted
2 engineering standards for the retail customer's electrical
3 load at that premises (taking into account standby or
4 other reliability considerations related to that retail
5 customer's operations at that site) or (B) if the facility
6 is a cogeneration facility located on the retail
7 customer's premises, the retail customer is the thermal
8 host for that facility and the facility has been designed
9 to meet that retail customer's thermal energy requirements
10 resulting in electrical output beyond that retail
11 customer's electrical demand at that premises, comply with
12 the operating and efficiency standards applicable to
13 "qualifying facilities" specified in title 18 Code of
14 Federal Regulations Section 292.205 as in effect on the
15 effective date of this amendatory Act of 1999;

16 (iii) the retail customer on whose premises the
17 facilities are located either has an exclusive right to
18 receive, and corresponding obligation to pay for, all of
19 the electrical capacity of the facility, or in the case of
20 a cogeneration facility that has been designed to meet the
21 retail customer's thermal energy requirements at that
22 premises, an identified amount of the electrical capacity
23 of the facility, over a minimum 5-year period; and

24 (iv) if the cogeneration facility is sized for the
25 retail customer's thermal load at that premises but
26 exceeds the electrical load, any sales of excess power or

1 energy are made only at wholesale, are subject to the
2 jurisdiction of the Federal Energy Regulatory Commission,
3 and are not for the purpose of circumventing the
4 provisions of this subsection (f).

5 If a generation facility located at a retail customer's
6 premises does not meet the above criteria, an electric utility
7 implementing transition charges shall implement a transition
8 charge until December 31, 2006 for any power and energy taken
9 by such retail customer from such facility as if such power and
10 energy had been delivered by the electric utility. Provided,
11 however, that an industrial retail customer that is taking
12 power from a generation facility that does not meet the above
13 criteria but that is located on such customer's premises will
14 not be subject to a transition charge for the power and energy
15 taken by such retail customer from such generation facility if
16 the facility does not serve any other retail customer and
17 either was installed on behalf of the customer and for its own
18 use prior to January 1, 1997, or is both predominantly fueled
19 by byproducts of such customer's manufacturing process at such
20 premises and sells or offers an average of 300 megawatts or
21 more of electricity produced from such generation facility
22 into the wholesale market. Such charges shall be calculated as
23 provided in Section 16-102, and shall be collected on each
24 kilowatt-hour delivered under a delivery services tariff to a
25 retail customer from the date the customer first takes
26 delivery services until December 31, 2006 except as provided

1 in subsection (h) of this Section. Provided, however, that an
2 electric utility, other than an electric utility providing
3 service to at least 1,000,000 customers in this State on
4 January 1, 1999, shall be entitled to petition for entry of an
5 order by the Commission authorizing the electric utility to
6 implement transition charges for an additional period ending
7 no later than December 31, 2008. The electric utility shall
8 file its petition with supporting evidence no earlier than 16
9 months, and no later than 12 months, prior to December 31,
10 2006. The Commission shall hold a hearing on the electric
11 utility's petition and shall enter its order no later than 8
12 months after the petition is filed. The Commission shall
13 determine whether and to what extent the electric utility
14 shall be authorized to implement transition charges for an
15 additional period. The Commission may authorize the electric
16 utility to implement transition charges for some or all of the
17 additional period, and shall determine the mitigation factors
18 to be used in implementing such transition charges; provided,
19 that the Commission shall not authorize mitigation factors
20 less than 110% of those in effect during the 12 months ended
21 December 31, 2006. In making its determination, the Commission
22 shall consider the following factors: the necessity to
23 implement transition charges for an additional period in order
24 to maintain the financial integrity of the electric utility;
25 the prudence of the electric utility's actions in reducing its
26 costs since the effective date of this amendatory Act of 1997;

1 the ability of the electric utility to provide safe, adequate
2 and reliable service to retail customers in its service area;
3 and the impact on competition of allowing the electric utility
4 to implement transition charges for the additional period.

5 (g) The electric utility shall file tariffs that establish
6 the transition charges to be paid by each class of customers to
7 the electric utility in conjunction with the provision of
8 delivery services. The electric utility's tariffs shall define
9 the classes of its customers for purposes of calculating
10 transition charges. The electric utility's tariffs shall
11 provide for the calculation of transition charges on a
12 customer-specific basis for any retail customer whose average
13 monthly maximum electrical demand on the electric utility's
14 system during the 6 months with the customer's highest monthly
15 maximum electrical demands equals or exceeds 3.0 megawatts for
16 electric utilities having more than 1,000,000 customers, and
17 for other electric utilities for any customer that has an
18 average monthly maximum electrical demand on the electric
19 utility's system of one megawatt or more, and (A) for which
20 there exists data on the customer's usage during the 3 years
21 preceding the date that the customer became eligible to take
22 delivery services, or (B) for which there does not exist data
23 on the customer's usage during the 3 years preceding the date
24 that the customer became eligible to take delivery services,
25 if in the electric utility's reasonable judgment there exists
26 comparable usage information or a sufficient basis to develop

1 such information, and further provided that the electric
2 utility can require customers for which an individual
3 calculation is made to sign contracts that set forth the
4 transition charges to be paid by the customer to the electric
5 utility pursuant to the tariff.

6 (h) An electric utility shall also be entitled to file
7 tariffs that allow it to collect transition charges from
8 retail customers in the electric utility's service area that
9 do not take delivery services but that take electric power or
10 energy from an alternative retail electric supplier or from an
11 electric utility other than the electric utility in whose
12 service area the customer is located. Such charges shall be
13 calculated, in accordance with the definition of transition
14 charges in Section 16-102, for the period of time that the
15 customer would be obligated to pay transition charges if it
16 were taking delivery services, except that no deduction for
17 delivery services revenues shall be made in such calculation,
18 and usage data from the customer's class shall be used where
19 historical usage data is not available for the individual
20 customer. The customer shall be obligated to pay such charges
21 on a lump sum basis on or before the date on which the customer
22 commences to take service from the alternative retail electric
23 supplier or other electric utility, provided, that the
24 electric utility in whose service area the customer is located
25 shall offer the customer the option of signing a contract
26 pursuant to which the customer pays such charges ratably over

1 the period in which the charges would otherwise have applied.

2 (i) An electric utility shall be entitled to add to the
3 bills of delivery services customers charges pursuant to
4 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
5 and Section 16-114 of this Act, Section 5-5 of the Electricity
6 Infrastructure Maintenance Fee Law, Section 6-5 of the
7 Renewable Energy, Energy Efficiency, and Coal Resources
8 Development Law of 1997, and Section 13 of the Energy
9 Assistance Act.

10 (i-5) An electric utility required to impose the Coal to
11 Solar and Energy Storage Initiative Charge provided for in
12 subsection (c-5) of Section 1-75 of the Illinois Power Agency
13 Act shall add such charge to the bills of its delivery services
14 customers pursuant to the terms of a tariff conforming to the
15 requirements of subsection (c-5) of Section 1-75 of the
16 Illinois Power Agency Act and this subsection (i-5) and filed
17 with and approved by the Commission. The electric utility
18 shall file its proposed tariff with the Commission on or
19 before July 1, 2022 to be effective, after review and approval
20 or modification by the Commission, beginning January 1, 2023.
21 On or before December 1, 2022, the Commission shall review the
22 electric utility's proposed tariff, including by conducting a
23 docketed proceeding if deemed necessary by the Commission, and
24 shall approve the proposed tariff or direct the electric
25 utility to make modifications the Commission finds necessary
26 for the tariff to conform to the requirements of subsection

1 (c-5) of Section 1-75 of the Illinois Power Agency Act and this
2 subsection (i-5). The electric utility's tariff shall provide
3 for imposition of the Coal to Solar and Energy Storage
4 Initiative Charge on a per-kilowatthour basis to all
5 kilowatthours delivered by the electric utility to its
6 delivery services customers. The tariff shall provide for the
7 calculation of the Coal to Solar and Energy Storage Initiative
8 Charge to be in effect for the year beginning January 1, 2023
9 and each year beginning January 1 thereafter, sufficient to
10 collect the electric utility's estimated payment obligations
11 for the delivery year beginning the following June 1 under
12 contracts for purchase of renewable energy credits entered
13 into pursuant to subsection (c-5) of Section 1-75 of the
14 Illinois Power Agency Act and the obligations of the
15 Department of Commerce and Economic Opportunity, or any
16 successor department or agency, which for purposes of this
17 subsection (i-5) shall be referred to as the Department, to
18 make grant payments during such delivery year from the Coal to
19 Solar and Energy Storage Initiative Fund pursuant to grant
20 contracts entered into pursuant to subsection (c-5) of Section
21 1-75 of the Illinois Power Agency Act, and using the electric
22 utility's kilowatthour deliveries to its delivery services
23 customers during the delivery year ended May 31 of the
24 preceding calendar year. On or before November 1 of each year
25 beginning November 1, 2022, the Department shall notify the
26 electric utilities of the amount of the Department's estimated

1 obligations for grant payments during the delivery year
2 beginning the following June 1 pursuant to grant contracts
3 entered into pursuant to subsection (c-5) of Section 1-75 of
4 the Illinois Power Agency Act; and each electric utility shall
5 incorporate in the calculation of its Coal to Solar and Energy
6 Storage Initiative Charge the fractional portion of the
7 Department's estimated obligations equal to the electric
8 utility's kilowatthour deliveries to its delivery services
9 customers in the delivery year ended the preceding May 31
10 divided by the aggregate deliveries of both electric utilities
11 to delivery services customers in such delivery year. The
12 electric utility shall remit on a monthly basis to the State
13 Treasurer, for deposit in the Coal to Solar and Energy Storage
14 Initiative Fund provided for in subsection (c-5) of Section
15 1-75 of the Illinois Power Agency Act, the electric utility's
16 collections of the Coal to Solar and Energy Storage Initiative
17 Charge estimated to be needed by the Department for grant
18 payments pursuant to grant contracts entered into pursuant to
19 subsection (c-5) of Section 1-75 of the Illinois Power Agency
20 Act. The initial charge under the electric utility's tariff
21 shall be effective for kilowatthours delivered beginning
22 January 1, 2023, and thereafter shall be revised to be
23 effective January 1, 2024 and each January 1 thereafter, based
24 on the payment obligations for the delivery year beginning the
25 following June 1. The tariff shall provide for the electric
26 utility to make an annual filing with the Commission on or

1 before November 15 of each year, beginning in 2023, setting
2 forth the Coal to Solar and Energy Storage Initiative Charge
3 to be in effect for the year beginning the following January 1.
4 The electric utility's tariff shall also provide that the
5 electric utility shall make a filing with the Commission on or
6 before August 1 of each year beginning in 2024 setting forth a
7 reconciliation, for the delivery year ended the preceding May
8 31, of the electric utility's collections of the Coal to Solar
9 and Energy Storage Initiative Charge against actual payments
10 for renewable energy credits pursuant to contracts entered
11 into, and the actual grant payments by the Department pursuant
12 to grant contracts entered into, pursuant to subsection (c-5)
13 of Section 1-75 of the Illinois Power Agency Act. The tariff
14 shall provide that any excess or shortfall of collections to
15 payments shall be deducted from or added to, on a
16 per-kilowatthour basis, the Coal to Solar and Energy Storage
17 Initiative Charge, over the 6-month period beginning October 1
18 of that calendar year.

19 (j) If a retail customer that obtains electric power and
20 energy from cogeneration or self-generation facilities
21 installed for its own use on or before January 1, 1997,
22 subsequently takes service from an alternative retail electric
23 supplier or an electric utility other than the electric
24 utility in whose service area the customer is located for any
25 portion of the customer's electric power and energy
26 requirements formerly obtained from those facilities

1 (including that amount purchased from the utility in lieu of
2 such generation and not as standby power purchases, under a
3 cogeneration displacement tariff in effect as of the effective
4 date of this amendatory Act of 1997), the transition charges
5 otherwise applicable pursuant to subsections (f), (g), or (h)
6 of this Section shall not be applicable in any year to that
7 portion of the customer's electric power and energy
8 requirements formerly obtained from those facilities,
9 provided, that for purposes of this subsection (j), such
10 portion shall not exceed the average number of kilowatt-hours
11 per year obtained from the cogeneration or self-generation
12 facilities during the 3 years prior to the date on which the
13 customer became eligible for delivery services, except as
14 provided in subsection (f) of Section 16-110.

15 (k) The electric utility shall be entitled to recover
16 through tariffed charges all of the costs associated with the
17 purchase of zero emission credits from zero emission
18 facilities to meet the requirements of subsection (d-5) of
19 Section 1-75 of the Illinois Power Agency Act and all of the
20 costs associated with the purchase of carbon mitigation
21 credits from carbon-free energy resources to meet the
22 requirements of subsection (d-10) of Section 1-75 of the
23 Illinois Power Agency Act. Such costs shall include the costs
24 of procuring the zero emission credits and carbon mitigation
25 credits from carbon-free energy resources, as well as the
26 reasonable costs that the utility incurs as part of the

1 procurement processes and to implement and comply with plans
2 and processes approved by the Commission under subsections
3 (d-5) and (d-10). The costs shall be allocated across all
4 retail customers through a single, uniform cents per
5 kilowatt-hour charge applicable to all retail customers, which
6 shall appear as a separate line item on each customer's bill.
7 The electric utility shall be entitled to recover through
8 tariffed charges approved by the Commission all of the prudent
9 and reasonable costs associated with energy storage resources
10 procurements to meet the energy storage system portfolio
11 standard of subsection (d-20) of Section 1-75 of the Illinois
12 Power Agency Act. Such costs shall include the contract costs
13 for the energy storage system resources and the prudent and
14 reasonable costs that the utility incurs as part of the
15 procurement processes and in implementing and complying with
16 plans and processes approved by the Commission under
17 subsection (d-20). The costs associated with the purchase of
18 energy storage system resources shall be allocated across all
19 retail customers in proportion to the amount of renewable
20 energy resources the utility procures for such customers
21 through a single, uniform cents per kilowatt-hour charge
22 applicable to such retail customers, which shall appear as a
23 separate line item on each customer's bill. Beginning June 1,
24 2017, the electric utility shall be entitled to recover
25 through tariffed charges all of the costs associated with the
26 purchase of renewable energy resources to meet the renewable

1 energy resource standards of subsection (c) of Section 1-75 of
2 the Illinois Power Agency Act, under procurement plans as
3 approved in accordance with that Section and Section 16-111.5
4 of this Act. Such costs shall include the costs of procuring
5 the renewable energy resources, as well as the reasonable
6 costs that the utility incurs as part of the procurement
7 processes and to implement and comply with plans and processes
8 approved by the Commission under such Sections. Except as
9 otherwise provided for in Section 16-105.5 of this Act, the
10 ~~The~~ costs associated with the purchase of renewable energy
11 resources shall be allocated across all retail customers in
12 proportion to the amount of renewable energy resources the
13 utility procures for such customers through a single, uniform
14 cents per kilowatt-hour charge applicable to such retail
15 customers, which shall appear as a separate line item on each
16 such customer's bill. The credits, costs, and penalties
17 associated with the self-direct renewable portfolio standard
18 compliance program described in subparagraph (R) of paragraph
19 (1) of subsection (c) of Section 1-75 of the Illinois Power
20 Agency Act shall be allocated to approved eligible self-direct
21 customers by the utility in a cents per kilowatt-hour credit,
22 cost, or penalty, which shall appear as a separate line item on
23 each such customer's bill.

24 Notwithstanding whether the Commission has approved the
25 initial long-term renewable resources procurement plan as of
26 June 1, 2017, an electric utility shall place new tariffed

1 charges into effect beginning with the June 2017 monthly
2 billing period, to the extent practicable, to begin recovering
3 the costs of procuring renewable energy resources, as those
4 charges are calculated under the limitations described in
5 subparagraph (E) of paragraph (1) of subsection (c) of Section
6 1-75 of the Illinois Power Agency Act. Notwithstanding the
7 date on which the utility places such new tariffed charges
8 into effect, the utility shall be permitted to collect the
9 charges under such tariff as if the tariff had been in effect
10 beginning with the first day of the June 2017 monthly billing
11 period. For the delivery years commencing June 1, 2017, June
12 1, 2018, June 1, 2019, and each delivery year thereafter, the
13 electric utility shall deposit into a separate interest
14 bearing account of a financial institution the monies
15 collected under the tariffed charges. Money collected from
16 customers for the procurement of renewable energy resources in
17 a given delivery year may be spent by the utility for the
18 procurement of renewable resources over any of the following 5
19 delivery years, after which unspent money shall be credited
20 back to retail customers. The electric utility shall spend all
21 money collected in earlier delivery years that has not yet
22 been returned to customers, first, before spending money
23 collected in later delivery years. Any interest earned shall
24 be credited back to retail customers under the reconciliation
25 proceeding provided for in this subsection (k), provided that
26 the electric utility shall first be reimbursed from the

1 interest for the administrative costs that it incurs to
2 administer and manage the account. Any taxes due on the funds
3 in the account, or interest earned on it, will be paid from the
4 account or, if insufficient monies are available in the
5 account, from the monies collected under the tariffed charges
6 to recover the costs of procuring renewable energy resources.
7 Monies deposited in the account shall be subject to the
8 review, reconciliation, and true-up process described in this
9 subsection (k) that is applicable to the funds collected and
10 costs incurred for the procurement of renewable energy
11 resources.

12 The electric utility shall be entitled to recover all of
13 the costs identified in this subsection (k) through automatic
14 adjustment clause tariffs applicable to all of the utility's
15 retail customers that allow the electric utility to adjust its
16 tariffed charges consistent with this subsection (k). The
17 determination as to whether any excess funds were collected
18 during a given delivery year for the purchase of renewable
19 energy resources, and the crediting of any excess funds back
20 to retail customers, shall not be made until after the close of
21 the delivery year, which will ensure that the maximum amount
22 of funds is available to implement the approved long-term
23 renewable resources procurement plan during a given delivery
24 year. The amount of excess funds eligible to be credited back
25 to retail customers shall be reduced by an amount equal to the
26 payment obligations required by any contracts entered into by

1 an electric utility under contracts described in subsection
2 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
3 Illinois Power Agency Act, even if such payments have not yet
4 been made and regardless of the delivery year in which those
5 payment obligations were incurred. Notwithstanding anything to
6 the contrary, including in tariffs authorized by this
7 subsection (k) in effect before the effective date of this
8 amendatory Act of the 102nd General Assembly, all unspent
9 funds as of May 31, 2021, excluding any funds credited to
10 customers during any utility billing cycle that commences
11 prior to the effective date of this amendatory Act of the 102nd
12 General Assembly, shall remain in the utility account and
13 shall on a first in, first out basis be used toward utility
14 payment obligations under contracts described in subsection
15 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
16 Illinois Power Agency Act. The electric utility's collections
17 under such automatic adjustment clause tariffs to recover the
18 costs of renewable energy resources, zero emission credits
19 from zero emission facilities, energy storage resources, and
20 carbon mitigation credits from carbon-free energy resources
21 shall be subject to separate annual review, reconciliation,
22 and true-up against actual costs by the Commission under a
23 procedure that shall be specified in the electric utility's
24 automatic adjustment clause tariffs and that shall be approved
25 by the Commission in connection with its approval of such
26 tariffs. The procedure shall provide that any difference

1 between the electric utility's collections for energy storage
2 resources, zero emission credits, and carbon mitigation
3 credits under the automatic adjustment charges for an annual
4 period and the electric utility's actual costs of energy
5 storage resources, zero emission credits from zero emission
6 facilities, and carbon mitigation credits from carbon-free
7 energy resources for that same annual period shall be refunded
8 to or collected from, as applicable, the electric utility's
9 retail customers in subsequent periods.

10 Nothing in this subsection (k) is intended to affect,
11 limit, or change the right of the electric utility to recover
12 the costs associated with the procurement of renewable energy
13 resources for periods commencing before, on, or after June 1,
14 2017, as otherwise provided in the Illinois Power Agency Act.

15 The funding available under this subsection (k), if any,
16 for the programs described under subsection (b) of Section
17 1-56 of the Illinois Power Agency Act shall not reduce the
18 amount of funding for the programs described in subparagraph
19 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
20 Illinois Power Agency Act. If funding is available under this
21 subsection (k) for programs described under subsection (b) of
22 Section 1-56 of the Illinois Power Agency Act, then the
23 long-term renewable resources plan shall provide for the
24 Agency to procure contracts in an amount that does not exceed
25 the funding, and the contracts approved by the Commission
26 shall be executed by the applicable utility or utilities.

1 (1) A utility that has terminated any contract executed
2 under subsection (d-5) or (d-10) of Section 1-75 of the
3 Illinois Power Agency Act shall be entitled to recover any
4 remaining balance associated with the purchase of zero
5 emission credits prior to such termination, and such utility
6 shall also apply a credit to its retail customer bills in the
7 event of any over-collection.

8 (m)(1) An electric utility that recovers its costs of
9 procuring zero emission credits from zero emission facilities
10 through a cents-per-kilowatthour charge under subsection (k)
11 of this Section shall be subject to the requirements of this
12 subsection (m). Notwithstanding anything to the contrary, such
13 electric utility shall, beginning on April 30, 2018, and each
14 April 30 thereafter until April 30, 2026, calculate whether
15 any reduction must be applied to such cents-per-kilowatthour
16 charge that is paid by retail customers of the electric
17 utility that have opted out of subsections (a) through (j) of
18 Section 8-103B of this Act under subsection (1) of Section
19 8-103B. Such charge shall be reduced for such customers for
20 the next delivery year commencing on June 1 based on the amount
21 necessary, if any, to limit the annual estimated average net
22 increase for the prior calendar year due to the future energy
23 investment costs to no more than 1.3% of 5.98 cents per
24 kilowatt-hour, which is the average amount paid per
25 kilowatthour for electric service during the year ending
26 December 31, 2015 by Illinois industrial retail customers, as

1 reported to the Edison Electric Institute.

2 The calculations required by this subsection (m) shall be
3 made only once for each year, and no subsequent rate impact
4 determinations shall be made.

5 (2) For purposes of this Section, "future energy
6 investment costs" shall be calculated by subtracting the
7 cents-per-kilowatthour charge identified in subparagraph (A)
8 of this paragraph (2) from the sum of the
9 cents-per-kilowatthour charges identified in subparagraph (B)
10 of this paragraph (2):

11 (A) The cents-per-kilowatthour charge identified in
12 the electric utility's tariff placed into effect under
13 Section 8-103 of the Public Utilities Act that, on
14 December 1, 2016, was applicable to those retail customers
15 that have opted out of subsections (a) through (j) of
16 Section 8-103B of this Act under subsection (l) of Section
17 8-103B.

18 (B) The sum of the following cents-per-kilowatthour
19 charges applicable to those retail customers that have
20 opted out of subsections (a) through (j) of Section 8-103B
21 of this Act under subsection (l) of Section 8-103B,
22 provided that if one or more of the following charges has
23 been in effect and applied to such customers for more than
24 one calendar year, then each charge shall be equal to the
25 average of the charges applied over a period that
26 commences with the calendar year ending December 31, 2017

1 and ends with the most recently completed calendar year
2 prior to the calculation required by this subsection (m):

3 (i) the cents-per-kilowatthour charge to recover
4 the costs incurred by the utility under subsection
5 (d-5) of Section 1-75 of the Illinois Power Agency
6 Act, adjusted for any reductions required under this
7 subsection (m); and

8 (ii) the cents-per-kilowatthour charge to recover
9 the costs incurred by the utility under Section
10 16-107.6 of the Public Utilities Act.

11 If no charge was applied for a given calendar year
12 under item (i) or (ii) of this subparagraph (B), then the
13 value of the charge for that year shall be zero.

14 (3) If a reduction is required by the calculation
15 performed under this subsection (m), then the amount of the
16 reduction shall be multiplied by the number of years reflected
17 in the averages calculated under subparagraph (B) of paragraph
18 (2) of this subsection (m). Such reduction shall be applied to
19 the cents-per-kilowatthour charge that is applicable to those
20 retail customers that have opted out of subsections (a)
21 through (j) of Section 8-103B of this Act under subsection (1)
22 of Section 8-103B beginning with the next delivery year
23 commencing after the date of the calculation required by this
24 subsection (m).

25 (4) The electric utility shall file a notice with the
26 Commission on May 1 of 2018 and each May 1 thereafter until May

1 1, 2026 containing the reduction, if any, which must be
2 applied for the delivery year which begins in the year of the
3 filing. The notice shall contain the calculations made
4 pursuant to this Section. By October 1 of each year beginning
5 in 2018, each electric utility shall notify the Commission if
6 it appears, based on an estimate of the calculation required
7 in this subsection (m), that a reduction will be required in
8 the next year.

9 (Source: P.A. 102-662, eff. 9-15-21.)

