



LRB104 13626 AAS 26257 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 Illinois Finance Authority Act is amended by adding Section 850-20 as follows:

(20 ILCS 3501/850-20 new)

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

(a) As used in this Section:

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

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

(b) In its role as the Climate Bank for the State, the

1 Authority may, subject to available funding, establish and
2 administer a Thermal Energy Network Revolving Loan Program.
3 The Program shall provide access to capital for thermal energy
4 network projects that take into consideration the risks
5 involved in the development of shared heating and cooling
6 systems and the required coordination among multiple
7 customers, as well as the benefits of enabling low-cost
8 decarbonization of residential, commercial, and industrial
9 buildings and processes.

10 (c) The Authority may establish internal accounts
11 necessary to administer the Program, identify sources of
12 public and private funding and financial capital, and develop
13 any requirements or agreements necessary to successfully
14 execute the Program.

15 (d) The Authority shall coordinate and enter into any
16 necessary agreements with the Illinois Commerce Commission to
17 (i) develop and offer funding and financing to thermal energy
18 network pilot projects approved by the Commission under
19 subsection (c) of Section 8-513 of the Public Utilities Act,
20 (ii) receive funds as necessary and as approved by the
21 Commission under subsection (d) of Section 8-513 of the Public
22 Utilities Act, and (iii) establish any requirements necessary
23 to ensure compliance with the objectives of any federal
24 funding sources secured to support the Program.

25 (e) All repayments of loans made under the Program shall
26 be used or leveraged to provide additional capital to thermal

1 energy network pilot projects that support the clean energy
2 goals of the State, in coordination with any rules established
3 by the Illinois Commerce Commission under subsection (i) of
4 Section 8-513 of the Public Utilities Act.

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

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

10 (20 ILCS 3855/1-10)

11 Sec. 1-10. Definitions.

12 "Agency" means the Illinois Power Agency.

13 "Agency loan agreement" means any agreement pursuant to
14 which the Illinois Finance Authority agrees to loan the
15 proceeds of revenue bonds issued with respect to a project to
16 the Agency upon terms providing for loan repayment
17 installments at least sufficient to pay when due all principal
18 of, interest and premium, if any, on those revenue bonds, and
19 providing for maintenance, insurance, and other matters in
20 respect of the project.

21 "Authority" means the Illinois Finance Authority.

22 "Brownfield site photovoltaic project" means photovoltaics
23 that are either:

24 (1) interconnected to an electric utility as defined

1 in this Section, a municipal utility as defined in this
2 Section, a public utility as defined in Section 3-105 of
3 the Public Utilities Act, or an electric cooperative as
4 defined in Section 3-119 of the Public Utilities Act and
5 located at a site that is regulated by any of the following
6 entities under the following programs:

7 (A) the United States Environmental Protection
8 Agency under the federal Comprehensive Environmental
9 Response, Compensation, and Liability Act of 1980, as
10 amended;

11 (B) the United States Environmental Protection
12 Agency under the Corrective Action Program of the
13 federal Resource Conservation and Recovery Act, as
14 amended;

15 (C) the Illinois Environmental Protection Agency
16 under the Illinois Site Remediation Program; or

17 (D) the Illinois Environmental Protection Agency
18 under the Illinois Solid Waste Program; or

19 (2) located at the site of a coal mine that has
20 permanently ceased coal production, permanently halted any
21 re-mining operations, and is no longer accepting any coal
22 combustion residues; has both completed all clean-up and
23 remediation obligations under the federal Surface Mining
24 and Reclamation Act of 1977 and all applicable Illinois
25 rules and any other clean-up, remediation, or ongoing
26 monitoring to safeguard the health and well-being of the

1 people of the State of Illinois, as well as demonstrated
2 compliance with all applicable federal and State
3 environmental rules and regulations, including, but not
4 limited, to 35 Ill. Adm. Code Part 845 and any rules for
5 historic fill of coal combustion residuals, including any
6 rules finalized in Subdocket A of Illinois Pollution
7 Control Board docket R2020-019.

8 "Clean coal facility" means an electric generating
9 facility that uses primarily coal as a feedstock and that
10 captures and sequesters carbon dioxide emissions at the
11 following levels: at least 50% of the total carbon dioxide
12 emissions that the facility would otherwise emit if, at the
13 time construction commences, the facility is scheduled to
14 commence operation before 2016, at least 70% of the total
15 carbon dioxide emissions that the facility would otherwise
16 emit if, at the time construction commences, the facility is
17 scheduled to commence operation during 2016 or 2017, and at
18 least 90% of the total carbon dioxide emissions that the
19 facility would otherwise emit if, at the time construction
20 commences, the facility is scheduled to commence operation
21 after 2017. The power block of the clean coal facility shall
22 not exceed allowable emission rates for sulfur dioxide,
23 nitrogen oxides, carbon monoxide, particulates and mercury for
24 a natural gas-fired combined-cycle facility the same size as
25 and in the same location as the clean coal facility at the time
26 the clean coal facility obtains an approved air permit. All

1 coal used by a clean coal facility shall have high volatile
2 bituminous rank and greater than 1.7 pounds of sulfur per
3 million Btu content, unless the clean coal facility does not
4 use gasification technology and was operating as a
5 conventional coal-fired electric generating facility on June
6 1, 2009 (the effective date of Public Act 95-1027).

7 "Clean coal SNG brownfield facility" means a facility that
8 (1) has commenced construction by July 1, 2015 on an urban
9 brownfield site in a municipality with at least 1,000,000
10 residents; (2) uses a gasification process to produce
11 substitute natural gas; (3) uses coal as at least 50% of the
12 total feedstock over the term of any sourcing agreement with a
13 utility and the remainder of the feedstock may be either
14 petroleum coke or coal, with all such coal having a high
15 bituminous rank and greater than 1.7 pounds of sulfur per
16 million Btu content unless the facility reasonably determines
17 that it is necessary to use additional petroleum coke to
18 deliver additional consumer savings, in which case the
19 facility shall use coal for at least 35% of the total feedstock
20 over the term of any sourcing agreement; and (4) captures and
21 sequesters at least 85% of the total carbon dioxide emissions
22 that the facility would otherwise emit.

23 "Clean coal SNG facility" means a facility that uses a
24 gasification process to produce substitute natural gas, that
25 sequesters at least 90% of the total carbon dioxide emissions
26 that the facility would otherwise emit, that uses at least 90%

1 coal as a feedstock, with all such coal having a high
2 bituminous rank and greater than 1.7 pounds of sulfur per
3 million Btu content, and that has a valid and effective permit
4 to construct emission sources and air pollution control
5 equipment and approval with respect to the federal regulations
6 for Prevention of Significant Deterioration of Air Quality
7 (PSD) for the plant pursuant to the federal Clean Air Act;
8 provided, however, a clean coal SNG brownfield facility shall
9 not be a clean coal SNG facility.

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

12 "Commission" means the Illinois Commerce Commission.

13 "Community renewable generation project" means an electric
14 generating facility that:

15 (1) is powered by wind, solar thermal energy,
16 photovoltaic cells or panels, biodiesel, crops and
17 untreated and unadulterated organic waste biomass, and
18 hydropower that does not involve new construction of dams;

19 (2) is interconnected at the distribution system level
20 of an electric utility as defined in this Section, a
21 municipal utility as defined in this Section that owns or
22 operates electric distribution facilities, a public
23 utility as defined in Section 3-105 of the Public
24 Utilities Act, or an electric cooperative, as defined in
25 Section 3-119 of the Public Utilities Act;

26 (3) credits the value of electricity generated by the

1 facility to the subscribers of the facility; and

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

6 "Costs incurred in connection with the development and
7 construction of a facility" means:

8 (1) the cost of acquisition of all real property,
9 fixtures, and improvements in connection therewith and
10 equipment, personal property, and other property, rights,
11 and easements acquired that are deemed necessary for the
12 operation and maintenance of the facility;

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

15 (3) all origination, commitment, utilization,
16 facility, placement, underwriting, syndication, credit
17 enhancement, and rating agency fees;

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

24 (5) the costs of plans, specifications, site study and
25 investigation, installation, surveys, other Agency costs
26 and estimates of costs, and other expenses necessary or

1 incidental to determining the feasibility of any project,
2 together with such other expenses as may be necessary or
3 incidental to the financing, insuring, acquisition, and
4 construction of a specific project and starting up,
5 commissioning, and placing that project in operation.

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

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

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

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

15 "Demand-response" means measures that decrease peak
16 electricity demand or shift demand from peak to off-peak
17 periods.

18 "Distributed renewable energy generation device" means a
19 device that is:

20 (1) powered by wind, solar thermal energy,
21 photovoltaic cells or panels, biodiesel, crops and
22 untreated and unadulterated organic waste biomass, tree
23 waste, and hydropower that does not involve new
24 construction of dams, waste heat to power systems, or
25 qualified combined heat and power systems;

26 (2) interconnected at the distribution system level of

1 either an electric utility as defined in this Section, a
2 municipal utility as defined in this Section that owns or
3 operates electric distribution facilities, or a rural
4 electric cooperative as defined in Section 3-119 of the
5 Public Utilities Act;

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

9 (4) (blank); and

10 (5) for purposes of application to the programs
11 described in paragraph (2) of subsection (b) of Section
12 1-56 and subparagraphs (K) through (M) of paragraph (1) of
13 subsection (c) of Section 1-75 of this Act, is limited in
14 nameplate capacity to less than or equal to 5,000
15 kilowatts, as measured through the aggregate size of
16 installed capacity on the same or adjacent parcels.

17 "Energy efficiency" means measures that reduce the amount
18 of electricity or natural gas consumed in order to achieve a
19 given end use. "Energy efficiency" includes voltage
20 optimization measures that optimize the voltage at points on
21 the electric distribution voltage system and thereby reduce
22 electricity consumption by electric customers' end use
23 devices. "Energy efficiency" also includes measures that
24 reduce the total Btus of electricity, natural gas, and other
25 fuels needed to meet the end use or uses.

26 "Energy storage system" has the meaning given to that term

1 in Section 16-135 of the Public Utilities Act.

2 "Energy storage resources" means the operational output or
3 capabilities of energy storage systems. "Energy storage
4 resources" includes, but is not limited to, energy, capacity,
5 and energy storage credits.

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

8 "Equity investment eligible community" or "eligible
9 community" are synonymous and mean the geographic areas
10 throughout Illinois which would most benefit from equitable
11 investments by the State designed to combat discrimination.
12 Specifically, the eligible communities shall be defined as the
13 following areas:

14 (1) R3 Areas as established pursuant to Section 10-40
15 of the Cannabis Regulation and Tax Act, where residents
16 have historically been excluded from economic
17 opportunities, including opportunities in the energy
18 sector; and

19 (2) environmental justice communities, as defined by
20 the Illinois Power Agency pursuant to the Illinois Power
21 Agency Act, where residents have historically been subject
22 to disproportionate burdens of pollution, including
23 pollution from the energy sector.

24 "Equity eligible persons" or "eligible persons" means
25 persons who would most benefit from equitable investments by
26 the State designed to combat discrimination, specifically:

1 (1) persons who graduate from or are current or former
2 participants in the Clean Jobs Workforce Network Program,
3 the Clean Energy Contractor Incubator Program, the
4 Illinois Climate Works Preapprenticeship Program,
5 Returning Residents Clean Jobs Training Program, or the
6 Clean Energy Primes Contractor Accelerator Program, and
7 the solar training pipeline and multi-cultural jobs
8 program created in paragraphs (a) (1) and (a) (3) of Section
9 16-208.12 of the Public Utilities Act;

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

12 (3) persons who were formerly incarcerated;

13 (4) persons whose primary residence is in an equity
14 investment eligible community.

15 "Equity eligible contractor" means a business that is
16 majority-owned by eligible persons, or a nonprofit or
17 cooperative that is majority-governed by eligible persons, or
18 is a natural person that is an eligible person offering
19 personal services as an independent contractor.

20 "Facility" means an electric generating unit or a
21 co-generating unit that produces electricity along with
22 related equipment necessary to connect the facility to an
23 electric transmission or distribution system.

24 "General contractor" means the entity or organization with
25 main responsibility for the building of a construction project
26 and who is the party signing the prime construction contract

1 for the project.

2 "Governmental aggregator" means one or more units of local
3 government that individually or collectively procure
4 electricity to serve residential retail electrical loads
5 located within its or their jurisdiction.

6 "High voltage direct current converter station" means the
7 collection of equipment that converts direct current energy
8 from a high voltage direct current transmission line into
9 alternating current using Voltage Source Conversion technology
10 and that is interconnected with transmission or distribution
11 assets located in Illinois.

12 "High voltage direct current renewable energy credit"
13 means a renewable energy credit associated with a renewable
14 energy resource where the renewable energy resource has
15 entered into a contract to transmit the energy associated with
16 such renewable energy credit over high voltage direct current
17 transmission facilities.

18 "High voltage direct current transmission facilities"
19 means the collection of installed equipment that converts
20 alternating current energy in one location to direct current
21 and transmits that direct current energy to a high voltage
22 direct current converter station using Voltage Source
23 Conversion technology. "High voltage direct current
24 transmission facilities" includes the high voltage direct
25 current converter station itself and associated high voltage
26 direct current transmission lines. Notwithstanding the

1 preceding, after September 15, 2021 (the effective date of
2 Public Act 102-662), an otherwise qualifying collection of
3 equipment does not qualify as high voltage direct current
4 transmission facilities unless its developer entered into a
5 project labor agreement, is capable of transmitting
6 electricity at 525kv with an Illinois converter station
7 located and interconnected in the region of the PJM
8 Interconnection, LLC, and the system does not operate as a
9 public utility, as that term is defined in Section 3-105 of the
10 Public Utilities Act.

11 "Hydropower" means any method of electricity generation or
12 storage that results from the flow of water, including
13 impoundment facilities, diversion facilities, and pumped
14 storage facilities.

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

18 "Indexed renewable energy credit" means a tradable credit
19 that represents the environmental attributes of one megawatt
20 hour of energy produced from a renewable energy resource, the
21 price of which shall be calculated by subtracting the strike
22 price offered by a new utility-scale wind project or a new
23 utility-scale photovoltaic project from the index price in a
24 given settlement period.

25 "Indexed renewable energy credit counterparty" has the
26 same meaning as "public utility" as defined in Section 3-105

1 of the Public Utilities Act.

2 "Local government" means a unit of local government as
3 defined in Section 1 of Article VII of the Illinois
4 Constitution.

5 "Modernized" or "retooled" means the construction, repair,
6 maintenance, or significant expansion of turbines and existing
7 hydropower dams.

8 "Municipality" means a city, village, or incorporated
9 town.

10 "Municipal utility" means a public utility owned and
11 operated by any subdivision or municipal corporation of this
12 State.

13 "Nameplate capacity" means the aggregate inverter
14 nameplate capacity in kilowatts AC.

15 "Person" means any natural person, firm, partnership,
16 corporation, either domestic or foreign, company, association,
17 limited liability company, joint stock company, or association
18 and includes any trustee, receiver, assignee, or personal
19 representative thereof.

20 "Project" means the planning, bidding, and construction of
21 a facility.

22 "Project labor agreement" means a pre-hire collective
23 bargaining agreement that covers all terms and conditions of
24 employment on a specific construction project and must include
25 the following:

26 (1) provisions establishing the minimum hourly wage

1 for each class of labor organization employee;

2 (2) provisions establishing the benefits and other
3 compensation for each class of labor organization
4 employee;

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

7 (4) provisions establishing that no lockout or
8 disputes will be engaged in by the general contractor
9 building the project; and

10 (5) provisions for minorities and women, as defined
11 under the Business Enterprise for Minorities, Women, and
12 Persons with Disabilities Act, setting forth goals for
13 apprenticeship hours to be performed by minorities and
14 women and setting forth goals for total hours to be
15 performed by underrepresented minorities and women.

16 A labor organization and the general contractor building
17 the project shall have the authority to include other terms
18 and conditions as they deem necessary.

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

21 "Qualified combined heat and power systems" means systems
22 that, either simultaneously or sequentially, produce
23 electricity and useful thermal energy from a single fuel
24 source. Such systems are eligible for "renewable energy
25 credits" in an amount equal to its total energy output where a
26 renewable fuel is consumed or in an amount equal to the net

1 reduction in nonrenewable fuel consumed on a total energy
2 output basis.

3 "Real property" means any interest in land together with
4 all structures, fixtures, and improvements thereon, including
5 lands under water and riparian rights, any easements,
6 covenants, licenses, leases, rights-of-way, uses, and other
7 interests, together with any liens, judgments, mortgages, or
8 other claims or security interests related to real property.

9 "Renewable energy credit" means a tradable credit that
10 represents the environmental attributes of one megawatt hour
11 of energy produced from a renewable energy resource.

12 "Renewable energy resources" includes energy and its
13 associated renewable energy credit or renewable energy credits
14 from wind, solar thermal energy, photovoltaic cells and
15 panels, biodiesel, anaerobic digestion, crops and untreated
16 and unadulterated organic waste biomass, and hydropower that
17 does not involve new construction of dams, waste heat to power
18 systems, or qualified combined heat and power systems. For
19 purposes of this Act, landfill gas produced in the State is
20 considered a renewable energy resource. "Renewable energy
21 resources" does not include the incineration or burning of
22 tires, garbage, general household, institutional, and
23 commercial waste, industrial lunchroom or office waste,
24 landscape waste, railroad crossties, utility poles, or
25 construction or demolition debris, other than untreated and
26 unadulterated waste wood. "Renewable energy resources" also

1 includes high voltage direct current renewable energy credits
2 and the associated energy converted to alternating current by
3 a high voltage direct current converter station to the extent
4 that: (1) the generator of such renewable energy resource
5 contracted with a third party to transmit the energy over the
6 high voltage direct current transmission facilities, and (2)
7 the third-party contracting for delivery of renewable energy
8 resources over the high voltage direct current transmission
9 facilities have ownership rights over the unretired associated
10 high voltage direct current renewable energy credit.

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

13 "Revenue bond" means any bond, note, or other evidence of
14 indebtedness issued by the Authority, the principal and
15 interest of which is payable solely from revenues or income
16 derived from any project or activity of the Agency.

17 "Sequester" means permanent storage of carbon dioxide by
18 injecting it into a saline aquifer, a depleted gas reservoir,
19 or an oil reservoir, directly or through an enhanced oil
20 recovery process that may involve intermediate storage,
21 regardless of whether these activities are conducted by a
22 clean coal facility, a clean coal SNG facility, a clean coal
23 SNG brownfield facility, or a party with which a clean coal
24 facility, clean coal SNG facility, or clean coal SNG
25 brownfield facility has contracted for such purposes.

26 "Service area" has the same definition as found in Section

1 16-102 of the Public Utilities Act.

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

5 "Sourcing agreement" means (i) in the case of an electric
6 utility, an agreement between the owner of a clean coal
7 facility and such electric utility, which agreement shall have
8 terms and conditions meeting the requirements of paragraph (3)
9 of subsection (d) of Section 1-75, (ii) in the case of an
10 alternative retail electric supplier, an agreement between the
11 owner of a clean coal facility and such alternative retail
12 electric supplier, which agreement shall have terms and
13 conditions meeting the requirements of Section 16-115(d)(5) of
14 the Public Utilities Act, and (iii) in case of a gas utility,
15 an agreement between the owner of a clean coal SNG brownfield
16 facility and the gas utility, which agreement shall have the
17 terms and conditions meeting the requirements of subsection
18 (h-1) of Section 9-220 of the Public Utilities Act.

19 "Strike price" means a contract price for energy and
20 renewable energy credits from a new utility-scale wind project
21 or a new utility-scale photovoltaic project.

22 "Subscriber" means a person who (i) takes delivery service
23 from an electric utility, and (ii) has a subscription of no
24 less than 200 watts to a community renewable generation
25 project that is located in the electric utility's service
26 area. No subscriber's subscriptions may total more than 40% of

1 the nameplate capacity of an individual community renewable
2 generation project. Entities that are affiliated by virtue of
3 a common parent shall not represent multiple subscriptions
4 that total more than 40% of the nameplate capacity of an
5 individual community renewable generation project.

6 "Subscription" means an interest in a community renewable
7 generation project expressed in kilowatts, which is sized
8 primarily to offset part or all of the subscriber's
9 electricity usage.

10 "Substitute natural gas" or "SNG" means a gas manufactured
11 by gasification of hydrocarbon feedstock, which is
12 substantially interchangeable in use and distribution with
13 conventional natural gas.

14 "Total resource cost test" or "TRC test" means a standard
15 that is met if, for an investment in energy efficiency or
16 demand-response measures, the benefit-cost ratio is greater
17 than one. The benefit-cost ratio is the ratio of the net
18 present value of the total benefits of the program to the net
19 present value of the total costs as calculated over the
20 lifetime of the measures. A total resource cost test compares
21 the sum of avoided electric utility costs, representing the
22 benefits that accrue to the system and the participant in the
23 delivery of those efficiency measures and including avoided
24 costs associated with reduced use of natural gas or other
25 fuels, avoided costs associated with reduced water
26 consumption, and avoided costs associated with reduced

1 operation and maintenance costs, as well as other quantifiable
2 societal benefits, to the sum of all incremental costs of
3 end-use measures that are implemented due to the program
4 (including both utility and participant contributions), plus
5 costs to administer, deliver, and evaluate each demand-side
6 program, to quantify the net savings obtained by substituting
7 the demand-side program for supply resources. In calculating
8 avoided costs of power and energy that an electric utility
9 would otherwise have had to acquire, reasonable estimates
10 shall be included of financial costs likely to be imposed by
11 future regulations and legislation on emissions of greenhouse
12 gases. In discounting future societal costs and benefits for
13 the purpose of calculating net present values, a societal
14 discount rate based on actual, long-term Treasury bond yields
15 should be used. Notwithstanding anything to the contrary, the
16 TRC test shall not include or take into account a calculation
17 of market price suppression effects or demand reduction
18 induced price effects.

19 "Utility-scale solar project" means an electric generating
20 facility that:

21 (1) generates electricity using photovoltaic cells;
22 and

23 (2) has a nameplate capacity that is greater than
24 5,000 kilowatts.

25 "Utility-scale wind project" means an electric generating
26 facility that:

(1) generates electricity using wind; and

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

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

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

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

(Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23; 103-380, eff. 1-1-24.)

(20 ILCS 3855/1-20)

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

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

(1) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for small multi-jurisdictional

1 electric utilities that (A) on December 31, 2005 served
2 less than 100,000 customers in Illinois and (B) request a
3 procurement plan for their Illinois jurisdictional load.
4 Except as provided in paragraph (1.5) of this subsection
5 (a), the electricity procurement plans shall be updated on
6 an annual basis and shall include electricity generated
7 from renewable resources sufficient to achieve the
8 standards specified in this Act. Beginning with the
9 delivery year commencing June 1, 2017, develop procurement
10 plans to include zero emission credits generated from zero
11 emission facilities sufficient to achieve the standards
12 specified in this Act. Beginning with the delivery year
13 commencing on June 1, 2022, the Agency is authorized to
14 develop carbon mitigation credit procurement plans to
15 include carbon mitigation credits generated from
16 carbon-free energy resources sufficient to achieve the
17 standards specified in this Act.

18 (1.5) Develop a long-term renewable resources
19 procurement plan in accordance with subsection (c) of
20 Section 1-75 of this Act for renewable energy credits in
21 amounts sufficient to achieve the standards specified in
22 this Act for delivery years commencing June 1, 2017 and
23 for the programs and renewable energy credits specified in
24 Section 1-56 of this Act. Electricity procurement plans
25 for delivery years commencing after May 31, 2017, shall
26 not include procurement of renewable energy resources.

1 (2) Conduct competitive procurement processes to
2 procure the supply resources identified in the electricity
3 procurement plan, pursuant to Section 16-111.5 of the
4 Public Utilities Act, and, for the delivery year
5 commencing June 1, 2017, conduct procurement processes to
6 procure zero emission credits from zero emission
7 facilities, under subsection (d-5) of Section 1-75 of this
8 Act. For the delivery year commencing June 1, 2022, the
9 Agency is authorized to conduct procurement processes to
10 procure carbon mitigation credits from carbon-free energy
11 resources, under subsection (d-10) of Section 1-75 of this
12 Act.

13 (2.5) Beginning with the procurement for the 2017
14 delivery year, conduct competitive procurement processes
15 and implement programs to procure renewable energy credits
16 identified in the long-term renewable resources
17 procurement plan developed and approved under subsection
18 (c) of Section 1-75 of this Act and Section 16-111.5 of the
19 Public Utilities Act.

20 (2.10) Oversee the procurement by electric utilities
21 that served more than 300,000 customers in this State as
22 of January 1, 2019 of renewable energy credits from new
23 renewable energy facilities to be installed, along with
24 energy storage facilities, at or adjacent to the sites of
25 electric generating facilities that burned coal as their
26 primary fuel source as of January 1, 2016 in accordance

1 with subsection (c-5) of Section 1-75 of this Act.

2 (2.15) Oversee the procurement by electric utilities
3 of renewable energy credits from newly modernized or
4 retooled hydropower dams or dams that have been converted
5 to support hydropower generation.

6 (3) Develop electric generation and co-generation
7 facilities that use indigenous coal or renewable
8 resources, or both, financed with bonds issued by the
9 Illinois Finance Authority.

10 (4) Supply electricity from the Agency's facilities at
11 cost to one or more of the following: municipal electric
12 systems, governmental aggregators, or rural electric
13 cooperatives in Illinois.

14 (5) Develop a long-term energy storage resources
15 procurement plan and conduct competitive procurement
16 processes in accordance with Section 1-93.

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

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

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

26 (3) To negotiate and enter into loan agreements and

1 other agreements with the Illinois Finance Authority.

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

6 (5) To purchase, receive, take by grant, gift, devise,
7 bequest, or otherwise, lease, or otherwise acquire, own,
8 hold, improve, employ, use, and otherwise deal in and
9 with, real or personal property whether tangible or
10 intangible, or any interest therein, within the State.

11 (6) To acquire real or personal property, whether
12 tangible or intangible, including without limitation
13 property rights, interests in property, franchises,
14 obligations, contracts, and debt and equity securities,
15 and to do so by the exercise of the power of eminent domain
16 in accordance with Section 1-21; except that any real
17 property acquired by the exercise of the power of eminent
18 domain must be located within the State.

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

23 (8) To purchase, take, receive, subscribe for, or
24 otherwise acquire, hold, make a tender offer for, vote,
25 employ, sell, lend, lease, exchange, transfer, or
26 otherwise dispose of, mortgage, pledge, or grant a

1 security interest in, use, and otherwise deal in and with,
2 bonds and other obligations, shares, or other securities
3 (or interests therein) issued by others, whether engaged
4 in a similar or different business or activity.

5 (9) To make and execute agreements, contracts, and
6 other instruments necessary or convenient in the exercise
7 of the powers and functions of the Agency under this Act,
8 including contracts with any person, including personal
9 service contracts, or with any local government, State
10 agency, or other entity; and all State agencies and all
11 local governments are authorized to enter into and do all
12 things necessary to perform any such agreement, contract,
13 or other instrument with the Agency. No such agreement,
14 contract, or other instrument shall exceed 40 years.

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

19 (11) To borrow money at such rate or rates of interest
20 as the Agency may determine, issue its notes, bonds, or
21 other obligations to evidence that indebtedness, and
22 secure any of its obligations by mortgage or pledge of its
23 real or personal property, machinery, equipment,
24 structures, fixtures, inventories, revenues, grants, and
25 other funds as provided or any interest therein, wherever
26 situated.

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

4 (13) To procure insurance against any loss in
5 connection with its properties or operations in such
6 amount or amounts and from such insurers, including the
7 federal government, as it may deem necessary or desirable,
8 and to pay any premiums therefor.

9 (14) To negotiate and enter into agreements with
10 trustees or receivers appointed by United States
11 bankruptcy courts or federal district courts or in other
12 proceedings involving adjustment of debts and authorize
13 proceedings involving adjustment of debts and authorize
14 legal counsel for the Agency to appear in any such
15 proceedings.

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

19 (16) To enter into management agreements for the
20 operation of any of the property or facilities owned by
21 the Agency.

22 (17) To enter into an agreement to transfer and to
23 transfer any land, facilities, fixtures, or equipment of
24 the Agency to one or more municipal electric systems,
25 governmental aggregators, or rural electric agencies or
26 cooperatives, for such consideration and upon such terms

1 as the Agency may determine to be in the best interest of
2 the residents of Illinois.

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

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

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

13 (21) To accept and expend appropriations.

14 (22) To engage in any activity or operation that is
15 incidental to and in furtherance of efficient operation to
16 accomplish the Agency's purposes, including hiring
17 employees that the Director deems essential for the
18 operations of the Agency.

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

25 (24) To establish and collect charges and fees as
26 described in this Act.

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

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

10 (27) To request, review and accept proposals, execute
11 contracts, purchase renewable energy credits and otherwise
12 dedicate funds from the Illinois Power Agency Renewable
13 Energy Resources Fund to create and carry out the
14 objectives of the Illinois Solar for All Program in
15 accordance with Section 1-56 of this Act.

16 (28) To ensure Illinois residents and business benefit
17 from programs administered by the Agency and are properly
18 protected from any deceptive or misleading marketing
19 practices by participants in the Agency's programs and
20 procurements.