10 (220 ILCS 5/16-111.5)

11 Sec. 16-111.5. Provisions relating to procurement.

12 (a) An electric utility that on December 31, 2005 served
13 at least 100,000 customers in Illinois shall procure power and
14 energy for its eligible retail customers in accordance with
15 the applicable provisions set forth in Section 1-75 of the
16 Illinois Power Agency Act and this Section. Beginning with the
17 delivery year commencing on June 1, 2017, such electric
18 utility shall also procure zero emission credits from zero
19 emission facilities in accordance with the applicable
20 provisions set forth in Section 1-75 of the Illinois Power
21 Agency Act, and, for years beginning on or after June 1, 2017,
22 the utility shall procure renewable energy resources in
23 accordance with the applicable provisions set forth in Section
24 1-75 of the Illinois Power Agency Act and this Section.
25 Beginning with the delivery year commencing on June 1, 2022,

1 an electric utility serving over 3,000,000 customers shall
2 also procure carbon mitigation credits from carbon-free energy
3 resources in accordance with the applicable provisions set
4 forth in Section 1-75 of the Illinois Power Agency Act and this
5 Section. Beginning with the delivery year commencing on June
6 1, 2025, an electric utility serving more than 300,000
7 customers in the State as of January 1, 2019 shall also procure
8 energy storage resources in accordance with the applicable
9 provisions of subsection (d-20) of Section 1-75 of the
10 Illinois Power Agency Act and this Section. A small
11 multi-jurisdictional electric utility that on December 31,
12 2005 served less than 100,000 customers in Illinois may elect
13 to procure power and energy for all or a portion of its
14 eligible Illinois retail customers in accordance with the
15 applicable provisions set forth in this Section and Section
16 1-75 of the Illinois Power Agency Act. This Section shall not
17 apply to a small multi-jurisdictional utility until such time
18 as a small multi-jurisdictional utility requests the Illinois
19 Power Agency to prepare a procurement plan for its eligible
20 retail customers. "Eligible retail customers" for the purposes
21 of this Section means those retail customers that purchase
22 power and energy from the electric utility under fixed-price
23 bundled service tariffs, other than those retail customers
24 whose service is declared or deemed competitive under Section
25 16-113 and those other customer groups specified in this
26 Section, including self-generating customers, customers

1 electing hourly pricing, or those customers who are otherwise
2 ineligible for fixed-price bundled tariff service. Except as
3 otherwise provided for in subsection (b-10), for ~~For~~ those
4 customers that are excluded from the procurement plan's
5 electric supply service requirements, ~~and~~ the utility shall
6 procure any supply requirements, including capacity, ancillary
7 services, and hourly priced energy, in the applicable markets
8 as needed to serve those customers, provided that the utility
9 may include in its procurement plan load requirements for the
10 load that is associated with those retail customers whose
11 service has been declared or deemed competitive pursuant to
12 Section 16-113 of this Act to the extent that those customers
13 are purchasing power and energy during one of the transition
14 periods identified in subsection (b) of Section 16-113 of this
15 Act.

16 (b) A procurement plan shall be prepared for each electric
17 utility consistent with the applicable requirements of the
18 Illinois Power Agency Act and this Section. For purposes of
19 this Section, Illinois electric utilities that are affiliated
20 by virtue of a common parent company are considered to be a
21 single electric utility. Small multi-jurisdictional utilities
22 may request a procurement plan for a portion of or all of its
23 Illinois load. Each procurement plan shall analyze the
24 projected balance of supply and demand for those retail
25 customers to be included in the plan's electric supply service
26 requirements over a 5-year period, with the first planning

1 year beginning on June 1 of the year following the year in
2 which the plan is filed. The plan shall specifically identify
3 the wholesale products to be procured following plan approval,
4 and shall follow all the requirements set forth in the Public
5 Utilities Act and all applicable State and federal laws,
6 statutes, rules, or regulations, as well as Commission orders.
7 Nothing in this Section precludes consideration of contracts
8 longer than 5 years and related forecast data. Unless
9 specified otherwise in this Section, in the procurement plan
10 or in the implementing tariff, any procurement occurring in
11 accordance with this plan shall be competitively bid through a
12 request for proposals process. Approval and implementation of
13 the procurement plan shall be subject to review and approval
14 by the Commission according to the provisions set forth in
15 this Section. A procurement plan shall include each of the
16 following components:

17 (1) Hourly load analysis. This analysis shall include:

18 (i) multi-year historical analysis of hourly
19 loads;

20 (ii) switching trends and competitive retail
21 market analysis;

22 (iii) known or projected changes to future loads;

23 and

24 (iv) growth forecasts by customer class.

25 (2) Analysis of the impact of any demand side and
26 renewable energy initiatives. This analysis shall include:

1 (i) the impact of demand response programs and
2 energy efficiency programs, both current and
3 projected; for small multi-jurisdictional utilities,
4 the impact of demand response and energy efficiency
5 programs approved pursuant to Section 8-408 of this
6 Act, both current and projected; and

7 (ii) supply side needs that are projected to be
8 offset by purchases of renewable energy resources, if
9 any.

10 (3) A plan for meeting the expected load requirements
11 that will not be met through preexisting contracts. This
12 plan shall include:

13 (i) definitions of the different Illinois retail
14 customer classes for which supply is being purchased;

15 (ii) the proposed mix of demand-response products
16 for which contracts will be executed during the next
17 year. For small multi-jurisdictional electric
18 utilities that on December 31, 2005 served fewer than
19 100,000 customers in Illinois, these shall be defined
20 as demand-response products offered in an energy
21 efficiency plan approved pursuant to Section 8-408 of
22 this Act. The cost-effective demand-response measures
23 shall be procured whenever the cost is lower than
24 procuring comparable capacity products, provided that
25 such products shall:

26 (A) be procured by a demand-response provider

1 from those retail customers included in the plan's
2 electric supply service requirements;

3 (B) at least satisfy the demand-response
4 requirements of the regional transmission
5 organization market in which the utility's service
6 territory is located, including, but not limited
7 to, any applicable capacity or dispatch
8 requirements;

9 (C) provide for customers' participation in
10 the stream of benefits produced by the
11 demand-response products;

12 (D) provide for reimbursement by the
13 demand-response provider of the utility for any
14 costs incurred as a result of the failure of the
15 supplier of such products to perform its
16 obligations thereunder; and

17 (E) meet the same credit requirements as apply
18 to suppliers of capacity, in the applicable
19 regional transmission organization market;

20 (iii) monthly forecasted system supply
21 requirements, including expected minimum, maximum, and
22 average values for the planning period;

23 (iv) the proposed mix and selection of standard
24 wholesale products for which contracts will be
25 executed during the next year, separately or in
26 combination, to meet that portion of its load

1 requirements not met through pre-existing contracts,
2 including but not limited to monthly 5 x 16 peak period
3 block energy, monthly off-peak wrap energy, monthly 7
4 x 24 energy, annual 5 x 16 energy, other standardized
5 energy or capacity products designed to provide
6 eligible retail customer benefits from commercially
7 deployed advanced technologies including but not
8 limited to high voltage direct current converter
9 stations, as such term is defined in Section 1-10 of
10 the Illinois Power Agency Act, whether or not such
11 product is currently available in wholesale markets,
12 annual off-peak wrap energy, annual 7 x 24 energy,
13 monthly capacity, annual capacity, peak load capacity
14 obligations, capacity purchase plan, and ancillary
15 services;

16 (v) proposed term structures for each wholesale
17 product type included in the proposed procurement plan
18 portfolio of products; and

19 (vi) an assessment of the price risk, load
20 uncertainty, and other factors that are associated
21 with the proposed procurement plan; this assessment,
22 to the extent possible, shall include an analysis of
23 the following factors: contract terms, time frames for
24 securing products or services, fuel costs, weather
25 patterns, transmission costs, market conditions, and
26 the governmental regulatory environment; the proposed

1 procurement plan shall also identify alternatives for
2 those portfolio measures that are identified as having
3 significant price risk and mitigation in the form of
4 additional retail customer and ratepayer price,
5 reliability, and environmental benefits from
6 standardized energy products delivered from
7 commercially deployed advanced technologies,
8 including, but not limited to, high voltage direct
9 current converter stations, as such term is defined in
10 Section 1-10 of the Illinois Power Agency Act, whether
11 or not such product is currently available in
12 wholesale markets.

13 (4) Proposed procedures for balancing loads. The
14 procurement plan shall include, for load requirements
15 included in the procurement plan, the process for (i)
16 hourly balancing of supply and demand and (ii) the
17 criteria for portfolio re-balancing in the event of
18 significant shifts in load.

19 (5) Long-Term Renewable Resources Procurement Plan.
20 The Agency shall prepare a long-term renewable resources
21 procurement plan for the procurement of renewable energy
22 credits under Sections 1-56 and 1-75 of the Illinois Power
23 Agency Act for delivery beginning in the 2017 delivery
24 year.

25 (i) The initial long-term renewable resources
26 procurement plan and all subsequent revisions shall be

1 subject to review and approval by the Commission. For
2 the purposes of this Section, "delivery year" has the
3 same meaning as in Section 1-10 of the Illinois Power
4 Agency Act. For purposes of this Section, "Agency"
5 shall mean the Illinois Power Agency.

6 (ii) The long-term renewable resources planning
7 process shall be conducted as follows:

8 (A) Electric utilities shall provide a range
9 of load forecasts to the Illinois Power Agency
10 within 45 days of the Agency's request for
11 forecasts, which request shall specify the length
12 and conditions for the forecasts including, but
13 not limited to, the quantity of distributed
14 generation expected to be interconnected for each
15 year.

16 (B) The Agency shall publish for comment the
17 initial long-term renewable resources procurement
18 plan no later than 120 days after the effective
19 date of this amendatory Act of the 99th General
20 Assembly and shall review, and may revise, the
21 plan at least every 2 years thereafter. To the
22 extent practicable, the Agency shall review and
23 propose any revisions to the long-term renewable
24 energy resources procurement plan in conjunction
25 with the Agency's other planning and approval
26 processes conducted under this Section. Plans may

1 be released on separate dates, but the Agency
2 shall, to the extent practicable, release both
3 plans across a 30-day period. The initial
4 long-term renewable resources procurement plan
5 shall:

6 (aa) Identify the procurement programs and
7 competitive procurement events consistent with
8 the applicable requirements of the Illinois
9 Power Agency Act and shall be designed to
10 achieve the goals set forth in subsection (c)
11 of Section 1-75 of that Act.

12 (bb) Include a schedule for procurements
13 for renewable energy credits from
14 utility-scale wind projects, utility-scale
15 solar projects, and brownfield site
16 photovoltaic projects consistent with
17 subparagraph (G) of paragraph (1) of
18 subsection (c) of Section 1-75 of the Illinois
19 Power Agency Act.

20 (cc) Identify the process whereby the
21 Agency will submit to the Commission for
22 review and approval the proposed contracts to
23 implement the programs required by such plan.

24 If so authorized by the Commission in its
25 order approving the procurement plan, the
26 procurement plan shall provide that small

1 multi-jurisdictional electric utilities that on
2 December 31, 2005 served fewer than 100,000
3 customers in Illinois shall, in lieu of serving as
4 counterparties to contracts for the delivery of
5 renewable energy credits, instead provide an
6 equivalent amount in collections to utilities that
7 served at least 100,000 customers in Illinois as a
8 compliance payment for the procurement of
9 additional renewable energy credits to satisfy
10 that small multi-jurisdictional electric utility's
11 obligation for compliance with the goals set forth
12 in subsection (c) of Section 1-75 of the Illinois
13 Power Agency Act. This authorization may include
14 the transfer of existing contract obligations.

15 Copies of the initial long-term renewable
16 resources procurement plan and all subsequent
17 revisions shall be posted and made publicly
18 available on the Agency's and Commission's
19 websites, and copies shall also be provided to
20 each affected electric utility. An affected
21 utility and other interested parties shall have 45
22 days following the date of posting to provide
23 comment to the Agency on the initial long-term
24 renewable resources procurement plan and all
25 subsequent revisions. All comments submitted to
26 the Agency shall be specific, supported by data or

1 other detailed analyses, and, if objecting to all
2 or a portion of the procurement plan, accompanied
3 by specific alternative wording or proposals. All
4 comments shall be posted on the Agency's and
5 Commission's websites. During this 45-day comment
6 period, the Agency shall hold at least one virtual
7 or in-person public hearing for ~~within~~ each
8 utility's service area that is subject to the
9 requirements of this paragraph (5) for the purpose
10 of receiving public comment. Within 21 days
11 following the end of the 45-day review period, the
12 Agency may revise the long-term renewable
13 resources procurement plan based on the comments
14 received and shall file the plan with the
15 Commission for review and approval.

16 (C) Within 14 days after the filing of the
17 initial long-term renewable resources procurement
18 plan or any subsequent revisions, any person
19 objecting to the plan may file an objection with
20 the Commission. Within 21 days after the filing of
21 the plan, the Commission shall determine whether a
22 hearing is necessary. The Commission shall enter
23 its order confirming or modifying the initial
24 long-term renewable resources procurement plan or
25 any subsequent revisions within 120 days after the
26 filing of the plan by the Illinois Power Agency.

1 (D) The Commission shall approve the initial
2 long-term renewable resources procurement plan and
3 any subsequent revisions, including expressly the
4 forecast used in the plan and taking into account
5 that funding will be limited to the amount of
6 revenues actually collected by the utilities, if
7 the Commission determines that the plan will
8 reasonably and prudently accomplish the
9 requirements of Section 1-56 and subsection (c) of
10 Section 1-75 of the Illinois Power Agency Act. The
11 Commission shall also approve the process for the
12 submission, review, and approval of the proposed
13 contracts to procure renewable energy credits or
14 implement the programs authorized by the
15 Commission pursuant to a long-term renewable
16 resources procurement plan approved under this
17 Section.

18 In approving any long-term renewable resources
19 procurement plan after the effective date of this
20 amendatory Act of the 102nd General Assembly, the
21 Commission shall approve or modify the Agency's
22 proposal for minimum equity standards pursuant to
23 subsection (c-10) of Section 1-75 of the Illinois
24 Power Agency Act. The Commission shall consider
25 any analysis performed by the Agency in developing
26 its proposal, including past performance,

1 availability of equity eligible contractors, and
2 availability of equity eligible persons at the
3 time the long-term renewable resources procurement
4 plan is approved.

5 (iii) The Agency or third parties contracted by
6 the Agency shall implement all programs authorized by
7 the Commission in an approved long-term renewable
8 resources procurement plan without further review and
9 approval by the Commission. Third parties shall not
10 begin implementing any programs or receive any payment
11 under this Section until the Commission has approved
12 the contract or contracts under the process authorized
13 by the Commission in item (D) of subparagraph (ii) of
14 paragraph (5) of this subsection (b) and the third
15 party and the Agency or utility, as applicable, have
16 executed the contract. For those renewable energy
17 credits subject to procurement through a competitive
18 bid process under the plan or under the initial
19 forward procurements for wind and solar resources
20 described in subparagraph (G) of paragraph (1) of
21 subsection (c) of Section 1-75 of the Illinois Power
22 Agency Act, the Agency shall follow the procurement
23 process specified in the provisions relating to
24 electricity procurement in subsections (e) through (i)
25 of this Section.

26 (iv) An electric utility shall recover its costs

1 associated with the procurement of renewable energy
2 credits under this Section and pursuant to subsection
3 (c-5) of Section 1-75 of the Illinois Power Agency Act
4 through an automatic adjustment clause tariff under
5 subsection (k) or a tariff pursuant to subsection
6 (i-5), as applicable, of Section 16-108 of this Act. A
7 utility shall not be required to advance any payment
8 or pay any amounts under this Section that exceed the
9 actual amount of revenues collected by the utility
10 under paragraph (6) of subsection (c) of Section 1-75
11 of the Illinois Power Agency Act, subsection (c-5) of
12 Section 1-75 of the Illinois Power Agency Act, and
13 subsection (k) or subsection (i-5), as applicable, of
14 Section 16-108 of this Act, and contracts executed
15 under this Section shall expressly incorporate this
16 limitation.

17 (v) For the public interest, safety, and welfare,
18 the Agency and the Commission may adopt rules to carry
19 out the provisions of this Section on an emergency
20 basis immediately following the effective date of this
21 amendatory Act of the 99th General Assembly.

22 (vi) On or before July 1 of each year, the
23 Commission shall hold an informal hearing for the
24 purpose of receiving comments on the prior year's
25 procurement process and any recommendations for
26 change.

1 (6) Energy Storage System Resources Procurement Plan.

2 The Agency shall prepare an energy storage system
3 resources procurement plan for the procurement of energy
4 storage system resources in compliance with this Section
5 and subsection (d-20) of Section 1-75 of the Illinois
6 Power Agency Act.

7 (i) The initial energy storage system resources
8 procurement plan and all subsequent revisions shall be
9 subject to review and approval by the Commission. For
10 the purposes of this paragraph (6), "delivery year"
11 has the meaning given to that term in Section 1-10 of
12 the Illinois Power Agency Act, and "Agency" means the
13 Illinois Power Agency.

14 (ii) The energy storage system resources
15 procurement planning process shall be conducted as
16 follows:

17 (A) The Agency shall publish for comment the
18 initial energy storage system resources
19 procurement plan no later than June 1, 2027 and
20 may revise the plan at least every 2 years
21 thereafter. To the extent practicable, the Agency
22 shall review and propose any revisions to the
23 energy storage system resources procurement plan
24 in conjunction with the Agency's long-term
25 renewable resources procurement plan. The initial
26 energy storage system resources plan shall:

1 (aa) include a schedule for procurements
2 for energy storage system resources consistent
3 with subsection (d-20) of Section 1-75 of the
4 Illinois Power Agency Act; and

5 (bb) identify the process whereby the
6 Agency will submit to the Commission for
7 review and approval the proposed contracts to
8 implement the programs required by the plan.

9 Copies of the initial energy storage system
10 resources procurement plan and all subsequent
11 revisions shall be posted and made publicly
12 available on the Agency's and Commission's
13 websites, and copies shall also be provided to
14 each affected electric utility. An affected
15 utility and other interested parties shall have 45
16 days after the date of posting to provide comment
17 to the Agency on the initial storage system
18 resources procurement plan and all subsequent
19 revisions. All comments shall be posted on the
20 Agency's and the Commission's websites.

21 (B) The Commission shall approve the initial
22 energy storage system resources procurement plan
23 and any subsequent revisions if the Commission
24 determines that the plan will reasonably and
25 prudently accomplish the requirements of
26 subsection (d-20) of Section 1-75 of the Illinois

1 Power Agency Act. The Commission shall also
2 approve the process for the submission, review,
3 and approval of the proposed contracts to procure
4 energy storage system resources or implement the
5 programs authorized by the Commission pursuant to
6 an energy storage system resources procurement
7 plan approved under this Section.

8 (iii) The Agency or third parties contracted by
9 the Agency shall implement all programs authorized by
10 the Commission in an approved energy storage system
11 resources procurement plan without further review and
12 approval by the Commission. Third parties shall not
13 begin implementing any programs or receive any payment
14 under this Section until the Commission has approved a
15 contract under the energy storage system resources
16 procurement process under this Section.

17 (iv) An electric utility shall recover its prudent
18 and reasonable costs associated with the procurement
19 of energy storage system resources procurements under
20 this Section and under subsection (d-20) of Section
21 1-75 of the Illinois Power Agency Act through an
22 automatic adjustment clause tariff under subsection
23 (k) of Section 16-108.

24 (b-5) An electric utility that as of January 1, 2019
25 served more than 300,000 retail customers in this State shall
26 purchase renewable energy credits from new renewable energy

1 facilities constructed at or adjacent to the sites of
2 coal-fueled electric generating facilities in this State in
3 accordance with subsection (c-5) of Section 1-75 of the
4 Illinois Power Agency Act and shall purchase energy storage
5 credits, or other services as applicable, for energy storage
6 system resources in accordance with Section 1-93 of the
7 Illinois Power Agency Act. Except as expressly provided in
8 this Section, the plans and procedures for such procurements
9 shall not be included in the procurement plans provided for in
10 this Section, but rather shall be conducted and implemented
11 solely in accordance with subsection (c-5) of Section 1-75 of
12 the Illinois Power Agency Act.

13 (b-10) In recognition of the potential need to facilitate
14 additional supply to address any resource adequacy challenges
15 through a stable and competitively neutral cost allocation
16 mechanism, upon an identification of need by the Commission
17 pursuant to the integrated resource planning process outlined
18 in Section 16-201, the procurement plan described in
19 subsection (b) may also include the procurement of energy,
20 capacity, environmental attributes, or some combination
21 thereof intended to serve all retail customers. Any
22 procurements proposed under this subsection (b-10) shall
23 feature long-term contracts, shall be structured to facilitate
24 new and additive supply resources, and shall be sized to
25 ensure that the substantial majority of any load-serving
26 entity's supply portfolio is not composed of contracts awarded

1 under this subsection (b-10).

2 (1) Facilities eligible for long-term contracts under
3 this subsection (b-10) must be new clean energy resources,
4 as defined in Section 1-10 of the Illinois Power Agency
5 Act, and must qualify as an accredited capacity resource
6 within the service areas of PJM Interconnection, LLC, or
7 Midcontinent Independent System Operator, Inc. For
8 purposes of this subsection (b-10), "new" means energized
9 on or after the effective date of this amendatory Act of
10 the 104th General Assembly.

11 (2) Contracts may take the form of a sourcing
12 agreement, power purchase agreement, or other instrument
13 as determined by the Commission in approving the plan, and
14 may feature fixed or variable pricing structures,
15 including utilization of a contract for differences in
16 pricing structure. Contracts may feature both electric
17 utilities and alternative retail electric suppliers as
18 counterparties. In approving the contract structure
19 utilized for any contract awards made pursuant to this
20 subsection (b-10), the Commission shall prioritize
21 structures that ensure stable, reliable, and competitively
22 neutral allocations of costs and responsibilities.

23 (3) Purchases made under contracts awarded through
24 this subsection (b-10) shall be funded in a competitively
25 neutral manner as determined by the Commission in
26 approving the plan. To meet contract obligations, the

1 Commission may order collections from all retail customers
2 or from all load-serving entities, including alternative
3 retail electric suppliers as defined in Section 16-102 of
4 this Act, as a means of ensuring a fair and competitively
5 neutral allocation of contract costs.

6 (4) The Agency may propose and the Commission may
7 approve additional terms, conditions, and requirements
8 applicable to this procurement process through development
9 and approval of the Agency's annual electricity
10 procurement plan.

11 (5) New supply resources supported through this
12 subsection (b-10) shall be cost-effective. For purposes of
13 this subsection (b-10), "cost-effective" means a
14 Commission determination that awarding a contract to the
15 resource will result a projected net reduction in the cost
16 of service for Illinois ratepayers over the contract term
17 relative to a scenario where the resource was not
18 developed, taking into account the value of the resource's
19 environmental attributes, projected impact on energy and
20 capacity prices, and additional potential reliability and
21 resource adequacy benefits.

22 (6) The manner and form for developing contracts,
23 qualifying potential counterparties, and awarding
24 contracts shall be proposed as part of the annual
25 electricity procurement plan described in this subsection
26 (b-10). However, to the extent practicable, the proposed

1 approach for contract development and award should
2 endeavor to follow the provisions of subsections (c) and
3 (e) through (i) of this Section.

4 (7) As further outlined in Section 16-115A, compliance
5 with any procurement process proposed under this
6 subsection (b-10) shall be considered a condition of
7 service for alternative retail electric suppliers.

8 (c) The provisions of this subsection (c) shall not apply
9 to procurements conducted pursuant to subsection (c-5) of
10 Section 1-75 of the Illinois Power Agency Act. However, the
11 Agency may retain a procurement administrator to assist the
12 Agency in planning and carrying out the procurement events and
13 implementing the other requirements specified in such
14 subsection (c-5) of Section 1-75 of the Illinois Power Agency
15 Act, with the costs incurred by the Agency for the procurement
16 administrator to be recovered through fees charged to
17 applicants for selection to sell and deliver renewable energy
18 credits to electric utilities pursuant to subsection (c-5) of
19 Section 1-75 of the Illinois Power Agency Act. The procurement
20 process set forth in Section 1-75 of the Illinois Power Agency
21 Act and subsection (e) of this Section shall be administered
22 by a procurement administrator and monitored by a procurement
23 monitor.