21 (c) In conducting the procurement of electricity or other
22 products, beginning January 1, 2022, the Agency shall not
23 procure any products or services from persons or organizations
24 that are in violation of the Displaced Energy Workers Bill of
25 Rights, as provided under the Energy Community Reinvestment
26 Act at the time of the procurement event or fail to comply the

1 labor standards established in subparagraph (Q) of paragraph
2 (1) of subsection (c) of Section 1-75.

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

4 (20 ILCS 3855/1-56)

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

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

9 (b) The Illinois Power Agency Renewable Energy Resources
10 Fund shall be administered by the Agency as described in this
11 subsection (b), provided that the changes to this subsection
12 (b) made by Public Act 99-906 shall not interfere with
13 existing contracts under this Section.

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

18 (2) The Illinois Power Agency Renewable Energy
19 Resources Fund shall also be used to create the Illinois
20 Solar for All Program, which provides incentives for
21 low-income distributed generation and community solar
22 projects, and other associated approved expenditures. The
23 objectives of the Illinois Solar for All Program are to
24 bring photovoltaics to low-income communities in this
25 State in a manner that maximizes the development of new

1 photovoltaic generating facilities, to create a long-term,
2 low-income solar marketplace throughout this State, to
3 integrate, through interaction with stakeholders, with
4 existing energy efficiency initiatives, and to minimize
5 administrative costs. The Illinois Solar for All Program
6 shall be implemented in a manner that seeks to minimize
7 administrative costs, and maximize efficiencies and
8 synergies available through coordination with similar
9 initiatives, including the Adjustable Block program
10 described in subparagraphs (K) through (M) of paragraph
11 (1) of subsection (c) of Section 1-75, energy efficiency
12 programs, job training programs, ~~and~~ community action
13 agencies, and agencies that administer the Low Income Home
14 Energy Assistance Program. The Agency shall strive to
15 ensure that renewable energy credits procured through the
16 Illinois Solar for All Program and each of its subprograms
17 are purchased from projects across the breadth of
18 low-income and environmental justice communities in
19 Illinois, including both urban and rural communities, are
20 not concentrated in a few communities, and do not exclude
21 particular low-income or environmental justice
22 communities. The Agency shall include a description of its
23 proposed approach to the design, administration,
24 implementation and evaluation of the Illinois Solar for
25 All Program, as part of the long-term renewable resources
26 procurement plan authorized by subsection (c) of Section

1 1-75 of this Act, and the program shall be designed to grow
2 the low-income solar market. The Agency or utility, as
3 applicable, shall purchase renewable energy credits from
4 the (i) photovoltaic distributed renewable energy
5 generation projects and (ii) community solar projects that
6 are procured under procurement processes authorized by the
7 long-term renewable resources procurement plans approved
8 by the Commission.

9 The Illinois Solar for All Program shall include the
10 program offerings described in subparagraphs (A) through
11 (E) of this paragraph (2), which the Agency shall
12 implement through contracts with third-party providers
13 and, subject to appropriation, pay the approximate amounts
14 identified using monies available in the Illinois Power
15 Agency Renewable Energy Resources Fund. Each contract that
16 provides for the installation of solar facilities shall
17 provide that the solar facilities will produce energy and
18 economic benefits, at a level determined by the Agency to
19 be reasonable, for the participating low-income customers.
20 The monies available in the Illinois Power Agency
21 Renewable Energy Resources Fund and not otherwise
22 committed to contracts executed under subsection (i) of
23 this Section, as well as, in the case of the programs
24 described under subparagraphs (A) through (E) of this
25 paragraph (2), funding authorized pursuant to subparagraph
26 (O) of paragraph (1) of subsection (c) of Section 1-75 of

1 this Act, shall initially be allocated among the programs
2 described in this paragraph (2), as follows: 35% of these
3 funds shall be allocated to programs described in
4 subparagraphs (A) and (E) of this paragraph (2), 40% of
5 these funds shall be allocated to programs described in
6 subparagraph (B) of this paragraph (2), and 25% of these
7 funds shall be allocated to programs described in
8 subparagraph (C) of this paragraph (2). The allocation of
9 funds among subparagraphs (A), (B), (C), and (E) of this
10 paragraph (2) may be changed if the Agency, after
11 receiving input through a stakeholder process, determines
12 incentives in subparagraphs (A), (B), (C), or (E) of this
13 paragraph (2) have not been adequately subscribed to fully
14 utilize available Illinois Solar for All Program funds.

15 Contracts that will be paid with funds in the Illinois
16 Power Agency Renewable Energy Resources Fund shall be
17 executed by the Agency. Contracts that will be paid with
18 funds collected by an electric utility shall be executed
19 by the electric utility.

20 Contracts under the Illinois Solar for All Program
21 shall include an approach, as set forth in the long-term
22 renewable resources procurement plans, to ensure the
23 wholesale market value of the energy is credited to
24 participating low-income customers or organizations and to
25 ensure tangible economic benefits flow directly to program
26 participants, except in the case of low-income

1 multi-family housing where the low-income customer does
2 not directly pay for energy. Priority shall be given to
3 projects that demonstrate meaningful involvement of
4 low-income community members in designing the initial
5 proposals. Acceptable proposals to implement projects must
6 demonstrate the applicant's ability to conduct initial
7 community outreach, education, and recruitment of
8 low-income participants in the community. Projects must
9 include job training opportunities if available, with the
10 specific level of trainee usage to be determined through
11 the Agency's long-term renewable resources procurement
12 plan, and the Illinois Solar for All Program Administrator
13 shall coordinate with the job training programs described
14 in paragraph (1) of subsection (a) of Section 16-108.12 of
15 the Public Utilities Act and in the Energy Transition Act.

16 The Agency shall make every effort to ensure that
17 small and emerging businesses, particularly those located
18 in low-income and environmental justice communities, are
19 able to participate in the Illinois Solar for All Program.
20 These efforts may include, but shall not be limited to,
21 proactive support from the program administrator,
22 different or preferred access to subprograms and
23 administrator-identified customers or grassroots
24 education provider-identified customers, and different
25 incentive levels. The Agency shall report on progress and
26 barriers to participation of small and emerging businesses

1 in the Illinois Solar for All Program at least once a year.
2 The report shall be made available on the Agency's website
3 and, in years when the Agency is updating its long-term
4 renewable resources procurement plan, included in that
5 Plan.

6 (A) Low-income single-family and small multifamily
7 solar incentive. This program will provide incentives
8 to low-income customers, either directly or through
9 solar providers, to increase the participation of
10 low-income households in photovoltaic on-site
11 distributed generation at residential buildings
12 containing one to 4 units. Companies participating in
13 this program that install solar panels shall commit to
14 hiring job trainees for a portion of their low-income
15 installations, and an administrator shall facilitate
16 partnering the companies that install solar panels
17 with entities that provide solar panel installation
18 job training. It is a goal of this program that a
19 minimum of 25% of the incentives for this program be
20 allocated to projects located within environmental
21 justice communities. Contracts entered into under this
22 paragraph may be entered into with an entity that will
23 develop and administer the program and shall also
24 include contracts for renewable energy credits from
25 the photovoltaic distributed generation that is the
26 subject of the program, as set forth in the long-term

1 renewable resources procurement plan. Additionally:

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

22 (ii) Through its long-term renewable resources
23 procurement plan, the Agency shall consider
24 additional program and contract requirements to
25 ensure faithful compliance by applicants
26 benefiting from preferences for projects

1 designated to promote energy sovereignty. The
2 Agency shall make every effort to enable solar
3 providers already participating in the Adjustable
4 Block Program under subparagraph (K) of paragraph
5 (1) of subsection (c) of Section 1-75 of this Act,
6 and particularly solar providers developing
7 projects under item (i) of subparagraph (K) of
8 paragraph (1) of subsection (c) of Section 1-75 of
9 this Act to easily participate in the Low-Income
10 Distributed Generation Incentive program described
11 under this subparagraph (A), and vice versa. This
12 effort may include, but shall not be limited to,
13 utilizing similar or the same application systems
14 and processes, similar or the same forms and
15 formats of communication, and providing active
16 outreach to companies participating in one program
17 but not the other. The Agency shall report on
18 efforts made to encourage this cross-participation
19 in its long-term renewable resources procurement
20 plan.

21 (iii) To maximize equitable participation in
22 this program and overcome challenges facing the
23 development of residential solar projects, the
24 Agency may propose a payment structure for
25 contracts executed pursuant to this subparagraph
26 (A) under which applicant firms are advanced

1 capital that is disbursed after contract execution
2 but before the contracted project's energization,
3 upon a demonstration of qualification or need
4 under criteria established by the Agency that are
5 focused on supporting the small and emerging
6 businesses and the businesses that most acutely
7 face barriers to capital access, which severely
8 limits the businesses' participation in the
9 program described in this subparagraph (A). The
10 amount or percentage of capital advanced before
11 project energization shall be designed to overcome
12 the barriers in access to capital that are faced
13 by an applicant. The amount or percentage of
14 advanced capital may vary under this subparagraph
15 (A) by an applicant's demonstration of need, with
16 such levels to be established through the
17 Long-Term Renewable Resources Procurement Plan and
18 any application requirements or evaluation
19 criteria developed under that Plan.

20 (B) Low-Income Community Solar Project Initiative.
21 Incentives shall be offered to low-income customers,
22 either directly or through developers, to increase the
23 participation of low-income subscribers of community
24 solar projects. The developer of each project shall
25 identify its partnership with community stakeholders
26 regarding the location, development, and participation

1 in the project, provided that nothing shall preclude a
2 project from including an anchor tenant that does not
3 qualify as low-income. Companies participating in this
4 program that develop or install solar projects shall
5 commit to hiring job trainees for a portion of their
6 low-income installations, and an administrator shall
7 facilitate partnering the companies that install solar
8 projects with entities that provide solar installation
9 and related job training. It is a goal of this program
10 that a minimum of 25% of the incentives for this
11 program be allocated to community photovoltaic
12 projects in environmental justice communities. The
13 Agency shall reserve a portion of this program for
14 projects that promote energy sovereignty through
15 ownership of projects by low-income households,
16 not-for-profit organizations providing services to
17 low-income households, affordable housing owners, or
18 community-based limited liability companies providing
19 services to low-income households. Projects that
20 feature energy ownership should ensure that local
21 people have control of the project and reap benefits
22 from the project over and above energy bill savings.
23 The Agency may consider the inclusion of projects that
24 promote ownership over time or that involve partial
25 project ownership by communities, as promoting energy
26 sovereignty. Incentives for projects that promote

1 energy sovereignty may be higher than incentives for
2 equivalent projects that do not promote energy
3 sovereignty under this same program. Contracts entered
4 into under this paragraph may be entered into with
5 developers and shall also include contracts for
6 renewable energy credits related to the program.

7 (C) Incentives for non-profits and public
8 facilities. Under this program funds shall be used to
9 support on-site photovoltaic distributed renewable
10 energy generation devices to serve the load associated
11 with not-for-profit customers and to support
12 photovoltaic distributed renewable energy generation
13 that uses photovoltaic technology to serve the load
14 associated with public sector customers taking service
15 at public buildings. Companies participating in this
16 program that develop or install solar projects shall
17 commit to hiring job trainees for a portion of their
18 low-income installations, and an administrator shall
19 facilitate partnering the companies that install solar
20 projects with entities that provide solar installation
21 and related job training. Through its long-term
22 renewable resources procurement plan, the Agency shall
23 consider additional program and contract requirements
24 to ensure faithful compliance by applicants benefiting
25 from preferences for projects designated to promote
26 energy sovereignty. It is a goal of this program that

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

8 (D) (Blank).

9 (E) Low-income large multifamily solar incentive.

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

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

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

20 In addition to the programs outlined in paragraphs (A)
21 through (E), the Agency and other parties may propose
22 additional programs through the Long-Term Renewable
23 Resources Procurement Plan developed and approved under
24 paragraph (5) of subsection (b) of Section 16-111.5 of the
25 Public Utilities Act. Additional programs may target
26 market segments not specified above and may also include

1 incentives targeted to increase the uptake of
2 nonphotovoltaic technologies by low-income customers,
3 including energy storage paired with photovoltaics, if the
4 Commission determines that the Illinois Solar for All
5 Program would provide greater benefits to the public
6 health and well-being of low-income residents through also
7 supporting that additional program versus supporting
8 programs already authorized.

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

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

25 The Agency shall direct that up to 5% of the funds
26 available under the Illinois Solar for All Program to

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

10 (4) The Agency shall, consistent with the requirements
11 of this subsection (b), propose the Illinois Solar for All
12 Program terms, conditions, and requirements, including the
13 prices to be paid for renewable energy credits, and which
14 prices may be determined through a formula, through the
15 development, review, and approval of the Agency's
16 long-term renewable resources procurement plan described
17 in subsection (c) of Section 1-75 of this Act and Section
18 16-111.5 of the Public Utilities Act. In the course of the
19 Commission proceeding initiated to review and approve the
20 plan, including the Illinois Solar for All Program
21 proposed by the Agency, a party may propose an additional
22 low-income solar or solar incentive program, or
23 modifications to the programs proposed by the Agency, and
24 the Commission may approve an additional program, or
25 modifications to the Agency's proposed program, if the
26 additional or modified program more effectively maximizes

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

13 (5) The Agency shall issue a request for
14 qualifications for a third-party program administrator or
15 administrators to administer all or a portion of the
16 Illinois Solar for All Program. The third-party program
17 administrator shall be chosen through a competitive bid
18 process based on selection criteria and requirements
19 developed by the Agency, including, but not limited to,
20 experience in administering low-income energy programs and
21 overseeing statewide clean energy or energy efficiency
22 services. If the Agency retains a program administrator or
23 administrators to implement all or a portion of the
24 Illinois Solar for All Program, each administrator shall
25 periodically submit reports to the Agency and Commission
26 for each program that it administers, at appropriate

1 intervals to be identified by the Agency in its long-term
2 renewable resources procurement plan, subject to
3 Commission approval, provided that the reporting interval
4 is at least an annual period ~~quarterly~~. The third-party
5 program administrator may be, but need not be, the same
6 administrator as for the Adjustable Block program
7 described in subparagraphs (K) through (M) of paragraph
8 (1) of subsection (c) of Section 1-75. The Agency, through
9 its long-term renewable resources procurement plan
10 approval process, shall also determine if individual
11 subprograms of the Illinois Solar for All Program are
12 better served by a different or separate Program
13 Administrator.

14 The third-party administrator's responsibilities
15 shall also include facilitating placement for graduates of
16 Illinois-based renewable energy-specific job training
17 programs, including the Clean Jobs Workforce Network
18 Program and the Illinois Climate Works Preapprenticeship
19 Program administered by the Department of Commerce and
20 Economic Opportunity and programs administered under
21 Section 16-108.12 of the Public Utilities Act. To increase
22 the uptake of trainees by participating firms, the
23 administrator shall also develop a web-based clearinghouse
24 for information available to both job training program
25 graduates and firms participating, directly or indirectly,
26 in Illinois solar incentive programs. The program

1 administrator shall also coordinate its activities with
2 entities implementing electric and natural gas
3 income-qualified energy efficiency programs, including
4 customer referrals to and from such programs, and connect
5 prospective low-income solar customers with any existing
6 deferred maintenance programs where applicable.

7 (6) The long-term renewable resources procurement plan
8 shall also provide for an independent evaluation of the
9 Illinois Solar for All Program. At least every 5 ~~2~~ years,
10 the Agency shall select an independent evaluator to review
11 and report on the Illinois Solar for All Program and the
12 performance of the third-party program administrator of
13 the Illinois Solar for All Program. The evaluation shall
14 be based on objective criteria developed through a public
15 stakeholder process. The process shall include feedback
16 and participation from Illinois Solar for All Program
17 stakeholders, including participants and organizations in
18 environmental justice and historically underserved
19 communities. The report shall include a summary of the
20 evaluation of the Illinois Solar for All Program based on
21 the stakeholder developed objective criteria. The report
22 shall include the number of projects installed; the total
23 installed capacity in kilowatts; the average cost per
24 kilowatt of installed capacity to the extent reasonably
25 obtainable by the Agency; the number of jobs or job
26 opportunities created; economic, social, and environmental

1 benefits created; and the total administrative costs
2 expended by the Agency and program administrator to
3 implement and evaluate the program. The report shall be
4 prepared at least every 2 years and shall be delivered to
5 the Commission and posted on the Agency's website, and
6 shall be used, as needed, to revise the Illinois Solar for
7 All Program. The Commission shall also consider the
8 results of the evaluation as part of its review of the
9 long-term renewable resources procurement plan under
10 subsection (c) of Section 1-75 of this Act.

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

20 (8) As part of the development and update of the
21 long-term renewable resources procurement plan authorized
22 by subsection (c) of Section 1-75 of this Act, the Agency
23 shall plan for: (A) actions to refer customers from the
24 Illinois Solar for All Program to electric and natural gas
25 income-qualified energy efficiency programs, and vice
26 versa, with the goal of increasing participation in both

1 of these programs; (B) effective procedures for data
2 sharing, as needed, to effectuate referrals between the
3 Illinois Solar for All Program and both electric and
4 natural gas income-qualified energy efficiency programs,
5 including sharing customer information directly with the
6 utilities, as needed and appropriate; and (C) efforts to
7 identify any existing deferred maintenance programs for
8 which prospective Solar for All Program customers may be
9 eligible and connect prospective customers for whom
10 deferred maintenance is or may be a barrier to solar
11 installation to those programs.

12 As used in this subsection (b), "low-income households"
13 means persons and families whose income does not exceed 80% of
14 area median income, adjusted for family size and revised every
15 year.

16 For the purposes of this subsection (b), the Agency shall
17 define "environmental justice community" based on the
18 methodologies and findings established by the Agency and the
19 Administrator for the Illinois Solar for All Program in its
20 initial long-term renewable resources procurement plan and as
21 updated by the Agency and the Administrator for the Illinois
22 Solar for All Program as part of the long-term renewable
23 resources procurement plan update.

24 (b-5) After the receipt of all payments required by
25 Section 16-115D of the Public Utilities Act, no additional
26 funds shall be deposited into the Illinois Power Agency

1 Renewable Energy Resources Fund unless directed by order of
2 the Commission.

3 (b-10) After the receipt of all payments required by
4 Section 16-115D of the Public Utilities Act and payment in
5 full of all contracts executed by the Agency under subsections
6 (b) and (i) of this Section, if the balance of the Illinois
7 Power Agency Renewable Energy Resources Fund is under \$5,000,
8 then the Fund shall be inoperative and any remaining funds and
9 any funds submitted to the Fund after that date, shall be
10 transferred to the Supplemental Low-Income Energy Assistance
11 Fund for use in the Low-Income Home Energy Assistance Program,
12 as authorized by the Energy Assistance Act.

13 (b-15) The prevailing wage requirements set forth in the
14 Prevailing Wage Act apply to each project that is undertaken
15 pursuant to one or more of the programs of incentives and
16 initiatives described in subsection (b) of this Section and
17 for which a project application is submitted to the program
18 after the effective date of this amendatory Act of the 103rd
19 General Assembly, except (i) projects that serve single-family
20 or multi-family residential buildings and (ii) projects with
21 an aggregate capacity of less than 100 kilowatts that serve
22 houses of worship. The Agency shall require verification that
23 all construction performed on a project by the renewable
24 energy credit delivery contract holder, its contractors, or
25 its subcontractors relating to the construction of the
26 facility is performed by workers receiving an amount for that

1 work that is greater than or equal to the general prevailing
2 rate of wages as that term is defined in the Prevailing Wage
3 Act, and the Agency may adjust renewable energy credit prices
4 to account for increased labor costs.

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

8 (c) (Blank).

9 (d) (Blank).

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

13 (f) The selection of one or more third-party program
14 managers or administrators, the selection of the independent
15 evaluator, and the procurement processes described in this
16 Section are exempt from the requirements of the Illinois
17 Procurement Code, under Section 20-10 of that Code.

18 (g) All disbursements from the Illinois Power Agency
19 Renewable Energy Resources Fund shall be made only upon
20 warrants of the Comptroller drawn upon the Treasurer as
21 custodian of the Fund upon vouchers signed by the Director or
22 by the person or persons designated by the Director for that
23 purpose. The Comptroller is authorized to draw the warrant
24 upon vouchers so signed. The Treasurer shall accept all
25 warrants so signed and shall be released from liability for
26 all payments made on those warrants.

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

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

13 (i) Supplemental procurement process.

14 (1) Within 90 days after June 30, 2014 (the effective
15 date of Public Act 98-672), the Agency shall develop a
16 one-time supplemental procurement plan limited to the
17 procurement of renewable energy credits, if available,
18 from new or existing photovoltaics, including, but not
19 limited to, distributed photovoltaic generation. Nothing
20 in this subsection (i) requires procurement of wind
21 generation through the supplemental procurement.

22 Renewable energy credits procured from new
23 photovoltaics, including, but not limited to, distributed
24 photovoltaic generation, under this subsection (i) must be
25 procured from devices installed by a qualified person. In
26 its supplemental procurement plan, the Agency shall

1 establish contractually enforceable mechanisms for
2 ensuring that the installation of new photovoltaics is
3 performed by a qualified person.

4 For the purposes of this paragraph (1), "qualified
5 person" means a person who performs installations of
6 photovoltaics, including, but not limited to, distributed
7 photovoltaic generation, and who: (A) has completed an
8 apprenticeship as a journeyman electrician from a United
9 States Department of Labor registered electrical
10 apprenticeship and training program and received a
11 certification of satisfactory completion; or (B) does not
12 currently meet the criteria under clause (A) of this
13 paragraph (1), but is enrolled in a United States
14 Department of Labor registered electrical apprenticeship
15 program, provided that the person is directly supervised
16 by a person who meets the criteria under clause (A) of this
17 paragraph (1); or (C) has obtained one of the following
18 credentials in addition to attesting to satisfactory
19 completion of at least 5 years or 8,000 hours of
20 documented hands-on electrical experience: (i) a North
21 American Board of Certified Energy Practitioners (NABCEP)
22 Installer Certificate for Solar PV; (ii) an Underwriters
23 Laboratories (UL) PV Systems Installer Certificate; (iii)
24 an Electronics Technicians Association, International
25 (ETAI) Level 3 PV Installer Certificate; or (iv) an
26 Associate in Applied Science degree from an Illinois

1 Community College Board approved community college program
2 in renewable energy or a distributed generation
3 technology.

4 For the purposes of this paragraph (1), "directly
5 supervised" means that there is a qualified person who
6 meets the qualifications under clause (A) of this
7 paragraph (1) and who is available for supervision and
8 consultation regarding the work performed by persons under
9 clause (B) of this paragraph (1), including a final
10 inspection of the installation work that has been directly
11 supervised to ensure safety and conformity with applicable
12 codes.

13 For the purposes of this paragraph (1), "install"
14 means the major activities and actions required to
15 connect, in accordance with applicable building and
16 electrical codes, the conductors, connectors, and all
17 associated fittings, devices, power outlets, or
18 apparatuses mounted at the premises that are directly
19 involved in delivering energy to the premises' electrical
20 wiring from the photovoltaics, including, but not limited
21 to, to distributed photovoltaic generation.

22 The renewable energy credits procured pursuant to the
23 supplemental procurement plan shall be procured using up
24 to \$30,000,000 from the Illinois Power Agency Renewable
25 Energy Resources Fund. The Agency shall not plan to use
26 funds from the Illinois Power Agency Renewable Energy

1 Resources Fund in excess of the monies on deposit in such
2 fund or projected to be deposited into such fund. The
3 supplemental procurement plan shall ensure adequate,
4 reliable, affordable, efficient, and environmentally
5 sustainable renewable energy resources (including credits)
6 at the lowest total cost over time, taking into account
7 any benefits of price stability.

8 To the extent available, 50% of the renewable energy
9 credits procured from distributed renewable energy
10 generation shall come from devices of less than 25
11 kilowatts in nameplate capacity. Procurement of renewable
12 energy credits from distributed renewable energy
13 generation devices shall be done through multi-year
14 contracts of no less than 5 years. The Agency shall create
15 credit requirements for counterparties. In order to
16 minimize the administrative burden on contracting
17 entities, the Agency shall solicit the use of third
18 parties to aggregate distributed renewable energy. These
19 third parties shall enter into and administer contracts
20 with individual distributed renewable energy generation
21 device owners. An individual distributed renewable energy
22 generation device owner shall have the ability to measure
23 the output of his or her distributed renewable energy
24 generation device.

25 In developing the supplemental procurement plan, the
26 Agency shall hold at least one workshop open to the public

1 within 90 days after June 30, 2014 (the effective date of
2 Public Act 98-672) and shall consider any comments made by
3 stakeholders or the public. Upon development of the
4 supplemental procurement plan within this 90-day period,
5 copies of the supplemental procurement plan shall be
6 posted and made publicly available on the Agency's and
7 Commission's websites. All interested parties shall have
8 14 days following the date of posting to provide comment
9 to the Agency on the supplemental procurement plan. All
10 comments submitted to the Agency shall be specific,
11 supported by data or other detailed analyses, and, if
12 objecting to all or a portion of the supplemental
13 procurement plan, accompanied by specific alternative
14 wording or proposals. All comments shall be posted on the
15 Agency's and Commission's websites. Within 14 days
16 following the end of the 14-day review period, the Agency
17 shall revise the supplemental procurement plan as
18 necessary based on the comments received and file its
19 revised supplemental procurement plan with the Commission
20 for approval.

21 (2) Within 5 days after the filing of the supplemental
22 procurement plan at the Commission, any person objecting
23 to the supplemental procurement plan shall file an
24 objection with the Commission. Within 10 days after the
25 filing, the Commission shall determine whether a hearing
26 is necessary. The Commission shall enter its order

1 confirming or modifying the supplemental procurement plan
2 within 90 days after the filing of the supplemental
3 procurement plan by the Agency.

4 (3) The Commission shall approve the supplemental
5 procurement plan of renewable energy credits to be
6 procured from new or existing photovoltaics, including,
7 but not limited to, distributed photovoltaic generation,
8 if the Commission determines that it will ensure adequate,
9 reliable, affordable, efficient, and environmentally
10 sustainable electric service in the form of renewable
11 energy credits at the lowest total cost over time, taking
12 into account any benefits of price stability.

13 (4) The supplemental procurement process under this
14 subsection (i) shall include each of the following
15 components:

16 (A) Procurement administrator. The Agency may
17 retain a procurement administrator in the manner set
18 forth in item (2) of subsection (a) of Section 1-75 of
19 this Act to conduct the supplemental procurement or
20 may elect to use the same procurement administrator
21 administering the Agency's annual procurement under
22 Section 1-75.

23 (B) Procurement monitor. The procurement monitor
24 retained by the Commission pursuant to Section
25 16-111.5 of the Public Utilities Act shall:

26 (i) monitor interactions among the procurement

1 administrator and bidders and suppliers;

2 (ii) monitor and report to the Commission on
3 the progress of the supplemental procurement
4 process;

5 (iii) provide an independent confidential
6 report to the Commission regarding the results of
7 the procurement events;

8 (iv) assess compliance with the procurement
9 plan approved by the Commission for the
10 supplemental procurement process;

11 (v) preserve the confidentiality of supplier
12 and bidding information in a manner consistent
13 with all applicable laws, rules, regulations, and
14 tariffs;

15 (vi) provide expert advice to the Commission
16 and consult with the procurement administrator
17 regarding issues related to procurement process
18 design, rules, protocols, and policy-related
19 matters;

20 (vii) consult with the procurement
21 administrator regarding the development and use of
22 benchmark criteria, standard form contracts,
23 credit policies, and bid documents; and

24 (viii) perform, with respect to the
25 supplemental procurement process, any other
26 procurement monitor duties specifically delineated

1 within subsection (i) of this Section.

2 (C) Solicitation, prequalification, and
3 registration of bidders. The procurement administrator
4 shall disseminate information to potential bidders to
5 promote a procurement event, notify potential bidders
6 that the procurement administrator may enter into a
7 post-bid price negotiation with bidders that meet the
8 applicable benchmarks, provide supply requirements,
9 and otherwise explain the competitive procurement
10 process. In addition to such other publication as the
11 procurement administrator determines is appropriate,
12 this information shall be posted on the Agency's and
13 the Commission's websites. The procurement
14 administrator shall also administer the
15 prequalification process, including evaluation of
16 credit worthiness, compliance with procurement rules,
17 and agreement to the standard form contract developed
18 pursuant to item (D) of this paragraph (4). The
19 procurement administrator shall then identify and
20 register bidders to participate in the procurement
21 event.

22 (D) Standard contract forms and credit terms and
23 instruments. The procurement administrator, in
24 consultation with the Agency, the Commission, and
25 other interested parties and subject to Commission
26 oversight, shall develop and provide standard contract

1 forms for the supplier contracts that meet generally
2 accepted industry practices as well as include any
3 applicable State of Illinois terms and conditions that
4 are required for contracts entered into by an agency
5 of the State of Illinois. Standard credit terms and
6 instruments that meet generally accepted industry
7 practices shall be similarly developed. Contracts for
8 new photovoltaics shall include a provision attesting
9 that the supplier will use a qualified person for the
10 installation of the device pursuant to paragraph (1)
11 of subsection (i) of this Section. The procurement
12 administrator shall make available to the Commission
13 all written comments it receives on the contract
14 forms, credit terms, or instruments. If the
15 procurement administrator cannot reach agreement with
16 the parties as to the contract terms and conditions,
17 the procurement administrator must notify the
18 Commission of any disputed terms and the Commission
19 shall resolve the dispute. The terms of the contracts
20 shall not be subject to negotiation by winning
21 bidders, and the bidders must agree to the terms of the
22 contract in advance so that winning bids are selected
23 solely on the basis of price.