24 (1) The procurement administrator shall:

25 (i) design the final procurement process in
26 accordance with Section 1-75 of the Illinois Power

1 Agency Act and subsection (e) of this Section
2 following Commission approval of the procurement plan;

3 (ii) develop benchmarks in accordance with
4 subsection (e)(3) to be used to evaluate bids; these
5 benchmarks shall be submitted to the Commission for
6 review and approval on a confidential basis prior to
7 the procurement event;

8 (iii) serve as the interface between the electric
9 utility and suppliers;

10 (iv) manage the bidder pre-qualification and
11 registration process;

12 (v) obtain the electric utilities' agreement to
13 the final form of all supply contracts and credit
14 collateral agreements;

15 (vi) administer the request for proposals process;

16 (vii) have the discretion to negotiate to
17 determine whether bidders are willing to lower the
18 price of bids that meet the benchmarks approved by the
19 Commission; any post-bid negotiations with bidders
20 shall be limited to price only and shall be completed
21 within 24 hours after opening the sealed bids and
22 shall be conducted in a fair and unbiased manner; in
23 conducting the negotiations, there shall be no
24 disclosure of any information derived from proposals
25 submitted by competing bidders; if information is
26 disclosed to any bidder, it shall be provided to all

1 competing bidders;

2 (viii) maintain confidentiality of supplier and
3 bidding information in a manner consistent with all
4 applicable laws, rules, regulations, and tariffs;

5 (ix) submit a confidential report to the
6 Commission recommending acceptance or rejection of
7 bids;

8 (x) notify the utility of contract counterparties
9 and contract specifics; and

10 (xi) administer related contingency procurement
11 events.

12 (2) The procurement monitor, who shall be retained by
13 the Commission, shall:

14 (i) monitor interactions among the procurement
15 administrator, suppliers, and utility;

16 (ii) monitor and report to the Commission on the
17 progress of the procurement process;

18 (iii) provide an independent confidential report
19 to the Commission regarding the results of the
20 procurement event;

21 (iv) assess compliance with the procurement plans
22 approved by the Commission for each utility that on
23 December 31, 2005 provided electric service to at
24 least 100,000 customers in Illinois and for each small
25 multi-jurisdictional utility that on December 31, 2005
26 served less than 100,000 customers in Illinois;

1 (v) preserve the confidentiality of supplier and
2 bidding information in a manner consistent with all
3 applicable laws, rules, regulations, and tariffs;

4 (vi) provide expert advice to the Commission and
5 consult with the procurement administrator regarding
6 issues related to procurement process design, rules,
7 protocols, and policy-related matters; and

8 (vii) consult with the procurement administrator
9 regarding the development and use of benchmark
10 criteria, standard form contracts, credit policies,
11 and bid documents.

12 (d) Except as provided in subsection (j), the planning
13 process shall be conducted as follows:

14 (1) Beginning in 2008, each Illinois utility procuring
15 power pursuant to this Section shall annually provide a
16 range of load forecasts to the Illinois Power Agency by
17 July 15 of each year, or such other date as may be required
18 by the Commission or Agency. The load forecasts shall
19 cover the 5-year procurement planning period for the next
20 procurement plan and shall include hourly data
21 representing a high-load, low-load, and expected-load
22 scenario for the load of those retail customers included
23 in the plan's electric supply service requirements. The
24 utility shall provide supporting data and assumptions for
25 each of the scenarios.

26 (2) Beginning in 2008, the Illinois Power Agency shall

1 prepare a procurement plan by August 15th of each year, or
2 such other date as may be required by the Commission. The
3 procurement plan shall identify the portfolio of
4 demand-response and power and energy products to be
5 procured. Cost-effective demand-response measures shall be
6 procured as set forth in item (iii) of subsection (b) of
7 this Section. Copies of the procurement plan shall be
8 posted and made publicly available on the Agency's and
9 Commission's websites, and copies shall also be provided
10 to each affected electric utility. An affected utility
11 shall have 30 days following the date of posting to
12 provide comment to the Agency on the procurement plan.
13 Other interested entities also may comment on the
14 procurement plan. All comments submitted to the Agency
15 shall be specific, supported by data or other detailed
16 analyses, and, if objecting to all or a portion of the
17 procurement plan, accompanied by specific alternative
18 wording or proposals. All comments shall be posted on the
19 Agency's and Commission's websites. During this 30-day
20 comment period, the Agency shall hold at least one virtual
21 or in-person public hearing for ~~within~~ each utility's
22 service area for the purpose of receiving public comment
23 on the procurement plan. Within 14 days following the end
24 of the 30-day review period, the Agency shall revise the
25 procurement plan as necessary based on the comments
26 received and file the procurement plan with the Commission

1 and post the procurement plan on the websites.

2 (3) Within 5 days after the filing of the procurement
3 plan, any person objecting to the procurement plan shall
4 file an objection with the Commission. Within 10 days
5 after the filing, the Commission shall determine whether a
6 hearing is necessary. The Commission shall enter its order
7 confirming or modifying the procurement plan within 90
8 days after the filing of the procurement plan by the
9 Illinois Power Agency.

10 (4) The Commission shall approve the procurement plan,
11 including expressly the forecast used in the procurement
12 plan, if the Commission determines that it will ensure
13 adequate, reliable, affordable, efficient, and
14 environmentally sustainable electric service at the lowest
15 total cost over time, taking into account any benefits of
16 price stability.

17 (4.5) The Commission shall review the Agency's
18 recommendations for the selection of applicants to enter
19 into long-term contracts for the sale and delivery of
20 renewable energy credits from new renewable energy
21 facilities to be constructed at or adjacent to the sites
22 of coal-fueled electric generating facilities in this
23 State in accordance with the provisions of subsection
24 (c-5) of Section 1-75 of the Illinois Power Agency Act,
25 and shall approve the Agency's recommendations if the
26 Commission determines that the applicants recommended by

1 the Agency for selection, the proposed new renewable
2 energy facilities to be constructed, the amounts of
3 renewable energy credits to be delivered pursuant to the
4 contracts, and the other terms of the contracts, are
5 consistent with the requirements of subsection (c-5) of
6 Section 1-75 of the Illinois Power Agency Act.

7 (e) The procurement process shall include each of the
8 following components:

9 (1) Solicitation, pre-qualification, and registration
10 of bidders. The procurement administrator shall
11 disseminate information to potential bidders to promote a
12 procurement event, notify potential bidders that the
13 procurement administrator may enter into a post-bid price
14 negotiation with bidders that meet the applicable
15 benchmarks, provide supply requirements, and otherwise
16 explain the competitive procurement process. In addition
17 to such other publication as the procurement administrator
18 determines is appropriate, this information shall be
19 posted on the Illinois Power Agency's and the Commission's
20 websites. The procurement administrator shall also
21 administer the prequalification process, including
22 evaluation of credit worthiness, compliance with
23 procurement rules, and agreement to the standard form
24 contract developed pursuant to paragraph (2) of this
25 subsection (e). The procurement administrator shall then
26 identify and register bidders to participate in the

1 procurement event.

2 (2) Standard contract forms and credit terms and
3 instruments. The procurement administrator, in
4 consultation with the utilities, the Commission, and other
5 interested parties and subject to Commission oversight,
6 shall develop and provide standard contract forms for the
7 supplier contracts that meet generally accepted industry
8 practices. Standard credit terms and instruments that meet
9 generally accepted industry practices shall be similarly
10 developed. The procurement administrator shall make
11 available to the Commission all written comments it
12 receives on the contract forms, credit terms, or
13 instruments. If the procurement administrator cannot reach
14 agreement with the applicable electric utility as to the
15 contract terms and conditions, the procurement
16 administrator must notify the Commission of any disputed
17 terms and the Commission shall resolve the dispute. The
18 terms of the contracts shall not be subject to negotiation
19 by winning bidders, and the bidders must agree to the
20 terms of the contract in advance so that winning bids are
21 selected solely on the basis of price.

22 (3) Establishment of a market-based price benchmark.
23 As part of the development of the procurement process, the
24 procurement administrator, in consultation with the
25 Commission staff, Agency staff, and the procurement
26 monitor, shall establish benchmarks for evaluating the

1 final prices in the contracts for each of the products
2 that will be procured through the procurement process. The
3 benchmarks shall be based on price data for similar
4 products for the same delivery period and same delivery
5 hub, or other delivery hubs after adjusting for that
6 difference. The price benchmarks may also be adjusted to
7 take into account differences between the information
8 reflected in the underlying data sources and the specific
9 products and procurement process being used to procure
10 power for the Illinois utilities. The benchmarks shall be
11 confidential but shall be provided to, and will be subject
12 to Commission review and approval, prior to a procurement
13 event.

14 (4) Request for proposals competitive procurement
15 process. The procurement administrator shall design and
16 issue a request for proposals to supply electricity in
17 accordance with each utility's procurement plan, as
18 approved by the Commission. The request for proposals
19 shall set forth a procedure for sealed, binding commitment
20 bidding with pay-as-bid settlement, and provision for
21 selection of bids on the basis of price.

22 (5) A plan for implementing contingencies in the event
23 of supplier default or failure of the procurement process
24 to fully meet the expected load requirement due to
25 insufficient supplier participation, Commission rejection
26 of results, or any other cause.

1 (i) Event of supplier default: In the event of
2 supplier default, the utility shall review the
3 contract of the defaulting supplier to determine if
4 the amount of supply is 200 megawatts or greater, and
5 if there are more than 60 days remaining of the
6 contract term. If both of these conditions are met,
7 and the default results in termination of the
8 contract, the utility shall immediately notify the
9 Illinois Power Agency that a request for proposals
10 must be issued to procure replacement power, and the
11 procurement administrator shall run an additional
12 procurement event. If the contracted supply of the
13 defaulting supplier is less than 200 megawatts or
14 there are less than 60 days remaining of the contract
15 term, the utility shall procure power and energy from
16 the applicable regional transmission organization
17 market, including ancillary services, capacity, and
18 day-ahead or real time energy, or both, for the
19 duration of the contract term to replace the
20 contracted supply; provided, however, that if a needed
21 product is not available through the regional
22 transmission organization market it shall be purchased
23 from the wholesale market.

24 (ii) Failure of the procurement process to fully
25 meet the expected load requirement: If the procurement
26 process fails to fully meet the expected load

1 requirement due to insufficient supplier participation
2 or due to a Commission rejection of the procurement
3 results, the procurement administrator, the
4 procurement monitor, and the Commission staff shall
5 meet within 10 days to analyze potential causes of low
6 supplier interest or causes for the Commission
7 decision. If changes are identified that would likely
8 result in increased supplier participation, or that
9 would address concerns causing the Commission to
10 reject the results of the prior procurement event, the
11 procurement administrator may implement those changes
12 and rerun the request for proposals process according
13 to a schedule determined by those parties and
14 consistent with Section 1-75 of the Illinois Power
15 Agency Act and this subsection. In any event, a new
16 request for proposals process shall be implemented by
17 the procurement administrator within 90 days after the
18 determination that the procurement process has failed
19 to fully meet the expected load requirement.

20 (iii) In all cases where there is insufficient
21 supply provided under contracts awarded through the
22 procurement process to fully meet the electric
23 utility's load requirement, the utility shall meet the
24 load requirement by procuring power and energy from
25 the applicable regional transmission organization
26 market, including ancillary services, capacity, and

1 day-ahead or real time energy, or both; provided,
2 however, that if a needed product is not available
3 through the regional transmission organization market
4 it shall be purchased from the wholesale market.

5 (6) The procurement processes described in this
6 subsection and in subsection (c-5) of Section 1-75 of the
7 Illinois Power Agency Act are exempt from the requirements
8 of the Illinois Procurement Code, pursuant to Section
9 20-10 of that Code.

10 (f) Within 2 business days after opening the sealed bids,
11 the procurement administrator shall submit a confidential
12 report to the Commission. The report shall contain the results
13 of the bidding for each of the products along with the
14 procurement administrator's recommendation for the acceptance
15 and rejection of bids based on the price benchmark criteria
16 and other factors observed in the process. The procurement
17 monitor also shall submit a confidential report to the
18 Commission within 2 business days after opening the sealed
19 bids. The report shall contain the procurement monitor's
20 assessment of bidder behavior in the process as well as an
21 assessment of the procurement administrator's compliance with
22 the procurement process and rules. The Commission shall review
23 the confidential reports submitted by the procurement
24 administrator and procurement monitor, and shall accept or
25 reject the recommendations of the procurement administrator
26 within 2 business days after receipt of the reports.

1 (g) Within 3 business days after the Commission decision
2 approving the results of a procurement event, the utility
3 shall enter into binding contractual arrangements with the
4 winning suppliers using the standard form contracts; except
5 that the utility shall not be required either directly or
6 indirectly to execute the contracts if a tariff that is
7 consistent with subsection (1) of this Section has not been
8 approved and placed into effect for that utility.

9 (h) For the procurement of standard wholesale products,
10 the names of the successful bidders and the load weighted
11 average of the winning bid prices for each contract type and
12 for each contract term shall be made available to the public at
13 the time of Commission approval of a procurement event. For
14 procurements conducted to meet the requirements of subsection
15 (b) of Section 1-56 or subsection (c) of Section 1-75 of the
16 Illinois Power Agency Act governed by the provisions of this
17 Section, the address and nameplate capacity of the new
18 renewable energy generating facility proposed by a winning
19 bidder shall also be made available to the public at the time
20 of Commission approval of a procurement event, along with the
21 business address and contact information for any winning
22 bidder. An estimate or approximation of the nameplate capacity
23 of the new renewable energy generating facility may be
24 disclosed if necessary to protect the confidentiality of
25 individual bid prices.

26 The Commission, the procurement monitor, the procurement

1 administrator, the Illinois Power Agency, and all participants
2 in the procurement process shall maintain the confidentiality
3 of all other supplier and bidding information in a manner
4 consistent with all applicable laws, rules, regulations, and
5 tariffs. Confidential information, including the confidential
6 reports submitted by the procurement administrator and
7 procurement monitor pursuant to subsection (f) of this
8 Section, shall not be made publicly available and shall not be
9 discoverable by any party in any proceeding, absent a
10 compelling demonstration of need, nor shall those reports be
11 admissible in any proceeding other than one for law
12 enforcement purposes.

13 For procurements conducted to meet the requirements of
14 subsection (b) of Section 1-56 or subsection (c) of Section
15 1-75 of the Illinois Power Agency Act, the Illinois Power
16 Agency may release aggregated information related to
17 participation levels across product types and the basis of
18 rejection for non-accepted bids if the Commission, the
19 procurement monitor, the procurement administrator, and the
20 Illinois Power Agency determine that the release of this
21 information would not result in the disclosure of confidential
22 bid information or negatively impact the competitiveness of
23 future renewable energy credit procurements. The Agency may
24 also release information about the development status of new
25 renewable energy projects under contract and project-specific
26 information about renewable energy credit delivery quantities

1 for projects under contract if the Commission, the procurement
2 monitor, the procurement administrator, and the Illinois Power
3 Agency determine that the release of this information would
4 not result in the disclosure of confidential bid information
5 or negatively impact the competitiveness of future renewable
6 energy credit procurements.

7 (i) Within 2 business days after a Commission decision
8 approving the results of a procurement event or such other
9 date as may be required by the Commission from time to time,
10 the utility shall file for informational purposes with the
11 Commission its actual or estimated retail supply charges, as
12 applicable, by customer supply group reflecting the costs
13 associated with the procurement and computed in accordance
14 with the tariffs filed pursuant to subsection (l) of this
15 Section and approved by the Commission.

16 (j) Within 60 days following August 28, 2007 (the
17 effective date of Public Act 95-481), each electric utility
18 that on December 31, 2005 provided electric service to at
19 least 100,000 customers in Illinois shall prepare and file
20 with the Commission an initial procurement plan, which shall
21 conform in all material respects to the requirements of the
22 procurement plan set forth in subsection (b); provided,
23 however, that the Illinois Power Agency Act shall not apply to
24 the initial procurement plan prepared pursuant to this
25 subsection. The initial procurement plan shall identify the
26 portfolio of power and energy products to be procured and

1 delivered for the period June 2008 through May 2009, and shall
2 identify the proposed procurement administrator, who shall
3 have the same experience and expertise as is required of a
4 procurement administrator hired pursuant to Section 1-75 of
5 the Illinois Power Agency Act. Copies of the procurement plan
6 shall be posted and made publicly available on the
7 Commission's website. The initial procurement plan may include
8 contracts for renewable resources that extend beyond May 2009.

9 (i) Within 14 days following filing of the initial
10 procurement plan, any person may file a detailed objection
11 with the Commission contesting the procurement plan
12 submitted by the electric utility. All objections to the
13 electric utility's plan shall be specific, supported by
14 data or other detailed analyses. The electric utility may
15 file a response to any objections to its procurement plan
16 within 7 days after the date objections are due to be
17 filed. Within 7 days after the date the utility's response
18 is due, the Commission shall determine whether a hearing
19 is necessary. If it determines that a hearing is
20 necessary, it shall require the hearing to be completed
21 and issue an order on the procurement plan within 60 days
22 after the filing of the procurement plan by the electric
23 utility.

24 (ii) The order shall approve or modify the procurement
25 plan, approve an independent procurement administrator,
26 and approve or modify the electric utility's tariffs that

1 are proposed with the initial procurement plan. The
2 Commission shall approve the procurement plan if the
3 Commission determines that it will ensure adequate,
4 reliable, affordable, efficient, and environmentally
5 sustainable electric service at the lowest total cost over
6 time, taking into account any benefits of price stability.

7 (k) (Blank).

8 (k-5) (Blank).

9 (l) An electric utility shall recover its costs incurred
10 under this Section and subsection (c-5) of Section 1-75 of the
11 Illinois Power Agency Act, including, but not limited to, the
12 costs of procuring power and energy demand-response resources
13 under this Section and its costs for purchasing renewable
14 energy credits pursuant to subsection (c-5) of Section 1-75 of
15 the Illinois Power Agency Act. The utility shall file with the
16 initial procurement plan its proposed tariffs through which
17 its costs of procuring power that are incurred pursuant to a
18 Commission-approved procurement plan and those other costs
19 identified in this subsection (l), will be recovered. The
20 tariffs shall include a formula rate or charge designed to
21 pass through both the costs incurred by the utility in
22 procuring a supply of electric power and energy for the
23 applicable customer classes with no mark-up or return on the
24 price paid by the utility for that supply, plus any just and
25 reasonable costs that the utility incurs in arranging and
26 providing for the supply of electric power and energy. The

1 formula rate or charge shall also contain provisions that
2 ensure that its application does not result in over or under
3 recovery due to changes in customer usage and demand patterns,
4 and that provide for the correction, on at least an annual
5 basis, of any accounting errors that may occur. A utility
6 shall recover through the tariff all reasonable costs incurred
7 to implement or comply with any procurement plan that is
8 developed and put into effect pursuant to Section 1-75 of the
9 Illinois Power Agency Act and this Section, and for the
10 procurement of renewable energy credits pursuant to subsection
11 (c-5) of Section 1-75 of the Illinois Power Agency Act,
12 including any fees assessed by the Illinois Power Agency,
13 costs associated with load balancing, and contingency plan
14 costs. The electric utility shall also recover its full costs
15 of procuring electric supply for which it contracted before
16 the effective date of this Section in conjunction with the
17 provision of full requirements service under fixed-price
18 bundled service tariffs subsequent to December 31, 2006. All
19 such costs shall be deemed to have been prudently incurred.
20 The pass-through tariffs that are filed and approved pursuant
21 to this Section shall not be subject to review under, or in any
22 way limited by, Section 16-111(i) of this Act. All of the costs
23 incurred by the electric utility associated with the purchase
24 of zero emission credits in accordance with subsection (d-5)
25 of Section 1-75 of the Illinois Power Agency Act, all costs
26 incurred by the electric utility associated with the purchase

1 of carbon mitigation credits in accordance with subsection
2 (d-10) of Section 1-75 of the Illinois Power Agency Act, and,
3 beginning June 1, 2017, all of the costs incurred by the
4 electric utility associated with the purchase of renewable
5 energy resources in accordance with Sections 1-56 and 1-75 of
6 the Illinois Power Agency Act, and all of the costs incurred by
7 the electric utility in purchasing renewable energy credits in
8 accordance with subsection (c-5) of Section 1-75 of the
9 Illinois Power Agency Act, shall be recovered through the
10 electric utility's tariffed charges applicable to all of its
11 retail customers, as specified in subsection (k) or subsection
12 (i-5), as applicable, of Section 16-108 of this Act, and shall
13 not be recovered through the electric utility's tariffed
14 charges for electric power and energy supply to its eligible
15 retail customers.

16 (m) The Commission has the authority to adopt rules to
17 carry out the provisions of this Section. For the public
18 interest, safety, and welfare, the Commission also has
19 authority to adopt rules to carry out the provisions of this
20 Section on an emergency basis immediately following August 28,
21 2007 (the effective date of Public Act 95-481).

22 (n) Notwithstanding any other provision of this Act, any
23 affiliated electric utilities that submit a single procurement
24 plan covering their combined needs may procure for those
25 combined needs in conjunction with that plan, and may enter
26 jointly into power supply contracts, purchases, and other

1 procurement arrangements, and allocate capacity and energy and
2 cost responsibility therefor among themselves in proportion to
3 their requirements.

4 (o) On or before June 1 of each year, the Commission shall
5 hold an informal hearing for the purpose of receiving comments
6 on the prior year's procurement process and any
7 recommendations for change.

8 (p) An electric utility subject to this Section may
9 propose to invest, lease, own, or operate an electric
10 generation facility as part of its procurement plan, provided
11 the utility demonstrates that such facility is the least-cost
12 option to provide electric service to those retail customers
13 included in the plan's electric supply service requirements.
14 If the facility is shown to be the least-cost option and is
15 included in a procurement plan prepared in accordance with
16 Section 1-75 of the Illinois Power Agency Act and this
17 Section, then the electric utility shall make a filing
18 pursuant to Section 8-406 of this Act, and may request of the
19 Commission any statutory relief required thereunder. If the
20 Commission grants all of the necessary approvals for the
21 proposed facility, such supply shall thereafter be considered
22 as a pre-existing contract under subsection (b) of this
23 Section. The Commission shall in any order approving a
24 proposal under this subsection specify how the utility will
25 recover the prudently incurred costs of investing in, leasing,
26 owning, or operating such generation facility through just and

1 reasonable rates charged to those retail customers included in
2 the plan's electric supply service requirements. Cost recovery
3 for facilities included in the utility's procurement plan
4 pursuant to this subsection shall not be subject to review
5 under or in any way limited by the provisions of Section
6 16-111(i) of this Act. Nothing in this Section is intended to
7 prohibit a utility from filing for a fuel adjustment clause as
8 is otherwise permitted under Section 9-220 of this Act.

9 (q) If the Illinois Power Agency filed with the
10 Commission, under Section 16-111.5 of this Act, its proposed
11 procurement plan for the period commencing June 1, 2017, and
12 the Commission has not yet entered its final order approving
13 the plan on or before the effective date of this amendatory Act
14 of the 99th General Assembly, then the Illinois Power Agency
15 shall file a notice of withdrawal with the Commission, after
16 the effective date of this amendatory Act of the 99th General
17 Assembly, to withdraw the proposed procurement of renewable
18 energy resources to be approved under the plan, other than the
19 procurement of renewable energy credits from distributed
20 renewable energy generation devices using funds previously
21 collected from electric utilities' retail customers that take
22 service pursuant to electric utilities' hourly pricing tariff
23 or tariffs and, for an electric utility that serves less than
24 100,000 retail customers in the State, other than the
25 procurement of renewable energy credits from distributed
26 renewable energy generation devices. Upon receipt of the

1 notice, the Commission shall enter an order that approves the
2 withdrawal of the proposed procurement of renewable energy
3 resources from the plan. The initially proposed procurement of
4 renewable energy resources shall not be approved or be the
5 subject of any further hearing, investigation, proceeding, or
6 order of any kind.

7 This amendatory Act of the 99th General Assembly preempts
8 and supersedes any order entered by the Commission that
9 approved the Illinois Power Agency's procurement plan for the
10 period commencing June 1, 2017, to the extent it is
11 inconsistent with the provisions of this amendatory Act of the
12 99th General Assembly. To the extent any previously entered
13 order approved the procurement of renewable energy resources,
14 the portion of that order approving the procurement shall be
15 void, other than the procurement of renewable energy credits
16 from distributed renewable energy generation devices using
17 funds previously collected from electric utilities' retail
18 customers that take service under electric utilities' hourly
19 pricing tariff or tariffs and, for an electric utility that
20 serves less than 100,000 retail customers in the State, other
21 than the procurement of renewable energy credits for
22 distributed renewable energy generation devices.

23 (Source: P.A. 102-662, eff. 9-15-21.)

24 (220 ILCS 5/16-111.7)

25 Sec. 16-111.7. On-bill financing program; electric

1 utilities.

2 (a) The Illinois General Assembly finds that Illinois
3 homes and businesses have the potential to save energy through
4 conservation and cost-effective energy efficiency measures.
5 Programs created pursuant to this Section will allow utility
6 customers to purchase cost-effective energy efficiency
7 measures, including measures set forth in a
8 Commission-approved energy efficiency and demand-response plan
9 under Section 8-103 or 8-103B of this Act, with no required
10 initial upfront payment, and to pay the cost of those products
11 and services over time on their utility bill.

12 (b) Notwithstanding any other provision of this Act, an
13 electric utility serving more than 100,000 customers on
14 January 1, 2009 shall offer a Commission-approved on-bill
15 financing program ("program") that allows its eligible retail
16 customers, as that term is defined in Section 16-111.5 of this
17 Act, who own a residential single family home, duplex, or
18 other residential building with 4 or less units, or
19 condominium at which the electric service is being provided
20 (i) to borrow funds from a third party lender in order to
21 purchase electric energy efficiency measures approved under
22 the program for installation in such home or condominium
23 without any required upfront payment and (ii) to pay back such
24 funds over time through the electric utility's bill. Based
25 upon the process described in subsection (b-5) of this
26 Section, small commercial customers who own the premises at

1 which electric service is being provided may be included in
2 such program. After receiving a request from an electric
3 utility for approval of a proposed program and tariffs
4 pursuant to this Section, the Commission shall render its
5 decision within 120 days. If no decision is rendered within
6 120 days, then the request shall be deemed to be approved.

7 Beginning no later than December 31, 2013, an electric
8 utility subject to this subsection (b) shall also offer its
9 program to eligible retail customers that own multifamily
10 residential or mixed-use buildings with no more than 50
11 residential units, provided, however, that such customers must
12 either be a residential customer or small commercial customer
13 and may not use the program in such a way that repayment of the
14 cost of energy efficiency measures is made through tenants'
15 utility bills. An electric utility may impose a per site loan
16 limit not to exceed \$150,000. The program, and loans issued
17 thereunder, shall only be offered to customers of the utility
18 that meet the requirements of this Section and that also have
19 an electric service account at the premises where the energy
20 efficiency measures being financed shall be installed.
21 Beginning no later than 2 years after the effective date of
22 this amendatory Act of the 99th General Assembly, the 50
23 residential unit limitation described in this paragraph shall
24 no longer apply, and the utility shall replace the per site
25 loan limit of \$150,000 with a loan limit that correlates to a
26 maximum monthly payment that does not exceed 50% of the

1 customer's average utility bill over the prior 12-month
2 period.

3 Beginning no later than 2 years after the effective date
4 of this amendatory Act of the 99th General Assembly, an
5 electric utility subject to this subsection (b) shall also
6 offer its program to eligible retail customers that are Unit
7 Owners' Associations, as defined in subsection (o) of Section
8 2 of the Condominium Property Act, or Master Associations, as
9 defined in subsection (u) of the Condominium Property Act.
10 However, such customers must either be residential customers
11 or small commercial customers and may not use the program in
12 such a way that repayment of the cost of energy efficiency
13 measures is made through unit owners' utility bills. The
14 program and loans issued under the program shall only be
15 offered to customers of the utility that meet the requirements
16 of this Section and that also have an electric service account
17 at the premises where the energy efficiency measures being
18 financed shall be installed.

19 For purposes of this Section, "small commercial customer"
20 means, for an electric utility serving more than 3,000,000
21 retail customers, those customers having peak demand of less
22 than 100 kilowatts, and, for an electric utility serving less
23 than 3,000,000 retail customers, those customers having peak
24 demand of less than 150 kilowatts; provided, however, that in
25 the event the Commission, after the effective date of this
26 amendatory Act of the 98th General Assembly, approves changes

1 to a utility's tariffs that reflects new or revised demand
2 criteria for the utility's customer rate classifications, then
3 the utility may file a petition with the Commission to revise
4 the applicable definition of a small commercial customer to
5 reflect the new or revised demand criteria for the purposes of
6 this Section. After notice and hearing, the Commission shall
7 enter an order approving, or approving with modification, the
8 revised definition within 60 days after the utility files the
9 petition.

10 (b-5) Within 30 days after the effective date of this
11 amendatory Act of the 96th General Assembly, the Commission
12 shall convene a workshop process during which interested
13 participants may discuss issues related to the program,
14 including program design, eligible electric energy efficiency
15 measures, vendor qualifications, and a methodology for
16 ensuring ongoing compliance with such qualifications,
17 financing, sample documents such as request for proposals,
18 contracts and agreements, dispute resolution, pre-installment
19 and post-installment verification, and evaluation. The
20 workshop process shall be completed within 150 days after the
21 effective date of this amendatory Act of the 96th General
22 Assembly.

23 (c) Not later than 60 days following completion of the
24 workshop process described in subsection (b-5) of this
25 Section, each electric utility subject to subsection (b) of
26 this Section shall submit a proposed program to the Commission

1 that contains the following components:

2 (1) A list of recommended electric energy efficiency
3 measures that will be eligible for on-bill financing. An
4 eligible electric energy efficiency measure ("measure")
5 shall be a product or service for which one or more of the
6 following is true:

7 (A) (blank);

8 (B) the projected electricity savings (determined
9 by rates in effect at the time of purchase) are
10 sufficient to cover the costs of implementing the
11 measures, including finance charges and any program
12 fees not recovered pursuant to subsection (f) of this
13 Section; or

14 (C) the product or service is included in a
15 Commission-approved energy efficiency and
16 demand-response plan under Section 8-103 or 8-103B of
17 this Act.

18 (1.5) Beginning no later than 2 years after the
19 effective date of this amendatory Act of the 99th General
20 Assembly, an eligible electric energy efficiency measure
21 (measure) shall be a product or service that qualifies
22 under subparagraph (B) or (C) of paragraph (1) of this
23 subsection (c) or for which one or more of the following is
24 true:

25 (A) a building energy assessment, performed by an
26 energy auditor who is certified by the Building

1 Performance Institute or who holds a similar
2 certification, has recommended the product or service
3 as likely to be cost effective over the course of its
4 installed life for the building in which the measure
5 is to be installed; or

6 (B) the product or service is necessary to safely
7 or correctly install to code or industry standard an
8 efficiency measure, including, but not limited to,
9 installation work; changes needed to plumbing or
10 electrical connections; upgrades to wiring or
11 fixtures; removal of hazardous materials; correction
12 of leaks; changes to thermostats, controls, or similar
13 devices; and changes to venting or exhaust
14 necessitated by the measure. However, the costs of the
15 product or service described in this subparagraph (B)
16 shall not exceed 25% of the total cost of installing
17 the measure.

18 (2) The electric utility shall issue a request for
19 proposals ("RFP") to lenders for purposes of providing
20 financing to participants to pay for approved measures.
21 The RFP criteria shall include, but not be limited to, the
22 interest rate, origination fees, and credit terms. The
23 utility shall select the winning bidders based on its
24 evaluation of these criteria, with a preference for those
25 bids containing the rates, fees, and terms most favorable
26 to participants;

1 (3) The utility shall work with the lenders selected
2 pursuant to the RFP process, and with vendors, to
3 establish the terms and processes pursuant to which a
4 participant can purchase eligible electric energy
5 efficiency measures using the financing obtained from the
6 lender. The vendor shall explain and offer the approved
7 financing packaging to those customers identified in
8 subsection (b) of this Section and shall assist customers
9 in applying for financing. As part of the process, vendors
10 shall also provide to participants information about any
11 other incentives that may be available for the measures.

12 (4) The lender shall conduct credit checks or
13 undertake other appropriate measures to limit credit risk,
14 and shall review and approve or deny financing
15 applications submitted by customers identified in
16 subsection (b) of this Section. Following the lender's
17 approval of financing and the participant's purchase of
18 the measure or measures, the lender shall forward payment
19 information to the electric utility, and the utility shall
20 add as a separate line item on the participant's utility
21 bill a charge showing the amount due under the program
22 each month.

23 (5) A loan issued to a participant pursuant to the
24 program shall be the sole responsibility of the
25 participant, and any dispute that may arise concerning the
26 loan's terms, conditions, or charges shall be resolved

1 between the participant and lender. Upon transfer of the
2 property title for the premises at which the participant
3 receives electric service from the utility or the
4 participant's request to terminate service at such
5 premises, the participant shall pay in full its electric
6 utility bill, including all amounts due under the program,
7 provided that this obligation may be modified as provided
8 in subsection (g) of this Section. Amounts due under the
9 program shall be deemed amounts owed for residential and,
10 as appropriate, small commercial electric service.

11 (6) The electric utility shall remit payment in full
12 to the lender each month on behalf of the participant. In
13 the event a participant defaults on payment of its
14 electric utility bill, the electric utility shall continue
15 to remit all payments due under the program to the lender,
16 and the utility shall be entitled to recover all costs
17 related to a participant's nonpayment through the
18 automatic adjustment clause tariff established pursuant to
19 Section 16-111.8 of this Act. In addition, the electric
20 utility shall retain a security interest in the measure or
21 measures purchased under the program, and the utility
22 retains its right to disconnect a participant that
23 defaults on the payment of its utility bill.

24 (7) The total outstanding amount financed under the
25 program in this subsection and subsection (c-5) of this
26 Section shall not exceed \$2.5 million for an electric

1 utility or electric utilities under a single holding
2 company, provided that the electric utility or electric
3 utilities may petition the Commission for an increase in
4 such amount. Beginning after the effective date of this
5 amendatory Act of the 99th General Assembly, the total
6 maximum outstanding amount financed under the program in
7 this subsection and subsections (c-5) and (c-10) of this
8 Section shall increase by \$5,000,000 per year until such
9 time as the total maximum outstanding amount financed
10 reaches \$20,000,000. For purposes of this Section,
11 "maximum outstanding amount financed" means the sum of all
12 principal that has been loaned and not yet repaid.

13 (c-5) Within 120 days after the effective date of this
14 amendatory Act of the 98th General Assembly, each electric
15 utility subject to the requirements of this Section shall
16 submit an informational filing to the Commission that
17 describes its plan for implementing the provisions of this
18 amendatory Act of the 98th General Assembly on or before
19 December 31, 2013. Such filing shall also describe how the
20 electric utility shall coordinate its program with any gas
21 utility or utilities that provide gas service to buildings
22 within the electric utility's service territory so that it is
23 practical and feasible for the owner of a multifamily building
24 to make a single application to access loans for both gas and
25 electric energy efficiency measures in any individual
26 building.

1 (c-10) No later than 365 days after the effective date of
2 this amendatory Act of the 99th General Assembly, each
3 electric utility subject to the requirements of this Section
4 shall submit an informational filing to the Commission that
5 describes its plan for implementing the provisions of this
6 amendatory Act of the 99th General Assembly that were
7 incorporated into this Section. Such filing shall also include
8 the criteria to be used by the program for determining if
9 measures to be financed are eligible electric energy
10 efficiency measures, as defined by paragraph (1.5) of
11 subsection (c) of this Section.

12 (d) A program approved by the Commission shall also
13 include the following criteria and guidelines for such
14 program:

15 (1) guidelines for financing of measures installed
16 under a program, including, but not limited to, RFP
17 criteria and limits on both individual loan amounts and
18 the duration of the loans;

19 (2) criteria and standards for identifying and
20 approving measures;

21 (3) qualifications of vendors that will market or
22 install measures, as well as a methodology for ensuring
23 ongoing compliance with such qualifications;

24 (4) sample contracts and agreements necessary to
25 implement the measures and program; and

26 (5) the types of data and information that utilities

1 and vendors participating in the program shall collect for
2 purposes of preparing the reports required under
3 subsection (g) of this Section.

4 (e) The proposed program submitted by each electric
5 utility shall be consistent with the provisions of this
6 Section that define operational, financial and billing
7 arrangements between and among program participants, vendors,
8 lenders, and the electric utility.

9 (f) An electric utility shall recover all of the prudently
10 incurred costs of offering a program approved by the
11 Commission pursuant to this Section, including, but not
12 limited to, all start-up and administrative costs and the
13 costs for program evaluation. All prudently incurred costs
14 under this Section shall be recovered from the residential and
15 small commercial retail customer classes eligible to
16 participate in the program through the automatic adjustment
17 clause tariff established pursuant to Section 8-103 or 8-103B
18 of this Act.

19 (g) An independent evaluation of a program shall be
20 conducted after 3 years of the program's operation. The
21 electric utility shall retain an independent evaluator who
22 shall evaluate the effects of the measures installed under the
23 program and the overall operation of the program, including,
24 but not limited to, customer eligibility criteria and whether
25 the payment obligation for permanent electric energy
26 efficiency measures that will continue to provide benefits of

1 energy savings should attach to the meter location. As part of
2 the evaluation process, the evaluator shall also solicit
3 feedback from participants and interested stakeholders. The
4 evaluator shall issue a report to the Commission on its
5 findings no later than 4 years after the date on which the
6 program commenced, and the Commission shall issue a report to
7 the Governor and General Assembly including a summary of the
8 information described in this Section as well as its
9 recommendations as to whether the program should be
10 discontinued, continued with modification or modifications or
11 continued without modification, provided that any recommended
12 modifications shall only apply prospectively and to measures
13 not yet installed or financed.

14 (h) An electric utility offering a Commission-approved
15 program pursuant to this Section shall not be required to
16 comply with any other statute, order, rule, or regulation of
17 this State that may relate to the offering of such program,
18 provided that nothing in this Section is intended to limit the
19 electric utility's obligation to comply with this Act and the
20 Commission's orders, rules, and regulations, including Part
21 280 of Title 83 of the Illinois Administrative Code.

22 (i) The source of a utility customer's electric supply
23 shall not disqualify a customer from participation in the
24 utility's on-bill financing program. Customers of alternative
25 retail electric suppliers may participate in the program under
26 the same terms and conditions applicable to the utility's

1 supply customers.

2 (j) This Section is repealed on January 1, 2027.

3 (Source: P.A. 98-586, eff. 8-27-13; 99-906, eff. 6-1-17.)

4 (220 ILCS 5/16-115A)

5 Sec. 16-115A. Obligations of alternative retail electric
6 suppliers.

7 (a) An alternative retail electric supplier:

8 (i) shall comply with the requirements imposed on
9 public utilities by Sections 8-201 through 8-207, 8-301,
10 8-505 and 8-507 of this Act, to the extent that these
11 Sections have application to the services being offered by
12 the alternative retail electric supplier;

13 (ii) shall continue to comply with the requirements
14 for certification stated in subsection (d) of Section
15 16-115;

16 (iii) by May 31, 2020 and every June 30 thereafter,
17 shall submit to the Commission and the Office of the
18 Attorney General the rates the retail electric supplier
19 charged to residential customers in the prior year,
20 including each distinct rate charged and whether the rate
21 was a fixed or variable rate, the basis for the variable
22 rate, and any fees charged in addition to the supply rate,
23 including monthly fees, flat fees, or other service
24 charges; ~~and~~

25 (iv) shall make publicly available on its website,

1 without the need for a customer login, rate information
2 for all of its variable, time-of-use, and fixed rate
3 contracts currently available to residential customers,
4 including, but not limited to, fixed monthly charges,
5 early termination fees, and kilowatt-hour charges; -

6 (v) shall provide to the Commission, in the form and
7 manner requested, the information necessary for the
8 Commission to compile and submit the integrated resource
9 plan required under Section 16-201; and

10 (vi) shall comply with the Commission's determinations
11 made pursuant to subsection (b-10) of Section 16-111.5,
12 including, but not limited to, the imposition of any
13 collections, the execution of any contracts, and the
14 required performance under any contracts developed
15 thereunder.

16 (b) An alternative retail electric supplier shall obtain
17 verifiable authorization from a customer, in a form or manner
18 approved by the Commission consistent with Section 2EE of the
19 Consumer Fraud and Deceptive Business Practices Act, before
20 the customer is switched from another supplier.

21 (c) No alternative retail electric supplier, or electric
22 utility other than the electric utility in whose service area
23 a customer is located, shall (i) enter into or employ any
24 arrangements which have the effect of preventing a retail
25 customer with a maximum electrical demand of less than one
26 megawatt from having access to the services of the electric

1 utility in whose service area the customer is located or (ii)
2 charge retail customers for such access. This subsection shall
3 not be construed to prevent an arms-length agreement between a
4 supplier and a retail customer that sets a term of service,
5 notice period for terminating service and provisions governing
6 early termination through a tariff or contract as allowed by
7 Section 16-119.

8 (d) An alternative retail electric supplier that is
9 certified to serve residential or small commercial retail
10 customers shall not:

11 (1) deny service to a customer or group of customers
12 nor establish any differences as to prices, terms,
13 conditions, services, products, facilities, or in any
14 other respect, whereby such denial or differences are
15 based upon race, gender or income, except as provided in
16 Section 16-115E.

17 (2) deny service to a customer or group of customers
18 based on locality nor establish any unreasonable
19 difference as to prices, terms, conditions, services,
20 products, or facilities as between localities.

21 (3) warrant that it has a residential customer or
22 small commercial retail customer's express consent
23 agreement to access interval data as described in
24 subsection (b) of Section 16-122, unless the alternative
25 retail electric supplier has:

26 (A) disclosed to the consumer at the outset of the

1 offer that the alternative retail electric supplier
2 will access the consumer's interval data from the
3 consumer's utility with the consumer's express
4 agreement and the consumer's option to refuse to
5 provide express agreement to access the consumer's
6 interval data; and

7 (B) obtained the consumer's express agreement for
8 the alternative retail electric supplier to access the
9 consumer's interval data from the consumer's utility
10 in a separate letter of agency, a distinct response to
11 a third-party verification, or as a separate
12 affirmative consent during a recorded enrollment
13 initiated by the consumer. The disclosure by the
14 alternative retail electric supplier to the consumer
15 in this Section shall be conducted in, translated
16 into, and provided in a language in which the consumer
17 subject to the disclosure is able to understand and
18 communicate.

19 (4) release, sell, license, or otherwise disclose any
20 customer interval data obtained under Section 16-122 to
21 any third person except as provided for in Section 16-122
22 and paragraphs (1) through (4) of subsection (d-5) of
23 Section 2EE of the Consumer Fraud and Deceptive Business
24 Practices Act.

25 (e) An alternative retail electric supplier shall comply
26 with the following requirements with respect to the marketing,

1 offering and provision of products or services to residential
2 and small commercial retail customers:

3 (i) All marketing materials, including, but not
4 limited to, electronic marketing materials, in-person
5 solicitations, and telephone solicitations, shall contain
6 information that adequately discloses the prices, terms,
7 and conditions of the products or services that the
8 alternative retail electric supplier is offering or
9 selling to the customer and shall disclose the current
10 utility electric supply price to compare applicable at the
11 time the alternative retail electric supplier is offering
12 or selling the products or services to the customer and
13 shall disclose the date on which the utility electric
14 supply price to compare became effective and the date on
15 which it will expire. The utility electric supply price to
16 compare shall be the sum of the electric supply charge and
17 the transmission services charge and shall not include the
18 purchased electricity adjustment. The disclosure shall
19 include a statement that the price to compare does not
20 include the purchased electricity adjustment, and, if
21 applicable, the range of the purchased electricity
22 adjustment. All marketing materials, including, but not
23 limited to, electronic marketing materials, in-person
24 solicitations, and telephone solicitations, shall include
25 the following statement:

26 "(Name of the alternative retail electric

1 supplier) is not the same entity as your electric
2 delivery company. You are not required to enroll with
3 (name of alternative retail electric supplier).
4 Beginning on (effective date), the electric supply
5 price to compare is (price in cents per kilowatt
6 hour). The electric utility electric supply price will
7 expire on (expiration date). The utility electric
8 supply price to compare does not include the purchased
9 electricity adjustment factor. For more information go
10 to the Illinois Commerce Commission's free website at
11 www.pluginillinois.org".

12 If applicable, the statement shall also include the
13 following statement:

14 "The purchased electricity adjustment factor may
15 range between +.5 cents and -.5 cents per kilowatt
16 hour.".

17 This paragraph (i) does not apply to goodwill or
18 institutional advertising.

19 (ii) Before any customer is switched from another
20 supplier, the alternative retail electric supplier shall
21 give the customer written information that adequately
22 discloses, in plain language, the prices, terms and
23 conditions of the products and services being offered and
24 sold to the customer. This written information shall be
25 provided in a language in which the customer subject to
26 the marketing or solicitation is able to understand and

1 communicate, and the alternative retail electric supplier
2 shall not switch a customer who is unable to understand
3 and communicate in a language in which the marketing or
4 solicitation was conducted. The alternative retail
5 electric supplier shall comply with Section 2N of the
6 Consumer Fraud and Deceptive Business Practices Act.

7 (iii) An alternative retail electric supplier shall
8 provide documentation to the Commission and to customers
9 that substantiates any claims made by the alternative
10 retail electric supplier regarding the technologies and
11 fuel types used to generate the electricity offered or
12 sold to customers.

13 (iv) The alternative retail electric supplier shall
14 provide to the customer (1) itemized billing statements
15 that describe the products and services provided to the
16 customer and their prices, and (2) an additional
17 statement, at least annually, that adequately discloses
18 the average monthly prices, and the terms and conditions,
19 of the products and services sold to the customer.

20 (v) All in-person and telephone solicitations shall be
21 conducted in, translated into, and provided in a language
22 in which the consumer subject to the marketing or
23 solicitation is able to understand and communicate. An
24 alternative retail electric supplier shall terminate a
25 solicitation if the consumer subject to the marketing or
26 communication is unable to understand and communicate in

1 the language in which the marketing or solicitation is
2 being conducted. An alternative retail electric supplier
3 shall comply with Section 2N of the Consumer Fraud and
4 Deceptive Business Practices Act.

5 (vi) Each alternative retail electric supplier shall
6 conduct training for individual representatives engaged in
7 in-person solicitation and telemarketing to residential
8 customers on behalf of that alternative retail electric
9 supplier prior to conducting any such solicitations on the
10 alternative retail electric supplier's behalf. Each
11 alternative retail electric supplier shall submit a copy
12 of its training material to the Commission on an annual
13 basis and the Commission shall have the right to review
14 and require updates to the material. After initial
15 training, each alternative retail electric supplier shall
16 be required to conduct refresher training for its
17 individual representatives every 6 months.

18 (f) An alternative retail electric supplier may limit the
19 overall size or availability of a service offering by
20 specifying one or more of the following: a maximum number of
21 customers, maximum amount of electric load to be served, time
22 period during which the offering will be available, or other
23 comparable limitation, but not including the geographic
24 locations of customers within the area which the alternative
25 retail electric supplier is certificated to serve. The
26 alternative retail electric supplier shall file the terms and

1 conditions of such service offering including the applicable
2 limitations with the Commission prior to making the service
3 offering available to customers.

4 (g) Nothing in this Section shall be construed as
5 preventing an alternative retail electric supplier, which is
6 an affiliate of, or which contracts with, (i) an industry or
7 trade organization or association, (ii) a membership
8 organization or association that exists for a purpose other
9 than the purchase of electricity, or (iii) another
10 organization that meets criteria established in a rule adopted
11 by the Commission, from offering through the organization or
12 association services at prices, terms and conditions that are
13 available solely to the members of the organization or
14 association.

15 (Source: P.A. 102-459, eff. 8-20-21; 103-237, eff. 6-30-23.)

16 (220 ILCS 5/16-119A)

17 Sec. 16-119A. Functional separation.

18 (a) Within 90 days after the effective date of this
19 amendatory Act of 1997, the Commission shall open a rulemaking
20 proceeding to establish standards of conduct for every
21 electric utility described in subsection (b). To create
22 efficient competition between suppliers of generating services
23 and sellers of such services at retail and wholesale, the
24 rules shall allow all customers of a public utility that
25 distributes electric power and energy to purchase electric

1 power and energy from the supplier of their choice in
2 accordance with the provisions of Section 16-104. In addition,
3 the rules shall address relations between providers of any 2
4 services described in subsection (b) to prevent undue
5 discrimination and promote efficient competition. Provided,
6 however, that a proposed rule shall not be published prior to
7 May 15, 1999.

8 (b) The Commission shall also have the authority to
9 investigate the need for, and adopt rules requiring,
10 functional separation between the generation services and the
11 delivery services of those electric utilities whose principal
12 service area is in Illinois as necessary to meet the objective
13 of creating efficient competition between suppliers of
14 generating services and sellers of such services at retail and
15 wholesale. After January 1, 2003, the Commission shall also
16 have the authority to investigate the need for, and adopt
17 rules requiring, functional separation between an electric
18 utility's competitive and non-competitive services.

19 (b-5) If there is a change in ownership of a majority of
20 the voting capital stock of an electric utility or the
21 ownership or control of any entity that owns or controls a
22 majority of the voting capital stock of an electric utility,
23 the electric utility shall have the right to file with the
24 Commission a new plan. The newly filed plan shall supersede
25 any plan previously approved by the Commission pursuant to
26 this Section for that electric utility, subject to Commission

1 approval. This subsection only applies to the extent that the
2 Commission rules for the functional separation of delivery
3 services and generation services provide an electric utility
4 with the ability to select from 2 or more options to comply
5 with this Section. The electric utility may file its revised
6 plan with the Commission up to one calendar year after the
7 conclusion of the sale, purchase, or any other transfer of
8 ownership described in this subsection. In all other respects,
9 an electric utility must comply with the Commission rules in
10 effect under this Section. The Commission may promulgate rules
11 to implement this subsection. This subsection shall have no
12 legal effect after January 1, 2005.