24 (E) Requests for proposals; competitive
25 procurement process. The procurement administrator
26 shall design and issue requests for proposals to

1 supply renewable energy credits in accordance with the
2 supplemental procurement plan, as approved by the
3 Commission. The requests for proposals shall set forth
4 a procedure for sealed, binding commitment bidding
5 with pay-as-bid settlement, and provision for
6 selection of bids on the basis of price, provided,
7 however, that no bid shall be accepted if it exceeds
8 the benchmark developed pursuant to item (F) of this
9 paragraph (4).

10 (F) Benchmarks. Benchmarks for each product to be
11 procured shall be developed by the procurement
12 administrator in consultation with Commission staff,
13 the Agency, and the procurement monitor for use in
14 this supplemental procurement.

15 (G) A plan for implementing contingencies in the
16 event of supplier default, Commission rejection of
17 results, or any other cause.

18 (5) Within 2 business days after opening the sealed
19 bids, the procurement administrator shall submit a
20 confidential report to the Commission. The report shall
21 contain the results of the bidding for each of the
22 products along with the procurement administrator's
23 recommendation for the acceptance and rejection of bids
24 based on the price benchmark criteria and other factors
25 observed in the process. The procurement monitor also
26 shall submit a confidential report to the Commission

1 within 2 business days after opening the sealed bids. The
2 report shall contain the procurement monitor's assessment
3 of bidder behavior in the process as well as an assessment
4 of the procurement administrator's compliance with the
5 procurement process and rules. The Commission shall review
6 the confidential reports submitted by the procurement
7 administrator and procurement monitor and shall accept or
8 reject the recommendations of the procurement
9 administrator within 2 business days after receipt of the
10 reports.

11 (6) Within 3 business days after the Commission
12 decision approving the results of a procurement event, the
13 Agency shall enter into binding contractual arrangements
14 with the winning suppliers using the standard form
15 contracts.

16 (7) The names of the successful bidders and the
17 average of the winning bid prices for each contract type
18 and for each contract term shall be made available to the
19 public within 2 days after the supplemental procurement
20 event. The Commission, the procurement monitor, the
21 procurement administrator, the Agency, and all
22 participants in the procurement process shall maintain the
23 confidentiality of all other supplier and bidding
24 information in a manner consistent with all applicable
25 laws, rules, regulations, and tariffs. Confidential
26 information, including the confidential reports submitted

1 by the procurement administrator and procurement monitor
2 pursuant to this Section, shall not be made publicly
3 available and shall not be discoverable by any party in
4 any proceeding, absent a compelling demonstration of need,
5 nor shall those reports be admissible in any proceeding
6 other than one for law enforcement purposes.

7 (8) The supplemental procurement provided in this
8 subsection (i) shall not be subject to the requirements
9 and limitations of subsections (c) and (d) of this
10 Section.

11 (9) Expenses incurred in connection with the
12 procurement process held pursuant to this Section,
13 including, but not limited to, the cost of developing the
14 supplemental procurement plan, the procurement
15 administrator, procurement monitor, and the cost of the
16 retirement of renewable energy credits purchased pursuant
17 to the supplemental procurement shall be paid for from the
18 Illinois Power Agency Renewable Energy Resources Fund. The
19 Agency shall enter into an interagency agreement with the
20 Commission to reimburse the Commission for its costs
21 associated with the procurement monitor for the
22 supplemental procurement process.

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

1 Sec. 1-75. Planning and Procurement Bureau. The Planning
2 and Procurement Bureau has the following duties and
3 responsibilities:

4 (a) The Planning and Procurement Bureau shall each year,
5 beginning in 2008, develop procurement plans and conduct
6 competitive procurement processes in accordance with the
7 requirements of Section 16-111.5 of the Public Utilities Act
8 for the eligible retail customers of electric utilities that
9 on December 31, 2005 provided electric service to at least
10 100,000 customers in Illinois. Beginning with the delivery
11 year commencing on June 1, 2017, the Planning and Procurement
12 Bureau shall develop plans and processes for the procurement
13 of zero emission credits from zero emission facilities in
14 accordance with the requirements of subsection (d-5) of this
15 Section. Beginning on the effective date of this amendatory
16 Act of the 102nd General Assembly, the Planning and
17 Procurement Bureau shall develop plans and processes for the
18 procurement of carbon mitigation credits from carbon-free
19 energy resources in accordance with the requirements of
20 subsection (d-10) of this Section. The Planning and
21 Procurement Bureau shall also develop procurement plans and
22 conduct competitive procurement processes in accordance with
23 the requirements of Section 16-111.5 of the Public Utilities
24 Act for the eligible retail customers of small
25 multi-jurisdictional electric utilities that (i) on December
26 31, 2005 served less than 100,000 customers in Illinois and

1 (ii) request a procurement plan for their Illinois
2 jurisdictional load. This Section shall not apply to a small
3 multi-jurisdictional utility until such time as a small
4 multi-jurisdictional utility requests the Agency to prepare a
5 procurement plan for their Illinois jurisdictional load. For
6 the purposes of this Section, the term "eligible retail
7 customers" has the same definition as found in Section
8 16-111.5(a) of the Public Utilities Act.

9 Beginning with the plan or plans to be implemented in the
10 2017 delivery year, the Agency shall no longer include the
11 procurement of renewable energy resources in the annual
12 procurement plans required by this subsection (a), except as
13 provided in subsection (q) of Section 16-111.5 of the Public
14 Utilities Act, and shall instead develop a long-term renewable
15 resources procurement plan in accordance with subsection (c)
16 of this Section and Section 16-111.5 of the Public Utilities
17 Act.

18 In accordance with subsection (c-5) of this Section, the
19 Planning and Procurement Bureau shall oversee the procurement
20 by electric utilities that served more than 300,000 retail
21 customers in this State as of January 1, 2019 of renewable
22 energy credits from new utility-scale solar projects to be
23 installed, along with energy storage facilities, at or
24 adjacent to the sites of electric generating facilities that,
25 as of January 1, 2016, burned coal as their primary fuel
26 source.

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

7 (A) direct previous experience assembling
8 large-scale power supply plans or portfolios for
9 end-use customers;

10 (B) an advanced degree in economics, mathematics,
11 engineering, risk management, or a related area of
12 study;

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

15 (D) expertise in wholesale electricity market
16 rules, including those established by the Federal
17 Energy Regulatory Commission and regional transmission
18 organizations;

19 (E) expertise in credit protocols and familiarity
20 with contract protocols;

21 (F) adequate resources to perform and fulfill the
22 required functions and responsibilities; and

23 (G) the absence of a conflict of interest and
24 inappropriate bias for or against potential bidders or
25 the affected electric utilities.

26 (2) The Agency shall each year, as needed, issue a

1 request for qualifications for a procurement administrator
2 to conduct the competitive procurement processes in
3 accordance with Section 16-111.5 of the Public Utilities
4 Act. In order to qualify an expert or expert consulting
5 firm must have:

6 (A) direct previous experience administering a
7 large-scale competitive procurement process;

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

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

12 (D) expertise in wholesale electricity market
13 rules, including those established by the Federal
14 Energy Regulatory Commission and regional transmission
15 organizations;

16 (E) expertise in credit and contract protocols;

17 (F) adequate resources to perform and fulfill the
18 required functions and responsibilities; and

19 (G) the absence of a conflict of interest and
20 inappropriate bias for or against potential bidders or
21 the affected electric utilities.

22 (3) The Agency shall provide affected utilities and
23 other interested parties with the lists of qualified
24 experts or expert consulting firms identified through the
25 request for qualifications processes that are under
26 consideration to develop the procurement plans and to

1 serve as the procurement administrator. The Agency shall
2 also provide each qualified expert's or expert consulting
3 firm's response to the request for qualifications. All
4 information provided under this subparagraph shall also be
5 provided to the Commission. The Agency may provide by rule
6 for fees associated with supplying the information to
7 utilities and other interested parties. These parties
8 shall, within 5 business days, notify the Agency in
9 writing if they object to any experts or expert consulting
10 firms on the lists. Objections shall be based on:

11 (A) failure to satisfy qualification criteria;

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

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

15 The Agency shall remove experts or expert consulting
16 firms from the lists within 10 days if there is a
17 reasonable basis for an objection and provide the updated
18 lists to the affected utilities and other interested
19 parties. If the Agency fails to remove an expert or expert
20 consulting firm from a list, an objecting party may seek
21 review by the Commission within 5 days thereafter by
22 filing a petition, and the Commission shall render a
23 ruling on the petition within 10 days. There is no right of
24 appeal of the Commission's ruling.

25 (4) The Agency shall issue requests for proposals to
26 the qualified experts or expert consulting firms to

1 develop a procurement plan for the affected utilities and
2 to serve as procurement administrator.

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

7 (6) The Agency shall select an expert or expert
8 consulting firm, with approval of the Commission, to serve
9 as procurement administrator based on the proposals
10 submitted. If the Commission rejects, within 5 days, the
11 Agency's selection, the Agency shall submit another
12 recommendation within 3 days based on the proposals
13 submitted. The Agency shall award a 5-year contract to the
14 expert or expert consulting firm so selected with
15 Commission approval.

16 (b) The experts or expert consulting firms retained by the
17 Agency shall, as appropriate, prepare procurement plans, and
18 conduct a competitive procurement process as prescribed in
19 Section 16-111.5 of the Public Utilities Act, to ensure
20 adequate, reliable, affordable, efficient, and environmentally
21 sustainable electric service at the lowest total cost over
22 time, taking into account any benefits of price stability, for
23 eligible retail customers of electric utilities that on
24 December 31, 2005 provided electric service to at least
25 100,000 customers in the State of Illinois, and for eligible
26 Illinois retail customers of small multi-jurisdictional

1 electric utilities that (i) on December 31, 2005 served less
2 than 100,000 customers in Illinois and (ii) request a
3 procurement plan for their Illinois jurisdictional load.

4 (c) Renewable portfolio standard.

5 (1) (A) The Agency shall develop a long-term renewable
6 resources procurement plan that shall include procurement
7 programs and competitive procurement events necessary to
8 meet the goals set forth in this subsection (c). The
9 initial long-term renewable resources procurement plan
10 shall be released for comment no later than 160 days after
11 June 1, 2017 (the effective date of Public Act 99-906).
12 The Agency shall review, and may revise on an expedited
13 basis, the long-term renewable resources procurement plan
14 at least every 2 years, which shall be conducted in
15 conjunction with the procurement plan under Section
16 16-111.5 of the Public Utilities Act to the extent
17 practicable to minimize administrative expense. No later
18 than 120 days after the effective date of this amendatory
19 Act of the 103rd General Assembly, the Agency shall
20 release for comment a revision to the long-term renewable
21 resources procurement plan, updating elements of the most
22 recently approved plan as needed to comply with this
23 amendatory Act of the 103rd General Assembly, and any
24 long-term renewable resources procurement plan update
25 published by the Agency but not yet approved by the
26 Illinois Commerce Commission shall be withdrawn. The

1 long-term renewable resources procurement plans shall be
2 subject to review and approval by the Commission under
3 Section 16-111.5 of the Public Utilities Act.

4 (B) Subject to subparagraph (F) of this paragraph (1),
5 the long-term renewable resources procurement plan shall
6 attempt to meet the goals for procurement of renewable
7 energy credits at levels of at least the following overall
8 percentages: 13% by the 2017 delivery year; increasing by
9 at least 1.5% each delivery year thereafter to at least
10 25% by the 2025 delivery year; increasing by at least 3%
11 each delivery year thereafter to at least 40% by the 2030
12 delivery year, and continuing at no less than 40% for each
13 delivery year thereafter. The Agency shall attempt to
14 procure 50% by delivery year 2040. The Agency shall
15 determine the annual increase between delivery year 2030
16 and delivery year 2040, if any, taking into account energy
17 demand, other energy resources, and other public policy
18 goals. In the event of a conflict between these goals and
19 the new wind, new photovoltaic, and hydropower procurement
20 requirements described in items (i) through (iii) of
21 subparagraph (C) of this paragraph (1), the long-term plan
22 shall prioritize compliance with the new wind, new
23 photovoltaic, and hydropower procurement requirements
24 described in items (i) through (iii) of subparagraph (C)
25 of this paragraph (1) over the annual percentage targets
26 described in this subparagraph (B). The Agency shall not

1 comply with the annual percentage targets described in
2 this subparagraph (B) by procuring renewable energy
3 credits that are unlikely to lead to the development of
4 new renewable resources or new, modernized, or retooled
5 hydropower facilities.

6 For the delivery year beginning June 1, 2017, the
7 procurement plan shall attempt to include, subject to the
8 prioritization outlined in this subparagraph (B),
9 cost-effective renewable energy resources equal to at
10 least 13% of each utility's load for eligible retail
11 customers and 13% of the applicable portion of each
12 utility's load for retail customers who are not eligible
13 retail customers, which applicable portion shall equal 50%
14 of the utility's load for retail customers who are not
15 eligible retail customers on February 28, 2017.

16 For the delivery year beginning June 1, 2018, the
17 procurement plan shall attempt to include, subject to the
18 prioritization outlined in this subparagraph (B),
19 cost-effective renewable energy resources equal to at
20 least 14.5% of each utility's load for eligible retail
21 customers and 14.5% of the applicable portion of each
22 utility's load for retail customers who are not eligible
23 retail customers, which applicable portion shall equal 75%
24 of the utility's load for retail customers who are not
25 eligible retail customers on February 28, 2017.

26 For the delivery year beginning June 1, 2019, and for

1 each year thereafter, the procurement plans shall attempt
2 to include, subject to the prioritization outlined in this
3 subparagraph (B), cost-effective renewable energy
4 resources equal to a minimum percentage of each utility's
5 load for all retail customers as follows: 16% by June 1,
6 2019; increasing by 1.5% each year thereafter to 25% by
7 June 1, 2025; and 25% by June 1, 2026; increasing by at
8 least 3% each delivery year thereafter to at least 40% by
9 the 2030 delivery year, and continuing at no less than 40%
10 for each delivery year thereafter. The Agency shall
11 attempt to procure 50% by delivery year 2040. The Agency
12 shall determine the annual increase between delivery year
13 2030 and delivery year 2040, if any, taking into account
14 energy demand, other energy resources, and other public
15 policy goals.

16 For each delivery year, the Agency shall first
17 recognize each utility's obligations for that delivery
18 year under existing contracts. Any renewable energy
19 credits under existing contracts, including renewable
20 energy credits as part of renewable energy resources,
21 shall be used to meet the goals set forth in this
22 subsection (c) for the delivery year.

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

(i) At least 10,000,000 renewable energy credits delivered annually by the end of the 2021 delivery year, and increasing ratably to reach 45,000,000 renewable energy credits delivered annually from new wind and solar projects, from repowered wind projects, or from retooled hydropower facilities by the end of delivery year 2030 such that the goals in subparagraph (B) of this paragraph (1) are met entirely by procurements of renewable energy credits from new wind and photovoltaic projects. Of that amount, to the extent possible, the Agency shall endeavor to procure 45% from new and repowered wind and hydropower projects and shall procure at least 55% from photovoltaic projects. Of the amount to be procured from photovoltaic projects, the Agency shall procure: at least 50% from solar photovoltaic projects using the program outlined in subparagraph (K) of this paragraph (1) from distributed renewable energy generation devices or community renewable generation projects; at least 47% from utility-scale solar projects; at least 3% from brownfield site photovoltaic projects that are not community renewable generation projects. The Agency may propose adjustments to these percentages, including establishing percentage-based goals for the procurement of renewable energy credits from

1 modernized or retooled hydropower facilities and
2 repowered wind projects, through its long-term
3 renewable resources plan described in subparagraph (A)
4 of this paragraph (1) as necessary based on developer
5 interest, market conditions, budget considerations,
6 resource adequacy needs, or other factors.

7 In developing the long-term renewable resources
8 procurement plan, the Agency shall consider other
9 approaches, in addition to competitive procurements,
10 that can be used to procure renewable energy credits
11 from brownfield site photovoltaic projects and thereby
12 help return blighted or contaminated land to
13 productive use while enhancing public health and the
14 well-being of Illinois residents, including those in
15 environmental justice communities, as defined using
16 existing methodologies and findings used by the Agency
17 and its Administrator in its Illinois Solar for All
18 Program. The Agency shall also consider other
19 approaches, in addition to competitive procurements,
20 to procure renewable energy credits from new and
21 existing hydropower facilities to support the
22 development and maintenance of these facilities. The
23 Agency shall explore options to convert existing dams
24 but shall not consider approaches to develop new dams
25 where they do not already exist. To encourage the
26 continued operation of utility-scale wind projects,

1 the Agency shall consider and may propose other
2 approaches in addition to competitive procurements to
3 procure renewable energy credits from repowered wind
4 projects.

5 (ii) In any given delivery year, if forecasted
6 expenses are less than the maximum budget available
7 under subparagraph (E) of this paragraph (1), the
8 Agency shall continue to procure new renewable energy
9 credits until that budget is exhausted in the manner
10 outlined in item (i) of this subparagraph (C).

11 (iii) For purposes of this Section:

12 "New wind projects" means wind renewable energy
13 facilities that are energized after June 1, 2017 for
14 the delivery year commencing June 1, 2017.

15 "New photovoltaic projects" means photovoltaic
16 renewable energy facilities that are energized after
17 June 1, 2017. Photovoltaic projects developed under
18 Section 1-56 of this Act shall not apply towards the
19 new photovoltaic project requirements in this
20 subparagraph (C).

21 "Repowered wind projects" means utility-scale wind
22 projects featuring the removal, replacement, or
23 expansion of turbines at an existing project site, as
24 defined in the long-term renewable resources
25 procurement plan, after the effective date of this
26 amendatory Act of the 103rd General Assembly.

1 Renewable energy credit contract awards used to
2 support repowered wind projects shall only cover the
3 incremental increase in facility electricity
4 production resultant from repowering.

5 For purposes of calculating whether the Agency has
6 procured enough new wind and solar renewable energy
7 credits required by this subparagraph (C), renewable
8 energy facilities that have a multi-year renewable
9 energy credit delivery contract with the utility
10 through at least delivery year 2030 shall be
11 considered new, however no renewable energy credits
12 from contracts entered into before June 1, 2021 shall
13 be used to calculate whether the Agency has procured
14 the correct proportion of new wind and new solar
15 contracts described in this subparagraph (C) for
16 delivery year 2021 and thereafter.

17 (iv) The Agency may implement additional measures,
18 including eligibility requirements, to ensure that new
19 wind projects and new photovoltaic projects supported
20 through renewable energy credit contract awards are
21 not energized at the time of contract award and
22 otherwise constitute new projects developed pursuant
23 to the financial certainty provided through a contract
24 award.

25 (D) Renewable energy credits shall be cost effective.

26 For purposes of this subsection (c), "cost effective"

1 means that the costs of procuring renewable energy
2 resources do not cause the limit stated in subparagraph
3 (E) of this paragraph (1) to be exceeded and, for
4 renewable energy credits procured through a competitive
5 procurement event, do not exceed benchmarks based on
6 market prices for like products in the region. For
7 purposes of this subsection (c), "like products" means
8 contracts for renewable energy credits from the same or
9 substantially similar technology, same or substantially
10 similar vintage (new or existing), the same or
11 substantially similar quantity, and the same or
12 substantially similar contract length and structure.
13 Benchmarks shall reflect development, financing, or
14 related costs resulting from requirements imposed through
15 other provisions of State law, including, but not limited
16 to, requirements in subparagraphs (P) and (Q) of this
17 paragraph (1) and the Renewable Energy Facilities
18 Agricultural Impact Mitigation Act. Confidential
19 benchmarks shall be developed by the procurement
20 administrator, in consultation with the Commission staff,
21 Agency staff, and the procurement monitor and shall be
22 subject to Commission review and approval. If price
23 benchmarks for like products in the region are not
24 available, the procurement administrator shall establish
25 price benchmarks based on publicly available data on
26 regional technology costs and expected current and future

1 regional energy prices. The benchmarks in this Section
2 shall not be used to curtail or otherwise reduce
3 contractual obligations entered into by or through the
4 Agency prior to June 1, 2017 (the effective date of Public
5 Act 99-906).

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

1 Notwithstanding the requirements of this subsection
2 (c), and except as provided in subparagraph (E-5) of
3 paragraph (1) of this subsection (c) or except as
4 otherwise authorized by the Commission in its approval of
5 the Integrated Resource Plan under Section 16-202 of the
6 Public Utilities Act, the total of renewable energy
7 resources procured under the procurement plan for any
8 single year shall be subject to the limitations of this
9 subparagraph (E). Such procurement shall be reduced for
10 all retail customers based on the amount necessary to
11 limit the annual estimated average net increase due to the
12 costs of these resources included in the amounts paid by
13 eligible retail customers in connection with electric
14 service to no more than 4.25% of the amount paid per
15 kilowatthour by those customers during the year ending May
16 31, 2009, adjusted annually for inflation starting with
17 the delivery year commencing June 1, 2025. To arrive at a
18 maximum dollar amount of renewable energy resources to be
19 procured for the particular delivery year, the resulting
20 per kilowatthour amount shall be applied to the actual
21 amount of kilowatthours of electricity delivered, or
22 applicable portion of such amount as specified in
23 paragraph (1) of this subsection (c), as applicable, by
24 the electric utility in the delivery year immediately
25 prior to the procurement to all retail customers in its
26 service territory. The calculations required by this

1 subparagraph (E) shall be made only once for each delivery
2 year at the time that the renewable energy resources are
3 procured. Once the determination as to the amount of
4 renewable energy resources to procure is made based on the
5 calculations set forth in this subparagraph (E) and the
6 contracts procuring those amounts are executed between the
7 seller and applicable electric utility, no subsequent rate
8 impact determinations shall be made and no adjustments to
9 those contract amounts shall be allowed. As provided in
10 subparagraph (E-5) of paragraph (1) of this subsection
11 (c), the seller shall be entitled to full, prompt, and
12 uninterrupted payment under the applicable contract
13 notwithstanding the application of this subparagraph (E),
14 and all costs incurred under such contracts shall be fully
15 recoverable by the electric utility as provided in this
16 Section.

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

26 (i) If the electric utility has retained unspent

1 funds in an interest-bearing account as prescribed in
2 subsection (k) of Section 16-108 of the Public
3 Utilities Act, then the utility shall use those funds
4 to remit full payment to the sellers to ensure prompt
5 and uninterrupted payment of existing contractual
6 obligation.

7 (ii) If the funds described in item (i) of this
8 subparagraph (E-5) are insufficient to satisfy all
9 existing contractual obligations, then the electric
10 utility shall, nonetheless, remit full payment to the
11 sellers to ensure prompt and uninterrupted payment of
12 existing contractual obligations, provided that the
13 full costs shall be recoverable by the utility in
14 accordance with part (ee) of item (iv) of this
15 subsection (E-5).

16 (iii) The Agency shall promptly notify the
17 Commission that existing contractual obligations are
18 reasonably expected to exceed the maximum collection
19 authorized under subparagraph (E) of paragraph (1) of
20 this subsection (c) for the applicable delivery year.
21 The Agency shall also explain and confirm how the
22 operation of items (i) and (ii) of this subparagraph
23 (E-5) ensures that the electric utility will continue
24 to make prompt and uninterrupted payment under
25 existing contractual obligations. The Agency shall
26 provide this information to the Commission through a

1 notice filed in the Commission docket approving the
2 Agency's operative Long-Term Renewable Resources
3 Procurement Plan that includes the applicable delivery
4 year.

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

22 (aa) If the Agency determines that additional
23 renewable energy credit procurement contract
24 awards could be made without exceeding the
25 limitations of subparagraph (E), then the
26 procurements shall be authorized at a scale

1 determined not to exceed the limitations of
2 subparagraph (E) in a manner consistent with the
3 priorities of this Section.

4 (bb) If the Agency determines that additional
5 renewable energy credit procurement contract
6 awards cannot be made without exceeding the
7 limitations of subparagraph (E), then the Agency
8 shall suspend any new contract awards for the
9 procurement of renewable energy credits until a
10 new rate impact determination is made under
11 subparagraph (E).

12 (cc) Agency determinations made under this
13 item (iv) shall be detailed and comprehensive and,
14 if not made through the Agency's Long-Term
15 Renewable Resources Procurement Plan, shall be
16 filed as a compliance filing in the most recent
17 docketed proceeding approving the Agency's
18 Long-Term Renewable Resources Procurement Plan.

19 (dd) With respect to the procurement of
20 renewable energy credits authorized through
21 programs administered under subsection (b) of
22 Section 1-56 and subparagraphs (K) through (M) of
23 paragraph (1) of subsection (k) of Section 1-75 of
24 this Act, the award of contracts for the
25 procurement of renewable energy credits shall be
26 suspended or reduced only at the conclusion of the

1 program year in which the notice provided for
2 under item (iii) of this subparagraph (E-5) is
3 made.

4 (ee) The contract shall provide that, so long
5 as at least one of: (i) the cost recovery
6 mechanisms referenced in subsection (k) of Section
7 16-108 and subsection (l) of Section 16-111.5 of
8 the Public Utilities Act remains in full force
9 without limitation or (ii) the utility is
10 otherwise authorized and or entitled to full,
11 prompt, and uninterrupted recovery of its costs
12 through any other mechanism, then such seller
13 shall be entitled to full, prompt, and
14 uninterrupted payment under the applicable
15 contract notwithstanding the application of this
16 subparagraph (E).

17 (F) If the limitation on the amount of renewable
18 energy resources procured in subparagraph (E) of this
19 paragraph (1) prevents the Agency from meeting all of the
20 goals in this subsection (c), the Agency's long-term plan
21 shall prioritize compliance with the requirements of this
22 subsection (c) regarding renewable energy credits in the
23 following order:

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

26 (i-5) funding for the Illinois Solar for All

1 Program, as described in subparagraph (O) of this
2 paragraph (1);

3 (ii) renewable energy credits necessary to comply
4 with the new wind and new photovoltaic procurement
5 requirements described in items (i) through (iii) of
6 subparagraph (C) of this paragraph (1); and

7 (iii) renewable energy credits necessary to meet
8 the remaining requirements of this subsection (c).

9 (G) The following provisions shall apply to the
10 Agency's procurement of renewable energy credits under
11 this subsection (c):

12 (i) Notwithstanding whether a long-term renewable
13 resources procurement plan has been approved, the
14 Agency shall conduct an initial forward procurement
15 for renewable energy credits from new utility-scale
16 wind projects within 160 days after June 1, 2017 (the
17 effective date of Public Act 99-906). For the purposes
18 of this initial forward procurement, the Agency shall
19 solicit 15-year contracts for delivery of 1,000,000
20 renewable energy credits delivered annually from new
21 utility-scale wind projects to begin delivery on June
22 1, 2019, if available, but not later than June 1, 2021,
23 unless the project has delays in the establishment of
24 an operating interconnection with the applicable
25 transmission or distribution system as a result of the
26 actions or inactions of the transmission or

1 distribution provider, or other causes for force
2 majeure as outlined in the procurement contract, in
3 which case, not later than June 1, 2022. Payments to
4 suppliers of renewable energy credits shall commence
5 upon delivery. Renewable energy credits procured under
6 this initial procurement shall be included in the
7 Agency's long-term plan and shall apply to all
8 renewable energy goals in this subsection (c).

9 (ii) Notwithstanding whether a long-term renewable
10 resources procurement plan has been approved, the
11 Agency shall conduct an initial forward procurement
12 for renewable energy credits from new utility-scale
13 solar projects and brownfield site photovoltaic
14 projects within one year after June 1, 2017 (the
15 effective date of Public Act 99-906). For the purposes
16 of this initial forward procurement, the Agency shall
17 solicit 15-year contracts for delivery of 1,000,000
18 renewable energy credits delivered annually from new
19 utility-scale solar projects and brownfield site
20 photovoltaic projects to begin delivery on June 1,
21 2019, if available, but not later than June 1, 2021,
22 unless the project has delays in the establishment of
23 an operating interconnection with the applicable
24 transmission or distribution system as a result of the
25 actions or inactions of the transmission or
26 distribution provider, or other causes for force

1 majeure as outlined in the procurement contract, in
2 which case, not later than June 1, 2022. The Agency may
3 structure this initial procurement in one or more
4 discrete procurement events. Payments to suppliers of
5 renewable energy credits shall commence upon delivery.
6 Renewable energy credits procured under this initial
7 procurement shall be included in the Agency's
8 long-term plan and shall apply to all renewable energy
9 goals in this subsection (c).

10 (iii) Notwithstanding whether the Commission has
11 approved the periodic long-term renewable resources
12 procurement plan revision described in Section
13 16-111.5 of the Public Utilities Act, the Agency shall
14 conduct at least one subsequent forward procurement
15 for renewable energy credits from new utility-scale
16 wind projects, new utility-scale solar projects, and
17 new brownfield site photovoltaic projects within 240
18 days after the effective date of this amendatory Act
19 of the 102nd General Assembly in quantities necessary
20 to meet the requirements of subparagraph (C) of this
21 paragraph (1) through the delivery year beginning June
22 1, 2021.

23 (iv) Notwithstanding whether the Commission has
24 approved the periodic long-term renewable resources
25 procurement plan revision described in Section
26 16-111.5 of the Public Utilities Act, the Agency shall

1 open capacity for each category in the Adjustable
2 Block program within 90 days after the effective date
3 of this amendatory Act of the 102nd General Assembly
4 manner:

5 (1) The Agency shall open the first block of
6 annual capacity for the category described in item
7 (i) of subparagraph (K) of this paragraph (1). The
8 first block of annual capacity for item (i) shall
9 be for at least 75 megawatts of total nameplate
10 capacity. The price of the renewable energy credit
11 for this block of capacity shall be 4% less than
12 the price of the last open block in this category.
13 Projects on a waitlist shall be awarded contracts
14 first in the order in which they appear on the
15 waitlist. Notwithstanding anything to the
16 contrary, for those renewable energy credits that
17 qualify and are procured under this subitem (1) of
18 this item (iv), the renewable energy credit
19 delivery contract value shall be paid in full,
20 based on the estimated generation during the first
21 15 years of operation, by the contracting
22 utilities at the time that the facility producing
23 the renewable energy credits is interconnected at
24 the distribution system level of the utility and
25 verified as energized and in compliance by the
26 Program Administrator. The electric utility shall

1 receive and retire all renewable energy credits
2 generated by the project for the first 15 years of
3 operation. Renewable energy credits generated by
4 the project thereafter shall not be transferred
5 under the renewable energy credit delivery
6 contract with the counterparty electric utility.

7 (2) The Agency shall open the first block of
8 annual capacity for the category described in item
9 (ii) of subparagraph (K) of this paragraph (1).
10 The first block of annual capacity for item (ii)
11 shall be for at least 75 megawatts of total
12 nameplate capacity.

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

1 be in compliance with the requirements of
2 subparagraph (Q) of this paragraph (1) of this
3 subsection (c). Notwithstanding anything to
4 the contrary, for those renewable energy
5 credits procured from projects that were on
6 the waitlist for this category before the
7 opening of this block 20% of the renewable
8 energy credit delivery contract value, based
9 on the estimated generation during the first
10 15 years of operation, shall be paid by the
11 contracting utilities at the time that the
12 facility producing the renewable energy
13 credits is interconnected at the distribution
14 system level of the utility and verified as
15 energized by the Program Administrator. The
16 remaining portion shall be paid ratably over
17 the subsequent 4-year period. The electric
18 utility shall receive and retire all renewable
19 energy credits generated by the project during
20 the first 15 years of operation. Renewable
21 energy credits generated by the project
22 thereafter shall not be transferred under the
23 renewable energy credit delivery contract with
24 the counterparty electric utility.

25 (B) The price of renewable energy credits
26 for any project not on the waitlist for this

1 category before the opening of the block shall
2 be determined and published by the Agency.
3 Projects not on a waitlist as of the opening
4 of this block shall be subject to the
5 requirements of subparagraph (Q) of this
6 paragraph (1), as applicable. Projects not on
7 a waitlist as of the opening of this block
8 shall be subject to the contract provisions
9 outlined in item (iii) of subparagraph (L) of
10 this paragraph (1). The Agency shall strive to
11 publish updated prices and an updated
12 renewable energy credit delivery contract as
13 quickly as possible.

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

25 The first 2 blocks of annual capacity for item
26 (iii) shall be for 250 megawatts of total

1 nameplate capacity, with both blocks opening
2 simultaneously under the schedule outlined in the
3 paragraphs below. Projects shall be selected as
4 follows:

5 (A) The geographic balance of selected
6 projects shall follow the Group classification
7 found in the Agency's Revised Long-Term
8 Renewable Resources Procurement Plan, with 70%
9 of capacity allocated to projects on the Group
10 B waitlist and 30% of capacity allocated to
11 projects on the Group A waitlist.

12 (B) Contract awards for waitlisted
13 projects shall be allocated proportionate to
14 the total nameplate capacity amount across
15 both ordinal waitlists associated with that
16 applicant firm or its affiliates, subject to
17 the following conditions.

18 (i) Each applicant firm having a
19 waitlisted project eligible for selection
20 shall receive no less than 500 kilowatts
21 in awarded capacity across all groups, and
22 no approved vendor may receive more than
23 20% of each Group's waitlist allocation.

24 (ii) Each applicant firm, upon
25 receiving an award of program capacity
26 proportionate to its waitlisted capacity,

1 may then determine which waitlisted
2 projects it chooses to be selected for a
3 contract award up to that capacity amount.

4 (iii) Assuming all other program
5 requirements are met, applicant firms may
6 adjust the nameplate capacity of applicant
7 projects without losing waitlist
8 eligibility, so long as no project is
9 greater than 2,000 kilowatts in size.

10 (iv) Assuming all other program
11 requirements are met, applicant firms may
12 adjust the expected production associated
13 with applicant projects, subject to
14 verification by the Program Administrator.

15 (C) After a review of affiliate
16 information and the current ordinal waitlists,
17 the Agency shall announce the nameplate
18 capacity award amounts associated with
19 applicant firms no later than 90 days after
20 the effective date of this amendatory Act of
21 the 102nd General Assembly.

22 (D) Applicant firms shall submit their
23 portfolio of projects used to satisfy those
24 contract awards no less than 90 days after the
25 Agency's announcement. The total nameplate
26 capacity of all projects used to satisfy that

1 portfolio shall be no greater than the
2 Agency's nameplate capacity award amount
3 associated with that applicant firm. An
4 applicant firm may decline, in whole or in
5 part, its nameplate capacity award without
6 penalty, with such unmet capacity rolled over
7 to the next block opening for project
8 selection under item (iii) of subparagraph (K)
9 of this subsection (c). Any projects not
10 included in an applicant firm's portfolio may
11 reapply without prejudice upon the next block
12 reopening for project selection under item
13 (iii) of subparagraph (K) of this subsection
14 (c).

15 (E) The renewable energy credit delivery
16 contract shall be subject to the contract and
17 payment terms outlined in item (iv) of
18 subparagraph (L) of this subsection (c).
19 Contract instruments used for this
20 subparagraph shall contain the following
21 terms:

22 (i) Renewable energy credit prices
23 shall be fixed, without further adjustment
24 under any other provision of this Act or
25 for any other reason, at 10% lower than
26 prices applicable to the last open block

1 for this category, inclusive of any adders
2 available for achieving a minimum of 50%
3 of subscribers to the project's nameplate
4 capacity being residential or small
5 commercial customers with subscriptions of
6 below 25 kilowatts in size;

7 (ii) A requirement that a minimum of
8 50% of subscribers to the project's
9 nameplate capacity be residential or small
10 commercial customers with subscriptions of
11 below 25 kilowatts in size;

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

1 The Agency shall publish a finalized
2 updated renewable energy credit delivery
3 contract developed consistent with these terms
4 and conditions no less than 30 days before
5 applicant firms must submit their portfolio of
6 projects pursuant to item (D).

7 (F) To be eligible for an award, the
8 applicant firm shall certify that not less
9 than prevailing wage, as determined pursuant
10 to the Illinois Prevailing Wage Act, was or
11 will be paid to employees who are engaged in
12 construction activities associated with a
13 selected project.

14 (4) The Agency shall open the first block of
15 annual capacity for the category described in item
16 (iv) of subparagraph (K) of this paragraph (1).
17 The first block of annual capacity for item (iv)
18 shall be for at least 50 megawatts of total
19 nameplate capacity. Renewable energy credit prices
20 shall be fixed, without further adjustment under
21 any other provision of this Act or for any other
22 reason, at the price in the last open block in the
23 category described in item (ii) of subparagraph
24 (K) of this paragraph (1). Pricing for future
25 blocks of annual capacity for this category may be
26 adjusted in the Agency's second revision to its

1 Long-Term Renewable Resources Procurement Plan.
2 Projects in this category shall be subject to the
3 contract terms outlined in item (iv) of
4 subparagraph (L) of this paragraph (1).

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

24 (6) The Agency shall open the first blocks of
25 annual capacity for the category described in item
26 (vi) of subparagraph (K) of this paragraph (1),

1 with allocations of capacity within the block
2 generally matching the historical share of block
3 capacity allocated between the category described
4 in items (i) and (ii) of subparagraph (K) of this
5 paragraph (1). The first two blocks of annual
6 capacity for item (vi) shall be for at least 75
7 megawatts of total nameplate capacity. The price
8 of renewable energy credits for the blocks of
9 capacity shall be 4% less than the price of the
10 last open blocks in the categories described in
11 items (i) and (ii) of subparagraph (K) of this
12 paragraph (1). Pricing for future blocks of annual
13 capacity for this category may be adjusted in the
14 Agency's second revision to its Long-Term
15 Renewable Resources Procurement Plan. Projects in
16 this category shall be subject to the applicable
17 contract terms outlined in items (ii) and (iii) of
18 subparagraph (L) of this paragraph (1).

19 (v) Upon the effective date of this amendatory Act
20 of the 102nd General Assembly, for all competitive
21 procurements and any procurements of renewable energy
22 credit from new utility-scale wind and new
23 utility-scale photovoltaic projects, the Agency shall
24 procure indexed renewable energy credits and direct
25 respondents to offer a strike price.

26 (1) The purchase price of the indexed

1 renewable energy credit payment shall be
2 calculated for each settlement period. That
3 payment, for any settlement period, shall be equal
4 to the difference resulting from subtracting the
5 strike price from the index price for that
6 settlement period. If this difference results in a
7 negative number, the indexed REC counterparty
8 shall owe the seller the absolute value multiplied
9 by the quantity of energy produced in the relevant
10 settlement period. If this difference results in a
11 positive number, the seller shall owe the indexed
12 REC counterparty this amount multiplied by the
13 quantity of energy produced in the relevant
14 settlement period.

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

18 (3) To ensure funding in the annual budget
19 established under subparagraph (E) for indexed
20 renewable energy credit procurements for each year
21 of the term of such contracts, which must have a
22 minimum tenure of 20 calendar years, the
23 procurement administrator, Agency, Commission
24 staff, and procurement monitor shall quantify the
25 annual cost of the contract by utilizing one or
26 more ~~an~~ industry-standard, third-party forward

1 price curves ~~curve~~ for energy at the appropriate
2 hub or load zone, including the estimated
3 magnitude and timing of the price effects related
4 to federal carbon controls. Each forward price
5 curve shall contain a specific value of the
6 forecasted market price of electricity for each
7 annual delivery year of the contract. For
8 procurement planning purposes, the impact on the
9 annual budget for the cost of indexed renewable
10 energy credits for each delivery year shall be
11 determined as the expected annual contract
12 expenditure for that year, equaling the difference
13 between (i) the sum across all relevant contracts
14 of the applicable strike price multiplied by
15 contract quantity and (ii) the sum across all
16 relevant contracts of the forward price curve for
17 the applicable load zone for that year multiplied
18 by contract quantity. The contracting utility
19 shall not assume an obligation in excess of the
20 estimated annual cost of the contracts for indexed
21 renewable energy credits. Forward curves shall be
22 revised on an annual basis as updated forward
23 price curves are released and filed with the
24 Commission in the proceeding approving the
25 Agency's most recent long-term renewable resources
26 procurement plan. If the expected contract spend

1 is higher or lower than the total quantity of
2 contracts multiplied by the forward price curve
3 value for that year, the forward price curve shall
4 be updated by the procurement administrator, in
5 consultation with the Agency, Commission staff,
6 and procurement monitors, using then-currently
7 available price forecast data and additional
8 budget dollars shall be obligated or reobligated
9 as appropriate.

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

20 (vi) All procurements under this subparagraph (G),
21 including the procurement of renewable energy credits
22 from hydropower facilities, shall comply with the
23 geographic requirements in subparagraph (I) of this
24 paragraph (1) and shall follow the procurement
25 processes and procedures described in this Section and
26 Section 16-111.5 of the Public Utilities Act to the

1 extent practicable, and these processes and procedures
2 may be expedited to accommodate the schedule
3 established by this subparagraph (G). To ensure the
4 successful development of new renewable energy
5 projects supported through competitive procurements,
6 for any procurements conducted under items (i), (ii),
7 (iii), and (v) of this subparagraph (G) and any other
8 procurement of new utility-scale wind or utility-scale
9 solar projects that were entered into prior to January
10 1, 2025, the Agency shall allow, upon a demonstration
11 of need to ensure the commercial viability of a
12 project, for a one-time, post-award renegotiation of
13 select contract terms prior to the project's
14 commercial operation date through bilateral
15 negotiation between the Agency and a winning bidder.
16 Contract terms subject to renegotiation may include
17 the project map, as defined under the applicable
18 competitive solicitation, the real estate footprint or
19 any limitations thereof, the location of the
20 generators, or a potential reduction in the quantity
21 of renewable energy credits to be delivered.
22 Provisions related to a renewable energy credit
23 delivery shortfall and the event of default may be
24 replaced with similar provisions approved by the
25 Agency in subsequent years or subsequent to a
26 successful bid. Post-award renegotiation of

1 competitively bid renewable energy credit contracts
2 entered into prior to January 1, 2025 shall not be
3 permitted to the extent such renegotiation would
4 result in (1) the point of interconnection being
5 within the service area of a different state, a
6 different regional transmission organization zone, or
7 a different regional transmission organization, (2)
8 the generator no longer meeting the definition of the
9 resource category for which the winning bidder was
10 originally awarded a contract, (3) the generator no
11 longer meeting the Agency's public interest criteria
12 as established in the long-term renewable resources
13 plan in effect at the time of the contract award, or
14 (4) a change to material terms of the renewable energy
15 credit contract unrelated to project land or footprint
16 or the number of renewable energy credits to be
17 delivered, including the applicable bid price or
18 strike price. If the Agency and the winning bidder
19 reach an agreement on amended terms, then, upon
20 petition by the winning bidder or current seller, the
21 Commission shall issue an order directing the utility
22 counterparty to execute an amendment drafted by the
23 Agency with the revised terms to the renewable energy
24 credit contract, the product order, or both. The
25 Agency shall provide the amendment to the utility
26 within 15 business days after the Commission's order,

1 and the utility shall execute the amendment no more
2 than 7 calendar days after delivery by the Agency.

3 (vii) On and after the effective date of this
4 amendatory Act of the 103rd General Assembly, for all
5 procurements of renewable energy credits from
6 hydropower facilities, the Agency shall establish
7 contract terms designed to optimize existing
8 hydropower facilities through modernization or
9 retooling and establish new hydropower facilities at
10 existing dams. Procurements made under this item (vii)
11 shall prioritize projects located in designated
12 environmental justice communities, as defined in
13 subsection (b) of Section 1-56 of this Act, or in
14 projects located in units of local government with
15 median incomes that do not exceed 82% of the median
16 income of the State.

17 (H) The procurement of renewable energy resources for
18 a given delivery year shall be reduced as described in
19 this subparagraph (H) if an alternative retail electric
20 supplier meets the requirements described in this
21 subparagraph (H).

22 (i) Within 45 days after June 1, 2017 (the
23 effective date of Public Act 99-906), an alternative
24 retail electric supplier or its successor shall submit
25 an informational filing to the Illinois Commerce
26 Commission certifying that, as of December 31, 2015,

1 the alternative retail electric supplier owned one or
2 more electric generating facilities that generates
3 renewable energy resources as defined in Section 1-10
4 of this Act, provided that such facilities are not
5 powered by wind or photovoltaics, and the facilities
6 generate one renewable energy credit for each
7 megawatthour of energy produced from the facility.

8 The informational filing shall identify each
9 facility that was eligible to satisfy the alternative
10 retail electric supplier's obligations under Section
11 16-115D of the Public Utilities Act as described in
12 this item (i).

13 (ii) For a given delivery year, the alternative
14 retail electric supplier may elect to supply its
15 retail customers with renewable energy credits from
16 the facility or facilities described in item (i) of
17 this subparagraph (H) that continue to be owned by the
18 alternative retail electric supplier.

19 (iii) The alternative retail electric supplier
20 shall notify the Agency and the applicable utility, no
21 later than February 28 of the year preceding the
22 applicable delivery year or 15 days after June 1, 2017
23 (the effective date of Public Act 99-906), whichever
24 is later, of its election under item (ii) of this
25 subparagraph (H) to supply renewable energy credits to
26 retail customers of the utility. Such election shall

1 identify the amount of renewable energy credits to be
2 supplied by the alternative retail electric supplier
3 to the utility's retail customers and the source of
4 the renewable energy credits identified in the
5 informational filing as described in item (i) of this
6 subparagraph (H), subject to the following
7 limitations:

8 For the delivery year beginning June 1, 2018,
9 the maximum amount of renewable energy credits to
10 be supplied by an alternative retail electric
11 supplier under this subparagraph (H) shall be 68%
12 multiplied by 25% multiplied by 14.5% multiplied
13 by the amount of metered electricity
14 (megawatt-hours) delivered by the alternative
15 retail electric supplier to Illinois retail
16 customers during the delivery year ending May 31,
17 2016.

18 For delivery years beginning June 1, 2019 and
19 each year thereafter, the maximum amount of
20 renewable energy credits to be supplied by an
21 alternative retail electric supplier under this
22 subparagraph (H) shall be 68% multiplied by 50%
23 multiplied by 16% multiplied by the amount of
24 metered electricity (megawatt-hours) delivered by
25 the alternative retail electric supplier to
26 Illinois retail customers during the delivery year

1 ending May 31, 2016, provided that the 16% value
2 shall increase by 1.5% each delivery year
3 thereafter to 25% by the delivery year beginning
4 June 1, 2025, and thereafter the 25% value shall
5 apply to each delivery year.

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

19 If the requirements set forth in items (i) through
20 (iii) of this subparagraph (H) are met, the charges
21 that would otherwise be applicable to the retail
22 customers of the alternative retail electric supplier
23 under paragraph (6) of this subsection (c) for the
24 applicable delivery year shall be reduced by the ratio
25 of the quantity of renewable energy credits supplied
26 by the alternative retail electric supplier compared

1 to that supplier's target renewable energy credit
2 quantity. The supplier's target renewable energy
3 credit quantity for the delivery year beginning June
4 1, 2018 is 14.5% multiplied by the total amount of
5 metered electricity (megawatt-hours) delivered by the
6 alternative retail supplier in that delivery year,
7 provided that the 14.5% shall increase by 1.5% each
8 delivery year thereafter to 25% by the delivery year
9 beginning June 1, 2025, and thereafter the 25% value
10 shall apply to each delivery year.

11 On or before April 1 of each year, the Agency shall
12 annually publish a report on its website that
13 identifies the aggregate amount of renewable energy
14 credits supplied by alternative retail electric
15 suppliers under this subparagraph (H).

16 (I) The Agency shall design its long-term renewable
17 energy procurement plan to maximize the State's interest
18 in the health, safety, and welfare of its residents,
19 including but not limited to minimizing sulfur dioxide,
20 nitrogen oxide, particulate matter and other pollution
21 that adversely affects public health in this State,
22 increasing fuel and resource diversity in this State,
23 enhancing the reliability and resiliency of the
24 electricity distribution system in this State, meeting
25 goals to limit carbon dioxide emissions under federal or
26 State law, and contributing to a cleaner and healthier

1 environment for the citizens of this State. In order to
2 further these legislative purposes, renewable energy
3 credits shall be eligible to be counted toward the
4 renewable energy requirements of this subsection (c) if
5 they are generated from facilities located in this State.
6 The Agency may qualify renewable energy credits from
7 facilities located in states adjacent to Illinois or
8 renewable energy credits associated with the electricity
9 generated by a utility-scale wind energy facility or
10 utility-scale photovoltaic facility and transmitted by a
11 qualifying direct current project described in subsection
12 (b-5) of Section 8-406 of the Public Utilities Act to a
13 delivery point on the electric transmission grid located
14 in this State or a state adjacent to Illinois, if the
15 generator demonstrates and the Agency determines that the
16 operation of such facility or facilities will help promote
17 the State's interest in the health, safety, and welfare of
18 its residents based on the public interest criteria
19 described above. For the purposes of this Section,
20 renewable resources that are delivered via a high voltage
21 direct current converter station located in Illinois shall
22 be deemed generated in Illinois at the time and location
23 the energy is converted to alternating current by the high
24 voltage direct current converter station if the high
25 voltage direct current transmission line: (i) after the
26 effective date of this amendatory Act of the 102nd General

1 Assembly, was constructed with a project labor agreement;
2 (ii) is capable of transmitting electricity at 525kv;
3 (iii) has an Illinois converter station located and
4 interconnected in the region of the PJM Interconnection,
5 LLC; (iv) does not operate as a public utility; and (v) if
6 the high voltage direct current transmission line was
7 energized after June 1, 2023. To ensure that the public
8 interest criteria are applied to the procurement and given
9 full effect, the Agency's long-term procurement plan shall
10 describe in detail how each public interest factor shall
11 be considered and weighted for facilities located in
12 states adjacent to Illinois.

13 (J) In order to promote the competitive development of
14 renewable energy resources in furtherance of the State's
15 interest in the health, safety, and welfare of its
16 residents, renewable energy credits shall not be eligible
17 to be counted toward the renewable energy requirements of
18 this subsection (c) if they are sourced from a generating
19 unit whose costs were being recovered through rates
20 regulated by this State or any other state or states on or
21 after January 1, 2017. Each contract executed to purchase
22 renewable energy credits under this subsection (c) shall
23 provide for the contract's termination if the costs of the
24 generating unit supplying the renewable energy credits
25 subsequently begin to be recovered through rates regulated
26 by this State or any other state or states; and each

1 contract shall further provide that, in that event, the
2 supplier of the credits must return 110% of all payments
3 received under the contract. Amounts returned under the
4 requirements of this subparagraph (J) shall be retained by
5 the utility and all of these amounts shall be used for the
6 procurement of additional renewable energy credits from
7 new wind or new photovoltaic resources as defined in this
8 subsection (c). The long-term plan shall provide that
9 these renewable energy credits shall be procured in the
10 next procurement event.

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

26 (K) The long-term renewable resources procurement plan

1 developed by the Agency in accordance with subparagraph
2 (A) of this paragraph (1) shall include an Adjustable
3 Block program for the procurement of renewable energy
4 credits from new photovoltaic projects that are
5 distributed renewable energy generation devices or new
6 photovoltaic community renewable generation projects. The
7 Adjustable Block program shall be generally designed to
8 provide for the steady, predictable, and sustainable
9 growth of new solar photovoltaic development in Illinois.
10 To this end, the Adjustable Block program shall provide a
11 transparent annual schedule of prices and quantities to
12 enable the photovoltaic market to scale up and for
13 renewable energy credit prices to adjust at a predictable
14 rate over time. The prices set by the Adjustable Block
15 program can be reflected as a set value or as the product
16 of a formula.

17 The Adjustable Block program shall include for each
18 category of eligible projects for each delivery year: a
19 single block of nameplate capacity, a price for renewable
20 energy credits within that block, and the terms and
21 conditions for securing a spot on a waitlist once the
22 block is fully committed or reserved. Except as outlined
23 below, the waitlist of projects in a given year will carry
24 over to apply to the subsequent year when another block is
25 opened. Only projects energized on or after June 1, 2017
26 shall be eligible for the Adjustable Block program. For

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

25 The Adjustable Block program shall include the
26 following categories in at least the following amounts:

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

4 (ii) At least 20% from distributed renewable
5 energy generation devices with a nameplate capacity of
6 more than 25 kilowatts and no more than 5,000
7 kilowatts. The Agency may create sub-categories within
8 this category to account for the differences between
9 projects for small commercial customers, large
10 commercial customers, and public or non-profit
11 customers.

12 (iii) At least 30% from photovoltaic community
13 renewable generation projects. Capacity for this
14 category for the first 2 delivery years after the
15 effective date of this amendatory Act of the 102nd
16 General Assembly shall be allocated to waitlist
17 projects as provided in paragraph (3) of item (iv) of
18 subparagraph (G). Starting in the third delivery year
19 after the effective date of this amendatory Act of the
20 102nd General Assembly or earlier if the Agency
21 determines there is additional capacity needed for to
22 meet previous delivery year requirements, the
23 following shall apply:

24 (1) the Agency shall select projects on a
25 first-come, first-serve basis, however the Agency
26 may suggest additional methods to prioritize

1 projects that are submitted at the same time;

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

6 (3) projects shall not be colocated with one
7 or more other community renewable generation
8 projects, as defined in the Agency's first revised
9 long-term renewable resources procurement plan
10 approved by the Commission on February 18, 2020,
11 such that the aggregate nameplate capacity exceeds
12 5,000 kilowatts; and

13 (4) projects greater than 2 MW may not apply
14 until after the approval of the Agency's revised
15 Long-Term Renewable Resources Procurement Plan
16 after the effective date of this amendatory Act of
17 the 102nd General Assembly.

18 (iv) At least 15% from distributed renewable
19 generation devices or photovoltaic community renewable
20 generation projects installed on public school land.
21 The Agency may create subcategories within this
22 category to account for the differences between
23 project size or location. Projects located within
24 environmental justice communities or within
25 Organizational Units that fall within Tier 1 or Tier 2
26 shall be given priority. Each of the Agency's periodic

1 updates to its long-term renewable resources
2 procurement plan to incorporate the procurement
3 described in this subparagraph (iv) shall also include
4 the proposed quantities or blocks, pricing, and
5 contract terms applicable to the procurement as
6 indicated herein. In each such update and procurement,
7 the Agency shall set the renewable energy credit price
8 and establish payment terms for the renewable energy
9 credits procured pursuant to this subparagraph (iv)
10 that make it feasible and affordable for public
11 schools to install photovoltaic distributed renewable
12 energy devices on their premises, including, but not
13 limited to, those public schools subject to the
14 prioritization provisions of this subparagraph. For
15 the purposes of this item (iv):

16 "Environmental Justice Community" shall have the
17 same meaning set forth in the Agency's long-term
18 renewable resources procurement plan;

19 "Organization Unit", "Tier 1" and "Tier 2" shall
20 have the meanings set for in Section 18-8.15 of the
21 School Code;

22 "Public schools" shall have the meaning set forth
23 in Section 1-3 of the School Code and includes public
24 institutions of higher education, as defined in the
25 Board of Higher Education Act.

26 (v) At least 5% from community-driven community

1 solar projects intended to provide more direct and
2 tangible connection and benefits to the communities
3 which they serve or in which they operate and,
4 additionally, to increase the variety of community
5 solar locations, models, and options in Illinois. As
6 part of its long-term renewable resources procurement
7 plan, the Agency shall develop selection criteria for
8 projects participating in this category. Nothing in
9 this Section shall preclude the Agency from creating a
10 selection process that maximizes community ownership
11 and community benefits in selecting projects to
12 receive renewable energy credits. Selection criteria
13 shall include:

14 (1) community ownership or community
15 wealth-building;

16 (2) additional direct and indirect community
17 benefit, beyond project participation as a
18 subscriber, including, but not limited to,
19 economic, environmental, social, cultural, and
20 physical benefits;

21 (3) meaningful involvement in project
22 organization and development by community members
23 or nonprofit organizations or public entities
24 located in or serving the community;

25 (4) engagement in project operations and
26 management by nonprofit organizations, public

1 entities, or community members; and

2 (5) whether a project is developed in response
3 to a site-specific RFP developed by community
4 members or a nonprofit organization or public
5 entity located in or serving the community.

6 Selection criteria may also prioritize projects
7 that:

8 (1) are developed in collaboration with or to
9 provide complementary opportunities for the Clean
10 Jobs Workforce Network Program, the Illinois
11 Climate Works Preapprenticeship Program, the
12 Returning Residents Clean Jobs Training Program,
13 the Clean Energy Contractor Incubator Program, or
14 the Clean Energy Primes Contractor Accelerator
15 Program;

16 (2) increase the diversity of locations of
17 community solar projects in Illinois, including by
18 locating in urban areas and population centers;

19 (3) are located in Equity Investment Eligible
20 Communities;

21 (4) are not greenfield projects;

22 (5) serve only local subscribers;

23 (6) have a nameplate capacity that does not
24 exceed 500 kW;

25 (7) are developed by an equity eligible
26 contractor; or

1 (8) otherwise meaningfully advance the goals
2 of providing more direct and tangible connection
3 and benefits to the communities which they serve
4 or in which they operate and increasing the
5 variety of community solar locations, models, and
6 options in Illinois.

7 For the purposes of this item (v):

8 "Community" means a social unit in which people
9 come together regularly to effect change; a social
10 unit in which participants are marked by a cooperative
11 spirit, a common purpose, or shared interests or
12 characteristics; or a space understood by its
13 residents to be delineated through geographic
14 boundaries or landmarks.

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

24 "Community ownership" means an arrangement in
25 which an electric generating facility is, or over time
26 will be, in significant part, owned collectively by

1 members of the community to which an electric
2 generating facility provides benefits; members of that
3 community participate in decisions regarding the
4 governance, operation, maintenance, and upgrades of
5 and to that facility; and members of that community
6 benefit from regular use of that facility.