13 (c) In establishing or considering the need for rules
14 under subsections (a) and (b), the Commission shall take into
15 account the effects on the cost and reliability of service and
16 the obligation of the utility to provide bundled service under
17 this Act. The Commission shall adopt rules that are a cost
18 effective means to ensure compliance with this Section.

19 (d) Nothing in this Section shall be construed as imposing
20 any requirements or obligations that are in conflict with
21 federal law.

22 (e) Notwithstanding anything to the contrary, an electric
23 utility may market and promote the services, rates and
24 programs authorized by Sections 16-107, 16-107.8, and 16-108.6
25 of this Act.

26 (Source: P.A. 99-906, eff. 6-1-17.)

(220 ILCS 5/16-126.2 new)

Sec. 16-126.2. Energy Reliability Corporation of Illinois.

(a) The General Assembly finds that:

(1) When Illinois restructured its electric market in 1997, Illinois' largest 2 electric utilities unexpectedly elected to join 2 different regional transmission organizations (RTO), which effectively split the State into 2 zones.

(2) In 2021, Illinois became the first state in the Midwest to mandate a clean energy future when it enacted the Climate and Equitable Jobs Act.

(3) Upward pressure on load growth from new demand sources, such as the onshoring of new manufacturing and the rise in data centers, artificial intelligence, and quantum computing, present resource adequacy challenges for Illinois.

(4) Illinois' bifurcated, existing RTO membership structure has created significant concerns related to delays in transmission build out, excessively long interconnection queue processes, favoring polluting generation resources over more cost-effective clean sources, inhibiting State policies, and inexplicably frustrating State efforts to address its resource adequacy needs through the development of new generation.

(5) The governance structures of PJM Interconnection,

1 LLC (PJM) and the Midcontinent Independent System
2 Operator, Inc. (MISO) have consistently failed to
3 represent Illinois' interests.

4 (6) The Illinois Commerce Commission is a trusted,
5 neutral party with relevant expertise to evaluate and
6 present its findings related to the costs and benefits of
7 Illinois establishing a single, State-specific Independent
8 System Operator (ISO).

9 (7) The General Assembly intends to understand fully
10 the effectiveness over time of creating such a single,
11 State-specific ISO, including reducing ratepayer bills,
12 supporting environmental and public health, and providing
13 economic benefits to Illinois while creating good-paying
14 jobs in equity communities, as well as for the members of
15 organized labor. The potential benefits of a
16 State-specific ISO may include, but are not limited to,
17 support for Illinois' resource adequacy needs, grid
18 reliability, reducing carbon and other pollutant
19 emissions, stabilizing long-term and short-term electric
20 rates, and supporting environmental justice communities,
21 organized labor, job creation, and the overall economy.

22 (b) The Commission shall conduct and publish the findings
23 of a policy study to evaluate the effectiveness over time of
24 establishing a single State-operated ISO and to determine
25 whether such a move would be consistent with the State's goals
26 and would maximize benefits to State businesses and residents.

1 (c) The policy study shall evaluate the benefits and costs
2 of participation in MISO and PJM, including consideration of
3 the relative net benefits of participation in a State-specific
4 ISO. The study shall examine the costs and benefits of such
5 participation over 20 years. The study shall examine the costs
6 and benefits to State ratepayers, including, but not limited
7 to, consideration of the regulatory, reliability, operational,
8 and competitive benefits of participating in MISO and PJM
9 versus a State-specific ISO. The costs and benefits evaluated
10 should include resource adequacy benefits, resilience,
11 affordability, equity, the impact on the environment, and the
12 general health, safety, and welfare of the People of the
13 State.

14 The study shall, at a minimum, include the following, and
15 it may consider or suggest additional or alternative items:

16 (1) the appropriate timetable to establish and
17 effectively transition to a State-specific ISO, taking
18 into account how that schedule could support the emission
19 reduction timeline established in Section 9.15 of the
20 Environmental Protection Act; and

21 (2) the appropriate benefits and costs to consider,
22 such as the regulatory, reliability, operational, and
23 competitive benefits, including, but not limited to:

24 (i) capacity market benefits and costs of
25 separating from the PJM and MISO territories versus
26 those of the status quo;

1 (ii) transmission benefits and costs of separating
2 from the PJM and MISO territories versus those of a
3 State-specific ISO;

4 (iii) the legal, correct, and appropriate exit
5 fees for leaving regional transmission organizations;

6 (iv) managing the State's energy resources to
7 supply electricity throughout the State versus the
8 existing bifurcated structure;

9 (v) the potential improvements in interconnection
10 queue speed versus the current lengthy delays in the
11 PJM and MISO processes;

12 (vi) the potential for a State-specific ISO to
13 more effectively value and enable resources, such as
14 storage of renewable resources, demand response,
15 energy efficiency, and the adoption of new
16 technologies and applications, versus the current PJM
17 and MISO structures; and

18 (vii) an evaluation of any improved ability for
19 the State to meet its goals and objectives in a new
20 State-specific ISO versus the existing structure.

21 After the completion of the study, if the Commission
22 finds that the results of the study were overall
23 beneficial to the citizens of this State, then the
24 Commission may conduct and publish an additional policy
25 study that explores the steps required to establish a
26 State-specific ISO. The Governor and members of the

1 General Assembly may request an additional study
2 regardless of the outcome of the original study.

3 The additional policy study shall investigate a
4 governance structure and design that would enable State
5 policy independence and more fully support State resource
6 adequacy and reliability while also complying with FERC
7 Order 2000. The additional study may investigate how a
8 State-specific ISO would be able to demonstrate the
9 following issues, including, but not limited to:

10 (i) independence from market participants;

11 (ii) an appropriate scope and regional configuration;

12 (iii) possession of operational authority for all
13 transmission facilities under the control of the
14 State-specific ISO;

15 (iv) exclusive authority to maintain short-term
16 reliability of the grid;

17 (v) tariff administration and design;

18 (vi) congestion management;

19 (vii) management of parallel path flows;

20 (viii) provision of last resort for ancillary
21 services;

22 (ix) development of an Open Access Same-time
23 Information System (OASIS);

24 (x) market monitoring; and

25 (xi) responsibility for planning and expanding
26 facilities under its control.

1 The additional policy study shall also include an
2 assessment of the appropriate entity and organizational
3 structure and the staffing needs and physical needs of the
4 independent organization, not-for-profit independent
5 company, or State agency that would be tasked with
6 overseeing the State-specific ISO, including, but not
7 limited to: (i) identifying the functions necessary for a
8 State-specific ISO; (ii) attracting and retaining
9 qualified staff; (iii) the engineering, design, or
10 procurement of the physical facilities that would be
11 required of a State-specific ISO; and (iv) the length of
12 time it would reasonably take to establish a
13 State-specific ISO in this State.

14 (d) The Commission shall retain the services of technical
15 and policy experts with relevant fields of expertise. Given
16 the critical and rapid actions required under this Section,
17 the Commission may procure the services of any facilitator,
18 expert, or consultant to assist with the implementation of
19 this Section. Such procurement is exempt from the requirements
20 of the Illinois Procurement Code under Section 20-10 of the
21 Illinois Procurement Code. The Commission may determine that
22 the cost of any contract pursuant to this Section may be borne
23 initially by the relevant electric public utilities, but shall
24 be recovered as an expense through normal ratemaking
25 procedures. The Illinois Power Agency, the Illinois Finance
26 Authority, the Illinois Environmental Protection Agency, and

1 the Department of Commerce and Economic Opportunity shall
2 provide support to and consult with the Commission when
3 requested. The Commission may consult with other State
4 agencies, commissions, or task forces as needed.

5 (e) The Commission may solicit information, including
6 confidential or proprietary information, from entities likely
7 to be impacted by the creation of a State-specific ISO. The
8 Commission may consult with and seek assistance from (i)
9 Independent System Operators in other states, such as Texas,
10 California, and New York, (ii) federal agencies, such as the
11 Federal Energy Regulatory Commission, and (iii) the regional
12 transmission organizations PJM and MISO. Any information
13 designated as confidential or proprietary information by the
14 entity providing the information shall be kept confidential by
15 the Commission, its consultants, and its contractors and is
16 not subject to disclosure under the Freedom of Information
17 Act.

18 (f) The Commission shall publish its final policy study no
19 later than December 1, 2026 and suitable copies shall be
20 delivered to the Governor and members of the General Assembly.

21 (220 ILCS 5/16-140 new)

22 Sec. 16-140. Investigation into colocation and rate
23 design.

24 (a) The General Assembly finds that the colocation of
25 large load with existing generation sources has the potential

1 to cause resource adequacy challenges for Illinois. The
2 Federal Energy Regulatory Commission (FERC) is studying this
3 arrangement in Docket No. EL25-49-000.

4 (b) By January 31, 2026, or when the FERC approves rates,
5 terms, and conditions of service that apply to colocated load
6 with existing generation resources in Docket No. EL25-49-000
7 or any successor proceeding, whichever comes first, the
8 Commission shall initiate an investigation into the potential
9 impacts of the colocation of large load with existing
10 generation sources in the State and may make determinations as
11 to actions needed by the electric utilities to respond.

12 (c) In its investigation, the Commission shall analyze the
13 impact of colocation arrangements on the State with the goal
14 of minimizing or eliminating cost increases for other
15 ratepayers, avoiding stranded assets, and minimizing or
16 eliminating power system impacts that would impede the State's
17 climate and clean energy goals. The analysis shall include,
18 but not be limited to, the following topics:

19 (1) whether an electric utility tariff for large,
20 colocated non-residential customers ensures that the
21 electric utility recovers from a customer all distribution
22 and transmission costs that are incurred when the utility
23 provides service to the customer, including costs that may
24 be outstanding if and when the customer's service is
25 modified or terminated.

26 (2) whether large, colocated non-residential customers

1 should be required to (i) continue to contribute to the
2 renewable portfolio standard pursuant to subsection (c) of
3 Section 1-75 of the Illinois Power Agency Act and the
4 energy storage system portfolio standard pursuant to
5 subsection (d-20) of Section 1-75 of the Illinois Power
6 Agency Act or (ii) participate in the Agency's self-direct
7 renewable portfolio standard and the self-direct energy
8 storage system portfolio standard program pursuant to
9 subparagraph (R) of paragraph (1) of subsection (c) of
10 Section 1-75 of the Illinois Power Agency Act; and

11 (3) whether more actions are needed to address the
12 impact of large, colocated non-residential customers on
13 resource adequacy, reliability, and other issues related
14 to the bulk power system, including cumulative impacts
15 from multiple large, colocated non-residential customers.

16 (d) The Commission may require electric utilities to file
17 tariffs with the Commission that propose the rates, terms, and
18 conditions applicable to large, colocated non-residential
19 customers pursuant to the findings in the Commission's final
20 order from the investigation conducted pursuant to this
21 Section.

22 (e) The Commission may require utilities to develop and
23 submit to the Commission, in addition to any other information
24 the Commission requires, information on the estimated
25 distribution and transmission costs that the colocation of the
26 customer to existing Illinois generation resources causes the

1 utility and its ratepayers to incur and the impact, including
2 the cumulative impacts of multiple large, colocated
3 non-residential customers, that such colocation will have on
4 resource adequacy in the State.

5 (f) The Commission may require entities seeking to
6 colocate load with existing State generation resources to
7 notify the Commission when the entities submit requests to
8 colocate load with an existing State generation resource and
9 to provide the Commission with any and all information
10 required by the Commission regarding the nature of the
11 requested colocation arrangement.

12 (g) A customer shall not colocate with an existing State
13 generation resource without Commission approval and the
14 Commission may condition its approval upon the customer's
15 compliance with utility tariffs filed pursuant to this
16 Section.

17 (h) For purposes of this Section, the term "large,
18 colocated non-residential customer" means any retail customer
19 whose load is physically connected to the facilities of an
20 existing generation unit on the customer's side of the point
21 of interconnection to the regional transmission organization's
22 transmission system, and who is located (i) in the service
23 territory of an electric utility that serves more than
24 3,000,000 retail customers in the State and whose total
25 highest 30-minute demand established by the retail customer
26 during the most recent 12 consecutive monthly billing periods

1 or a forecast of its next 12 consecutive monthly billing
2 periods was more than 75,000 kilowatts, or (ii) located in the
3 service territory of an electric utility that serves fewer
4 than 3,000,000 retail customers but more than 500,000 retail
5 customers in the State and whose total highest 15-minute
6 demand established by the retail customer during the most
7 recent 12 consecutive monthly billing periods or a forecast of
8 its next 12 consecutive monthly billing periods was more than
9 75,000 kilowatts.

10 (220 ILCS 5/16-201 new)

11 Sec. 16-201. Integrated resource plan development.

12 (a) The General Assembly hereby finds that:

13 (1) In 2021, Illinois set itself on the path to a clean
14 energy future that would produce the least amount of
15 carbon and copollutant emissions while ensuring adequate,
16 reliable, affordable, efficient, and environmentally
17 sustainable electric service at the lowest total cost over
18 time and in a manner that benefits the Illinois economy
19 and workforce and improves the quality of life, including
20 environmental health, for all its citizens.

21 (2) In the ensuing years, Illinois has created a
22 strong economic environment that has led to the
23 revitalization and expansion of its manufacturing sector
24 and has made Illinois an attractive place for the
25 technology industry to locate new data and quantum

1 computing centers. These developments have led to the
2 creation of good-paying jobs for working families.

3 (3) The unforeseen growth in the manufacturing and
4 technology sectors will likely lead to a dramatic increase
5 in electricity demand over time.

6 (4) The long interconnection times and the capacity
7 market structures enacted by the 2 regional transmission
8 organizations that Illinois is split between further
9 exacerbate the potential for an imbalance between
10 electricity supply and demand.

11 (5) The new sources of load growth from the
12 manufacturing and technology sectors combined with
13 external challenges require a more nimble and responsive
14 administrative approach to effectively address future
15 resource adequacy challenges.

16 (6) The Illinois agencies that oversee and implement
17 Illinois energy policy must have the ability to (i) fully
18 understand current and future resource adequacy needs,
19 (ii) plan for what resources could be utilized to address
20 such needs, (iii) be able to coordinate, modify, expand,
21 and direct all of Illinois' existing energy programs and
22 policies so as to address any resource adequacy or
23 reliability concerns, and (iv) direct the development of
24 new energy programs and policies in order meet resource
25 adequacy and reliability needs without the need for
26 additional legislative action.

1 (b) The purpose of this Section is to ensure that the
2 Commission, the agencies, electric utilities supplying
3 electric service in Illinois, stakeholders, interested
4 planners, market participants, and policymakers have a common
5 set of data and information regarding the State's electricity
6 resource needs in order to plan for sufficient electricity
7 resources to serve Illinois customers in a manner that is
8 adequate, safe, reliable, affordable, efficient,
9 environmentally sustainable, at the lowest cost over time, and
10 consistent with the energy policy goals of the State,
11 including, but not limited to, the clean energy policy
12 established by Public Act 102-662. To that end, this Section
13 establishes a requirement that the agencies prepare an
14 integrated resource plan and submit such plan to the
15 Commission consistent with this Section for the Commission's
16 review and approval after an opportunity for notice and
17 hearing.

18 (c) Unless otherwise specified, as used in this Section,
19 the following terms shall have the following meanings:

20 (1) "Advanced transmission technologies" means
21 technologies, tools, and software that improve power flows
22 over transmission systems and lines. "Advanced
23 transmission technologies" includes, but is not limited
24 to, the following:

25 (i) technology that dynamically adjusts the rated
26 capacity of transmission lines based on real-time

1 conditions;

2 (ii) advanced power flow controls used to actively
3 control the flow of electricity across transmission
4 lines to optimize usage or relieve congestion;

5 (iii) software or hardware used to identify
6 optimal transmission grid configurations or enable
7 routing power flows around congestion points; and

8 (iv) advanced transmission line conductors that
9 have a direct current electrical resistance at least
10 10% lower than existing conductors of a similar
11 diameter on the transmission system.

12 (2) "Agencies" means the Illinois Commerce Commission
13 Staff, the Illinois Power Agency, the Illinois Finance
14 Authority, the Illinois Environmental Protection Agency,
15 and any consultants those agencies retain, including, but
16 not limited to, the consultant retained by the Commission
17 pursuant to subsection (j) of this Section and the
18 consultant retained by the Illinois Power Agency pursuant
19 to paragraph (1) of subsection (a) of Section 1-75 of the
20 Illinois Power Agency Act.

21 (3) "Clean energy" means energy generation that
22 either:

23 (A) emits no on-site SO₂, NO_x, mercury, or any
24 other regulated pollutants; or

25 (B) as shown through pollution control
26 technologies, has reduced a utility's CO₂ emissions by

1 90% compared to what the utility would have otherwise
2 emitted and that has CO₂ emissions less than 130
3 lb/MWh.

4 (4) "Regional transmission organization" or "RTO"
5 means PJM Interconnection, LLC and the Midcontinent
6 Independent System Operator, Inc. or the regional
7 transmission organization or independent system operator
8 of which the electric utility is a member or would be a
9 member, given the location of the electric utility's
10 customers, if it were required to be a member.

11 (d) The agencies, coordinated by Commission staff, shall
12 compile and propose an integrated resource plan in compliance
13 with this Section once every 3 years. The agencies may consult
14 with each electric utility that has more than 500,000 electric
15 retail customers in developing the plan and the plan shall
16 consider each RTO zone in the State. Commission staff shall
17 submit the initial integrated resource plan to the Commission
18 no later than June 1, 2026, and subsequent plans shall be
19 submitted every 4 years thereafter, in each case by June 1 of
20 the applicable year. At any time after the submission of a
21 plan, the agencies may submit an update to the plan if the
22 agencies believe that a material change in the inputs or
23 conclusions of the plan is warranted. The agencies shall
24 notify the Commission as soon as practicable of the material
25 change and the potential update to the plan. The Commission
26 shall publish the integrated resource plan on its website.

1 (e) An alternative retail electric supplier shall provide
2 information related to the resource needs of its customers
3 located in an electric utility's service territory as
4 requested by the agencies or the Commission to compile and
5 develop the plan required by this Section.

6 (f) Commission staff shall lead the agencies in the
7 development of the integrated resource plan to ensure that a
8 plan submitted pursuant to this Section includes the
9 following:

10 (1) an evaluation of the future electric resource
11 needs in each electric utility's service area for periods
12 of at least 5, 10, 15, and 20 years such that the plan
13 coincides with the timelines established in Section 9.15
14 of Title II of the Environmental Protection Act and is
15 designed to support those standards to the maximum extent
16 practicable on the schedule established therein;

17 (2) peak demand and energy usage forecasts, such that
18 the plan:

19 (i) contains no fewer than 3 scenarios of (i)
20 forecasted peak demand, (ii) net peak demand if
21 different than peak demand, (iii) non-coincidental
22 peak demand, and (iv) energy usage, to capture a
23 reasonable range of forecasts based on historic trends
24 and a diverse range of more conservative to high load
25 growth based on reasonable projections. The scenarios
26 should consider estimates of peak demand corresponding

1 to seasons or other applicable time periods as defined
2 by the regional transmission organization in which
3 this State's electric utilities are a member;

4 (ii) reflects known changes in facility and
5 appliance codes and standards;

6 (iii) reflects load reductions from
7 State-sponsored programs;

8 (iv) reflects load reductions from programs
9 sponsored by electric utilities;

10 (v) reflects load reductions from aggregators of
11 retail customers that can be applied to the host
12 load-serving entity's resource adequacy requirement;

13 (vi) reflects load reductions from any other
14 sources including out-of-state programs that could
15 influence load;

16 (vii) reflects expected adoption of other
17 distributed energy resources, including
18 behind-the-meter generation; and

19 (viii) includes any additional sensitivities as
20 determined by the agencies;

21 (3) an analysis of all generation and energy resource
22 options available to meet the range of load forecasts with
23 a focus on the first period of at least 5 years covered by
24 the plan, including an analysis of existing supply found
25 within each electric utility's service area and new supply
26 expected to come online across that period of at least 5

1 years, such that the plan shall consider the following:

2 (i) the current and projected status of electric
3 resource adequacy throughout the State from sources
4 the agencies deem reasonable;

5 (ii) a range of resource options that can be
6 deployed at a reasonable scale, that provide clean
7 energy to the maximum extent practicable, and that
8 include generation and energy resources on both the
9 demand-side and supply-side;

10 (iii) developing technologies that will be
11 commercially viable during the period of analysis;

12 (iv) reflect reasonable assumptions for capital
13 and operating costs and the performance of resource
14 technologies. The calculation of resource costs shall
15 include reasonable expected costs for transmission
16 interconnection and network upgrades made necessary by
17 the addition of each resource; and

18 (v) appropriate considerations for implementation,
19 such as:

20 (A) timelines for implementation, including,
21 but not limited to, siting, permitting,
22 engineering, transmission interconnection, and the
23 time it takes to modify existing programs or
24 create new programs and put them into operation;

25 (B) recommendations for how new clean
26 resources should be developed to respond to

1 resource adequacy challenges; and

2 (C) any other requirements for implementation;

3 (4) confirmation that the resource adequacy and
4 reliability requirements employed in the plan meet the
5 following conditions:

6 (i) the plan must reflect planning reserve margin
7 requirements established by the corresponding RTO,
8 other resource adequacy requirements set by an
9 applicable authority as authorized by the State, or
10 another standard chosen by the Commission; and

11 (ii) the integrated resource plan may reflect a
12 supplemental reliability analysis, including the
13 evaluation of reliability metrics not prescribed by an
14 RTO or other applicable authority as authorized by the
15 State;

16 (5) consistency with existing State and federal
17 environmental laws and policies, including, but not
18 limited to, the decarbonization goals set forth in Section
19 9.15 of the Illinois Environmental Protection Act. The
20 plan may consider potential changes in State and federal
21 environmental laws and policies. The plan must provide
22 expected emissions for CO₂, SO₂, NO_x, mercury, and any
23 other regulated pollutants in order to analyze the impact
24 of retirement timelines on emissions reductions. The plan
25 must be consistent with the State's other clean energy
26 goals and targets, including, but not limited to, its

1 renewable portfolio standard, its energy efficiency
2 portfolio standard, the carbon mitigation credit program,
3 and its energy storage system portfolio standard. The plan
4 shall include an analysis of the following:

5 (i) the State's current progress toward its
6 renewable energy resource development goals, its
7 storage development goals, and its energy efficiency
8 and demand response goals, as well as the pace of the
9 development of renewables, energy storage, including
10 distributed storage, the deployment of virtual power
11 plants, and demand-response utilization; and

12 (ii) the status of the State's CO₂e and copollutant
13 emissions reductions and its current status and
14 progress toward developing emerging clean energy
15 technologies;

16 (6) consideration of the following additional issues:

17 (i) an integrated resource plan shall be designed
18 to collectively meet all of Illinois' energy policy
19 goals and shall describe:

20 (A) how the plan complies with the various
21 requirements of State energy policy;

22 (B) the assumptions and analytical methods
23 used in the plan;

24 (C) recommendations for how State policy
25 should serve to facilitate the development of new
26 resources;

1 (D) the impacts of the plan on customer costs,
2 including net present value costs relative to
3 alternatives; and

4 (E) how the plan improves energy equity within
5 environmental justice and equity investment
6 eligible communities, as defined in the Energy
7 Transition Act, including, but not limited to,
8 reducing energy burden, ensuring affordability of
9 electric utility bills and uninterruptible
10 essential utility service, and reducing barriers
11 to accessing renewable energy.

12 (ii) An integrated resource plan shall include a
13 discussion of the steps needed to implement the plan,
14 including, but not limited to, options and steps to
15 bring on new or increased energy generated from any
16 recommended resources for the 5 years after the plan
17 would be implemented, that align with State clean
18 energy policy;

19 (iii) An integrated resource plan shall consider
20 the information and conclusions set forth in the
21 renewable energy access plan developed in accordance
22 with Section 8-512, including, but not limited to,
23 information concerning the locations of renewable
24 energy access plan zones, considerations of advanced
25 transmission technologies to increase efficiencies,
26 and different transmission planning options and cost

1 allocations;

2 (iv) an integrated resource plan may consider the
3 impacts of future or anticipated changes in State and
4 federal energy laws and policies; and

5 (v) any solutions for any additional conclusions.

6 (220 ILCS 5/16-202 new)

7 Sec. 16-202. Integrated resource plan review and approval.

8 (a) The Commission shall enter its order approving or
9 approving with modifications an integrated resource plan
10 within 180 days after the agencies filing the plan and any
11 companion reports or other information. The Commission may
12 extend the period of review of the plan for no more than an
13 additional 180 days.

14 (b) The Commission may approve a plan or a modified plan
15 and authorize its implementation only if, after notice and
16 hearing, it finds that the plan:

17 (1) addresses any resource adequacy challenges in the
18 5 years immediately following approval of the plan, while
19 also taking into account the 10 years following the plan;

20 (2) prepares the State to best address issues of
21 resource adequacy at the least amount of CO_{2e} and
22 copollutant emissions;

23 (3) considers the emissions' impacts on environmental
24 justice communities while taking into account all
25 applicable labor and equity standards;

1 (4) supports the provisioning of adequate, reliable,
2 affordable, efficient, and environmentally sustainable
3 electric service at the lowest total cost over time; and

4 (5) utilizes the expansion of renewable energy, energy
5 storage, virtual power plants and distributed energy
6 storage, energy efficiency, demand response, time-of-use
7 rates or other mechanisms designed to manage peak load,
8 transmission development, carbon mitigation credits or any
9 other clean energy strategies to the maximum extent
10 practicable to resolve any identified resource adequacy
11 shortfall or reliability violation in a cost-effective,
12 timely, and clean manner.

13 (c) The Commission may, as a part of its decision to
14 approve a plan or modified plan, order changes to existing
15 programs or authorize the creation of new programs, direct
16 specific actions within new or existing programs including the
17 authorization to support the expansion of an existing program
18 or the creation of a new program, including, but not limited
19 to:

20 (1) any of the following plans or programs designed to
21 increase the amount of generation and capacity available:

22 (i) the Long-Term Renewable Resources Procurement
23 Plan, including programs and procurements authorized
24 through that Plan, and to increase the limitations
25 placed on the procurement of renewable energy
26 resources established pursuant to subparagraph (E) of

1 paragraph (1) of subsection (c) of Section 1-75 of the
2 Illinois Power Agency Act in order to increase,
3 direct, or adjust procurements of renewable energy
4 resources to support new renewable energy projects;

5 (ii) the Energy Storage Resources Procurement
6 Plan, including programs and procurements authorized
7 through that Plan, and to increase the procurement of
8 energy storage established pursuant to subsection
9 (d-20) of Section 1-75 of the Illinois Power Agency
10 Act in order to increase or adjust procurements for
11 new energy storage;

12 (iii) the carbon mitigation credit procurement
13 plans established pursuant to subsection (d-10) of
14 Section 1-75 of the Illinois Power Agency Act in order
15 to preserve existing carbon-free energy resources,
16 including extending or expanding carbon mitigation
17 credit contract awards in accordance with a new
18 schedule of baseline costs;

19 (iv) the Illinois Power Agency's annual
20 electricity procurement plans established pursuant to
21 paragraph (2) of subsection (d) of Section 16-111.5,
22 including modification of the products to be procured
23 and allowing for costs associated with the purchase of
24 new or additional products to be socialized across all
25 retail customers or all load-serving entities, as
26 applicable; and

1 (v) any additional programs designed to procure
2 appropriate sources of new clean energy and capacity
3 resources, including any associated clean attribute
4 credits; and

5 (2) any of the following designed to manage energy
6 demand, including, but not limited to:

7 (i) extending or expanding the energy efficiency
8 programs implemented by electric utilities and the
9 limitation on the amount of energy efficiency and
10 demand-response measures implemented pursuant to
11 Section 8-103B in order to gain increased load
12 reductions; and

13 (ii) the Multi-Year Integrated Grid Plans
14 implemented by State electric utilities pursuant to
15 Section 16-105.17 in order to extend or expand
16 programs related to peak load management and
17 reduction, including, but not limited to, virtual
18 power plants, front of the meter distributed storage,
19 demand response, and time-of-use rates.

20 (d) If all of the changes made to the programs pursuant to
21 this Section would reasonably be insufficient to balance
22 supply and demand and avoid a resource adequacy shortfall,
23 then the Commission may delay, in whole or in part, the CO_{2e}
24 and copollutant emissions reductions requirements found in
25 Section 9.15 of the Environmental Protection Act but only to
26 the minimum extent and duration necessary to address the

1 resource adequacy shortfall needs of the State. If the
2 Commission finds that reducing or delaying the emissions
3 reductions requirements is necessary, despite any or all of
4 the changes made pursuant to this Section, then it shall also
5 include in its final order recommendations to the General
6 Assembly on what additional policies may be adopted that could
7 avoid future modifications to the emissions reductions.

8 (e) The agencies, electric utilities, and any other
9 impacted entities shall comply with any of the Commission's
10 orders, and when required seek approval from the Commission
11 and make any required modifications to their plans, programs,
12 or related initiatives in a manner consistent with the process
13 and timing for those changes as outlined in the approved plans
14 or, if none is specified, as soon as practicable. If the
15 integrated resource plan approved by the Commission contains
16 recommendations that are outside the Commission's authority,
17 the Commission shall communicate any such recommendations to
18 the Governor and the General Assembly.

19 (f) Given the critical and rapid actions required under
20 this Section, the Commission may procure the services of any
21 facilitator, expert, or consultant to assist with the
22 implementation of this Section, including the procurement
23 monitor retained by the Commission pursuant to paragraph (2)
24 of subsection (c) Section 16-111.5. Such procurement is exempt
25 from the requirements of the Illinois Procurement Code,
26 pursuant to Section 20-10 of that Code.

1 (g) Costs that are prudently and reasonably incurred by
2 electric utilities to comply with the requirements of this
3 Section shall be recovered and shall be excluded from the
4 calculation performed under paragraph (6) of subsection (f) of
5 Section 16-108.18. Nothing in the Commission's order directing
6 changes to a prior approved plan as enumerated in this Section
7 shall be the sole basis for a finding of imprudence or
8 unreasonableness or the lack of use or usefulness of any
9 investment or expenditure.

10 (h) The Commission may adopt rules to implement the
11 requirements of this Section.

12 (220 ILCS 5/17-900)

13 Sec. 17-900. Customer self-generation of electricity.

14 (a) The General Assembly finds and declares that municipal
15 systems and electric cooperatives shall continue to be
16 governed by their respective governing bodies, but that such
17 governing bodies should recognize and implement policies to
18 provide the opportunity for their residential and small
19 commercial customers who wish to self-generate electricity and
20 for reasonable credits to customers for excess electricity,
21 balanced against the rights of the other non-self-generating
22 customers. This includes creating consistent, fair policies
23 that are accessible to all customers and transparent, fair
24 processes for raising and addressing any concerns.

25 (b) Customers have the right to install renewable

1 generating facilities to be located on the customer's premises
2 or customer's side of the billing meter and that are intended
3 primarily to offset the customer's own electrical requirements
4 and produce, consume, and store their own renewable energy
5 without discriminatory repercussions from an electric
6 cooperative or municipal system. This includes a customer's
7 rights to:

8 (1) generate, consume, and deliver excess renewable
9 energy to the distribution grid and reduce his or her use
10 of electricity obtained from the grid;

11 (2) use technology to store energy ~~at his or her~~
12 ~~residence;~~

13 (3) interconnect his or her electrical system that
14 generates renewable energy, stores energy, or any
15 combination thereof, with the electricity meter on the
16 customer's premises that is provided by an electric
17 cooperative or municipal system:

18 (A) in a timely manner;

19 (B) in accordance with requirements established by
20 the electric cooperative or municipal utility to
21 ensure the safety of utility workers; and

22 (C) after providing written notice to the electric
23 cooperative or municipal utility system providing
24 service in the service territory, installing a
25 nomenclature plate on the electrical meter panel and
26 meeting all applicable State and local safety and

1 electrical code requirements associated with
2 installing a parallel distributed generation system;
3 ~~and~~

4 (4) receive fair credit for excess energy delivered to
5 the distribution grid; and

6 (5) for residential and small commercial customers,
7 interconnect renewable energy systems sized up to and
8 including 25 kW AC.

9 (c) The policies of municipal systems and electric
10 cooperatives regarding self-generation and credits for excess
11 electricity may reasonably differ from those required of other
12 entities by Article XVI of the Public Utilities Act or other
13 Acts. The credits must recognize the value of self-generation
14 to the distribution grid and benefits to other customers.

15 (c-5) The policies of municipal systems and electric
16 cooperatives regarding self-generation and credits for excess
17 electricity shall not require customers to name the municipal
18 system or electric cooperative as an additional insured on the
19 customer's insurance policies or have any minimum liability
20 limit requirement in connection with the installation and
21 operation of renewable generating facilities if the renewable
22 generating facilities meet the safety standards listed in the
23 applicable interconnection agreement and the contractor used
24 to install the renewable generating facilities is licensed and
25 possesses commercial general liability insurance coverage of
26 at least \$1,000,000 per occurrence and \$2,000,000 in the

1 aggregate per year.

2 (d) Within 180 days after this amendatory Act of the 102nd
3 General Assembly, each electric cooperative and municipal
4 system shall update its policies for the interconnection and
5 fair crediting of customer self-generation and storage if
6 necessary, to comply with the standards of subsection (b) of
7 this Section. Each electric cooperative and municipal system
8 shall post its updated policies to a public-facing area of its
9 website.

10 (e) An electric cooperative or municipal system customer
11 who produces, consumes, and stores his or her own renewable
12 energy shall not face discriminatory rate design, fees or
13 charges, treatment, or excessive compliance requirements that
14 would unreasonably affect that customer's right to
15 self-generate electricity as provided for in this Section.

16 (f) An electric cooperative or municipal utility system
17 customer shall have a right to appeal any decision related to
18 self-generation and storage that violates these rights to
19 self-generation and non-discrimination pursuant to the
20 provisions of this Section through a complaint under the
21 Administrative Review Law or similar legal process.

22 (Source: P.A. 102-662, eff. 9-15-21.)

23 (220 ILCS 5/20-140 new)

24 Sec. 20-140. Interconnection Working Group.

25 (a) The Commission shall establish an Interconnection

1 Working Group. The working group shall include representatives
2 from electric utilities, developers of renewable electric
3 generating facilities, representatives of new large loads
4 seeking grid interconnection, other industries that regularly
5 apply for interconnection with the electric utilities as
6 appropriate, representatives of distributed generation
7 customers, the Commission staff, and other stakeholders with a
8 substantial interest in the topics addressed by the
9 Interconnection Working Group.

10 (b) The Interconnection Working Group shall address at
11 least the following issues in relation to new generation and
12 new large loads:

13 (1) the cost of and the best available technology for
14 interconnection and metering, including the
15 standardization and publication of standard costs;

16 (2) transparency, accuracy, and use of the
17 distribution interconnection queue and hosting capacity
18 maps;

19 (3) distribution system upgrade cost avoidance through
20 use of advanced inverter functions, energy storage, and
21 load management;

22 (4) predictability of the queue management process and
23 enforcement of timelines;

24 (5) benefits and challenges associated with group
25 studies and cost sharing;

26 (6) minimum requirements for application to the

1 interconnection process and throughout the interconnection
2 process to avoid queue clogging behavior;

3 (7) the process and customer service for
4 interconnecting customers adopting distributed energy
5 resources, including energy storage;

6 (8) options for metering distributed energy resources,
7 including energy storage;

8 (9) interconnection of new technologies, including
9 smart inverters and energy storage;

10 (10) collection, examination, and sharing of data on
11 Level 1 interconnection costs, including cost and type of
12 upgrades required for interconnection, and the use of this
13 data to inform the final standardized cost of Level 1
14 interconnection;

15 (11) determination of a single standardized cost for
16 Level 1 interconnections, which shall not exceed \$200; and

17 (12) such other technical, policy, and tariff issues
18 related to and affecting interconnection performance and
19 customer service as determined by the Interconnection
20 Working Group.

21 (c) The Commission may create subcommittees of the
22 Interconnection Working Group to focus on specific issues of
23 importance, as appropriate.

24 (d) The Interconnection Working Group shall report to the
25 Commission on recommended improvements to interconnection
26 rules, tariffs, and policies as determined by the

Interconnection Working Group at least every year. A report shall include consensus recommendations of the Interconnection Working Group and, if applicable, additional recommendations for which consensus was not reached. Non-consensus shall not be a basis for excluding recommendations that are majority or minority recommendations. The Commission shall use the report from the Interconnection Working Group to determine whether processes should be commenced to formally codify or implement the recommendations. The Interconnection Working Group shall provide the reports under this subsection (d) to the Commission on at least the following topics in the order listed below within a reasonable time after the effective date of this amendatory Act of the 104th General Assembly: (A) a mechanism for good cause extensions to construction timelines as long as the interconnection customer reasonably demonstrates progress; (B) a mechanism for all electric utilities to accept cash, letters of credit, or bonds for any deposits required under the interconnection agreement; (C) cost sharing for distribution system upgrades and interconnection facilities for multiple interconnection customers attempting to interconnect on the same feeder or substation; and (D) requirements that interconnection studies process without delay based on queue position or status of applications ahead in the queue, and associated requirements for disclosure of contingent upgrades.

(d-5) Within 12 months after the report directed by

1 subsection (d) has been submitted, the Working Group shall
2 report to the Commission on the following: (A) mandatory
3 disclosures on the hosting capacity map and studies for
4 contingent upgrades including timelines for notice of
5 responsibility and payment; and (B) a framework for concurrent
6 study on multiple feeders for a distributed energy resource.

7 (d-10) Within 12 months after the report directed by
8 subsection (d-5) has been submitted, the Working Group shall
9 report to the Commission on the following: (A) dynamic hosting
10 capacity maps; (B) standards for public queue and hosting
11 capacity map information regarding individual projects in
12 queue, including (i) distributed generation nameplate
13 capacity, (ii) paired or stand-alone energy storage system
14 nameplate capacity, (iii) detailed estimated upgrade costs,
15 and (iv) systems that have completed upgrades and withdrawn
16 projects; and (C) timelines for refund of deposits if the
17 interconnection agreement is terminated.

18 (d-15) Within 12 months after the report directed by
19 subsection (d-10) has been submitted, the Working Group shall
20 report to the Commission on the following: (A) level of detail
21 of costs in system impact and facilities studies and level 2
22 studies; and (B) a cap on charges to the interconnection
23 customer based on a percentage of the non-binding cost
24 estimate in the facilities study, system impact study, or
25 level 2 study.

26 (e) In collaboration with the General Counsel of the

1 Commission, the Office of Retail Market Development shall
2 develop policies and procedures to facilitate employees of the
3 Office in leading the Interconnection Working Group without
4 interference with docketed proceedings. The policies and
5 procedures developed under this subsection (e) shall be
6 designed to allow the Interconnection Working Group to work
7 without interruption.

8 (220 ILCS 5/20-145 new)

9 Sec. 20-145. Interconnection Monitor.

10 (a) The Office of Retail Market Development may employ,
11 designate, or otherwise retain the services of an Ombudsperson
12 who, in addition to the roles described in this Act, is
13 responsible for oversight of a utility's compliance with the
14 rules adopted under Section 20-145 of this Act and any other
15 utility interconnection policies or procedures. The
16 Ombudsperson may be paid in full or in part through fees levied
17 on the initiators of a dispute.

18 (b) The Ombudsperson may from time to time request, and
19 each electric utility shall timely provide, records and
20 information to carry out his or her duties under this Section.

21 (c) The Office shall monitor interconnection between
22 electric utilities and applicants for interconnection and
23 interconnection customers. The Office may request, and
24 electric utilities shall promptly provide, information and
25 records related to pending, successful, and terminated

1 interconnections. The Office shall take these steps for
2 interconnections involving distributed renewable energy
3 resources, energy storage systems, utility-scale wind
4 projects, utility-scale solar projects, and extremely large,
5 inflexible load non-residential customers, including
6 interconnections to a distribution system or a transmission
7 system.

8 (d) The Office may require electric utilities to perform a
9 system impact and facilities study to provide a detailed
10 breakdown of the non-binding costs of operation and an
11 estimate that individually itemizes operational costs,
12 including equipment by type or model, labor, operation and
13 maintenance, engineering and design, permitting, easements and
14 rights-of-way, direct overhead, and indirect overhead.

15 (e) The Office is authorized to establish an informal
16 interconnection dispute resolution process consistent with the
17 Commission's existing interconnection rules. Any dispute
18 submitted pursuant to the provisions of this Section shall be
19 in a form and manner as determined by the Director of the
20 Office. In addition to any other dispute resolution provisions
21 under the Commission's rules, an electric utility, an
22 interconnection customer, or an interconnection applicant, may
23 submit a dispute pursuant to this subsection (e) and the
24 Ombudsperson, or his or her designee, shall provide a
25 recommended resolution of such dispute within 30 days after
26 the Ombudsperson determines that full information from all

1 parties to the dispute has been received. The electric
2 utility, the interconnection customer, the interconnection
3 applicant, or any other party authorized to initiate dispute
4 resolution under the Commission's rules may include the
5 Ombudsperson's recommendation in any further formal dispute
6 resolution before the Commission. Nothing in this subsection
7 (e) prohibits the Ombudsperson from taking part in a dispute
8 as required by this Section or the Commission's rules.

9 (f) The Office is encouraged to include at least one
10 employee, at the Bureau Chief's discretion, with a background
11 in engineering of renewable resources and distribution
12 interconnections.

13 Section 40. The Environmental Protection Act is amended by
14 changing Sections 9.15 and 39 and by adding Section 17.13 as
15 follows:

16 (415 ILCS 5/9.15)

17 Sec. 9.15. Greenhouse gases.

18 (a) An air pollution construction permit shall not be
19 required due to emissions of greenhouse gases if the
20 equipment, site, or source is not subject to regulation, as
21 defined by 40 CFR 52.21, as now or hereafter amended, for
22 greenhouse gases or is otherwise not addressed in this Section
23 or by the Board in regulations for greenhouse gases. These
24 exemptions do not relieve an owner or operator from the

1 obligation to comply with other applicable rules or
2 regulations.

3 (b) An air pollution operating permit shall not be
4 required due to emissions of greenhouse gases if the
5 equipment, site, or source is not subject to regulation, as
6 defined by Section 39.5 of this Act, for greenhouse gases or is
7 otherwise not addressed in this Section or by the Board in
8 regulations for greenhouse gases. These exemptions do not
9 relieve an owner or operator from the obligation to comply
10 with other applicable rules or regulations.

11 (c) (Blank).

12 (d) (Blank).

13 (e) (Blank).

14 (f) As used in this Section:

15 "Carbon dioxide emission" means the plant annual CO₂ total
16 output emission as measured by the United States Environmental
17 Protection Agency in its Emissions & Generation Resource
18 Integrated Database (eGrid), or its successor.

19 "Carbon dioxide equivalent emissions" or "CO₂e" means the
20 sum total of the mass amount of emissions in tons per year,
21 calculated by multiplying the mass amount of each of the 6
22 greenhouse gases specified in Section 3.207, in tons per year,
23 by its associated global warming potential as set forth in 40
24 CFR 98, subpart A, table A-1 or its successor, and then adding
25 them all together.

26 "Cogeneration" or "combined heat and power" refers to any

1 system that, either simultaneously or sequentially, produces
2 electricity and useful thermal energy from a single fuel
3 source.

4 "Copollutants" refers to the 6 criteria pollutants that
5 have been identified by the United States Environmental
6 Protection Agency pursuant to the Clean Air Act.

7 "Electric generating unit" or "EGU" means a fossil
8 fuel-fired stationary boiler, combustion turbine, or combined
9 cycle system that serves a generator that has a nameplate
10 capacity greater than 25 MWe and produces electricity for
11 sale.

12 "Environmental justice community" means the definition of
13 that term based on existing methodologies and findings, used
14 and as may be updated by the Illinois Power Agency and its
15 program administrator in the Illinois Solar for All Program.

16 "Equity investment eligible community" or "eligible
17 community" means the geographic areas throughout Illinois that
18 would most benefit from equitable investments by the State
19 designed to combat discrimination and foster sustainable
20 economic growth. Specifically, eligible community means the
21 following areas:

22 (1) areas where residents have been historically
23 excluded from economic opportunities, including
24 opportunities in the energy sector, as defined as R3 areas
25 pursuant to Section 10-40 of the Cannabis Regulation and
26 Tax Act; and

1 (2) areas where residents have been historically
2 subject to disproportionate burdens of pollution,
3 including pollution from the energy sector, as established
4 by environmental justice communities as defined by the
5 Illinois Power Agency pursuant to the Illinois Power
6 Agency Act, excluding any racial or ethnic indicators.

7 "Equity investment eligible person" or "eligible person"
8 means the persons who would most benefit from equitable
9 investments by the State designed to combat discrimination and
10 foster sustainable economic growth. Specifically, eligible
11 person means the following people:

12 (1) persons whose primary residence is in an equity
13 investment eligible community;

14 (2) persons whose primary residence is in a
15 municipality, or a county with a population under 100,000,
16 where the closure of an electric generating unit or mine
17 has been publicly announced or the electric generating
18 unit or mine is in the process of closing or closed within
19 the last 5 years;

20 (3) persons who are graduates of or currently enrolled
21 in the foster care system; or

22 (4) persons who were formerly incarcerated.

23 "Existing emissions" means:

24 (1) for CO₂e, the total average tons-per-year of CO₂e
25 emitted by the EGU or large GHG-emitting unit either in
26 the years 2018 through 2020 or, if the unit was not yet in

1 operation by January 1, 2018, in the first 3 full years of
2 that unit's operation; and

3 (2) for any copollutant, the total average
4 tons-per-year of that copollutant emitted by the EGU or
5 large GHG-emitting unit either in the years 2018 through
6 2020 or, if the unit was not yet in operation by January 1,
7 2018, in the first 3 full years of that unit's operation.

8 "Green hydrogen" means a power plant technology in which
9 an EGU creates electric power exclusively from electrolytic
10 hydrogen, in a manner that produces zero carbon and
11 copollutant emissions, using hydrogen fuel that is
12 electrolyzed using a 100% renewable zero carbon emission
13 energy source.

14 "Large greenhouse gas-emitting unit" or "large
15 GHG-emitting unit" means a unit that is an electric generating
16 unit or other fossil fuel-fired unit that itself has a
17 nameplate capacity or serves a generator that has a nameplate
18 capacity greater than 25 MWe and that produces electricity,
19 including, but not limited to, coal-fired, coal-derived,
20 oil-fired, natural gas-fired, and cogeneration units.

21 "NO_x emission rate" means the plant annual NO_x total output
22 emission rate as measured by the United States Environmental
23 Protection Agency in its Emissions & Generation Resource
24 Integrated Database (eGrid), or its successor, in the most
25 recent year for which data is available.

26 "Public greenhouse gas-emitting units" or "public

1 GHG-emitting unit" means large greenhouse gas-emitting units,
2 including EGUs, that are wholly owned, directly or indirectly,
3 by one or more municipalities, municipal corporations, joint
4 municipal electric power agencies, electric cooperatives, or
5 other governmental or nonprofit entities, whether organized
6 and created under the laws of Illinois or another state.

7 "SO₂ emission rate" means the "plant annual SO₂ total
8 output emission rate" as measured by the United States
9 Environmental Protection Agency in its Emissions & Generation
10 Resource Integrated Database (eGrid), or its successor, in the
11 most recent year for which data is available.

12 (g) All EGUs and large greenhouse gas-emitting units that
13 use coal or oil as a fuel and are not public GHG-emitting units
14 shall permanently reduce all CO₂e and copollutant emissions to
15 zero no later than January 1, 2030.

16 (h) All EGUs and large greenhouse gas-emitting units that
17 use coal as a fuel and are public GHG-emitting units shall
18 permanently reduce CO₂e emissions to zero no later than
19 December 31, 2045. Any source or plant with such units must
20 also reduce their CO₂e emissions by 45% from existing
21 emissions by no later than January 1, 2035. If the emissions
22 reduction requirement is not achieved by December 31, 2035,
23 the plant shall retire one or more units or otherwise reduce
24 its CO₂e emissions by 45% from existing emissions by June 30,
25 2038.

26 (i) All EGUs and large greenhouse gas-emitting units that

1 use gas as a fuel and are not public GHG-emitting units shall
2 permanently reduce all CO₂e and copollutant emissions to zero,
3 including through unit retirement or the use of 100% green
4 hydrogen or other similar technology that is commercially
5 proven to achieve zero carbon emissions, according to the
6 following:

7 (1) No later than January 1, 2030: all EGUs and large
8 greenhouse gas-emitting units that have a NO_x emissions
9 rate of greater than 0.12 lbs/MWh or a SO₂ emission rate of
10 greater than 0.006 lb/MWh, and are located in or within 3
11 miles of an environmental justice community designated as
12 of January 1, 2021 or an equity investment eligible
13 community.