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

17 (vi) At least 10% from distributed renewable
18 energy generation devices, which includes distributed
19 renewable energy devices with a nameplate capacity
20 under 5,000 kilowatts or photovoltaic community
21 renewable generation projects, from applicants that
22 are equity eligible contractors. The Agency may create
23 subcategories within this category to account for the
24 differences between project size and type. The Agency
25 shall propose to increase the percentage in this item
26 (vi) over time to 40% based on factors, including, but

1 not limited to, the number of equity eligible
2 contractors and capacity used in this item (vi) in
3 previous delivery years.

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

1 Contracts developed featuring capital advanced
2 prior to a project's energization shall feature
3 provisions to ensure both the successful development
4 of applicant projects and the delivery of the
5 renewable energy credits for the full term of the
6 contract, including ongoing collateral requirements
7 and other provisions deemed necessary by the Agency,
8 and may include energization timelines longer than for
9 comparable project types. The percentage or amount of
10 capital advanced prior to project energization shall
11 not operate to increase the overall contract value,
12 however contracts executed under this subparagraph may
13 feature renewable energy credit prices higher than
14 those offered to similar projects participating in
15 other categories. Capital advanced prior to
16 energization shall serve to reduce the ratable
17 payments made after energization under items (ii) and
18 (iii) of subparagraph (L) or payments made for each
19 renewable energy credit delivery under item (iv) of
20 subparagraph (L).

21 (vii) The remaining capacity shall be allocated by
22 the Agency in order to respond to market demand. The
23 Agency shall allocate any discretionary capacity prior
24 to the beginning of each delivery year.

25 To the extent there is uncontracted capacity from any
26 block in any of categories (i) through (vi) at the end of a

1 delivery year, the Agency shall redistribute that capacity
2 to one or more other categories giving priority to
3 categories with projects on a waitlist. The redistributed
4 capacity shall be added to the annual capacity in the
5 subsequent delivery year, and the price for renewable
6 energy credits shall be the price for the new delivery
7 year. Redistributed capacity shall not be considered
8 redistributed when determining whether the goals in this
9 subsection (K) have been met.

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

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

23 (L) Notwithstanding provisions for advancing capital
24 prior to project energization found in item (vi) of
25 subparagraph (K), the procurement of photovoltaic
26 renewable energy credits under items (i) through (vi) of

1 subparagraph (K) of this paragraph (1) shall otherwise be
2 subject to the following contract and payment terms:

3 (i) (Blank).

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

26 (iii) Unless otherwise provided for in the

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

23 (iv) Unless otherwise provided for in the Agency's
24 approved long-term plan, for ~~For~~ those renewable
25 energy credits that qualify and are procured under
26 item ~~items~~ (iii) ~~and (iv)~~ of subparagraph (K) of this

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

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

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

23 (vi) The utility shall be the counterparty to the
24 contracts executed under this subparagraph (L) that
25 are approved by the Commission under the process
26 described in Section 16-111.5 of the Public Utilities

1 Act. No contract shall be executed for an amount that
2 is less than one renewable energy credit per year.

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

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

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

25 (x) Contracts may be assignable, but only to
26 entities first deemed by the Agency to have met

1 program terms and requirements applicable to direct
2 program participation. In developing contracts for the
3 delivery of renewable energy credits, the Agency shall
4 be permitted to establish fees applicable to each
5 contract assignment.

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

21 The Program Administrator may charge application fees
22 to participating firms to cover the cost of program
23 administration. Any application fee amounts shall
24 initially be determined through the long-term renewable
25 resources procurement plan, and modifications to any
26 application fee that deviate more than 25% from the

1 Commission's approved value must be approved by the
2 Commission as a long-term plan revision under Section
3 16-111.5 of the Public Utilities Act. The Agency shall
4 consider stakeholder feedback when making adjustments to
5 application fees and shall notify stakeholders in advance
6 of any planned changes.

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

20 The Agency and its consultant or consultants shall
21 monitor block activity, share program activity with
22 stakeholders and conduct quarterly meetings to discuss
23 program activity and market conditions. If necessary, the
24 Agency may make prospective administrative adjustments to
25 the Adjustable Block program design, such as making
26 adjustments to purchase prices as necessary to achieve the

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

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

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

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

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

1 State-administered incentive funding through Agency
2 programs and procurements.

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

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

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

26 (vi) The Agency shall schedule regular meetings

1 with representatives of the Office of the Attorney
2 General, the Illinois Commerce Commission, consumer
3 protection groups, and other interested stakeholders
4 to share relevant information about consumer
5 protection, project compliance, and complaints
6 received.

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

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

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

12 (ix) For distributed renewable generation devices,
13 the Agency shall establish program requirements that
14 prohibit distributed renewable generation device sales
15 or financing offers through which the customer is
16 promised the pass-through of a portion or all of the
17 payments received by the approved vendor for the
18 delivery of renewable energy credits only after the
19 receipt of such payment by the approved vendor. The
20 requirements in this item (ix) shall in no way
21 prohibit the upfront discounting of the purchase
22 price, lease payment, or power purchase agreement rate
23 based on the anticipated receipt of renewable energy
24 credit contract payments by the approved vendor.

25 (x) To ensure that customers receive full and
26 uninterrupted benefits and services promised by

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

20 (N) The Agency shall establish the terms, conditions,
21 and program requirements for photovoltaic community
22 renewable generation projects with a goal to expand access
23 to a broader group of energy consumers, to ensure robust
24 participation opportunities for residential and small
25 commercial customers and those who cannot install
26 renewable energy on their own properties. Subject to

1 reasonable limitations, any plan approved by the
2 Commission shall allow subscriptions to community
3 renewable generation projects to be portable and
4 transferable. For purposes of this subparagraph (N),
5 "portable" means that subscriptions may be retained by the
6 subscriber even if the subscriber relocates or changes its
7 address within the same utility service territory; and
8 "transferable" means that a subscriber may assign or sell
9 subscriptions to another person within the same utility
10 service territory.

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

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

22 The Agency shall purchase renewable energy credits
23 from subscribed shares of photovoltaic community renewable
24 generation projects through the Adjustable Block program
25 described in subparagraph (K) of this paragraph (1) or
26 through the Illinois Solar for All Program described in

1 Section 1-56 of this Act. The electric utility shall
2 purchase any unsubscribed energy from community renewable
3 generation projects that are Qualifying Facilities ("QF")
4 under the electric utility's tariff for purchasing the
5 output from QFs under Public Utilities Regulatory Policies
6 Act of 1978.

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

16 (O) For the delivery year beginning June 1, 2018, the
17 long-term renewable resources procurement plan required by
18 this subsection (c) shall provide for the Agency to
19 procure contracts to continue offering the Illinois Solar
20 for All Program described in subsection (b) of Section
21 1-56 of this Act, and the contracts approved by the
22 Commission shall be executed by the utilities that are
23 subject to this subsection (c). The long-term renewable
24 resources procurement plan shall allocate up to
25 \$50,000,000 per delivery year to fund the programs, and
26 the plan shall determine the amount of funding to be

1 apportioned to the programs identified in subsection (b)
2 of Section 1-56 of this Act; provided that for the
3 delivery years beginning June 1, 2021, June 1, 2022, and
4 June 1, 2023, the long-term renewable resources
5 procurement plan may average the annual budgets over a
6 3-year period to account for program ramp-up. For the
7 delivery years beginning June 1, 2021, June 1, 2024, June
8 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
9 be provided to the Department of Commerce and Economic
10 Opportunity to implement the workforce development
11 programs and reporting as outlined in Section 16-108.12 of
12 the Public Utilities Act. In making the determinations
13 required under this subparagraph (O), the Commission shall
14 consider the experience and performance under the programs
15 and any evaluation reports. The Commission shall also
16 provide for an independent evaluation of those programs on
17 a periodic basis that are funded under this subparagraph
18 (O).

19 (P) All programs and procurements under this
20 subsection (c) shall be designed to encourage
21 participating projects to use a diverse and equitable
22 workforce and a diverse set of contractors, including
23 minority-owned businesses, disadvantaged businesses,
24 trade unions, graduates of any workforce training programs
25 administered under this Act, and small businesses.

26 The Agency shall develop a method to optimize

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

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

22 (1) Each facility shall be subject to the
23 prevailing wage requirements included in the
24 Prevailing Wage Act. The Agency shall require
25 verification that all construction performed on the
26 facility by the renewable energy credit delivery

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

14 (i) all new utility-scale wind projects;

15 (ii) all new utility-scale photovoltaic
16 projects and repowered wind projects;

17 (iii) all new brownfield photovoltaic
18 projects;

19 (iv) all new photovoltaic community renewable
20 energy facilities that qualify for item (iii) of
21 subparagraph (K) of this paragraph (1);

22 (v) all new community driven community
23 photovoltaic projects that qualify for item (v) of
24 subparagraph (K) of this paragraph (1);

25 (vi) all new photovoltaic projects on public
26 school land that qualify for item (iv) of

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

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

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

20 (ix) all new, modernized, or retooled
21 hydropower facilities.

22 (2) Renewable energy credits procured from new
23 utility-scale wind projects, new utility-scale solar
24 projects, new brownfield solar projects, repowered
25 wind projects, and retooled hydropower facilities
26 pursuant to Agency procurement events occurring after

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

18 (3) It is the intent of this Section to ensure that
19 economic development occurs across Illinois
20 communities, that emerging businesses may grow, and
21 that there is improved access to the clean energy
22 economy by persons who have greater economic burdens
23 to success. The Agency shall take into consideration
24 the unique cost of compliance of this subparagraph (Q)
25 that might be borne by equity eligible contractors,
26 shall include such costs when determining the price of

1 renewable energy credits in the Adjustable Block
2 program, and shall take such costs into consideration
3 in a nondiscriminatory manner when comparing bids for
4 competitive procurements. The Agency shall consider
5 costs associated with compliance whether in the
6 development, financing, or construction of projects.
7 The Agency shall periodically review the assumptions
8 in these costs and may adjust prices, in compliance
9 with subparagraph (M) of this paragraph (1).

10 (R) In its long-term renewable resources procurement
11 plan, the Agency shall establish a self-direct renewable
12 portfolio standard compliance program for eligible
13 self-direct customers that purchase renewable energy
14 credits from utility-scale wind and solar projects through
15 long-term agreements for purchase of renewable energy
16 credits as described in this Section. Such long-term
17 agreements may include the purchase of energy or other
18 products on a physical or financial basis and may involve
19 an alternative retail electric supplier as defined in
20 Section 16-102 of the Public Utilities Act. This program
21 shall take effect in the delivery year commencing June 1,
22 2023.

23 (1) For the purposes of this subparagraph:

24 "Eligible self-direct customer" means any retail
25 customers of an electric utility that serves 3,000,000
26 or more retail customers in the State and whose total

1 highest 30-minute demand was more than 10,000
2 kilowatts, or any retail customers of an electric
3 utility that serves less than 3,000,000 retail
4 customers but more than 500,000 retail customers in
5 the State and whose total highest 15-minute demand was
6 more than 10,000 kilowatts.

7 "Retail customer" has the meaning set forth in
8 Section 16-102 of the Public Utilities Act and
9 multiple retail customer accounts under the same
10 corporate parent may aggregate their account demands
11 to meet the 10,000 kilowatt threshold. The criteria
12 for determining whether this subparagraph is
13 applicable to a retail customer shall be based on the
14 12 consecutive billing periods prior to the start of
15 the year in which the application is filed.

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

21 (i) qualify as renewable energy credits as
22 defined in Section 1-10 of this Act;

23 (ii) be sourced from one or more renewable
24 energy generating facilities that comply with the
25 geographic requirements as set forth in
26 subparagraph (I) of paragraph (1) of subsection

1 (c) as interpreted through the Agency's long-term
2 renewable resources procurement plan, or, where
3 applicable, the geographic requirements that
4 governed utility-scale renewable energy credits at
5 the time the eligible self-direct customer entered
6 into the applicable renewable energy credit
7 purchase agreement;

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

17 (iv) be equivalent in volume to at least 40%
18 of the eligible self-direct customer's usage,
19 determined annually by the eligible self-direct
20 customer's usage during the previous delivery
21 year, measured to the nearest megawatt-hour;

22 (v) be retired by or on behalf of the large
23 energy customer;

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

26 (vii) if the contracts for renewable energy

1 credits are entered into after the effective date
2 of this amendatory Act of the 102nd General
3 Assembly, the new utility-scale wind projects or
4 new utility-scale solar projects must comply with
5 the requirements established in subparagraphs (P)
6 and (Q) of paragraph (1) of this subsection (c)
7 and subsection (c-10).

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

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

18 (4) The Commission shall approve a reduction in
19 the volumetric charges collected pursuant to Section
20 16-108 of the Public Utilities Act for approved
21 eligible self-direct customers equivalent to the
22 anticipated cost of renewable energy credit deliveries
23 under contracts for new utility-scale wind and new
24 utility-scale solar entered for each delivery year
25 after the large energy customer begins retiring
26 eligible new utility scale renewable energy credits

1 for self-compliance. The self-direct credit amount
2 shall be determined annually and is equal to the
3 estimated portion of the cost authorized by
4 subparagraph (E) of paragraph (1) of this subsection
5 (c) that supported the annual procurement of
6 utility-scale renewable energy credits in the prior
7 delivery year using a methodology described in the
8 long-term renewable resources procurement plan,
9 expressed on a per kilowatthour basis, and does not
10 include (i) costs associated with any contracts
11 entered into before the delivery year in which the
12 customer files the initial compliance report to be
13 eligible for participation in the self-direct program,
14 and (ii) costs associated with procuring renewable
15 energy credits through existing and future contracts
16 through the Adjustable Block Program, subsection (c-5)
17 of this Section 1-75, and the Solar for All Program.
18 The Agency shall assist the Commission in determining
19 the current and future costs. The Agency must
20 determine the self-direct credit amount for new and
21 existing eligible self-direct customers and submit
22 this to the Commission in an annual compliance filing.
23 The Commission must approve the self-direct credit
24 amount by June 1, 2023 and June 1 of each delivery year
25 thereafter.

26 (5) Customers described in this subparagraph (R)

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

12 (i) the customer's certification that, at the
13 time of the customer's application, the customer
14 qualifies to be a self-direct eligible customer,
15 including documents demonstrating that
16 qualification;

17 (ii) the customer's certification that the
18 customer has entered into or will enter into by
19 the beginning of the applicable procurement year,
20 one or more bilateral contracts for new wind
21 projects or new photovoltaic projects, including
22 supporting documentation;

23 (iii) certification that the contract or
24 contracts for new renewable energy resources are
25 long-term contracts with term lengths of at least
26 10 years, including supporting documentation;

1 (iv) certification of the quantities of
2 renewable energy credits that the customer will
3 purchase each year under such contract or
4 contracts, including supporting documentation;

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

10 (vi) certification that the customer intends
11 to maintain the contract for the duration of the
12 length of the contract.

13 (6) If a customer receives the self-direct credit
14 but fails to properly procure and retire renewable
15 energy credits as required under this subparagraph
16 (R), the Commission, on petition from the Agency and
17 after notice and hearing, may direct such customer's
18 utility to recover the cost of the wrongfully received
19 self-direct credits plus interest through an adder to
20 charges assessed pursuant to Section 16-108 of the
21 Public Utilities Act. Self-direct customers who
22 knowingly fail to properly procure and retire
23 renewable energy credits and do not notify the Agency
24 are ineligible for continued participation in the
25 self-direct renewable portfolio standard compliance
26 program.

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

26 (1) Only customers taking service under the

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

15 (2) For a generating facility to qualify to
16 contribute to the self-direct crediting rate, the
17 generating facility must meet the following criteria:

18 (i) The facility must meet the definition of
19 clean energy under Section 1-10, and the facility
20 must sequester or avoid at least 90% of the total
21 carbon dioxide emissions that a similar generating
22 facility would otherwise emit.

23 (ii) The facility must constitute new clean
24 energy generation facilitated by the applicant
25 customer with the following requirements:

26 (1) New generation successfully

1 facilitated at an existing generating facility
2 may qualify under this item (ii), but only for
3 the incremental increase in generation that
4 directly resulted from the investment in
5 facility expansion or repowering facilitated
6 by the applicant customer.

7 (2) Generating facilities having received
8 a contract for the sale of renewable energy
9 credits under this Section or Section 1-56 or
10 having been used as part of an application for
11 the self-direct program described in
12 subparagraph (R) shall be ineligible.

13 For the purposes of this item (ii), "new"
14 means a generating facility energized after the
15 effective date of this amendatory Act of the 104th
16 General Assembly and no earlier than 6 months
17 before the applicant large load customer's
18 interconnection; "facilitated by the applicant
19 customer" means the customer must have a
20 relationship with the facility that satisfies the
21 contract or colocation requirements outlined in
22 this item (ii).

23 (iii) The facility must be located within the
24 same Regional Transmission Organization zone for
25 which the large load customer is interconnected
26 and the facility must meet the geographic

1 requirements as set forth in subparagraph (I) of
2 paragraph (1) of subsection (c) as interpreted
3 through the Agency's long-term renewable resources
4 procurement plan or constitute renewable energy
5 generation featuring electricity delivered via
6 high voltage direct current transmission
7 facilities if the high voltage direct current
8 transmission line meets the following criteria:

9 (1) was constructed with a project labor
10 agreement;

11 (2) is capable of transmitting electricity
12 at 525kv or above;

13 (3) has a converter station located in
14 Illinois or in a state adjacent to Illinois
15 that is located or interconnected within the
16 region of the PJM Interconnection, LLC, or
17 Midcontinent Independent System Operator,
18 Inc.; and

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

23 (iv) The facility must qualify as an
24 accredited capacity resource within the service
25 areas of PJM Interconnection, LLC, or Midcontinent
26 Independent System Operator, Inc.

1 (v) The facility's development and
2 construction must meet all labor and equity
3 requirements that would otherwise apply to a
4 similarly sized and similarly located project
5 under this Section, including prevailing wage,
6 project labor agreement, and minimum equity
7 standard requirements.

8 (3) Participating customers shall be eligible to
9 offset a portion or all of the assessed charges by
10 securing supply through colocating or entering into
11 power purchase agreements with eligible generating
12 facilities. Eligible contracts may involve an
13 alternative retail electric supplier as defined in
14 Section 16-102 of the Public Utilities Act. Eligible
15 contracts must be at least 10 years in length and shall
16 be deemed as sufficiently additive if the facility is
17 colocated with the customer such that the facility is
18 located on the customer's side of the electric meter
19 and primarily used to offset the customer's
20 electricity load. Bundled power purchase agreements
21 for some combination of energy, capacity, and
22 environmental attributes shall also be considered
23 sufficiently additive. Contracts only for the purchase
24 of environmental attributes shall only be considered
25 sufficiently additive upon a successful demonstration
26 to the Agency that the contract instrument facilitated

1 the facility's development. Environmental attributes,
2 including renewable energy credits, purchased under
3 any qualifying contract or generated from colocated
4 generation shall be retired on that customer's behalf.

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

7 (i) A comparison between the amount of energy
8 produced from customer contracted eligible
9 resources to the customers expected usage to
10 calculate a percentage of self-supplied energy, to
11 establish a self-supplied energy percentage.

12 (ii) A comparison of the calculated capacity
13 of the contracted eligible resources by
14 multiplying the resource's nameplate capacity by
15 the applicable regional transmission organization
16 effective load carrying capacity (ELCC) for the
17 applicable facility and comparing the resulting
18 value against the customers non-coincident peak
19 demand to develop a self-supplied capacity
20 percentage.

21 (iii) The simple average of the self-supplied
22 energy percentage and the self-supplied capacity
23 percentage shall constitute the offset value that
24 serves to reduce the applicant customer's
25 RPS-related charges by the resulting percentage.

26 The process for establishing a large load

1 customer's usage shall be based upon a predefined
2 calculation, accounting for a customer's demand based
3 upon the best available information for that customer.
4 Eligible resource ELCCs shall be established using the
5 most recent publicly available RTO-established values.
6 Once established, the applicable ELCC shall not change
7 unless an error in the RTO process is identified and
8 corrected or an adjustment in the eligible resource's
9 operation impacts its ability to operate according to
10 reasonable operational parameters for its type. A
11 significant change in either the large load customer's
12 operation or that of the eligible resource may result
13 in a reassessment and change in self-supplied energy
14 or capacity percentage. If the resulting crediting
15 rate reaches 100%, a customer shall no longer be
16 assessed RPS-related charges due to the scale and
17 qualitative benefits of that customer's investment in
18 facilitating new clean energy generation. The
19 resulting crediting rate shall not exceed 100%.

20 (5) Customers described in this subparagraph (R-5)
21 shall apply, on a form developed by the Agency, to the
22 Agency to be designated as a large, inflexible-load,
23 self-direct customer. The Agency shall open the large,
24 inflexible-load, self-direct customer program for
25 applications quarterly, with an application window of
26 no less than 2 weeks each quarter. Once the Agency

1 determines that a self-direct customer is eligible for
2 participation in the program, the self-direct customer
3 shall remain eligible until the end of the term of the
4 contract. At a minimum, such application shall contain
5 the following:

6 (i) the customer's certification that, at the
7 time of the customer's application, the customer
8 takes service or would qualify to take service
9 under the tariff described in paragraph (3) of
10 subsection (c) of Section 16-105.5 of the Public
11 Utilities Act, including documents demonstrating
12 that qualification and proof of qualification once
13 achieved;

14 (ii) the customer's certification that the
15 customer has entered into one or more bilateral
16 contracts with eligible generating facilities or
17 is colocated with eligible generating facilities,
18 including supporting documentation that provides
19 information about those facilities necessary for
20 facility qualification and that determines
21 applicable crediting rates;

22 (iii) certification that the contract or
23 contracts with new clean energy generating
24 facilities are long-term contracts with term
25 lengths of at least 10 years, including supporting
26 documentation;

1 (iv) certification of the quantities of
2 energy, capacity, or renewable energy credits that
3 the customer will purchase each year under such
4 contract or contracts, including supporting
5 documentation;

6 (v) historical information and projections
7 related to the customer's electricity consumption,
8 including a demonstration of the share of the
9 customer's electricity consumption and peak load
10 contribution, that the facility or facilities is
11 intended to meet as demonstrated through
12 supporting documentation; and

13 (vi) a certification that the customer intends
14 to maintain the contract for the duration of the
15 length of the contract.

16 The Agency may request, and applicant customers
17 shall provide, any additional information necessary
18 for determining customer program eligibility, facility
19 eligibility, and applicable crediting rate.

20 (6) The Agency shall provide quarterly filings
21 outlining customer qualification and applicable
22 crediting rates as compliance filings in the most
23 recent Commission-docketed proceeding for approval of
24 the Agency's Long-Term Renewable Resources Procurement
25 Plan.

26 (7) The Agency may require that participating

1 customers provide annual reports related to facility
2 operation and performance, customer electricity
3 consumption and load profiles, and other information
4 as necessary. Upon a material change in any
5 information underpinning the customer's qualification
6 for the program or establishment of the customer's
7 crediting rate, the participating customer shall
8 provide notice to the Agency outlining the nature and
9 impact of such changes.

10 (8) Recognizing the need for the State to
11 facilitate the development of new renewable energy
12 generation at a sufficient scale regardless of new
13 large load customer interconnections, renewable energy
14 credits procured and retired by a self-direct customer
15 participating in the program described in this
16 subparagraph (R-5) shall not reduce the total volume
17 of renewable energy credits the Agency is otherwise
18 required to procure.

19 (9) The Agency shall include additional terms,
20 conditions, details, and requirements applicable to
21 the large, inflexible-load self-direct RPS program
22 within its Long-Term Renewable Resources Procurement
23 Plan. Notwithstanding whether an updated Long-Term
24 Renewable Resources Procurement Plan, including this
25 program, has been approved by the Commission, the
26 large, inflexible-load self-direct program shall begin

1 taking applications no later than 90 days after
2 Commission approval of the tariff outlined in
3 paragraph (3) of subsection (c) of Section 16-105.5 of
4 the Public Utilities Act.

5 (2) (Blank).

6 (3) (Blank).

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

9 (5) Beginning with the 2010 delivery year and ending
10 June 1, 2017, an electric utility subject to this
11 subsection (c) shall apply the lesser of the maximum
12 alternative compliance payment rate or the most recent
13 estimated alternative compliance payment rate for its
14 service territory for the corresponding compliance period,
15 established pursuant to subsection (d) of Section 16-115D
16 of the Public Utilities Act to its retail customers that
17 take service pursuant to the electric utility's hourly
18 pricing tariff or tariffs. The electric utility shall
19 retain all amounts collected as a result of the
20 application of the alternative compliance payment rate or
21 rates to such customers, and, beginning in 2011, the
22 utility shall include in the information provided under
23 item (1) of subsection (d) of Section 16-111.5 of the
24 Public Utilities Act the amounts collected under the
25 alternative compliance payment rate or rates for the prior
26 year ending May 31. Notwithstanding any limitation on the

1 procurement of renewable energy resources imposed by item
2 (2) of this subsection (c), the Agency shall increase its
3 spending on the purchase of renewable energy resources to
4 be procured by the electric utility for the next plan year
5 by an amount equal to the amounts collected by the utility
6 under the alternative compliance payment rate or rates in
7 the prior year ending May 31.

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

18 (7) Renewable energy credits procured from new
19 photovoltaic projects or new distributed renewable energy
20 generation devices under this Section after June 1, 2017
21 (the effective date of Public Act 99-906) must be procured
22 from devices installed by a qualified person in compliance
23 with the requirements of Section 16-128A of the Public
24 Utilities Act and any rules or regulations adopted
25 thereunder.

26 In meeting the renewable energy requirements of this

1 subsection (c), to the extent feasible and consistent with
2 State and federal law, the renewable energy credit
3 procurements, Adjustable Block solar program, and
4 community renewable generation program shall provide
5 employment opportunities for all segments of the
6 population and workforce, including minority-owned and
7 female-owned business enterprises, and shall not,
8 consistent with State and federal law, discriminate based
9 on race or socioeconomic status.

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

14 (1) In addition to the procurement of renewable energy
15 credits pursuant to long-term renewable resources
16 procurement plans in accordance with subsection (c) of
17 this Section and Section 16-111.5 of the Public Utilities
18 Act, the Agency shall conduct procurement events in
19 accordance with this subsection (c-5) for the procurement
20 by electric utilities that served more than 300,000 retail
21 customers in this State as of January 1, 2019 of renewable
22 energy credits from new renewable energy facilities to be
23 installed at or adjacent to the sites of electric
24 generating facilities that, as of January 1, 2016, burned
25 coal as their primary fuel source and meet the other
26 criteria specified in this subsection (c-5). For purposes

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

22 (2) The Agency shall conduct 2 procurement events to
23 select owners of electric generating facilities meeting
24 the eligibility criteria specified in this subsection
25 (c-5) to enter into long-term contracts to sell renewable
26 energy credits to electric utilities serving more than

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

22 (A) The applicant owns an electric generating
23 facility located in this State that: (i) as of January
24 1, 2016, burned coal as its primary fuel to generate
25 electricity; and (ii) has, or had prior to retirement,
26 an electric generating capacity of at least 150

1 megawatts. The electric generating facility can be
2 either: (i) retired as of the date of the procurement
3 event; or (ii) still operating as of the date of the
4 procurement event.

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

15 (C) If participating in the first procurement
16 event, the applicant proposes and commits to construct
17 and operate, at the site, and if necessary for
18 sufficient space on property adjacent to the existing
19 property, at which the electric generating facility
20 identified in paragraph (A) is located: (i) a new
21 renewable energy facility of at least 20 megawatts but
22 no more than 100 megawatts of electric generating
23 capacity, and (ii) an energy storage facility having a
24 storage capacity equal to at least 2 megawatts and at
25 most 10 megawatts. If participating in the second
26 procurement event, the applicant proposes and commits

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

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

16 (E) The applicant agrees that personnel operating
17 the new renewable energy facility and the energy
18 storage facility will have the requisite skills,
19 knowledge, training, experience, and competence, which
20 may be demonstrated by completion or current
21 participation and ultimate completion by employees of
22 an accredited or otherwise recognized apprenticeship
23 program for the employee's particular craft, trade, or
24 skill, including through training and education
25 courses and opportunities offered by the owner to
26 employees of the coal-fueled electric generating

1 facility or by previous employment experience
2 performing the employee's particular work skill or
3 function.

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

17 (G) The applicant commits that if selected, it
18 will negotiate a project labor agreement for the
19 construction of the new renewable energy facility and
20 associated energy storage facility that includes
21 provisions requiring the parties to the agreement to
22 work together to establish diversity threshold
23 requirements and to ensure best efforts to meet
24 diversity targets, improve diversity at the applicable
25 job site, create diverse apprenticeship opportunities,
26 and create opportunities to employ former coal-fired

1 power plant workers.

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

21 (I) The applicant's application is certified by an
22 officer of the applicant and by an officer of the
23 applicant's ultimate parent company, if any.