14 (2) No later than January 1, 2040: all EGUs and large
15 greenhouse gas-emitting units that have a NO_x emission
16 rate of greater than 0.12 lbs/MWh or a SO₂ emission rate
17 greater than 0.006 lb/MWh, and are not located in or
18 within 3 miles of an environmental justice community
19 designated as of January 1, 2021 or an equity investment
20 eligible community. After January 1, 2035, each such EGU
21 and large greenhouse gas-emitting unit shall reduce its
22 CO₂e emissions by at least 50% from its existing emissions
23 for CO₂e, and shall be limited in operation to, on average,
24 6 hours or less per day, measured over a calendar year, and
25 shall not run for more than 24 consecutive hours except in
26 emergency conditions, as designated by a Regional

1 Transmission Organization or Independent System Operator.

2 (3) No later than January 1, 2035: all EGUs and large
3 greenhouse gas-emitting units that began operation prior
4 to the effective date of this amendatory Act of the 102nd
5 General Assembly and have a NO_x emission rate of less than
6 or equal to 0.12 lb/MWh and a SO₂ emission rate less than
7 or equal to 0.006 lb/MWh, and are located in or within 3
8 miles of an environmental justice community designated as
9 of January 1, 2021 or an equity investment eligible
10 community. Each such EGU and large greenhouse gas-emitting
11 unit shall reduce its CO₂e emissions by at least 50% from
12 its existing emissions for CO₂e no later than January 1,
13 2030.

14 (4) No later than January 1, 2040: All remaining EGUs
15 and large greenhouse gas-emitting units that have a heat
16 rate greater than or equal to 7000 BTU/kWh. Each such EGU
17 and Large greenhouse gas-emitting unit shall reduce its
18 CO₂e emissions by at least 50% from its existing emissions
19 for CO₂e no later than January 1, 2035.

20 (5) No later than January 1, 2045: all remaining EGUs
21 and large greenhouse gas-emitting units.

22 (j) All EGUs and large greenhouse gas-emitting units that
23 use gas as a fuel and are public GHG-emitting units shall
24 permanently reduce all CO₂e and copollutant emissions to zero,
25 including through unit retirement or the use of 100% green
26 hydrogen or other similar technology that is commercially

1 proven to achieve zero carbon emissions by January 1, 2045.

2 (k) All EGUs and large greenhouse gas-emitting units that
3 utilize combined heat and power or cogeneration technology
4 shall permanently reduce all CO₂e and copollutant emissions to
5 zero, including through unit retirement or the use of 100%
6 green hydrogen or other similar technology that is
7 commercially proven to achieve zero carbon emissions by
8 January 1, 2045.

9 (k-5) No EGU or large greenhouse gas-emitting unit that
10 uses gas as a fuel and is not a public GHG-emitting unit may
11 emit, in any 12-month period, CO₂e or copollutants in excess of
12 that unit's existing emissions for those pollutants.

13 (l) Notwithstanding subsections (g) through (k-5), large
14 GHG-emitting units including EGUs may temporarily continue
15 emitting CO₂e and copollutants after any applicable deadline
16 specified in any of subsections (g) through (k-5) if it has
17 been determined, as described in paragraphs (1) and (2) of
18 this subsection, that ongoing operation of the EGU is
19 necessary to maintain power grid supply and reliability or
20 ongoing operation of large GHG-emitting unit that is not an
21 EGU is necessary to serve as an emergency backup to
22 operations. Up to and including the occurrence of an emission
23 reduction deadline under subsection (i), all EGUs and large
24 GHG-emitting units must comply with the following terms:

25 (1) if an EGU or large GHG-emitting unit that is a
26 participant in a regional transmission organization

1 intends to retire, it must submit documentation to the
2 appropriate regional transmission organization by the
3 appropriate deadline that meets all applicable regulatory
4 requirements necessary to obtain approval to permanently
5 cease operating the large GHG-emitting unit;

6 (2) if any EGU or large GHG-emitting unit that is a
7 participant in a regional transmission organization
8 receives notice that the regional transmission
9 organization has determined that continued operation of
10 the unit is required, the unit may continue operating
11 until the issue identified by the regional transmission
12 organization is resolved. The owner or operator of the
13 unit must cooperate with the regional transmission
14 organization in resolving the issue and must reduce its
15 emissions to zero, consistent with the requirements under
16 subsection (g), (h), (i), (j), (k), or (k-5), as
17 applicable, as soon as practicable when the issue
18 identified by the regional transmission organization is
19 resolved; and

20 (3) any large GHG-emitting unit that is not a
21 participant in a regional transmission organization shall
22 be allowed to continue emitting CO₂e and copollutants
23 after the zero-emission date specified in subsection (g),
24 (h), (i), (j), (k), or (k-5), as applicable, in the
25 capacity of an emergency backup unit if approved by the
26 Illinois Commerce Commission.

1 (m) No variance, adjusted standard, or other regulatory
2 relief otherwise available in this Act may be granted to the
3 emissions reduction and elimination obligations in this
4 Section.

5 (n) By June 30 of each year, beginning in 2025, the Agency
6 shall prepare and publish on its website a report setting
7 forth the actual greenhouse gas emissions from individual
8 units and the aggregate statewide emissions from all units for
9 the prior year.

10 (o) ~~The Every 5 years beginning in 2025, the~~ Environmental
11 Protection Agency, Illinois Power Agency, and Illinois
12 Commerce Commission shall jointly prepare, and release
13 publicly, a report to the General Assembly that examines the
14 State's current progress toward its renewable energy resource
15 development goals, the status of CO₂e and copollutant
16 emissions reductions, the current status and progress toward
17 developing and implementing green hydrogen technologies, the
18 current and projected status of electric resource adequacy and
19 reliability throughout the State for the period beginning 5
20 years ahead, and proposed solutions for any findings. The
21 Environmental Protection Agency, Illinois Power Agency, and
22 Illinois Commerce Commission shall consult PJM
23 Interconnection, LLC and Midcontinent Independent System
24 Operator, Inc., or their respective successor organizations
25 regarding forecasted resource adequacy and reliability needs,
26 anticipated new generation interconnection, new transmission

1 development or upgrades, and any announced large GHG-emitting
2 unit closure dates and include this information in the report.
3 The report shall be released publicly by no later than
4 December 15, 2025 ~~of the year it is prepared~~. If the
5 Environmental Protection Agency, Illinois Power Agency, and
6 Illinois Commerce Commission jointly conclude in the report
7 that the data from the regional grid operators, the pace of
8 renewable energy development, the pace of development of
9 energy storage and demand response utilization, transmission
10 capacity, and the CO₂e and copollutant emissions reductions
11 required by subsection (i) or (k-5) reasonably demonstrate
12 that a resource adequacy shortfall will occur, including
13 whether there will be sufficient in-state capacity to meet the
14 zonal requirements of MISO Zone 4 or the PJM ComEd Zone, per
15 the requirements of the regional transmission organizations,
16 or that the regional transmission operators determine that a
17 reliability violation will occur during the time frame the
18 study is evaluating, then the Illinois Power Agency, in
19 conjunction with the Environmental Protection Agency shall
20 develop a plan to reduce or delay CO₂e and copollutant
21 emissions reductions requirements only to the extent and for
22 the duration necessary to meet the resource adequacy and
23 reliability needs of the State, including allowing any plants
24 whose emission reduction deadline has been identified in the
25 plan as creating a reliability concern to continue operating,
26 including operating with reduced emissions or as emergency

1 backup where appropriate. The plan shall also consider the use
2 of renewable energy, energy storage, demand response,
3 transmission development, or other strategies to resolve the
4 identified resource adequacy shortfall or reliability
5 violation.

6 (1) In developing the plan, the Environmental
7 Protection Agency and the Illinois Power Agency shall hold
8 at least one workshop open to, and accessible at a time and
9 place convenient to, the public and shall consider any
10 comments made by stakeholders or the public. Upon
11 development of the plan, copies of the plan shall be
12 posted and made publicly available on the Environmental
13 Protection Agency's, the Illinois Power Agency's, and the
14 Illinois Commerce Commission's websites. All interested
15 parties shall have 60 days following the date of posting
16 to provide comment to the Environmental Protection Agency
17 and the Illinois Power Agency on the plan. All comments
18 submitted to the Environmental Protection Agency and the
19 Illinois Power Agency shall be encouraged to be specific,
20 supported by data or other detailed analyses, and, if
21 objecting to all or a portion of the plan, accompanied by
22 specific alternative wording or proposals. All comments
23 shall be posted on the Environmental Protection Agency's,
24 the Illinois Power Agency's, and the Illinois Commerce
25 Commission's websites. Within 30 days following the end of
26 the 60-day review period, the Environmental Protection

1 Agency and the Illinois Power Agency shall revise the plan
2 as necessary based on the comments received and file its
3 revised plan with the Illinois Commerce Commission for
4 approval.

5 (2) Within 60 days after the filing of the revised
6 plan at the Illinois Commerce Commission, any person
7 objecting to the plan shall file an objection with the
8 Illinois Commerce Commission. Within 30 days after the
9 expiration of the comment period, the Illinois Commerce
10 Commission shall determine whether an evidentiary hearing
11 is necessary. The Illinois Commerce Commission shall also
12 host 3 public hearings within 90 days after the plan is
13 filed. Following the evidentiary and public hearings, the
14 Illinois Commerce Commission shall enter its order
15 approving or approving with modifications the reliability
16 mitigation plan within 180 days.

17 (3) The Illinois Commerce Commission shall only
18 approve the plan if the Illinois Commerce Commission
19 determines that it will resolve the resource adequacy or
20 reliability deficiency identified in the reliability
21 mitigation plan at the least amount of CO₂e and copollutant
22 emissions, taking into consideration the emissions impacts
23 on environmental justice communities, and that it will
24 ensure adequate, reliable, affordable, efficient, and
25 environmentally sustainable electric service at the lowest
26 total cost over time, taking into account the impact of

1 increases in emissions.

2 (4) If the resource adequacy or reliability deficiency
3 identified in the reliability mitigation plan is resolved
4 or reduced, the Environmental Protection Agency and the
5 Illinois Power Agency may file an amended plan adjusting
6 the reduction or delay in CO₂e and copollutant emission
7 reduction requirements identified in the plan.

8 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

9 (415 ILCS 5/17.13 new)

10 Sec. 17.13. New extremely large, inflexible-load,
11 non-residential facility water and waste planning.

12 (a) As used in this Section, "extremely large,
13 inflexible-load, non-residential facility" means a facility
14 whose total highest demand established by the facility during
15 the most recent 12 consecutive monthly billing periods or a
16 forecast of its next 12 consecutive monthly billing periods
17 was more than 75,000 kilowatts and the facility has during the
18 most recent 12 consecutive monthly billing periods or is
19 forecasted to have during its next 12 consecutive monthly
20 billing periods a load factor of greater than 50%. "Extremely
21 large, inflexible-load, non-residential customer" does not
22 include an entity located within an area approved by the
23 Department of Commerce and Economic Opportunity as a quantum
24 computing campus enterprise zone pursuant to Section 605-1115
25 of the Department of Commerce and Economic Opportunity Law as

1 of May 1, 2025 or an entity owned and operated by a federally
2 funded research and development center, as defined in 48 CFR
3 35.017, as of May 1, 2025.

4 (b) Each extremely large, inflexible-load, non-residential
5 facility shall create a public website on which it shall post:

6 (1) At least 6 months before starting operation, a
7 water resources plan that provides the following
8 information:

9 (i) the expected volume of water, in kiloliters,
10 needed to fulfill 100% of the anticipated water
11 consumption needs of the facility over the course of
12 12 consecutive months;

13 (ii) the extremely large, inflexible-load,
14 non-residential facility's policy for sustainable
15 water use and water conservation, including:

16 (A) water sourcing and consumption plans,
17 including any agreements or contracts to supply
18 water for the facility;

19 (B) the heating or cooling of water prior to
20 discharge from the facility; and

21 (C) plans to conserve, reuse, and replace
22 water, including, but not limited to, the
23 following measures: using water efficient fixtures
24 and practices; treating, infiltrating, and
25 harvesting rainwater; recycling water before
26 discharging; partnering with local water utilities

1 to use discharged water for irrigation and other
2 water conservation purposes; using reclaimed water
3 where possible for operations; supporting water
4 restoration in local watersheds; and using a
5 non-evaporative cooling system; and

6 (iii) a list of any discharge or other water
7 permits or approvals that the facility will obtain.

8 (2) At least 6 months before starting operation, a
9 waste disposal plan that provides the following
10 information:

11 (i) the facility's plan for recycling or disposing
12 of any metals, e-wastes, or chemical wastes from the
13 facility;

14 (ii) the volume or mass of metal wastes, e-wastes,
15 and chemical waste expected to be generated at the
16 facility each year; and

17 (iii) measures the facility plans to take to
18 minimize metal wastes, e-wastes, and chemical wastes
19 at the facility.

20 (3) Any zoning, water use, discharge, air, or other
21 permits or approvals issued to the facility, within 15
22 days of the facility's receipt of such permit or approval.

23 (c) Within 30 days of the creation of its public website,
24 each extremely large, inflexible-load, non-residential
25 facility shall submit to the Agency, in a manner prescribed
26 the Agency, the Uniform Resource Locator (URL) for its public

1 website and shall publicize that website in a manner
2 determined by the Agency.

3 (415 ILCS 5/39) (from Ch. 111 1/2, par. 1039)

4 Sec. 39. Issuance of permits; procedures.

5 (a) When the Board has by regulation required a permit for
6 the construction, installation, or operation of any type of
7 facility, equipment, vehicle, vessel, or aircraft, the
8 applicant shall apply to the Agency for such permit and it
9 shall be the duty of the Agency to issue such a permit upon
10 proof by the applicant that the facility, equipment, vehicle,
11 vessel, or aircraft will not cause a violation of this Act or
12 of regulations hereunder. The Agency shall adopt such
13 procedures as are necessary to carry out its duties under this
14 Section. In making its determinations on permit applications
15 under this Section the Agency may consider prior adjudications
16 of noncompliance with this Act by the applicant that involved
17 a release of a contaminant into the environment. In granting
18 permits, the Agency may impose reasonable conditions
19 specifically related to the applicant's past compliance
20 history with this Act as necessary to correct, detect, or
21 prevent noncompliance. The Agency may impose such other
22 conditions as may be necessary to accomplish the purposes of
23 this Act, and as are not inconsistent with the regulations
24 promulgated by the Board hereunder. Except as otherwise
25 provided in this Act, a bond or other security shall not be

1 required as a condition for the issuance of a permit. If the
2 Agency denies any permit under this Section, the Agency shall
3 transmit to the applicant within the time limitations of this
4 Section specific, detailed statements as to the reasons the
5 permit application was denied. Such statements shall include,
6 but not be limited to, the following:

7 (i) the Sections of this Act which may be violated if
8 the permit were granted;

9 (ii) the provision of the regulations, promulgated
10 under this Act, which may be violated if the permit were
11 granted;

12 (iii) the specific type of information, if any, which
13 the Agency deems the applicant did not provide the Agency;
14 and

15 (iv) a statement of specific reasons why the Act and
16 the regulations might not be met if the permit were
17 granted.

18 If there is no final action by the Agency within 90 days
19 after the filing of the application for permit, the applicant
20 may deem the permit issued; except that this time period shall
21 be extended to 180 days when (1) notice and opportunity for
22 public hearing are required by State or federal law or
23 regulation, (2) the application which was filed is for any
24 permit to develop a landfill subject to issuance pursuant to
25 this subsection, or (3) the application that was filed is for a
26 MSWLF unit required to issue public notice under subsection

1 (p) of Section 39. The 90-day and 180-day time periods for the
2 Agency to take final action do not apply to NPDES permit
3 applications under subsection (b) of this Section, to RCRA
4 permit applications under subsection (d) of this Section, to
5 UIC permit applications under subsection (e) of this Section,
6 or to CCR surface impoundment applications under subsection
7 (y) of this Section.

8 The Agency shall publish notice of all final permit
9 determinations for development permits for MSWLF units and for
10 significant permit modifications for lateral expansions for
11 existing MSWLF units one time in a newspaper of general
12 circulation in the county in which the unit is or is proposed
13 to be located.

14 After January 1, 1994 and until July 1, 1998, operating
15 permits issued under this Section by the Agency for sources of
16 air pollution permitted to emit less than 25 tons per year of
17 any combination of regulated air pollutants, as defined in
18 Section 39.5 of this Act, shall be required to be renewed only
19 upon written request by the Agency consistent with applicable
20 provisions of this Act and regulations promulgated hereunder.
21 Such operating permits shall expire 180 days after the date of
22 such a request. The Board shall revise its regulations for the
23 existing State air pollution operating permit program
24 consistent with this provision by January 1, 1994.

25 After June 30, 1998, operating permits issued under this
26 Section by the Agency for sources of air pollution that are not

1 subject to Section 39.5 of this Act and are not required to
2 have a federally enforceable State operating permit shall be
3 required to be renewed only upon written request by the Agency
4 consistent with applicable provisions of this Act and its
5 rules. Such operating permits shall expire 180 days after the
6 date of such a request. Before July 1, 1998, the Board shall
7 revise its rules for the existing State air pollution
8 operating permit program consistent with this paragraph and
9 shall adopt rules that require a source to demonstrate that it
10 qualifies for a permit under this paragraph.

11 After the effective date of this amendatory Act of the
12 104th General Assembly, each air pollution control
13 construction permit issued by the Agency for fossil fuel-fired
14 power backup generators to a source that is an extremely
15 large, inflexible-load, non-residential facility, as defined
16 in Section 4-620 of the Public Utilities Act, and that is
17 required to have a federally enforceable State operating
18 permit or a Clean Air Act Permit Program permit shall, in
19 addition to any other applicable requirements, require each
20 generator to: (i) meet standards at least as protective as
21 Tier 4 standards for non-road diesel engines set out by the
22 United States Environmental Protection Agency in 40 CFR 1039,
23 as it exists on the effective date of this amendatory Act of
24 the 104th General Assembly; and (ii) operate solely as an
25 emergency or standby unit in accordance with 35 Ill. Adm. Code
26 211.1920, as it exists on the effective date of this

1 amendatory Act of the 104th General Assembly.

2 (b) The Agency may issue NPDES permits exclusively under
3 this subsection for the discharge of contaminants from point
4 sources into navigable waters, all as defined in the Federal
5 Water Pollution Control Act, as now or hereafter amended,
6 within the jurisdiction of the State, or into any well.

7 All NPDES permits shall contain those terms and
8 conditions, including, but not limited to, schedules of
9 compliance, which may be required to accomplish the purposes
10 and provisions of this Act.

11 The Agency may issue general NPDES permits for discharges
12 from categories of point sources which are subject to the same
13 permit limitations and conditions. Such general permits may be
14 issued without individual applications and shall conform to
15 regulations promulgated under Section 402 of the Federal Water
16 Pollution Control Act, as now or hereafter amended.

17 The Agency may include, among such conditions, effluent
18 limitations and other requirements established under this Act,
19 Board regulations, the Federal Water Pollution Control Act, as
20 now or hereafter amended, and regulations pursuant thereto,
21 and schedules for achieving compliance therewith at the
22 earliest reasonable date.

23 The Agency shall adopt filing requirements and procedures
24 which are necessary and appropriate for the issuance of NPDES
25 permits, and which are consistent with the Act or regulations
26 adopted by the Board, and with the Federal Water Pollution

1 Control Act, as now or hereafter amended, and regulations
2 pursuant thereto.

3 The Agency, subject to any conditions which may be
4 prescribed by Board regulations, may issue NPDES permits to
5 allow discharges beyond deadlines established by this Act or
6 by regulations of the Board without the requirement of a
7 variance, subject to the Federal Water Pollution Control Act,
8 as now or hereafter amended, and regulations pursuant thereto.

9 (c) Except for those facilities owned or operated by
10 sanitary districts organized under the Metropolitan Water
11 Reclamation District Act, no permit for the development or
12 construction of a new pollution control facility may be
13 granted by the Agency unless the applicant submits proof to
14 the Agency that the location of the facility has been approved
15 by the county board of the county if in an unincorporated area,
16 or the governing body of the municipality when in an
17 incorporated area, in which the facility is to be located in
18 accordance with Section 39.2 of this Act. For purposes of this
19 subsection (c), and for purposes of Section 39.2 of this Act,
20 the appropriate county board or governing body of the
21 municipality shall be the county board of the county or the
22 governing body of the municipality in which the facility is to
23 be located as of the date when the application for siting
24 approval is filed.

25 In the event that siting approval granted pursuant to
26 Section 39.2 has been transferred to a subsequent owner or

1 operator, that subsequent owner or operator may apply to the
2 Agency for, and the Agency may grant, a development or
3 construction permit for the facility for which local siting
4 approval was granted. Upon application to the Agency for a
5 development or construction permit by that subsequent owner or
6 operator, the permit applicant shall cause written notice of
7 the permit application to be served upon the appropriate
8 county board or governing body of the municipality that
9 granted siting approval for that facility and upon any party
10 to the siting proceeding pursuant to which siting approval was
11 granted. In that event, the Agency shall conduct an evaluation
12 of the subsequent owner or operator's prior experience in
13 waste management operations in the manner conducted under
14 subsection (i) of Section 39 of this Act.

15 Beginning August 20, 1993, if the pollution control
16 facility consists of a hazardous or solid waste disposal
17 facility for which the proposed site is located in an
18 unincorporated area of a county with a population of less than
19 100,000 and includes all or a portion of a parcel of land that
20 was, on April 1, 1993, adjacent to a municipality having a
21 population of less than 5,000, then the local siting review
22 required under this subsection (c) in conjunction with any
23 permit applied for after that date shall be performed by the
24 governing body of that adjacent municipality rather than the
25 county board of the county in which the proposed site is
26 located; and for the purposes of that local siting review, any

1 references in this Act to the county board shall be deemed to
2 mean the governing body of that adjacent municipality;
3 provided, however, that the provisions of this paragraph shall
4 not apply to any proposed site which was, on April 1, 1993,
5 owned in whole or in part by another municipality.

6 In the case of a pollution control facility for which a
7 development permit was issued before November 12, 1981, if an
8 operating permit has not been issued by the Agency prior to
9 August 31, 1989 for any portion of the facility, then the
10 Agency may not issue or renew any development permit nor issue
11 an original operating permit for any portion of such facility
12 unless the applicant has submitted proof to the Agency that
13 the location of the facility has been approved by the
14 appropriate county board or municipal governing body pursuant
15 to Section 39.2 of this Act.

16 After January 1, 1994, if a solid waste disposal facility,
17 any portion for which an operating permit has been issued by
18 the Agency, has not accepted waste disposal for 5 or more
19 consecutive calendar years, before that facility may accept
20 any new or additional waste for disposal, the owner and
21 operator must obtain a new operating permit under this Act for
22 that facility unless the owner and operator have applied to
23 the Agency for a permit authorizing the temporary suspension
24 of waste acceptance. The Agency may not issue a new operation
25 permit under this Act for the facility unless the applicant
26 has submitted proof to the Agency that the location of the

1 facility has been approved or re-approved by the appropriate
2 county board or municipal governing body under Section 39.2 of
3 this Act after the facility ceased accepting waste.

4 Except for those facilities owned or operated by sanitary
5 districts organized under the Metropolitan Water Reclamation
6 District Act, and except for new pollution control facilities
7 governed by Section 39.2, and except for fossil fuel mining
8 facilities, the granting of a permit under this Act shall not
9 relieve the applicant from meeting and securing all necessary
10 zoning approvals from the unit of government having zoning
11 jurisdiction over the proposed facility.

12 Before beginning construction on any new sewage treatment
13 plant or sludge drying site to be owned or operated by a
14 sanitary district organized under the Metropolitan Water
15 Reclamation District Act for which a new permit (rather than
16 the renewal or amendment of an existing permit) is required,
17 such sanitary district shall hold a public hearing within the
18 municipality within which the proposed facility is to be
19 located, or within the nearest community if the proposed
20 facility is to be located within an unincorporated area, at
21 which information concerning the proposed facility shall be
22 made available to the public, and members of the public shall
23 be given the opportunity to express their views concerning the
24 proposed facility.

25 The Agency may issue a permit for a municipal waste
26 transfer station without requiring approval pursuant to

1 Section 39.2 provided that the following demonstration is
2 made:

3 (1) the municipal waste transfer station was in
4 existence on or before January 1, 1979 and was in
5 continuous operation from January 1, 1979 to January 1,
6 1993;

7 (2) the operator submitted a permit application to the
8 Agency to develop and operate the municipal waste transfer
9 station during April of 1994;

10 (3) the operator can demonstrate that the county board
11 of the county, if the municipal waste transfer station is
12 in an unincorporated area, or the governing body of the
13 municipality, if the station is in an incorporated area,
14 does not object to resumption of the operation of the
15 station; and

16 (4) the site has local zoning approval.

17 (d) The Agency may issue RCRA permits exclusively under
18 this subsection to persons owning or operating a facility for
19 the treatment, storage, or disposal of hazardous waste as
20 defined under this Act. Subsection (y) of this Section, rather
21 than this subsection (d), shall apply to permits issued for
22 CCR surface impoundments.