24 (3) An applicant may submit applications to contract
25 to supply renewable energy credits from more than one new
26 renewable energy facility to be constructed at or adjacent

1 to one or more qualifying electric generating facilities
2 owned by the applicant. The Agency may select new
3 renewable energy facilities to be located at or adjacent
4 to the sites of more than one qualifying electric
5 generation facility owned by an applicant to contract with
6 electric utilities to supply renewable energy credits from
7 such facilities.

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

17 (5) The Agency shall select the applicants and the new
18 renewable energy facilities to contract with electric
19 utilities to supply renewable energy credits in accordance
20 with this subsection (c-5). In the first procurement
21 event, the Agency shall select applicants and new
22 renewable energy facilities to supply renewable energy
23 credits, at a price of \$30 per renewable energy credit,
24 aggregating to no less than 400,000 renewable energy
25 credits per year for the applicable duration, assuming
26 sufficient qualifying applications to supply, in the

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

17 (6) The obligation to purchase renewable energy
18 credits from the applicants and their new renewable energy
19 facilities selected by the Agency shall be allocated to
20 the electric utilities based on their respective
21 percentages of kilowatthours delivered to delivery
22 services customers to the aggregate kilowatthour
23 deliveries by the electric utilities to delivery services
24 customers for the year ended December 31, 2021. In order
25 to achieve these allocation percentages between or among
26 the electric utilities, the Agency shall require each

1 applicant that is selected in the procurement event to
2 enter into a contract with each electric utility for the
3 sale and purchase of renewable energy credits from each
4 new renewable energy facility to be constructed and
5 operated by the applicant, with the sale and purchase
6 obligations under the contracts to aggregate to the total
7 number of renewable energy credits per year to be supplied
8 by the applicant from the new renewable energy facility.

9 (7) The Agency shall submit its proposed selection of
10 applicants, new renewable energy facilities to be
11 constructed, and renewable energy credit amounts for each
12 procurement event to the Commission for approval. The
13 Commission shall, within 2 business days after receipt of
14 the Agency's proposed selections, approve the proposed
15 selections if it determines that the applicants and the
16 new renewable energy facilities to be constructed meet the
17 selection criteria set forth in this subsection (c-5) and
18 that the Agency seeks approval for contracts of applicable
19 durations aggregating to no more than the maximum amount
20 of renewable energy credits per year authorized by this
21 subsection (c-5) for the procurement event, at a price of
22 \$30 per renewable energy credit.

23 (8) The Agency, in conjunction with its procurement
24 administrator if one is retained, the electric utilities,
25 and potential applicants for contracts to produce and
26 supply renewable energy credits pursuant to this

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

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

14 (9) Coal to Solar and Energy Storage Initiative
15 Charge.

16 (A) By no later than July 1, 2022, each electric
17 utility that served more than 300,000 retail customers
18 in this State as of January 1, 2019 shall file a tariff
19 with the Commission for the billing and collection of
20 a Coal to Solar and Energy Storage Initiative Charge
21 in accordance with subsection (i-5) of Section 16-108
22 of the Public Utilities Act, with such tariff to be
23 effective, following review and approval or
24 modification by the Commission, beginning January 1,
25 2023. The tariff shall provide for the calculation and
26 setting of the electric utility's Coal to Solar and

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

22 (B) Each electric utility shall remit on a monthly
23 basis to the State Treasurer, for deposit in the Coal
24 to Solar and Energy Storage Initiative Fund provided
25 for in this subsection (c-5), the electric utility's
26 collections of the Coal to Solar and Energy Storage

1 Initiative Charge in the amount estimated to be needed
2 by the Department for grant payments pursuant to grant
3 contracts entered into by the Department pursuant to
4 paragraph (10) of this subsection (c-5).

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

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

21 (B) The Coal to Solar and Energy Storage
22 Initiative Fund shall not be subject to sweeps,
23 administrative charges, or chargebacks, including, but
24 not limited to, those authorized under Section 8h of
25 the State Finance Act, that would in any way result in
26 the transfer of those funds from the Coal to Solar and

1 Energy Storage Initiative Fund to any other fund of
2 this State or in having any such funds utilized for any
3 purpose other than the express purposes set forth in
4 this paragraph (10).

5 (C) The Department shall utilize up to
6 \$280,500,000 in the Coal to Solar and Energy Storage
7 Initiative Fund for grants, assuming sufficient
8 qualifying applicants, to support installation of
9 energy storage facilities at the sites of up to 3
10 qualifying electric generating facilities located in
11 the Midcontinent Independent System Operator, Inc.,
12 region in Illinois and the sites of up to 2 qualifying
13 electric generating facilities located in the PJM
14 Interconnection, LLC region in Illinois that meet the
15 criteria set forth in this subparagraph (C). The
16 criteria for receipt of a grant pursuant to this
17 subparagraph (C) are as follows:

18 (1) the electric generating facility at the
19 site has, or had prior to retirement, an electric
20 generating capacity of at least 150 megawatts;

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

24 (3) if the electric generating facility is
25 retired, it was retired subsequent to January 1,
26 2016;

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

9 (5) the electric generating facility located
10 at the site was at one time owned, in whole or in
11 part, by a public utility as defined in Section
12 3-105 of the Public Utilities Act;

13 (6) the electric generating facility at the
14 site is not owned by (i) an electric cooperative
15 as defined in Section 3-119 of the Public
16 Utilities Act, or (ii) an entity described in
17 subsection (b)(1) of Section 3-105 of the Public
18 Utilities Act, or an association or consortium of
19 or an entity owned by entities described in items
20 (i) or (ii);

21 (7) the proposed energy storage facility at
22 the site will have energy storage capacity of at
23 least 37 megawatts;

24 (8) the owner commits to place the energy
25 storage facility into commercial operation on
26 either June 1, 2023, June 1, 2024, or June 1, 2025,

1 with such date subject to adjustment as needed due
2 to any delays in completing the grant contracting
3 process, in finalizing interconnection agreements
4 and in installing interconnection facilities, and
5 in obtaining necessary governmental permits and
6 approvals;

7 (9) the owner agrees that the new energy
8 storage facility will be constructed or installed
9 by a qualified entity or entities consistent with
10 the requirements of subsection (g) of Section
11 16-128A of the Public Utilities Act and any rules
12 adopted under that Section;

13 (10) the owner agrees that personnel operating
14 the energy storage facility will have the
15 requisite skills, knowledge, training, experience,
16 and competence, which may be demonstrated by
17 completion or current participation and ultimate
18 completion by employees of an accredited or
19 otherwise recognized apprenticeship program for
20 the employee's particular craft, trade, or skill,
21 including through training and education courses
22 and opportunities offered by the owner to
23 employees of the coal-fueled electric generating
24 facility or by previous employment experience
25 performing the employee's particular work skill or
26 function;

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

14 (12) the owner commits that if selected to
15 receive a grant, it will negotiate a project labor
16 agreement for the construction of the new energy
17 storage facility that includes provisions
18 requiring the parties to the agreement to work
19 together to establish diversity threshold
20 requirements and to ensure best efforts to meet
21 diversity targets, improve diversity at the
22 applicable job site, create diverse apprenticeship
23 opportunities, and create opportunities to employ
24 former coal-fired power plant workers.

25 The Department shall accept applications for this
26 grant program until March 31, 2022 and shall announce

1 the award of grants no later than June 1, 2022. The
2 Department shall make the grant payments to a
3 recipient in equal annual amounts for 10 years
4 following the date the energy storage facility is
5 placed into commercial operation. The annual grant
6 payments to a qualifying energy storage facility shall
7 be \$110,000 per megawatt of energy storage capacity,
8 with total annual grant payments pursuant to this
9 subparagraph (C) for qualifying energy storage
10 facilities not to exceed \$28,050,000 in any year.

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

19 (E) All disbursements from the Coal to Solar and
20 Energy Storage Initiative Fund shall be made only upon
21 warrants of the Comptroller drawn upon the Treasurer
22 as custodian of the Fund upon vouchers signed by the
23 Director of the Department or by the person or persons
24 designated by the Director of the Department for that
25 purpose. The Comptroller is authorized to draw the
26 warrants upon vouchers so signed. The Treasurer shall

1 accept all written warrants so signed and shall be
2 released from liability for all payments made on those
3 warrants.

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

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

25 (B) For purposes of this paragraph (11), diversity
26 composition shall be based on the percentage, which

1 shall be a minimum of 25%, of eligible expenditures
2 for contract awards for materials and services (which
3 shall be defined in the plan) to business enterprises
4 owned by minority persons, women, or persons with
5 disabilities as defined in Section 2 of the Business
6 Enterprise for Minorities, Women, and Persons with
7 Disabilities Act, to LGBTQ business enterprises, to
8 veteran-owned business enterprises, and to business
9 enterprises located in environmental justice
10 communities. The diversity composition goals of the
11 plan may include eligible expenditures in areas for
12 vendor or supplier opportunities in addition to
13 development and construction of the project, and may
14 exclude from eligible expenditures materials and
15 services with limited market availability, limited
16 production and availability from suppliers in the
17 United States, such as solar panels and storage
18 batteries, and material and services that are subject
19 to critical energy infrastructure or cybersecurity
20 requirements or restrictions. The plan may provide
21 that the diversity composition goals may be met
22 through Tier 1 Direct or Tier 2 subcontracting
23 expenditures or a combination thereof for the project.

24 (C) The plan shall provide for, but not be limited
25 to: (i) internal initiatives, including multi-tier
26 initiatives, by the applicant or owner, or by its

1 engineering, procurement and construction contractor
2 if one is used for the project, which for purposes of
3 this paragraph (11) shall be referred to as the EPC
4 contractor, to enable diverse businesses to be
5 considered fairly for selection to provide materials
6 and services; (ii) requirements for the applicant or
7 owner or its EPC contractor to proactively solicit and
8 utilize diverse businesses to provide materials and
9 services; and (iii) requirements for the applicant or
10 owner or its EPC contractor to hire a diverse
11 workforce for the project. The plan shall include a
12 description of the applicant's or owner's diversity
13 recruiting efforts both for the project and for other
14 areas of the applicant's or owner's business
15 operations. The plan shall provide for the imposition
16 of financial penalties on the applicant's or owner's
17 EPC contractor for failure to exercise best efforts to
18 comply with and execute the EPC contractor's diversity
19 obligations under the plan. The plan may provide for
20 the applicant or owner to set aside a portion of the
21 work on the project to serve as an incubation program
22 for qualified businesses, as specified in the plan,
23 owned by minority persons, women, persons with
24 disabilities, LGBTQ persons, and veterans, and
25 businesses located in environmental justice
26 communities, seeking to enter the renewable energy

1 industry.

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

17 (c-10) Equity accountability system. It is the purpose of
18 this subsection (c-10) to create an equity accountability
19 system, which includes the minimum equity standards for all
20 renewable energy procurements, the equity category of the
21 Adjustable Block Program, and the equity prioritization for
22 noncompetitive procurements, that is successful in advancing
23 priority access to the clean energy economy for businesses and
24 workers from communities that have been excluded from economic
25 opportunities in the energy sector, have been subject to
26 disproportionate levels of pollution, and have

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

11 (1) Minimum equity standards. The Agency shall create
12 programs with the purpose of increasing access to and
13 development of equity eligible contractors, who are prime
14 contractors and subcontractors, across all of the programs
15 it manages. All applications for renewable energy credit
16 procurements shall comply with specific minimum equity
17 commitments. Starting in the delivery year immediately
18 following the next long-term renewable resources
19 procurement plan, at least 10% of the project workforce
20 for each entity participating in a procurement program
21 outlined in this subsection (c-10) must be done by equity
22 eligible persons or equity eligible contractors. The
23 Agency shall increase the minimum percentage each delivery
24 year thereafter by increments that ensure a statewide
25 average of 30% of the project workforce for each entity
26 participating in a procurement program is done by equity

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

19 (A) At the start of each delivery year, the Agency
20 shall require a compliance plan from each entity
21 participating in a procurement program of subsection
22 (c) of this Section that demonstrates how they will
23 achieve compliance with the minimum equity standard
24 percentage for work completed in that delivery year.
25 If an entity applies for its approved vendor or
26 designee status between delivery years, the Agency

1 shall require a compliance plan at the time of
2 application.

3 (B) Halfway through each delivery year, the Agency
4 shall require each entity participating in a
5 procurement program to confirm that it will achieve
6 compliance in that delivery year, when applicable. The
7 Agency may offer corrective action plans to entities
8 that are not on track to achieve compliance.

9 (C) At the end of each delivery year, each entity
10 participating and completing work in that delivery
11 year in a procurement program of subsection (c) shall
12 submit a report to the Agency that demonstrates how it
13 achieved compliance with the minimum equity standards
14 percentage for that delivery year.

15 (D) The Agency shall prohibit participation in
16 procurement programs by an approved vendor or
17 designee, as applicable, or entities with which an
18 approved vendor or designee, as applicable, shares a
19 common parent company if an approved vendor or
20 designee, as applicable, failed to meet the minimum
21 equity standards for the prior delivery year. Waivers
22 approved for lack of equity eligible persons or equity
23 eligible contractors in a geographic area of a project
24 shall not count against the approved vendor or
25 designee. The Agency shall offer a corrective action
26 plan for any such entities to assist them in obtaining

1 compliance and shall allow continued access to
2 procurement programs upon an approved vendor or
3 designee demonstrating compliance.

4 (E) The Agency shall pursue efficiencies achieved
5 by combining with other approved vendor or designee
6 reporting.

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

11 (3) Equity accountability system within competitive
12 procurements. Through its long-term renewable resources
13 procurement plan, the Agency shall develop requirements
14 for ensuring that competitive procurement processes,
15 including utility-scale solar, utility-scale wind, and
16 brownfield site photovoltaic projects, advance the equity
17 goals of this subsection (c-10). Subject to Commission
18 approval, the Agency shall develop bid application
19 requirements and a bid evaluation methodology for ensuring
20 that utilization of equity eligible contractors, whether
21 as bidders or as participants on project development, is
22 optimized, including requiring that winning or successful
23 applicants for utility-scale projects are or will partner
24 with equity eligible contractors and giving preference to
25 bids through which a higher portion of contract value
26 flows to equity eligible contractors. To the extent

1 practicable, entities participating in competitive
2 procurements shall also be required to meet all the equity
3 accountability requirements for approved vendors and their
4 designees under this subsection (c-10). In developing
5 these requirements, the Agency shall also consider whether
6 equity goals can be further advanced through additional
7 measures.

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

11 (A) The current status and number of equity
12 eligible contractors listed in the Energy Workforce
13 Equity Database designed in subsection (c-25),
14 including the number of equity eligible contractors
15 with current certifications as issued by the Agency.

16 (B) A mechanism for measuring, tracking, and
17 reporting project workforce at the approved vendor or
18 designee level, as applicable, which shall include a
19 measurement methodology and records to be made
20 available for audit by the Agency or the Program
21 Administrator.

22 (C) A program for approved vendors, designees,
23 eligible persons, and equity eligible contractors to
24 receive trainings, guidance, and other support from
25 the Agency or its designee regarding the equity
26 category outlined in item (vi) of subparagraph (K) of

1 paragraph (1) of subsection (c) and in meeting the
2 minimum equity standards of this subsection (c-10).

3 (D) A process for certifying equity eligible
4 contractors and equity eligible persons. The
5 certification process shall coordinate with the Energy
6 Workforce Equity Database set forth in subsection
7 (c-25).

8 (E) An application for waiver of the minimum
9 equity standards of this subsection, which the Agency
10 shall have the discretion to grant in rare
11 circumstances. The Agency may grant such a waiver
12 where the applicant provides evidence of significant
13 efforts toward meeting the minimum equity commitment,
14 including: use of the Energy Workforce Equity
15 Database; efforts to hire or contract with entities
16 that hire eligible persons; and efforts to establish
17 contracting relationships with eligible contractors.
18 The Agency shall support applicants in understanding
19 the Energy Workforce Equity Database and other
20 resources for pursuing compliance of the minimum
21 equity standards. Waivers shall be project-specific,
22 unless the Agency deems it necessary to grant a waiver
23 across a portfolio of projects, and in effect for no
24 longer than one year. Any waiver extension or
25 subsequent waiver request from an applicant shall be
26 subject to the requirements of this Section and shall

1 specify efforts made to reach compliance. When
2 considering whether to grant a waiver, and to what
3 extent, the Agency shall consider the degree to which
4 similarly situated applicants have been able to meet
5 these minimum equity commitments. For repeated waiver
6 requests for specific lack of eligible persons or
7 eligible contractors available, the Agency shall make
8 recommendations to target recruitment to add such
9 eligible persons or eligible contractors to the
10 database.

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

19 (6) The Agency shall keep confidential all information
20 and communication that provides private or personal
21 information.

22 (7) Modifications to the equity accountability system.
23 As part of the update of the long-term renewable resources
24 procurement plan to be initiated in 2023, or sooner if the
25 Agency deems necessary, the Agency shall determine the
26 extent to which the equity accountability system described

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

24 (c-15) Racial discrimination elimination powers and
25 process.

26 (1) Purpose. It is the purpose of this subsection to

1 empower the Agency and other State actors to remedy racial
2 discrimination in Illinois' clean energy economy as
3 effectively and expediently as possible, including through
4 the use of race-conscious remedies, such as race-conscious
5 contracting and hiring goals, as consistent with State and
6 federal law.

7 (2) Racial disparity and discrimination review
8 process.

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

20 (B) As soon as is practicable thereafter, the
21 Agency, in consultation with the Department of
22 Commerce and Economic Opportunity, Department of
23 Labor, and other agencies that may be relevant, shall
24 commission and publish a disparity and availability
25 study that measures the presence and impact of
26 discrimination on minority businesses and workers in

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

21 (c-20) Program data collection.

22 (1) Purpose. Data collection, data analysis, and
23 reporting are critical to ensure that the benefits of the
24 clean energy economy provided to Illinois residents and
25 businesses are equitably distributed across the State. The
26 Agency shall collect data from program applicants in order

1 to track and improve equitable distribution of benefits
2 across Illinois communities for all procurements the
3 Agency conducts. The Agency shall use this data to, among
4 other things, measure any potential impact of racial
5 discrimination on the distribution of benefits and provide
6 information necessary to correct any discrimination
7 through methods consistent with State and federal law.

8 (2) Agency collection of program data. The Agency
9 shall collect demographic and geographic data for each
10 entity awarded contracts under any Agency-administered
11 program.

12 (3) Required information to be collected. The Agency
13 shall collect the following information from applicants
14 and program participants where applicable:

15 (A) demographic information, including racial or
16 ethnic identity for real persons employed, contracted,
17 or subcontracted through the program and owners of
18 businesses or entities that apply to receive renewable
19 energy credits from the Agency;

20 (B) geographic location of the residency of real
21 persons employed, contracted, or subcontracted through
22 the program and geographic location of the
23 headquarters of the business or entity that applies to
24 receive renewable energy credits from the Agency; and

25 (C) any other information the Agency determines is
26 necessary for the purpose of achieving the purpose of

1 this subsection.

2 (4) Publication of collected information. The Agency
3 shall publish, at least annually, information on the
4 demographics of program participants on an aggregate
5 basis.

6 (5) Nothing in this subsection shall be interpreted to
7 limit the authority of the Agency, or other agency or
8 department of the State, to require or collect demographic
9 information from applicants of other State programs.

10 (c-25) Energy Workforce Equity Database.

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

21 (A) publicly accessible;

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

23 (C) organized by company specialty or field;

24 (D) region-specific; and

25 (E) populated with information including, but not
26 limited to, contacts for suppliers, vendors, or

1 subcontractors who are minority and women-owned
2 business enterprise certified or who participate or
3 have participated in any of the programs described in
4 this Act.

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

8 (A) a map of environmental justice and equity
9 investment eligible communities;

10 (B) job postings and recruiting opportunities;

11 (C) a means by which recruiting clean energy
12 companies can find and interact with current or former
13 participants of clean energy workforce training
14 programs;

15 (D) information on workforce training service
16 providers and training opportunities available to
17 prospective workers;

18 (E) renewable energy company diversity reporting;

19 (F) a list of equity eligible contractors with
20 their contact information, types of work performed,
21 and locations worked in;

22 (G) reporting on outcomes of the programs
23 described in the workforce programs of the Energy
24 Transition Act, including information such as, but not
25 limited to, retention rate, graduation rate, and
26 placement rates of trainees; and

1 (H) information about the Jobs and Environmental
2 Justice Grant Program, the Clean Energy Jobs and
3 Justice Fund, and other sources of capital.

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

13 (c-30) Enforcement of minimum equity standards. All
14 entities seeking renewable energy credits must submit an
15 annual report to demonstrate compliance with each of the
16 equity commitments required under subsection (c-10). If the
17 Agency concludes the entity has not met or maintained its
18 minimum equity standards required under the applicable
19 subparagraphs under subsection (c-10), the Agency shall deny
20 the entity's ability to participate in procurement programs in
21 subsection (c), including by withholding approved vendor or
22 designee status. The Agency may require the entity to enter
23 into a corrective action plan. An entity that is not
24 recertified for failing to meet required equity actions in
25 subparagraph (c-10) may reapply once they have a corrective
26 action plan and achieve compliance with the minimum equity

standards.

(d) Clean coal portfolio standard.

(1) The procurement plans shall include electricity generated using clean coal. Each utility shall enter into one or more sourcing agreements with the initial clean coal facility, as provided in paragraph (3) of this subsection (d), covering electricity generated by the initial clean coal facility representing at least 5% of each utility's total supply to serve the load of eligible retail customers in 2015 and each year thereafter, as described in paragraph (3) of this subsection (d), subject to the limits specified in paragraph (2) of this subsection (d). It is the goal of the State that by January 1, 2025, 25% of the electricity used in the State shall be generated by cost-effective clean coal facilities. For purposes of this subsection (d), "cost-effective" means that the expenditures pursuant to such sourcing agreements do not cause the limit stated in paragraph (2) of this subsection (d) to be exceeded and do not exceed cost-based benchmarks, which shall be developed to assess all expenditures pursuant to such sourcing agreements covering electricity generated by clean coal facilities, other than the initial clean coal facility, by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

1 A utility party to a sourcing agreement shall
2 immediately retire any emission credits that it receives
3 in connection with the electricity covered by such
4 agreement.

5 Utilities shall maintain adequate records documenting
6 the purchases under the sourcing agreement to comply with
7 this subsection (d) and shall file an accounting with the
8 load forecast that must be filed with the Agency by July 15
9 of each year, in accordance with subsection (d) of Section
10 16-111.5 of the Public Utilities Act.

11 A utility shall be deemed to have complied with the
12 clean coal portfolio standard specified in this subsection
13 (d) if the utility enters into a sourcing agreement as
14 required by this subsection (d).

15 (2) For purposes of this subsection (d), the required
16 execution of sourcing agreements with the initial clean
17 coal facility for a particular year shall be measured as a
18 percentage of the actual amount of electricity
19 (megawatt-hours) supplied by the electric utility to
20 eligible retail customers in the planning year ending
21 immediately prior to the agreement's execution. For
22 purposes of this subsection (d), the amount paid per
23 kilowatthour means the total amount paid for electric
24 service expressed on a per kilowatthour basis. For
25 purposes of this subsection (d), the total amount paid for
26 electric service includes without limitation amounts paid

1 for supply, transmission, distribution, surcharges and
2 add-on taxes.

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

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

14 (B) in 2011, the greater of an additional 0.5% of
15 the amount paid per kilowatthour by those customers
16 during the year ending May 31, 2010 or 1% of the amount
17 paid per kilowatthour by those customers during the
18 year ending May 31, 2009;

19 (C) in 2012, the greater of an additional 0.5% of
20 the amount paid per kilowatthour by those customers
21 during the year ending May 31, 2011 or 1.5% of the
22 amount paid per kilowatthour by those customers during
23 the year ending May 31, 2009;

24 (D) in 2013, the greater of an additional 0.5% of
25 the amount paid per kilowatthour by those customers
26 during the year ending May 31, 2012 or 2% of the amount

1 paid per kilowatthour by those customers during the
2 year ending May 31, 2009; and

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

16 No later than June 30, 2015, the Commission shall
17 review the limitation on the total amount paid under
18 sourcing agreements, if any, with clean coal facilities
19 pursuant to this subsection (d) and report to the General
20 Assembly its findings as to whether that limitation unduly
21 constrains the amount of electricity generated by
22 cost-effective clean coal facilities that is covered by
23 sourcing agreements.

24 (3) Initial clean coal facility. In order to promote
25 development of clean coal facilities in Illinois, each
26 electric utility subject to this Section shall execute a

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

20 (A) a formula contractual price (the "contract
21 price") approved pursuant to paragraph (4) of this
22 subsection (d), which shall:

23 (i) be determined using a cost of service
24 methodology employing either a level or deferred
25 capital recovery component, based on a capital
26 structure consisting of 45% equity and 55% debt,

1 and a return on equity as may be approved by the
2 Federal Energy Regulatory Commission, which in any
3 case may not exceed the lower of 11.5% or the rate
4 of return approved by the General Assembly
5 pursuant to paragraph (4) of this subsection (d);
6 and

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

23 (B) power purchase provisions, which shall:

24 (i) provide that the utility party to such
25 sourcing agreement shall pay the contract price
26 for electricity delivered under such sourcing

1 agreement;

2 (ii) require delivery of electricity to the
3 regional transmission organization market of the
4 utility that is party to such sourcing agreement;

5 (iii) require the utility party to such
6 sourcing agreement to buy from the initial clean
7 coal facility in each hour an amount of energy
8 equal to all clean coal energy made available from
9 the initial clean coal facility during such hour
10 times a fraction, the numerator of which is such
11 utility's retail market sales of electricity
12 (expressed in kilowatthours sold) in the State
13 during the prior calendar month and the
14 denominator of which is the total retail market
15 sales of electricity (expressed in kilowatthours
16 sold) in the State by utilities during such prior
17 month and the sales of electricity (expressed in
18 kilowatthours sold) in the State by alternative
19 retail electric suppliers during such prior month
20 that are subject to the requirements of this
21 subsection (d) and paragraph (5) of subsection (d)
22 of Section 16-115 of the Public Utilities Act,
23 provided that the amount purchased by the utility
24 in any year will be limited by paragraph (2) of
25 this subsection (d); and

26 (iv) be considered pre-existing contracts in

1 such utility's procurement plans for eligible
2 retail customers;

3 (C) contract for differences provisions, which
4 shall:

5 (i) require the utility party to such sourcing
6 agreement to contract with the initial clean coal
7 facility in each hour with respect to an amount of
8 energy equal to all clean coal energy made
9 available from the initial clean coal facility
10 during such hour times a fraction, the numerator
11 of which is such utility's retail market sales of
12 electricity (expressed in kilowatthours sold) in
13 the utility's service territory in the State
14 during the prior calendar month and the
15 denominator of which is the total retail market
16 sales of electricity (expressed in kilowatthours
17 sold) in the State by utilities during such prior
18 month and the sales of electricity (expressed in
19 kilowatthours sold) in the State by alternative
20 retail electric suppliers during such prior month
21 that are subject to the requirements of this
22 subsection (d) and paragraph (5) of subsection (d)
23 of Section 16-115 of the Public Utilities Act,
24 provided that the amount paid by the utility in
25 any year will be limited by paragraph (2) of this
26 subsection (d);

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

19 (iii) not require the utility to take physical
20 delivery of the electricity produced by the
21 facility;

22 (D) general provisions, which shall:

23 (i) specify a term of no more than 30 years,
24 commencing on the commercial operation date of the
25 facility;

26 (ii) provide that utilities shall maintain

1 adequate records documenting purchases under the
2 sourcing agreements entered into to comply with
3 this subsection (d) and shall file an accounting
4 with the load forecast that must be filed with the
5 Agency by July 15 of each year, in accordance with
6 subsection (d) of Section 16-111.5 of the Public
7 Utilities Act;

8 (iii) provide that all costs associated with
9 the initial clean coal facility will be
10 periodically reported to the Federal Energy
11 Regulatory Commission and to purchasers in
12 accordance with applicable laws governing
13 cost-based wholesale power contracts;

14 (iv) permit the Illinois Power Agency to
15 assume ownership of the initial clean coal
16 facility, without monetary consideration and
17 otherwise on reasonable terms acceptable to the
18 Agency, if the Agency so requests no less than 3
19 years prior to the end of the stated contract
20 term;

21 (v) require the owner of the initial clean
22 coal facility to provide documentation to the
23 Commission each year, starting in the facility's
24 first year of commercial operation, accurately
25 reporting the quantity of carbon emissions from
26 the facility that have been captured and

1 sequestered and report any quantities of carbon
2 released from the site or sites at which carbon
3 emissions were sequestered in prior years, based
4 on continuous monitoring of such sites. If, in any
5 year after the first year of commercial operation,
6 the owner of the facility fails to demonstrate
7 that the initial clean coal facility captured and
8 sequestered at least 50% of the total carbon
9 emissions that the facility would otherwise emit
10 or that sequestration of emissions from prior
11 years has failed, resulting in the release of
12 carbon dioxide into the atmosphere, the owner of
13 the facility must offset excess emissions. Any
14 such carbon offsets must be permanent, additional,
15 verifiable, real, located within the State of
16 Illinois, and legally and practicably enforceable.
17 The cost of such offsets for the facility that are
18 not recoverable shall not exceed \$15 million in
19 any given year. No costs of any such purchases of
20 carbon offsets may be recovered from a utility or
21 its customers. All carbon offsets purchased for
22 this purpose and any carbon emission credits
23 associated with sequestration of carbon from the
24 facility must be permanently retired. The initial
25 clean coal facility shall not forfeit its
26 designation as a clean coal facility if the

1 facility fails to fully comply with the applicable
2 carbon sequestration requirements in any given
3 year, provided the requisite offsets are
4 purchased. However, the Attorney General, on
5 behalf of the People of the State of Illinois, may
6 specifically enforce the facility's sequestration
7 requirement and the other terms of this contract
8 provision. Compliance with the sequestration
9 requirements and offset purchase requirements
10 specified in paragraph (3) of this subsection (d)
11 shall be reviewed annually by an independent
12 expert retained by the owner of the initial clean
13 coal facility, with the advance written approval
14 of the Attorney General. The Commission may, in
15 the course of the review specified in item (vii),
16 reduce the allowable return on equity for the
17 facility if the facility willfully fails to comply
18 with the carbon capture and sequestration
19 requirements set forth in this item (v);

20 (vi) include limits on, and accordingly
21 provide for modification of, the amount the
22 utility is required to source under the sourcing
23 agreement consistent with paragraph (2) of this
24 subsection (d);

25 (vii) require Commission review: (1) to
26 determine the justness, reasonableness, and

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

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

21 (ix) limit the utility's or alternative retail
22 electric supplier's obligation to incur any
23 liability until such time as the facility is in
24 commercial operation and generating power and
25 energy and such power and energy is being
26 delivered to the facility busbar;

1 (x) provide that the owner or owners of the
2 initial clean coal facility, which is the
3 counterparty to such sourcing agreement, shall
4 have the right from time to time to elect whether
5 the obligations of the utility party thereto shall
6 be governed by the power purchase provisions or
7 the contract for differences provisions;

8 (xi) append documentation showing that the
9 formula rate and contract, insofar as they relate
10 to the power purchase provisions, have been
11 approved by the Federal Energy Regulatory
12 Commission pursuant to Section 205 of the Federal
13 Power Act;

14 (xii) provide that any changes to the terms of
15 the contract, insofar as such changes relate to
16 the power purchase provisions, are subject to
17 review under the public interest standard applied
18 by the Federal Energy Regulatory Commission
19 pursuant to Sections 205 and 206 of the Federal
20 Power Act; and

21 (xiii) conform with customary lender
22 requirements in power purchase agreements used as
23 the basis for financing non-utility generators.

24 (4) Effective date of sourcing agreements with the
25 initial clean coal facility. Any proposed sourcing
26 agreement with the initial clean coal facility shall not

1 become effective unless the following reports are prepared
2 and submitted and authorizations and approvals obtained:

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

16 (ii) Commission report. Within 6 months following
17 receipt of the facility cost report, the Commission,
18 in consultation with the Agency, shall submit a report
19 to the General Assembly setting forth its analysis of
20 the facility cost report. Such report shall include,
21 but not be limited to, a comparison of the costs
22 associated with electricity generated by the initial
23 clean coal facility to the costs associated with
24 electricity generated by other types of generation
25 facilities, an analysis of the rate impacts on
26 residential and small business customers over the life

1 of the sourcing agreements, and an analysis of the
2 likelihood that the initial clean coal facility will
3 commence commercial operation by and be delivering
4 power to the facility's busbar by 2016. To assist in
5 the preparation of its report, the Commission, in
6 consultation with the Agency, may hire one or more
7 experts or consultants, the costs of which shall be
8 paid for by the owner of the initial clean coal
9 facility. The Commission and Agency may begin the
10 process of selecting such experts or consultants prior
11 to receipt of the facility cost report.

12 (iii) General Assembly approval. The proposed
13 sourcing agreements shall not take effect unless,
14 based on the facility cost report and the Commission's
15 report, the General Assembly enacts authorizing
16 legislation approving (A) the projected price, stated
17 in cents per kilowatthour, to be charged for
18 electricity generated by the initial clean coal
19 facility, (B) the projected impact on residential and
20 small business customers' bills over the life of the
21 sourcing agreements, and (C) the maximum allowable
22 return on equity for the project; and

23 (iv) Commission review. If the General Assembly
24 enacts authorizing legislation pursuant to
25 subparagraph (iii) approving a sourcing agreement, the
26 Commission shall, within 90 days of such enactment,

1 complete a review of such sourcing agreement. During
2 such time period, the Commission shall implement any
3 directive of the General Assembly, resolve any
4 disputes between the parties to the sourcing agreement
5 concerning the terms of such agreement, approve the
6 form of such agreement, and issue an order finding
7 that the sourcing agreement is prudent and reasonable.
8 The facility cost report shall be prepared as follows:

9 (A) The facility cost report shall be prepared by
10 duly licensed engineering and construction firms
11 detailing the estimated capital costs payable to one
12 or more contractors or suppliers for the engineering,
13 procurement and construction of the components
14 comprising the initial clean coal facility and the
15 estimated costs of operation and maintenance of the
16 facility. The facility cost report shall include:

17 (i) an estimate of the capital cost of the
18 core plant based on one or more front end
19 engineering and design studies for the
20 gasification island and related facilities. The
21 core plant shall include all civil, structural,
22 mechanical, electrical, control, and safety
23 systems.

24 (ii) an estimate of the capital cost of the
25 balance of the plant, including any capital costs
26 associated with sequestration of carbon dioxide

1 emissions and all interconnects and interfaces
2 required to operate the facility, such as
3 transmission of electricity, construction or
4 backfeed power supply, pipelines to transport
5 substitute natural gas or carbon dioxide, potable
6 water supply, natural gas supply, water supply,
7 water discharge, landfill, access roads, and coal
8 delivery.

9 The quoted construction costs shall be expressed
10 in nominal dollars as of the date that the quote is
11 prepared and shall include capitalized financing costs
12 during construction, taxes, insurance, and other
13 owner's costs, and an assumed escalation in materials
14 and labor beyond the date as of which the construction
15 cost quote is expressed.

16 (B) The front end engineering and design study for
17 the gasification island and the cost study for the
18 balance of plant shall include sufficient design work
19 to permit quantification of major categories of
20 materials, commodities and labor hours, and receipt of
21 quotes from vendors of major equipment required to
22 construct and operate the clean coal facility.

23 (C) The facility cost report shall also include an
24 operating and maintenance cost quote that will provide
25 the estimated cost of delivered fuel, personnel,
26 maintenance contracts, chemicals, catalysts,

1 consumables, spares, and other fixed and variable
2 operations and maintenance costs. The delivered fuel
3 cost estimate will be provided by a recognized third
4 party expert or experts in the fuel and transportation
5 industries. The balance of the operating and
6 maintenance cost quote, excluding delivered fuel
7 costs, will be developed based on the inputs provided
8 by duly licensed engineering and construction firms
9 performing the construction cost quote, potential
10 vendors under long-term service agreements and plant
11 operating agreements, or recognized third party plant
12 operator or operators.

13 The operating and maintenance cost quote
14 (including the cost of the front end engineering and
15 design study) shall be expressed in nominal dollars as
16 of the date that the quote is prepared and shall
17 include taxes, insurance, and other owner's costs, and
18 an assumed escalation in materials and labor beyond
19 the date as of which the operating and maintenance
20 cost quote is expressed.

21 (D) The facility cost report shall also include an
22 analysis of the initial clean coal facility's ability
23 to deliver power and energy into the applicable
24 regional transmission organization markets and an
25 analysis of the expected capacity factor for the
26 initial clean coal facility.

1 (E) Amounts paid to third parties unrelated to the
2 owner or owners of the initial clean coal facility to
3 prepare the core plant construction cost quote,
4 including the front end engineering and design study,
5 and the operating and maintenance cost quote will be
6 reimbursed through Coal Development Bonds.

7 (5) Re-powering and retrofitting coal-fired power
8 plants previously owned by Illinois utilities to qualify
9 as clean coal facilities. During the 2009 procurement
10 planning process and thereafter, the Agency and the
11 Commission shall consider sourcing agreements covering
12 electricity generated by power plants that were previously
13 owned by Illinois utilities and that have been or will be
14 converted into clean coal facilities, as defined by
15 Section 1-10 of this Act. Pursuant to such procurement
16 planning process, the owners of such facilities may
17 propose to the Agency sourcing agreements with utilities
18 and alternative retail electric suppliers required to
19 comply with subsection (d) of this Section and item (5) of
20 subsection (d) of Section 16-115 of the Public Utilities
21 Act, covering electricity generated by such facilities. In
22 the case of sourcing agreements that are power purchase
23 agreements, the contract price for electricity sales shall
24 be established on a cost of service basis. In the case of
25 sourcing agreements that are contracts for differences,
26 the contract price from which the reference price is

1 subtracted shall be established on a cost of service
2 basis. The Agency and the Commission may approve any such
3 utility sourcing agreements that do not exceed cost-based
4 benchmarks developed by the procurement administrator, in
5 consultation with the Commission staff, Agency staff and
6 the procurement monitor, subject to Commission review and
7 approval. The Commission shall have authority to inspect
8 all books and records associated with these clean coal
9 facilities during the term of any such contract.

10 (6) Costs incurred under this subsection (d) or
11 pursuant to a contract entered into under this subsection
12 (d) shall be deemed prudently incurred and reasonable in
13 amount and the electric utility shall be entitled to full
14 cost recovery pursuant to the tariffs filed with the
15 Commission.

16 (d-5) Zero emission standard.

17 (1) Beginning with the delivery year commencing on
18 June 1, 2017, the Agency shall, for electric utilities
19 that serve at least 100,000 retail customers in this
20 State, procure contracts with zero emission facilities
21 that are reasonably capable of generating cost-effective
22 zero emission credits in an amount approximately equal to
23 16% of the actual amount of electricity delivered by each
24 electric utility to retail customers in the State during
25 calendar year 2014. For an electric utility serving fewer
26 than 100,000 retail customers in this State that

1 requested, under Section 16-111.5 of the Public Utilities
2 Act, that the Agency procure power and energy for all or a
3 portion of the utility's Illinois load for the delivery
4 year commencing June 1, 2016, the Agency shall procure
5 contracts with zero emission facilities that are
6 reasonably capable of generating cost-effective zero
7 emission credits in an amount approximately equal to 16%
8 of the portion of power and energy to be procured by the
9 Agency for the utility. The duration of the contracts
10 procured under this subsection (d-5) shall be for a term
11 of 10 years ending May 31, 2027. The quantity of zero
12 emission credits to be procured under the contracts shall
13 be all of the zero emission credits generated by the zero
14 emission facility in each delivery year; however, if the
15 zero emission facility is owned by more than one entity,
16 then the quantity of zero emission credits to be procured
17 under the contracts shall be the amount of zero emission
18 credits that are generated from the portion of the zero
19 emission facility that is owned by the winning supplier.

20 The 16% value identified in this paragraph (1) is the
21 average of the percentage targets in subparagraph (B) of
22 paragraph (1) of subsection (c) of this Section for the 5
23 delivery years beginning June 1, 2017.

24 The procurement process shall be subject to the
25 following provisions:

26 (A) Those zero emission facilities that intend to

1 participate in the procurement shall submit to the
2 Agency the following eligibility information for each
3 zero emission facility on or before the date
4 established by the Agency:

5 (i) the in-service date and remaining useful
6 life of the zero emission facility;

7 (ii) the amount of power generated annually
8 for each of the years 2005 through 2015, and the
9 projected zero emission credits to be generated
10 over the remaining useful life of the zero
11 emission facility, which shall be used to
12 determine the capability of each facility;

13 (iii) the annual zero emission facility cost
14 projections, expressed on a per megawatthour
15 basis, over the next 6 delivery years, which shall
16 include the following: operation and maintenance
17 expenses; fully allocated overhead costs, which
18 shall be allocated using the methodology developed
19 by the Institute for Nuclear Power Operations;
20 fuel expenditures; non-fuel capital expenditures;
21 spent fuel expenditures; a return on working
22 capital; the cost of operational and market risks
23 that could be avoided by ceasing operation; and
24 any other costs necessary for continued
25 operations, provided that "necessary" means, for
26 purposes of this item (iii), that the costs could

1 reasonably be avoided only by ceasing operations
2 of the zero emission facility; and

3 (iv) a commitment to continue operating, for
4 the duration of the contract or contracts executed
5 under the procurement held under this subsection
6 (d-5), the zero emission facility that produces
7 the zero emission credits to be procured in the
8 procurement.

9 The information described in item (iii) of this
10 subparagraph (A) may be submitted on a confidential
11 basis and shall be treated and maintained by the
12 Agency, the procurement administrator, and the
13 Commission as confidential and proprietary and exempt
14 from disclosure under subparagraphs (a) and (g) of
15 paragraph (1) of Section 7 of the Freedom of
16 Information Act. The Office of Attorney General shall
17 have access to, and maintain the confidentiality of,
18 such information pursuant to Section 6.5 of the
19 Attorney General Act.

20 (B) The price for each zero emission credit
21 procured under this subsection (d-5) for each delivery
22 year shall be in an amount that equals the Social Cost
23 of Carbon, expressed on a price per megawatthour
24 basis. However, to ensure that the procurement remains
25 affordable to retail customers in this State if
26 electricity prices increase, the price in an

1 applicable delivery year shall be reduced below the
2 Social Cost of Carbon by the amount ("Price
3 Adjustment") by which the market price index for the
4 applicable delivery year exceeds the baseline market
5 price index for the consecutive 12-month period ending
6 May 31, 2016. If the Price Adjustment is greater than
7 or equal to the Social Cost of Carbon in an applicable
8 delivery year, then no payments shall be due in that
9 delivery year. The components of this calculation are
10 defined as follows:

11 (i) Social Cost of Carbon: The Social Cost of
12 Carbon is \$16.50 per megawatthour, which is based
13 on the U.S. Interagency Working Group on Social
14 Cost of Carbon's price in the August 2016
15 Technical Update using a 3% discount rate,
16 adjusted for inflation for each year of the
17 program. Beginning with the delivery year
18 commencing June 1, 2023, the price per
19 megawatthour shall increase by \$1 per
20 megawatthour, and continue to increase by an
21 additional \$1 per megawatthour each delivery year
22 thereafter.

23 (ii) Baseline market price index: The baseline
24 market price index for the consecutive 12-month
25 period ending May 31, 2016 is \$31.40 per
26 megawatthour, which is based on the sum of (aa)

1 the average day-ahead energy price across all
2 hours of such 12-month period at the PJM
3 Interconnection LLC Northern Illinois Hub, (bb)
4 50% multiplied by the Base Residual Auction, or
5 its successor, capacity price for the rest of the
6 RTO zone group determined by PJM Interconnection
7 LLC, divided by 24 hours per day, and (cc) 50%
8 multiplied by the Planning Resource Auction, or
9 its successor, capacity price for Zone 4
10 determined by the Midcontinent Independent System
11 Operator, Inc., divided by 24 hours per day.

12 (iii) Market price index: The market price
13 index for a delivery year shall be the sum of
14 projected energy prices and projected capacity
15 prices determined as follows:

16 (aa) Projected energy prices: the
17 projected energy prices for the applicable
18 delivery year shall be calculated once for the
19 year using the forward market price for the
20 PJM Interconnection, LLC Northern Illinois
21 Hub. The forward market price shall be
22 calculated as follows: the energy forward
23 prices for each month of the applicable
24 delivery year averaged for each trade date
25 during the calendar year immediately preceding
26 that delivery year to produce a single energy

1 forward price for the delivery year. The
2 forward market price calculation shall use
3 data published by the Intercontinental
4 Exchange, or its successor.

5 (bb) Projected capacity prices:

6 (I) For the delivery years commencing
7 June 1, 2017, June 1, 2018, and June 1,
8 2019, the projected capacity price shall
9 be equal to the sum of (1) 50% multiplied
10 by the Base Residual Auction, or its
11 successor, price for the rest of the RTO
12 zone group as determined by PJM
13 Interconnection LLC, divided by 24 hours
14 per day and, (2) 50% multiplied by the
15 resource auction price determined in the
16 resource auction administered by the
17 Midcontinent Independent System Operator,
18 Inc., in which the largest percentage of
19 load cleared for Local Resource Zone 4,
20 divided by 24 hours per day, and where
21 such price is determined by the
22 Midcontinent Independent System Operator,
23 Inc.

24 (II) For the delivery year commencing
25 June 1, 2020, and each year thereafter,
26 the projected capacity price shall be

1 equal to the sum of (1) 50% multiplied by
2 the Base Residual Auction, or its
3 successor, price for the ComEd zone as
4 determined by PJM Interconnection LLC,
5 divided by 24 hours per day, and (2) 50%
6 multiplied by the resource auction price
7 determined in the resource auction
8 administered by the Midcontinent
9 Independent System Operator, Inc., in
10 which the largest percentage of load
11 cleared for Local Resource Zone 4, divided
12 by 24 hours per day, and where such price
13 is determined by the Midcontinent
14 Independent System Operator, Inc.

15 For purposes of this subsection (d-5):

16 "Rest of the RTO" and "ComEd Zone" shall have
17 the meaning ascribed to them by PJM
18 Interconnection, LLC.

19 "RTO" means regional transmission
20 organization.

21 (C) No later than 45 days after June 1, 2017 (the
22 effective date of Public Act 99-906), the Agency shall
23 publish its proposed zero emission standard
24 procurement plan. The plan shall be consistent with
25 the provisions of this paragraph (1) and shall provide
26 that winning bids shall be selected based on public

1 interest criteria that include, but are not limited
2 to, minimizing carbon dioxide emissions that result
3 from electricity consumed in Illinois and minimizing
4 sulfur dioxide, nitrogen oxide, and particulate matter
5 emissions that adversely affect the citizens of this
6 State. In particular, the selection of winning bids
7 shall take into account the incremental environmental
8 benefits resulting from the procurement, such as any
9 existing environmental benefits that are preserved by
10 the procurements held under Public Act 99-906 and
11 would cease to exist if the procurements were not
12 held, including the preservation of zero emission
13 facilities. The plan shall also describe in detail how
14 each public interest factor shall be considered and
15 weighted in the bid selection process to ensure that
16 the public interest criteria are applied to the
17 procurement and given full effect.

18 For purposes of developing the plan, the Agency
19 shall consider any reports issued by a State agency,
20 board, or commission under House Resolution 1146 of
21 the 98th General Assembly and paragraph (4) of
22 subsection (d) of this Section, as well as publicly
23 available analyses and studies performed by or for
24 regional transmission organizations that serve the
25 State and their independent market monitors.

26 Upon publishing of the zero emission standard

1 procurement plan, copies of the plan shall be posted
2 and made publicly available on the Agency's website.
3 All interested parties shall have 10 days following
4 the date of posting to provide comment to the Agency on
5 the plan. All comments shall be posted to the Agency's
6 website. Following the end of the comment period, but
7 no more than 60 days later than June 1, 2017 (the
8 effective date of Public Act 99-906), the Agency shall
9 revise the plan as necessary based on the comments
10 received and file its zero emission standard
11 procurement plan with the Commission.

12 If the Commission determines that the plan will
13 result in the procurement of cost-effective zero
14 emission credits, then the Commission shall, after
15 notice and hearing, but no later than 45 days after the
16 Agency filed the plan, approve the plan or approve
17 with modification. For purposes of this subsection
18 (d-5), "cost effective" means the projected costs of
19 procuring zero emission credits from zero emission
20 facilities do not cause the limit stated in paragraph
21 (2) of this subsection to be exceeded.

22 (C-5) As part of the Commission's review and
23 acceptance or rejection of the procurement results,
24 the Commission shall, in its public notice of
25 successful bidders:

26 (i) identify how the winning bids satisfy the

1 public interest criteria described in subparagraph
2 (C) of this paragraph (1) of minimizing carbon
3 dioxide emissions that result from electricity
4 consumed in Illinois and minimizing sulfur
5 dioxide, nitrogen oxide, and particulate matter
6 emissions that adversely affect the citizens of
7 this State;

8 (ii) specifically address how the selection of
9 winning bids takes into account the incremental
10 environmental benefits resulting from the
11 procurement, including any existing environmental
12 benefits that are preserved by the procurements
13 held under Public Act 99-906 and would have ceased
14 to exist if the procurements had not been held,
15 such as the preservation of zero emission
16 facilities;

17 (iii) quantify the environmental benefit of
18 preserving the resources identified in item (ii)
19 of this subparagraph (C-5), including the
20 following:

21 (aa) the value of avoided greenhouse gas
22 emissions measured as the product of the zero
23 emission facilities' output over the contract
24 term multiplied by the U.S. Environmental
25 Protection Agency eGrid subregion carbon
26 dioxide emission rate and the U.S. Interagency

1 Working Group on Social Cost of Carbon's price
2 in the August 2016 Technical Update using a 3%
3 discount rate, adjusted for inflation for each
4 delivery year; and

5 (bb) the costs of replacement with other
6 zero carbon dioxide resources, including wind
7 and photovoltaic, based upon the simple
8 average of the following:

9 (I) the price, or if there is more
10 than one price, the average of the prices,
11 paid for renewable energy credits from new
12 utility-scale wind projects in the
13 procurement events specified in item (i)
14 of subparagraph (G) of paragraph (1) of
15 subsection (c) of this Section; and

16 (II) the price, or if there is more
17 than one price, the average of the prices,
18 paid for renewable energy credits from new
19 utility-scale solar projects and
20 brownfield site photovoltaic projects in
21 the procurement events specified in item
22 (ii) of subparagraph (G) of paragraph (1)
23 of subsection (c) of this Section and,
24 after January 1, 2015, renewable energy
25 credits from photovoltaic distributed
26 generation projects in procurement events

1 held under subsection (c) of this Section.

2 Each utility shall enter into binding contractual
3 arrangements with the winning suppliers.

4 The procurement described in this subsection
5 (d-5), including, but not limited to, the execution of
6 all contracts procured, shall be completed no later
7 than May 10, 2017. Based on the effective date of
8 Public Act 99-906, the Agency and Commission may, as
9 appropriate, modify the various dates and timelines
10 under this subparagraph and subparagraphs (C) and (D)
11 of this paragraph (1). The procurement and plan
12 approval processes required by this subsection (d-5)
13 shall be conducted in conjunction with the procurement
14 and plan approval processes required by subsection (c)
15 of this Section and Section 16-111.5 of the Public
16 Utilities Act, to the extent practicable.
17 Notwithstanding whether a procurement event is
18 conducted under Section 16-111.5 of the Public
19 Utilities Act, the Agency shall immediately initiate a
20 procurement process on June 1, 2017 (the effective
21 date of Public Act 99-906).

22 (D) Following the procurement event described in
23 this paragraph (1) and consistent with subparagraph
24 (B) of this paragraph (1), the Agency shall calculate
25 the payments to be made under each contract for the
26 next delivery year based on the market price index for

1 that delivery year. The Agency shall publish the
2 payment calculations no later than May 25, 2017 and
3 every May 25 thereafter.

4 (E) Notwithstanding the requirements of this
5 subsection (d-5), the contracts executed under this
6 subsection (d-5) shall provide that the zero emission
7 facility may, as applicable, suspend or terminate
8 performance under the contracts in the following
9 instances:

10 (i) A zero emission facility shall be excused
11 from its performance under the contract for any
12 cause beyond the control of the resource,
13 including, but not restricted to, acts of God,
14 flood, drought, earthquake, storm, fire,
15 lightning, epidemic, war, riot, civil disturbance
16 or disobedience, labor dispute, labor or material
17 shortage, sabotage, acts of public enemy,
18 explosions, orders, regulations or restrictions
19 imposed by governmental, military, or lawfully
20 established civilian authorities, which, in any of
21 the foregoing cases, by exercise of commercially
22 reasonable efforts the zero emission facility
23 could not reasonably have been expected to avoid,
24 and which, by the exercise of commercially
25 reasonable efforts, it has been unable to
26 overcome. In such event, the zero emission

1 facility shall be excused from performance for the
2 duration of the event, including, but not limited
3 to, delivery of zero emission credits, and no
4 payment shall be due to the zero emission facility
5 during the duration of the event.

6 (ii) A zero emission facility shall be
7 permitted to terminate the contract if legislation
8 is enacted into law by the General Assembly that
9 imposes or authorizes a new tax, special
10 assessment, or fee on the generation of
11 electricity, the ownership or leasehold of a
12 generating unit, or the privilege or occupation of
13 such generation, ownership, or leasehold of
14 generation units by a zero emission facility.
15 However, the provisions of this item (ii) do not
16 apply to any generally applicable tax, special
17 assessment or fee, or requirements imposed by
18 federal law.

19 (iii) A zero emission facility shall be
20 permitted to terminate the contract in the event
21 that the resource requires capital expenditures in
22 excess of \$40,000,000 that were neither known nor
23 reasonably foreseeable at the time it executed the
24 contract and that a prudent owner or operator of
25 such resource would not undertake.

26 (iv) A zero emission facility shall be

1 permitted to terminate the contract in the event
2 the Nuclear Regulatory Commission terminates the
3 resource's license.

4 (F) If the zero emission facility elects to
5 terminate a contract under subparagraph (E) of this
6 paragraph (1), then the Commission shall reopen the
7 docket in which the Commission approved the zero
8 emission standard procurement plan under subparagraph
9 (C) of this paragraph (1) and, after notice and
10 hearing, enter an order acknowledging the contract
11 termination election if such termination is consistent
12 with the provisions of this subsection (d-5).

13 (2) For purposes of this subsection (d-5), the amount
14 paid per kilowatthour means the total amount paid for
15 electric service expressed on a per kilowatthour basis.
16 For purposes of this subsection (d-5), the total amount
17 paid for electric service includes, without limitation,
18 amounts paid for supply, transmission, distribution,
19 surcharges, and add-on taxes.

20 Notwithstanding the requirements of this subsection
21 (d-5), the contracts executed under this subsection (d-5)
22 shall provide that the total of zero emission credits
23 procured under a procurement plan shall be subject to the
24 limitations of this paragraph (2). For each delivery year,
25 the contractual volume receiving payments in such year
26 shall be reduced for all retail customers based on the

1 amount necessary to limit the net increase that delivery
2 year to the costs of those credits included in the amounts
3 paid by eligible retail customers in connection with
4 electric service to no more than 1.65% of the amount paid
5 per kilowatthour by eligible retail customers during the
6 year ending May 31, 2009. The result of this computation
7 shall apply to and reduce the procurement for all retail
8 customers, and all those customers shall pay the same
9 single, uniform cents per kilowatthour charge under
10 subsection (k) of Section 16-108 of the Public Utilities
11 Act. To arrive at a maximum dollar amount of zero emission
12 credits to be paid for the particular delivery year, the
13 resulting per kilowatthour amount shall be applied to the
14 actual amount of kilowatthours of electricity delivered by
15 the electric utility in the delivery year immediately
16 prior to the procurement, to all retail customers in its
17 service territory. Unpaid contractual volume for any
18 delivery year shall be paid in any subsequent delivery
19 year in which such payments can be made without exceeding
20 the amount specified in this paragraph (2). The
21 calculations required by this paragraph (2) shall be made
22 only once for each procurement plan year. Once the
23 determination as to the amount of zero emission credits to
24 be paid is made based on the calculations set forth in this
25 paragraph (2), no subsequent rate impact determinations
26 shall be made and no adjustments to those contract amounts

1 shall be allowed. All costs incurred under those contracts
2 and in implementing this subsection (d-5) shall be
3 recovered by the electric utility as provided in this
4 Section.

5 No later than June 30, 2019, the Commission shall
6 review the limitation on the amount of zero emission
7 credits procured under this subsection (d-5) and report to
8 the General Assembly its findings as to whether that
9 limitation unduly constrains the procurement of
10 cost-effective zero emission credits.

11 (3) Six years after the execution of a contract under
12 this subsection (d-5), the Agency shall determine whether
13 the actual zero emission credit payments received by the
14 supplier over the 6-year period exceed the Average ZEC
15 Payment. In addition, at the end of the term of a contract
16 executed under this subsection (d-5), or at the time, if
17 any, a zero emission facility's contract is terminated
18 under subparagraph (E) of paragraph (1) of this subsection
19 (d-5), then the Agency shall determine whether the actual
20 zero emission credit payments received by the supplier
21 over the term of the contract exceed the Average ZEC
22 Payment, after taking into account any amounts previously
23 credited back to the utility under this paragraph (3). If
24 the Agency determines that the actual zero emission credit
25 payments received by the supplier over the relevant period
26 exceed the Average ZEC Payment, then the supplier shall

1 credit the difference back to the utility. The amount of
2 the credit shall be remitted to the applicable electric
3 utility no later than 120 days after the Agency's
4 determination, which the utility shall reflect as a credit
5 on its retail customer bills as soon as practicable;
6 however, the credit remitted to the utility shall not
7 exceed the total amount of payments received by the
8 facility under its contract.

9 For purposes of this Section, the Average ZEC Payment
10 shall be calculated by multiplying the quantity of zero
11 emission credits delivered under the contract times the
12 average contract price. The average contract price shall
13 be determined by subtracting the amount calculated under
14 subparagraph (B) of this paragraph (3) from the amount
15 calculated under subparagraph (A) of this paragraph (3),
16 as follows:

17 (A) The average of the Social Cost of Carbon, as
18 defined in subparagraph (B) of paragraph (1) of this
19 subsection (d-5), during the term of the contract.