23 All RCRA permits shall contain those terms and conditions,
24 including, but not limited to, schedules of compliance, which
25 may be required to accomplish the purposes and provisions of
26 this Act. The Agency may include among such conditions

1 standards and other requirements established under this Act,
2 Board regulations, the Resource Conservation and Recovery Act
3 of 1976 (P.L. 94-580), as amended, and regulations pursuant
4 thereto, and may include schedules for achieving compliance
5 therewith as soon as possible. The Agency shall require that a
6 performance bond or other security be provided as a condition
7 for the issuance of a RCRA permit.

8 In the case of a permit to operate a hazardous waste or PCB
9 incinerator as defined in subsection (k) of Section 44, the
10 Agency shall require, as a condition of the permit, that the
11 operator of the facility perform such analyses of the waste to
12 be incinerated as may be necessary and appropriate to ensure
13 the safe operation of the incinerator.

14 The Agency shall adopt filing requirements and procedures
15 which are necessary and appropriate for the issuance of RCRA
16 permits, and which are consistent with the Act or regulations
17 adopted by the Board, and with the Resource Conservation and
18 Recovery Act of 1976 (P.L. 94-580), as amended, and
19 regulations pursuant thereto.

20 The applicant shall make available to the public for
21 inspection all documents submitted by the applicant to the
22 Agency in furtherance of an application, with the exception of
23 trade secrets, at the office of the county board or governing
24 body of the municipality. Such documents may be copied upon
25 payment of the actual cost of reproduction during regular
26 business hours of the local office. The Agency shall issue a

1 written statement concurrent with its grant or denial of the
2 permit explaining the basis for its decision.

3 (e) The Agency may issue UIC permits exclusively under
4 this subsection to persons owning or operating a facility for
5 the underground injection of contaminants as defined under
6 this Act.

7 All UIC permits shall contain those terms and conditions,
8 including, but not limited to, schedules of compliance, which
9 may be required to accomplish the purposes and provisions of
10 this Act. The Agency may include among such conditions
11 standards and other requirements established under this Act,
12 Board regulations, the Safe Drinking Water Act (P.L. 93-523),
13 as amended, and regulations pursuant thereto, and may include
14 schedules for achieving compliance therewith. The Agency shall
15 require that a performance bond or other security be provided
16 as a condition for the issuance of a UIC permit.

17 The Agency shall adopt filing requirements and procedures
18 which are necessary and appropriate for the issuance of UIC
19 permits, and which are consistent with the Act or regulations
20 adopted by the Board, and with the Safe Drinking Water Act
21 (P.L. 93-523), as amended, and regulations pursuant thereto.

22 The applicant shall make available to the public for
23 inspection all documents submitted by the applicant to the
24 Agency in furtherance of an application, with the exception of
25 trade secrets, at the office of the county board or governing
26 body of the municipality. Such documents may be copied upon

1 payment of the actual cost of reproduction during regular
2 business hours of the local office. The Agency shall issue a
3 written statement concurrent with its grant or denial of the
4 permit explaining the basis for its decision.

5 (f) In making any determination pursuant to Section 9.1 of
6 this Act:

7 (1) The Agency shall have authority to make the
8 determination of any question required to be determined by
9 the Clean Air Act, as now or hereafter amended, this Act,
10 or the regulations of the Board, including the
11 determination of the Lowest Achievable Emission Rate,
12 Maximum Achievable Control Technology, or Best Available
13 Control Technology, consistent with the Board's
14 regulations, if any.

15 (2) The Agency shall adopt requirements as necessary
16 to implement public participation procedures, including,
17 but not limited to, public notice, comment, and an
18 opportunity for hearing, which must accompany the
19 processing of applications for PSD permits. The Agency
20 shall briefly describe and respond to all significant
21 comments on the draft permit raised during the public
22 comment period or during any hearing. The Agency may group
23 related comments together and provide one unified response
24 for each issue raised.

25 (3) Any complete permit application submitted to the
26 Agency under this subsection for a PSD permit shall be

1 granted or denied by the Agency not later than one year
2 after the filing of such completed application.

3 (4) The Agency shall, after conferring with the
4 applicant, give written notice to the applicant of its
5 proposed decision on the application, including the terms
6 and conditions of the permit to be issued and the facts,
7 conduct, or other basis upon which the Agency will rely to
8 support its proposed action.

9 (g) The Agency shall include as conditions upon all
10 permits issued for hazardous waste disposal sites such
11 restrictions upon the future use of such sites as are
12 reasonably necessary to protect public health and the
13 environment, including permanent prohibition of the use of
14 such sites for purposes which may create an unreasonable risk
15 of injury to human health or to the environment. After
16 administrative and judicial challenges to such restrictions
17 have been exhausted, the Agency shall file such restrictions
18 of record in the Office of the Recorder of the county in which
19 the hazardous waste disposal site is located.

20 (h) A hazardous waste stream may not be deposited in a
21 permitted hazardous waste site unless specific authorization
22 is obtained from the Agency by the generator and disposal site
23 owner and operator for the deposit of that specific hazardous
24 waste stream. The Agency may grant specific authorization for
25 disposal of hazardous waste streams only after the generator
26 has reasonably demonstrated that, considering technological

1 feasibility and economic reasonableness, the hazardous waste
2 cannot be reasonably recycled for reuse, nor incinerated or
3 chemically, physically, or biologically treated so as to
4 neutralize the hazardous waste and render it nonhazardous. In
5 granting authorization under this Section, the Agency may
6 impose such conditions as may be necessary to accomplish the
7 purposes of the Act and are consistent with this Act and
8 regulations promulgated by the Board hereunder. If the Agency
9 refuses to grant authorization under this Section, the
10 applicant may appeal as if the Agency refused to grant a
11 permit, pursuant to the provisions of subsection (a) of
12 Section 40 of this Act. For purposes of this subsection (h),
13 the term "generator" has the meaning given in Section 3.205 of
14 this Act, unless: (1) the hazardous waste is treated,
15 incinerated, or partially recycled for reuse prior to
16 disposal, in which case the last person who treats,
17 incinerates, or partially recycles the hazardous waste prior
18 to disposal is the generator; or (2) the hazardous waste is
19 from a response action, in which case the person performing
20 the response action is the generator. This subsection (h) does
21 not apply to any hazardous waste that is restricted from land
22 disposal under 35 Ill. Adm. Code 728.

23 (i) Before issuing any RCRA permit, any permit for a waste
24 storage site, sanitary landfill, waste disposal site, waste
25 transfer station, waste treatment facility, waste incinerator,
26 or any waste-transportation operation, any permit or interim

1 authorization for a clean construction or demolition debris
2 fill operation, or any permit required under subsection (d-5)
3 of Section 55, the Agency shall conduct an evaluation of the
4 prospective owner's or operator's prior experience in waste
5 management operations, clean construction or demolition debris
6 fill operations, and tire storage site management. The Agency
7 may deny such a permit, or deny or revoke interim
8 authorization, if the prospective owner or operator or any
9 employee or officer of the prospective owner or operator has a
10 history of:

11 (1) repeated violations of federal, State, or local
12 laws, regulations, standards, or ordinances in the
13 operation of waste management facilities or sites, clean
14 construction or demolition debris fill operation
15 facilities or sites, or tire storage sites; or

16 (2) conviction in this or another State of any crime
17 which is a felony under the laws of this State, or
18 conviction of a felony in a federal court; or conviction
19 in this or another state or federal court of any of the
20 following crimes: forgery, official misconduct, bribery,
21 perjury, or knowingly submitting false information under
22 any environmental law, regulation, or permit term or
23 condition; or

24 (3) proof of gross carelessness or incompetence in
25 handling, storing, processing, transporting, or disposing
26 of waste, clean construction or demolition debris, or used

1 or waste tires, or proof of gross carelessness or
2 incompetence in using clean construction or demolition
3 debris as fill.

4 (i-5) Before issuing any permit or approving any interim
5 authorization for a clean construction or demolition debris
6 fill operation in which any ownership interest is transferred
7 between January 1, 2005, and the effective date of the
8 prohibition set forth in Section 22.52 of this Act, the Agency
9 shall conduct an evaluation of the operation if any previous
10 activities at the site or facility may have caused or allowed
11 contamination of the site. It shall be the responsibility of
12 the owner or operator seeking the permit or interim
13 authorization to provide to the Agency all of the information
14 necessary for the Agency to conduct its evaluation. The Agency
15 may deny a permit or interim authorization if previous
16 activities at the site may have caused or allowed
17 contamination at the site, unless such contamination is
18 authorized under any permit issued by the Agency.

19 (j) The issuance under this Act of a permit to engage in
20 the surface mining of any resources other than fossil fuels
21 shall not relieve the permittee from its duty to comply with
22 any applicable local law regulating the commencement,
23 location, or operation of surface mining facilities.

24 (k) A development permit issued under subsection (a) of
25 Section 39 for any facility or site which is required to have a
26 permit under subsection (d) of Section 21 shall expire at the

1 end of 2 calendar years from the date upon which it was issued,
2 unless within that period the applicant has taken action to
3 develop the facility or the site. In the event that review of
4 the conditions of the development permit is sought pursuant to
5 Section 40 or 41, or permittee is prevented from commencing
6 development of the facility or site by any other litigation
7 beyond the permittee's control, such two-year period shall be
8 deemed to begin on the date upon which such review process or
9 litigation is concluded.

10 (l) No permit shall be issued by the Agency under this Act
11 for construction or operation of any facility or site located
12 within the boundaries of any setback zone established pursuant
13 to this Act, where such construction or operation is
14 prohibited.

15 (m) The Agency may issue permits to persons owning or
16 operating a facility for composting landscape waste. In
17 granting such permits, the Agency may impose such conditions
18 as may be necessary to accomplish the purposes of this Act, and
19 as are not inconsistent with applicable regulations
20 promulgated by the Board. Except as otherwise provided in this
21 Act, a bond or other security shall not be required as a
22 condition for the issuance of a permit. If the Agency denies
23 any permit pursuant to this subsection, the Agency shall
24 transmit to the applicant within the time limitations of this
25 subsection specific, detailed statements as to the reasons the
26 permit application was denied. Such statements shall include

1 but not be limited to the following:

2 (1) the Sections of this Act that may be violated if
3 the permit were granted;

4 (2) the specific regulations promulgated pursuant to
5 this Act that may be violated if the permit were granted;

6 (3) the specific information, if any, the Agency deems
7 the applicant did not provide in its application to the
8 Agency; and

9 (4) a statement of specific reasons why the Act and
10 the regulations might be violated if the permit were
11 granted.

12 If no final action is taken by the Agency within 90 days
13 after the filing of the application for permit, the applicant
14 may deem the permit issued. Any applicant for a permit may
15 waive the 90-day limitation by filing a written statement with
16 the Agency.

17 The Agency shall issue permits for such facilities upon
18 receipt of an application that includes a legal description of
19 the site, a topographic map of the site drawn to the scale of
20 200 feet to the inch or larger, a description of the operation,
21 including the area served, an estimate of the volume of
22 materials to be processed, and documentation that:

23 (1) the facility includes a setback of at least 200
24 feet from the nearest potable water supply well;

25 (2) the facility is located outside the boundary of
26 the 10-year floodplain or the site will be floodproofed;

1 (3) the facility is located so as to minimize
2 incompatibility with the character of the surrounding
3 area, including at least a 200 foot setback from any
4 residence, and in the case of a facility that is developed
5 or the permitted composting area of which is expanded
6 after November 17, 1991, the composting area is located at
7 least 1/8 mile from the nearest residence (other than a
8 residence located on the same property as the facility);

9 (4) the design of the facility will prevent any
10 compost material from being placed within 5 feet of the
11 water table, will adequately control runoff from the site,
12 and will collect and manage any leachate that is generated
13 on the site;

14 (5) the operation of the facility will include
15 appropriate dust and odor control measures, limitations on
16 operating hours, appropriate noise control measures for
17 shredding, chipping and similar equipment, management
18 procedures for composting, containment and disposal of
19 non-compostable wastes, procedures to be used for
20 terminating operations at the site, and recordkeeping
21 sufficient to document the amount of materials received,
22 composted, and otherwise disposed of; and

23 (6) the operation will be conducted in accordance with
24 any applicable rules adopted by the Board.

25 The Agency shall issue renewable permits of not longer
26 than 10 years in duration for the composting of landscape

1 wastes, as defined in Section 3.155 of this Act, based on the
2 above requirements.

3 The operator of any facility permitted under this
4 subsection (m) must submit a written annual statement to the
5 Agency on or before April 1 of each year that includes an
6 estimate of the amount of material, in tons, received for
7 composting.

8 (n) The Agency shall issue permits jointly with the
9 Department of Transportation for the dredging or deposit of
10 material in Lake Michigan in accordance with Section 18 of the
11 Rivers, Lakes, and Streams Act.

12 (o) (Blank).

13 (p) (1) Any person submitting an application for a permit
14 for a new MSWLF unit or for a lateral expansion under
15 subsection (t) of Section 21 of this Act for an existing MSWLF
16 unit that has not received and is not subject to local siting
17 approval under Section 39.2 of this Act shall publish notice
18 of the application in a newspaper of general circulation in
19 the county in which the MSWLF unit is or is proposed to be
20 located. The notice must be published at least 15 days before
21 submission of the permit application to the Agency. The notice
22 shall state the name and address of the applicant, the
23 location of the MSWLF unit or proposed MSWLF unit, the nature
24 and size of the MSWLF unit or proposed MSWLF unit, the nature
25 of the activity proposed, the probable life of the proposed
26 activity, the date the permit application will be submitted,

1 and a statement that persons may file written comments with
2 the Agency concerning the permit application within 30 days
3 after the filing of the permit application unless the time
4 period to submit comments is extended by the Agency.

5 When a permit applicant submits information to the Agency
6 to supplement a permit application being reviewed by the
7 Agency, the applicant shall not be required to reissue the
8 notice under this subsection.

9 (2) The Agency shall accept written comments concerning
10 the permit application that are postmarked no later than 30
11 days after the filing of the permit application, unless the
12 time period to accept comments is extended by the Agency.

13 (3) Each applicant for a permit described in part (1) of
14 this subsection shall file a copy of the permit application
15 with the county board or governing body of the municipality in
16 which the MSWLF unit is or is proposed to be located at the
17 same time the application is submitted to the Agency. The
18 permit application filed with the county board or governing
19 body of the municipality shall include all documents submitted
20 to or to be submitted to the Agency, except trade secrets as
21 determined under Section 7.1 of this Act. The permit
22 application and other documents on file with the county board
23 or governing body of the municipality shall be made available
24 for public inspection during regular business hours at the
25 office of the county board or the governing body of the
26 municipality and may be copied upon payment of the actual cost

1 of reproduction.

2 (q) Within 6 months after July 12, 2011 (the effective
3 date of Public Act 97-95), the Agency, in consultation with
4 the regulated community, shall develop a web portal to be
5 posted on its website for the purpose of enhancing review and
6 promoting timely issuance of permits required by this Act. At
7 a minimum, the Agency shall make the following information
8 available on the web portal:

9 (1) Checklists and guidance relating to the completion
10 of permit applications, developed pursuant to subsection
11 (s) of this Section, which may include, but are not
12 limited to, existing instructions for completing the
13 applications and examples of complete applications. As the
14 Agency develops new checklists and develops guidance, it
15 shall supplement the web portal with those materials.

16 (2) Within 2 years after July 12, 2011 (the effective
17 date of Public Act 97-95), permit application forms or
18 portions of permit applications that can be completed and
19 saved electronically, and submitted to the Agency
20 electronically with digital signatures.

21 (3) Within 2 years after July 12, 2011 (the effective
22 date of Public Act 97-95), an online tracking system where
23 an applicant may review the status of its pending
24 application, including the name and contact information of
25 the permit analyst assigned to the application. Until the
26 online tracking system has been developed, the Agency

1 shall post on its website semi-annual permitting
2 efficiency tracking reports that include statistics on the
3 timeframes for Agency action on the following types of
4 permits received after July 12, 2011 (the effective date
5 of Public Act 97-95): air construction permits, new NPDES
6 permits and associated water construction permits, and
7 modifications of major NPDES permits and associated water
8 construction permits. The reports must be posted by
9 February 1 and August 1 each year and shall include:

10 (A) the number of applications received for each
11 type of permit, the number of applications on which
12 the Agency has taken action, and the number of
13 applications still pending; and

14 (B) for those applications where the Agency has
15 not taken action in accordance with the timeframes set
16 forth in this Act, the date the application was
17 received and the reasons for any delays, which may
18 include, but shall not be limited to, (i) the
19 application being inadequate or incomplete, (ii)
20 scientific or technical disagreements with the
21 applicant, USEPA, or other local, state, or federal
22 agencies involved in the permitting approval process,
23 (iii) public opposition to the permit, or (iv) Agency
24 staffing shortages. To the extent practicable, the
25 tracking report shall provide approximate dates when
26 cause for delay was identified by the Agency, when the

1 Agency informed the applicant of the problem leading
2 to the delay, and when the applicant remedied the
3 reason for the delay.

4 (r) Upon the request of the applicant, the Agency shall
5 notify the applicant of the permit analyst assigned to the
6 application upon its receipt.

7 (s) The Agency is authorized to prepare and distribute
8 guidance documents relating to its administration of this
9 Section and procedural rules implementing this Section.
10 Guidance documents prepared under this subsection shall not be
11 considered rules and shall not be subject to the Illinois
12 Administrative Procedure Act. Such guidance shall not be
13 binding on any party.

14 (t) Except as otherwise prohibited by federal law or
15 regulation, any person submitting an application for a permit
16 may include with the application suggested permit language for
17 Agency consideration. The Agency is not obligated to use the
18 suggested language or any portion thereof in its permitting
19 decision. If requested by the permit applicant, the Agency
20 shall meet with the applicant to discuss the suggested
21 language.

22 (u) If requested by the permit applicant, the Agency shall
23 provide the permit applicant with a copy of the draft permit
24 prior to any public review period.

25 (v) If requested by the permit applicant, the Agency shall
26 provide the permit applicant with a copy of the final permit

1 prior to its issuance.

2 (w) An air pollution permit shall not be required due to
3 emissions of greenhouse gases, as specified by Section 9.15 of
4 this Act.

5 (x) If, before the expiration of a State operating permit
6 that is issued pursuant to subsection (a) of this Section and
7 contains federally enforceable conditions limiting the
8 potential to emit of the source to a level below the major
9 source threshold for that source so as to exclude the source
10 from the Clean Air Act Permit Program, the Agency receives a
11 complete application for the renewal of that permit, then all
12 of the terms and conditions of the permit shall remain in
13 effect until final administrative action has been taken on the
14 application for the renewal of the permit.

15 (y) The Agency may issue permits exclusively under this
16 subsection to persons owning or operating a CCR surface
17 impoundment subject to Section 22.59.

18 (z) If a mass animal mortality event is declared by the
19 Department of Agriculture in accordance with the Animal
20 Mortality Act:

21 (1) the owner or operator responsible for the disposal
22 of dead animals is exempted from the following:

23 (i) obtaining a permit for the construction,
24 installation, or operation of any type of facility or
25 equipment issued in accordance with subsection (a) of
26 this Section;

1 (ii) obtaining a permit for open burning in
2 accordance with the rules adopted by the Board; and

3 (iii) registering the disposal of dead animals as
4 an eligible small source with the Agency in accordance
5 with Section 9.14 of this Act;

6 (2) as applicable, the owner or operator responsible
7 for the disposal of dead animals is required to obtain the
8 following permits:

9 (i) an NPDES permit in accordance with subsection
10 (b) of this Section;

11 (ii) a PSD permit or an NA NSR permit in accordance
12 with Section 9.1 of this Act;

13 (iii) a lifetime State operating permit or a
14 federally enforceable State operating permit, in
15 accordance with subsection (a) of this Section; or

16 (iv) a CAAPP permit, in accordance with Section
17 39.5 of this Act.

18 All CCR surface impoundment permits shall contain those
19 terms and conditions, including, but not limited to, schedules
20 of compliance, which may be required to accomplish the
21 purposes and provisions of this Act, Board regulations, the
22 Illinois Groundwater Protection Act and regulations pursuant
23 thereto, and the Resource Conservation and Recovery Act and
24 regulations pursuant thereto, and may include schedules for
25 achieving compliance therewith as soon as possible.

26 The Board shall adopt filing requirements and procedures

1 that are necessary and appropriate for the issuance of CCR
2 surface impoundment permits and that are consistent with this
3 Act or regulations adopted by the Board, and with the RCRA, as
4 amended, and regulations pursuant thereto.

5 The applicant shall make available to the public for
6 inspection all documents submitted by the applicant to the
7 Agency in furtherance of an application, with the exception of
8 trade secrets, on its public internet website as well as at the
9 office of the county board or governing body of the
10 municipality where CCR from the CCR surface impoundment will
11 be permanently disposed. Such documents may be copied upon
12 payment of the actual cost of reproduction during regular
13 business hours of the local office.

14 The Agency shall issue a written statement concurrent with
15 its grant or denial of the permit explaining the basis for its
16 decision.

17 (Source: P.A. 101-171, eff. 7-30-19; 102-216, eff. 1-1-22;
18 102-558, eff. 8-20-21; 102-813, eff. 5-13-22.)

19 Section 45. The Electric Transmission Systems Construction
20 Standards Act is amended by changing Sections 5 and 15 as
21 follows:

22 (220 ILCS 32/5)

23 Sec. 5. Definitions. For the purposes of this Act:

24 "Commission" means the Illinois Commerce Commission.

1 "Construction contractor" means any entity that is not a
2 utility and that is responsible for the construction,
3 installation, maintenance, or repair of electric transmission
4 systems subject to this Act.

5 "Electric transmission systems" means an electrical
6 transmission system designed and constructed with the
7 capability of being safely and reliably energized at 69
8 kilovolts or more, including transmission lines, transmission
9 towers, conductors, insulators, foundations, grounding
10 systems, access roads, and all associated transmission
11 facilities, including transmission substations. "Electric
12 transmission systems" does not include (i) projects located on
13 the electric generating facility's side of the facility's
14 point of interconnection or (ii) facilities not functionally
15 classified as transmission systems, regardless of voltage.

16 "OSHA" means Occupational Safety and Health
17 Administration.

18 "Utility" has the meaning given to the ~~that~~ term "public
19 utility" in Section 3-105 of the Public Utilities Act, except
20 "utility" does not include a public utility, as defined in
21 Section 3-105 of the Public Utilities Act, if that public
22 utility does not serve residential customers.

23 (Source: P.A. 103-1066, eff. 2-20-25.)

24 (220 ILCS 32/15)

25 Sec. 15. Requirements for construction contractors.

1 (a) Prevailing wage compliance. All ~~utilities and~~
2 construction contractors responsible for the construction,
3 installation, maintenance, or repair of electric transmission
4 systems shall pay employees performing the construction,
5 installation, maintenance, or repair work of such systems
6 wages and benefits consistent with the Prevailing Wage Act.

7 (b) Training and competence requirement. To ensure safety
8 and reliability in the construction, installation,
9 maintenance, and repair of electric transmission systems, each
10 ~~electric utility and~~ construction contractor must demonstrate
11 the competence of their employees who are performing the work
12 of construction, installation, maintenance, or repair of
13 electric transmission systems, which shall be consistent with
14 the standards required by Illinois utilities as of January 1,
15 2007, or greater. Competence must include, at a minimum: (1)
16 completion, or active participation with ultimate completion,
17 in an accredited or recognized apprenticeship program for the
18 relevant craft, trade, or skill; or (2) a minimum of 2 years of
19 direct employment in the specific work function.

20 The Commission shall oversee compliance to ensure
21 employees meet these standards.

22 (c) Safety training. All employees engaged in the
23 construction, installation, maintenance, or repair of electric
24 transmission systems must successfully complete OSHA-certified
25 safety training required for their specific roles on the
26 project site.

1 (d) Diversity Plan.

2 (1) All construction contractors engaged in the
3 construction, installation, maintenance, or repair of
4 electric transmission systems shall develop a Diversity
5 Plan that sets forth:

6 (A) the goals for apprenticeship hours to be
7 performed by minorities and women;

8 (B) the goals for total hours to be performed by
9 underrepresented minorities and women; and

10 (C) spending for women-owned, minority-owned,
11 veteran-owned, and small business enterprises in the
12 previous calendar year.

13 (2) These goals shall be expressed as a percentage of
14 the total work performed by the construction contractor
15 submitting the plan and the actual spending for all
16 women-owned, minority-owned, veteran-owned, and small
17 business enterprises shall also be expressed as a
18 percentage of the total work performed by the construction
19 contractor submitting the Diversity Plan.

20 (3) For purposes of the Diversity Plan, minorities and
21 women shall have the same definition as defined in the
22 Business Enterprise for Minorities, Women, and Persons
23 with Disabilities Act.

24 (4) The construction contractor shall submit the
25 Diversity Plan to the Commission.

26 (Source: P.A. 103-1066, eff. 2-20-25.)

1 Section 97. Severability. The provisions of this Act are
2 severable under Section 1.31 of the Statute on Statutes.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.".