20 (B) The average of the market price indices, as
21 defined in subparagraph (B) of paragraph (1) of this
22 subsection (d-5), during the term of the contract,
23 minus the baseline market price index, as defined in
24 subparagraph (B) of paragraph (1) of this subsection
25 (d-5).

26 If the subtraction yields a negative number, then the

1 Average ZEC Payment shall be zero.

2 (4) Cost-effective zero emission credits procured from
3 zero emission facilities shall satisfy the applicable
4 definitions set forth in Section 1-10 of this Act.

5 (5) The electric utility shall retire all zero
6 emission credits used to comply with the requirements of
7 this subsection (d-5).

8 (6) Electric utilities shall be entitled to recover
9 all of the costs associated with the procurement of zero
10 emission credits through an automatic adjustment clause
11 tariff in accordance with subsection (k) and (m) of
12 Section 16-108 of the Public Utilities Act, and the
13 contracts executed under this subsection (d-5) shall
14 provide that the utilities' payment obligations under such
15 contracts shall be reduced if an adjustment is required
16 under subsection (m) of Section 16-108 of the Public
17 Utilities Act.

18 (7) This subsection (d-5) shall become inoperative on
19 January 1, 2028.

20 (d-10) Nuclear Plant Assistance; carbon mitigation
21 credits.

22 (1) The General Assembly finds:

23 (A) The health, welfare, and prosperity of all
24 Illinois citizens require that the State of Illinois act
25 to avoid and not increase carbon emissions from electric
26 generation sources while continuing to ensure affordable,

1 stable, and reliable electricity to all citizens.

2 (B) Absent immediate action by the State to preserve
3 existing carbon-free energy resources, those resources may
4 retire, and the electric generation needs of Illinois'
5 retail customers may be met instead by facilities that
6 emit significant amounts of carbon pollution and other
7 harmful air pollutants at a high social and economic cost
8 until Illinois is able to develop other forms of clean
9 energy.

10 (C) The General Assembly finds that nuclear power
11 generation is necessary for the State's transition to 100%
12 clean energy, and ensuring continued operation of nuclear
13 plants advances environmental and public health interests
14 through providing carbon-free electricity while reducing
15 the air pollution profile of the Illinois energy
16 generation fleet.

17 (D) The clean energy attributes of nuclear generation
18 facilities support the State in its efforts to achieve
19 100% clean energy.

20 (E) The State currently invests in various forms of
21 clean energy, including, but not limited to, renewable
22 energy, energy efficiency, and low-emission vehicles,
23 among others.

24 (F) The Environmental Protection Agency commissioned
25 an independent audit which provided a detailed assessment
26 of the financial condition of the Illinois nuclear fleet

1 to evaluate its financial viability and whether the
2 environmental benefits of such resources were at risk. The
3 report identified the risk of losing the environmental
4 benefits of several specific nuclear units. The report
5 also identified that the LaSalle County Generating Station
6 will continue to operate through 2026 and therefore is not
7 eligible to participate in the carbon mitigation credit
8 program.

9 (G) Nuclear plants provide carbon-free energy, which
10 helps to avoid many health-related negative impacts for
11 Illinois residents.

12 (H) The procurement of carbon mitigation credits
13 representing the environmental benefits of carbon-free
14 generation will further the State's efforts at achieving
15 100% clean energy and decarbonizing the electricity sector
16 in a safe, reliable, and affordable manner. Further, the
17 procurement of carbon emission credits will enhance the
18 health and welfare of Illinois residents through decreased
19 reliance on more highly polluting generation.

20 (I) The General Assembly therefore finds it necessary
21 to establish carbon mitigation credits to ensure decreased
22 reliance on more carbon-intensive energy resources, for
23 transitioning to a fully decarbonized electricity sector,
24 and to help ensure health and welfare of the State's
25 residents.

26 (2) As used in this subsection:

1 "Baseline costs" means costs used to establish a customer
2 protection cap that have been evaluated through an independent
3 audit of a carbon-free energy resource conducted by the
4 Environmental Protection Agency that evaluated projected
5 annual costs for operation and maintenance expenses; fully
6 allocated overhead costs, which shall be allocated using the
7 methodology developed by the Institute for Nuclear Power
8 Operations; fuel expenditures; nonfuel capital expenditures;
9 spent fuel expenditures; a return on working capital; the cost
10 of operational and market risks that could be avoided by
11 ceasing operation; and any other costs necessary for continued
12 operations, provided that "necessary" means, for purposes of
13 this definition, that the costs could reasonably be avoided
14 only by ceasing operations of the carbon-free energy resource.

15 "Carbon mitigation credit" means a tradable credit that
16 represents the carbon emission reduction attributes of one
17 megawatt-hour of energy produced from a carbon-free energy
18 resource.

19 "Carbon-free energy resource" means a generation facility
20 that: (1) is fueled by nuclear power; and (2) is
21 interconnected to PJM Interconnection, LLC.

22 (3) Procurement.

23 (A) Beginning with the delivery year commencing on
24 June 1, 2022, the Agency shall, for electric utilities
25 serving at least 3,000,000 retail customers in the State,
26 seek to procure contracts for no more than approximately

1 54,500,000 cost-effective carbon mitigation credits from
2 carbon-free energy resources because such credits are
3 necessary to support current levels of carbon-free energy
4 generation and ensure the State meets its carbon dioxide
5 emissions reduction goals. The Agency shall not make a
6 partial award of a contract for carbon mitigation credits
7 covering a fractional amount of a carbon-free energy
8 resource's projected output.

9 (B) Each carbon-free energy resource that intends to
10 participate in a procurement shall be required to submit
11 to the Agency the following information for the resource
12 on or before the date established by the Agency:

13 (i) the in-service date and remaining useful life
14 of the carbon-free energy resource;

15 (ii) the amount of power generated annually for
16 each of the past 10 years, which shall be used to
17 determine the capability of each facility;

18 (iii) a commitment to be reflected in any contract
19 entered into pursuant to this subsection (d-10) to
20 continue operating the carbon-free energy resource at
21 a capacity factor of at least 88% annually on average
22 for the duration of the contract or contracts executed
23 under the procurement held under this subsection
24 (d-10), except in an instance described in
25 subparagraph (E) of paragraph (1) of subsection (d-5)
26 of this Section or made impracticable as a result of

1 compliance with law or regulation;

2 (iv) financial need and the risk of loss of the
3 environmental benefits of such resource, which shall
4 include the following information:

5 (I) the carbon-free energy resource's cost
6 projections, expressed on a per megawatt-hour
7 basis, over the next 5 delivery years, which shall
8 include the following: operation and maintenance
9 expenses; fully allocated overhead costs, which
10 shall be allocated using the methodology developed
11 by the Institute for Nuclear Power Operations;
12 fuel expenditures; nonfuel capital expenditures;
13 spent fuel expenditures; a return on working
14 capital; the cost of operational and market risks
15 that could be avoided by ceasing operation; and
16 any other costs necessary for continued
17 operations, provided that "necessary" means, for
18 purposes of this subitem (I), that the costs could
19 reasonably be avoided only by ceasing operations
20 of the carbon-free energy resource; and

21 (II) the carbon-free energy resource's revenue
22 projections, including energy, capacity, ancillary
23 services, any other direct State support, known or
24 anticipated federal attribute credits, known or
25 anticipated tax credits, and any other direct
26 federal support.

1 The information described in this subparagraph (B) may
2 be submitted on a confidential basis and shall be treated
3 and maintained by the Agency, the procurement
4 administrator, and the Commission as confidential and
5 proprietary and exempt from disclosure under subparagraphs
6 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
7 Information Act. The Office of the Attorney General shall
8 have access to, and maintain the confidentiality of, such
9 information pursuant to Section 6.5 of the Attorney
10 General Act.

11 (C) The Agency shall solicit bids for the contracts
12 described in this subsection (d-10) from carbon-free
13 energy resources that have satisfied the requirements of
14 subparagraph (B) of this paragraph (3). The contracts
15 procured pursuant to a procurement event shall reflect,
16 and be subject to, the following terms, requirements, and
17 limitations:

18 (i) Contracts are for delivery of carbon
19 mitigation credits, and are not energy or capacity
20 sales contracts requiring physical delivery. Pursuant
21 to item (iii), contract payments shall fully deduct
22 the value of any monetized federal production tax
23 credits, credits issued pursuant to a federal clean
24 energy standard, and other federal credits if
25 applicable.

26 (ii) Contracts for carbon mitigation credits shall

1 commence with the delivery year beginning on June 1,
2 2022 and shall be for a term of 5 delivery years
3 concluding on May 31, 2027.

4 (iii) The price per carbon mitigation credit to be
5 paid under a contract for a given delivery year shall
6 be equal to an accepted bid price less the sum of:

7 (I) one of the following energy price indices,
8 selected by the bidder at the time of the bid for
9 the term of the contract:

10 (aa) the weighted-average hourly day-ahead
11 price for the applicable delivery year at the
12 busbar of all resources procured pursuant to
13 this subsection (d-10), weighted by actual
14 production from the resources; or

15 (bb) the projected energy price for the
16 PJM Interconnection, LLC Northern Illinois Hub
17 for the applicable delivery year determined
18 according to subitem (aa) of item (iii) of
19 subparagraph (B) of paragraph (1) of
20 subsection (d-5).

21 (II) the Base Residual Auction Capacity Price
22 for the ComEd zone as determined by PJM
23 Interconnection, LLC, divided by 24 hours per day,
24 for the applicable delivery year for the first 3
25 delivery years, and then any subsequent delivery
26 years unless the PJM Interconnection, LLC applies

1 the Minimum Offer Price Rule to participating
2 carbon-free energy resources because they supply
3 carbon mitigation credits pursuant to this Section
4 at which time, upon notice by the carbon-free
5 energy resource to the Commission and subject to
6 the Commission's confirmation, the value under
7 this subitem shall be zero, as further described
8 in the carbon mitigation credit procurement plan;
9 and

10 (III) any value of monetized federal tax
11 credits, direct payments, or similar subsidy
12 provided to the carbon-free energy resource from
13 any unit of government that is not already
14 reflected in energy prices.

15 If the price-per-megawatt-hour calculation
16 performed under item (iii) of this subparagraph (C)
17 for a given delivery year results in a net positive
18 value, then the electric utility counterparty to the
19 contract shall multiply such net value by the
20 applicable contract quantity and remit the amount to
21 the supplier.

22 To protect retail customers from retail rate
23 impacts that may arise upon the initiation of carbon
24 policy changes, if the price-per-megawatt-hour
25 calculation performed under item (iii) of this
26 subparagraph (C) for a given delivery year results in

1 a net negative value, then the supplier counterparty
2 to the contract shall multiply such net value by the
3 applicable contract quantity and remit such amount to
4 the electric utility counterparty. The electric
5 utility shall reflect such amounts remitted by
6 suppliers as a credit on its retail customer bills as
7 soon as practicable.

8 (iv) To ensure that retail customers in Northern
9 Illinois do not pay more for carbon mitigation credits
10 than the value such credits provide, and
11 notwithstanding the provisions of this subsection
12 (d-10), the Agency shall not accept bids for contracts
13 that exceed a customer protection cap equal to the
14 baseline costs of carbon-free energy resources.

15 The baseline costs for the applicable year shall
16 be the following:

17 (I) For the delivery year beginning June 1,
18 2022, the baseline costs shall be an amount equal
19 to \$30.30 per megawatt-hour.

20 (II) For the delivery year beginning June 1,
21 2023, the baseline costs shall be an amount equal
22 to \$32.50 per megawatt-hour.

23 (III) For the delivery year beginning June 1,
24 2024, the baseline costs shall be an amount equal
25 to \$33.43 per megawatt-hour.

26 (IV) For the delivery year beginning June 1,

1 2025, the baseline costs shall be an amount equal
2 to \$33.50 per megawatt-hour.

3 (V) For the delivery year beginning June 1,
4 2026, the baseline costs shall be an amount equal
5 to \$34.50 per megawatt-hour.

6 An Environmental Protection Agency consultant
7 forecast, included in a report issued April 14, 2021,
8 projects that a carbon-free energy resource has the
9 opportunity to earn on average approximately \$30.28
10 per megawatt-hour, for the sale of energy and capacity
11 during the time period between 2022 and 2027.
12 Therefore, the sale of carbon mitigation credits
13 provides the opportunity to receive an additional
14 amount per megawatt-hour in addition to the projected
15 prices for energy and capacity.

16 Although actual energy and capacity prices may
17 vary from year-to-year, the General Assembly finds
18 that this customer protection cap will help ensure
19 that the cost of carbon mitigation credits will be
20 less than its value, based upon the social cost of
21 carbon identified in the Technical Support Document
22 issued in February 2021 by the U.S. Interagency
23 Working Group on Social Cost of Greenhouse Gases and
24 the PJM Interconnection, LLC carbon dioxide marginal
25 emission rate for 2020, and that a carbon-free energy
26 resource receiving payment for carbon mitigation

1 credits receives no more than necessary to keep those
2 units in operation.

3 (D) No later than 7 days after the effective date of
4 this amendatory Act of the 102nd General Assembly, the
5 Agency shall publish its proposed carbon mitigation credit
6 procurement plan. The Plan shall provide that winning bids
7 shall be selected by taking into consideration which
8 resources best match public interest criteria that
9 include, but are not limited to, minimizing carbon dioxide
10 emissions that result from electricity consumed in
11 Illinois and minimizing sulfur dioxide, nitrogen oxide,
12 and particulate matter emissions that adversely affect the
13 citizens of this State. The selection of winning bids
14 shall also take into account the incremental environmental
15 benefits resulting from the procurement or procurements,
16 such as any existing environmental benefits that are
17 preserved by a procurement held under this subsection
18 (d-10) and would cease to exist if the procurement were
19 not held, including the preservation of carbon-free energy
20 resources. For those bidders having the same public
21 interest criteria score, the relative ranking of such
22 bidders shall be determined by price. The Plan shall
23 describe in detail how each public interest factor shall
24 be considered and weighted in the bid selection process to
25 ensure that the public interest criteria are applied to
26 the procurement. The Plan shall, to the extent practical

1 and permissible by federal law, ensure that successful
2 bidders make commercially reasonable efforts to apply for
3 federal tax credits, direct payments, or similar subsidy
4 programs that support carbon-free generation and for which
5 the successful bidder is eligible. Upon publishing of the
6 carbon mitigation credit procurement plan, copies of the
7 plan shall be posted and made publicly available on the
8 Agency's website. All interested parties shall have 7 days
9 following the date of posting to provide comment to the
10 Agency on the plan. All comments shall be posted to the
11 Agency's website. Following the end of the comment period,
12 but no more than 19 days later than the effective date of
13 this amendatory Act of the 102nd General Assembly, the
14 Agency shall revise the plan as necessary based on the
15 comments received and file its carbon mitigation credit
16 procurement plan with the Commission.

17 (E) If the Commission determines that the plan is
18 likely to result in the procurement of cost-effective
19 carbon mitigation credits, then the Commission shall,
20 after notice and hearing and opportunity for comment, but
21 no later than 42 days after the Agency filed the plan,
22 approve the plan or approve it with modification. For
23 purposes of this subsection (d-10), "cost-effective" means
24 carbon mitigation credits that are procured from
25 carbon-free energy resources at prices that are within the
26 limits specified in this paragraph (3). As part of the

1 Commission's review and acceptance or rejection of the
2 procurement results, the Commission shall, in its public
3 notice of successful bidders:

4 (i) identify how the selected carbon-free energy
5 resources satisfy the public interest criteria
6 described in this paragraph (3) of minimizing carbon
7 dioxide emissions that result from electricity
8 consumed in Illinois and minimizing sulfur dioxide,
9 nitrogen oxide, and particulate matter emissions that
10 adversely affect the citizens of this State;

11 (ii) specifically address how the selection of
12 carbon-free energy resources takes into account the
13 incremental environmental benefits resulting from the
14 procurement, including any existing environmental
15 benefits that are preserved by the procurements held
16 under this amendatory Act of the 102nd General
17 Assembly and would have ceased to exist if the
18 procurements had not been held, such as the
19 preservation of carbon-free energy resources;

20 (iii) quantify the environmental benefit of
21 preserving the carbon-free energy resources procured
22 pursuant to this subsection (d-10), including the
23 following:

24 (I) an assessment value of avoided greenhouse
25 gas emissions measured as the product of the
26 carbon-free energy resources' output over the

1 contract term, using generally accepted
2 methodologies for the valuation of avoided
3 emissions; and

4 (II) an assessment of costs of replacement
5 with other carbon-free energy resources and
6 renewable energy resources, including wind and
7 photovoltaic generation, based upon an assessment
8 of the prices paid for renewable energy credits
9 through programs and procurements conducted
10 pursuant to subsection (c) of Section 1-75 of this
11 Act, and the additional storage necessary to
12 produce the same or similar capability of matching
13 customer usage patterns.

14 (F) The procurements described in this paragraph (3),
15 including, but not limited to, the execution of all
16 contracts procured, shall be completed no later than
17 December 3, 2021. The procurement and plan approval
18 processes required by this paragraph (3) shall be
19 conducted in conjunction with the procurement and plan
20 approval processes required by Section 16-111.5 of the
21 Public Utilities Act, to the extent practicable. However,
22 the Agency and Commission may, as appropriate, modify the
23 various dates and timelines under this subparagraph and
24 subparagraphs (D) and (E) of this paragraph (3) to meet
25 the December 3, 2021 contract execution deadline.
26 Following the completion of such procurements, and

1 consistent with this paragraph (3), the Agency shall
2 calculate the payments to be made under each contract in a
3 timely fashion.

4 (F-1) Costs incurred by the electric utility pursuant
5 to a contract authorized by this subsection (d-10) shall
6 be deemed prudently incurred and reasonable in amount, and
7 the electric utility shall be entitled to full cost
8 recovery pursuant to a tariff or tariffs filed with the
9 Commission.

10 (G) The counterparty electric utility shall retire all
11 carbon mitigation credits used to comply with the
12 requirements of this subsection (d-10).

13 (H) If a carbon-free energy resource is sold to
14 another owner, the rights, obligations, and commitments
15 under this subsection (d-10) shall continue to the
16 subsequent owner.

17 (I) This subsection (d-10) shall become inoperative on
18 January 1, 2028.

19 (d-20) Energy Storage System Portfolio Standard.

20 (1) The General Assembly finds that the deployment of
21 energy storage systems is necessary to successfully
22 integrate high levels of renewable energy, to avoid the
23 creation and increase of carbon emission from electric
24 generation sources, and to ensure affordable, stable,
25 reliable, and resilient electricity.

26 (2) The Agency shall develop a long-term energy

1 storage resources procurement plan that includes the
2 competitive procurement events, procurement programs, or
3 both, as necessary (i) to meet the goals set forth in this
4 subsection (d-20), (ii) to meet the planning requirements
5 established under Sections 16-201 and 16-202 of the Public
6 Utilities Act, (iii) to meet the clean energy policy
7 established by Public Act 102-662, and (iv) to cause
8 electric utilities serving more than 300,000 customers in
9 the State as of January 1, 2019 to contract for energy
10 storage resources. The energy storage system resources
11 procurement plan approval processes shall be conducted
12 consistent with the processes outlined in paragraph (6) of
13 subsection (b) of Section 16-111.5 of the Public Utilities
14 Act, with the initial energy storage system resources
15 procurement plan released for comment in calendar year
16 2027. The Agency shall review and may revise the energy
17 storage resources procurement plan at least every 2 years.
18 The Agency shall establish, and the Commission shall
19 approve or approve as modified, an energy storage system
20 resources procurement plan that includes:

21 (A) storage targets in addition to the initial
22 procurements specified in subsection (3) of this
23 Section at levels identified through the integrated
24 resource planning process outlined in Section 16-202
25 of the Public Utilities Act;

26 (B) a bid selection process that is based on the

1 bid price, when compared with an equal energy storage
2 duration and interconnected to the same Independent
3 System Operator (ISO) or Regional Transmission
4 Organization (RTO), and that provides for
5 consideration of the following:

6 (i) the project's viability and ability to
7 meet or exceed operational date targets;

8 (ii) the developer's experience;

9 (iii) requirements for demonstration of
10 binding site control that are sufficient for
11 proposed energy storage facilities;

12 (iv) the availability or dependence on any
13 transmission expansion or upgrades needed; and

14 (v) other resource adequacy and reliability
15 considerations;

16 (C) consideration of the need to ensure adequate,
17 reliable, affordable, efficient, and environmentally
18 sustainable electric service at the lowest total cost
19 over time; and

20 (D) proposals for the financial support of energy
21 storage systems using contract models, which may
22 include, but are not limited to, the following:

23 (i) an indexed storage credit procurement,
24 including payments to energy storage system owners
25 or operators for availability with any offsets and
26 refunds for potential energy and capacity

1 revenues;

2 (ii) support for energy storage system
3 resources through a tolling agreement approach
4 with energy storage systems or owners or operators
5 under which operational decisions are assigned to
6 the electric utility buyer or an independent
7 third-party operator; and

8 (iii) other approaches as deemed suitable by
9 the Agency and the Commission.

10 In developing its procurement plan and conducting the
11 storage procurements outlined in this paragraph (2) and in
12 paragraph (3), the Agency may use the services of expert
13 consulting firms identified in paragraphs (1) and (2) of
14 subsection (a) of this Section.

15 (3) Notwithstanding whether an energy storage system
16 resources procurement plan has been approved, the
17 following provisions shall apply to the Agency's initial
18 procurement of energy storage system resources under this
19 subsection (d-20):

20 (A) The Agency shall conduct an initial energy
21 storage procurement on or before August 26, 2025. For
22 the purposes of this initial energy storage
23 procurement, the Agency shall conduct a procurement
24 that results in electric utilities that served more
25 than 300,000 customers in the State as of January 1,
26 2019 contracting for at least 1,038 megawatts of

1 cost-effective stand-alone energy storage systems that
2 can achieve commercial operation on or before December
3 31, 2029. The procurement target shall be separated
4 for projects interconnected within Midcontinent
5 Independent System Operator Local Resource Zone 4
6 (MISO Zone 4) and for projects interconnected within
7 the PJM Interconnection, LLC ComEd Locational
8 Deliverability Area (PJM ComEd Area) as follows:

9 (i) 450 megawatts in MISO Zone 4; and

10 (ii) 588 megawatts in the PJM ComEd Area.

11 For purposes of this subsection (d-20),
12 "stand-alone" means systems that are (i) separately
13 metered by a revenue-quality meter that satisfies the
14 requirements of the RTO; (ii) operate independently
15 without constraints or hindrances from other
16 generation units; and (iii) demonstrate the ability to
17 charge and discharge independent of any generation
18 unit output.

19 (B) The Agency shall conduct a series of
20 additional energy storage procurements that result in
21 electric utilities contracting for energy storage
22 resources in the following amounts:

23 (i) at least 3,000 megawatts of cumulative
24 energy storage capacity for projects committed to
25 reaching commercial operation on or before
26 December 31, 2029, subject to extension for a

1 delay due to interconnection of the energy storage
2 system, a delay in obtaining permits necessary to
3 build or operate the energy storage system, or
4 other circumstances at the discretion of the
5 Agency; and

6 (ii) at least 6,000 megawatts of cumulative
7 energy storage capacity for projects committed to
8 reaching commercial operation on or before May 31,
9 2036, subject to extension for a delay due to
10 interconnection of the energy storage system, a
11 delay in obtaining permits necessary to build or
12 operate the energy storage system, or other
13 circumstances at the discretion of the Agency.

14 The additional energy storage resources
15 procurements shall be conducted between calendar years
16 2026 and 2027 in a manner that ensures the quantities
17 listed in this subparagraph (B) are met in the
18 specified timeframe. The procurements shall be
19 conducted in a manner that maximizes projects
20 available in the MISO and PJM queues, ensures the
21 likelihood of project development through the
22 development of project maturity requirements, enables
23 sufficient competition for price competitiveness, and
24 aligns to the extent practicable with regional
25 transmission organization study phases. The
26 procurements shall select projects interconnected to

1 MISO Zone 4 and the PJM ComEd Area and shall follow
2 either (i) a similar geographic split to the ratio of
3 quantities established in subparagraph (A) of this
4 paragraph (3), or (ii) an alternative geographic split
5 as proposed by the Agency based on project
6 availability in advanced stages of the MISO and PJM
7 queues and that reflects the assessments made through
8 the processes outlined in subparagraph (A) of
9 paragraph (2).

10 (C) The initial energy storage resources
11 procurement under subparagraph (A) of this paragraph
12 (3) shall adopt a standard indexed storage credit
13 contract modeled after the contract and follow a
14 process modeled after the one included in the staff
15 report submitted to the Governor, General Assembly,
16 and Commission pursuant to subsection (g) of Section
17 16-135 of the Public Utilities Act on May 1, 2025.

18 (D) For the additional energy storage resources
19 procurements conducted in accordance with subparagraph
20 (B) of this paragraph (3), the Agency may, among other
21 considerations, consider the use of tolling agreements
22 or other contract structures.

23 (E) The initial and additional energy storage
24 resources procurements under this paragraph (3) shall
25 solicit 20-year contracts.

26 (F) The Agency shall submit its proposed selection

1 of successful bids for each procurement event pursuant
2 to paragraphs (2) and (3) to the Commission for
3 approval consistent with the processes outlined in
4 Section 16-111.5 of the Public Utilities Act to the
5 extent practicable.

6 (4) The energy storage system resources procurement
7 plans developed by the Agency may consider alternatives to
8 the initial and additional procurement terms described in
9 paragraph (3) of this subsection (d-20), including, but
10 not limited to:

11 (A) alternatives to the standard indexed storage
12 credit contract used in the initial terms described in
13 subparagraph (C) of paragraph (3) of this subsection
14 (d-20);

15 (B) energy storage systems that are not
16 stand-alone;

17 (C) proportionate allocations between MISO Zone 4
18 and the PJM ComEd Area that are not based upon load
19 share, including allocations reflecting the
20 assessments made through the processes outlined in
21 subparagraph (A) of paragraph (2);

22 (D) contract lengths other than 20 years;

23 (E) energy storage system durations other than 4
24 hours; and

25 (F) energy storage systems connected to the
26 distribution systems of the electric utilities.

1 The Agency may propose specific timelines for energy
2 storage system resources procurements, which may differ
3 across RTO zones, that are based in part upon a
4 consideration of (i) the timing of the release of
5 interconnection cost information through both MISO and PJM
6 interconnection queue processes, (ii) factors that
7 maximize the likelihood of successful project development,
8 (iii) enabling sufficient competition for price
9 competitiveness, and (iv) aligning to the extent
10 practicable with RTO study phases.

11 (5) The Agency shall procure cost-effective energy
12 storage credits, tolling agreements, or other contract
13 instruments intended to facilitate the successful
14 development of energy storage projects. The procurement
15 administrator shall establish confidential price
16 benchmarks based on publicly available data on regional
17 technology costs. Confidential price benchmarks shall be
18 developed by the procurement administrator, in
19 consultation with Commission staff, Agency staff, and the
20 procurement monitor, and shall be subject to Commission
21 review and approval. Price benchmarks shall reflect
22 development costs, financing costs, and related costs
23 resulting from requirements imposed through other
24 provisions of State law. As used in this paragraph (5),
25 "cost-effective" means a bidder's bid price that does not
26 exceed confidential price benchmarks.

1 (6) All procurements under this subsection (d-20)
2 shall comply with the geographic requirements in
3 subparagraph (I) of paragraph (1) of subsection (c) of
4 Section 1-75 and shall follow the procurement processes
5 and procedures described in this Section and Section
6 16-111.5 of the Public Utilities Act, to the extent
7 practicable. The processes and procedures may be expedited
8 to accommodate the schedule established by this Section.
9 The Agency shall require all bidders to pay to the Agency a
10 nonrefundable deposit determined by the Agency and no less
11 than \$10,000 per bid as practical. The Agency may also
12 assess bidder and supplier fees to cover the cost of
13 procurement events and develop collateral requirements to
14 maximize the likelihood of successful project development.
15 Bidders in the initial and additional procurements
16 described in paragraph (3) of this subsection (d-20) shall
17 also demonstrate experience in developing to commercial
18 readiness. As used in this paragraph (6), "developing to
19 commercial readiness" means having notice to proceed in
20 owning or operating energy facilities with a combined
21 nameplate capacity of at least 100 megawatts.

22 (7) In order to advance priority access to the clean
23 energy economy for businesses and workers from communities
24 that have been excluded from economic opportunities in the
25 energy sector, have been subject to disproportionate
26 levels of pollution, and have disproportionately

1 experienced negative public health outcomes, the Agency
2 shall update its Equity Accountability System and minimum
3 equity standards established under subsections (c-10),
4 (c-15), (c-20), (c-25), and (c-30) of this Section to
5 include energy storage procurement and programs and shall
6 include such modifications in its plan submission to the
7 Commission under Section 16-111.5 of the Public Utilities
8 Act.

9 (8) Projects shall be developed in compliance with the
10 prevailing wage and project labor agreement requirements
11 for renewable energy projects in subparagraph (Q) of
12 paragraph (1) of subsection (c) of Section 1-75.

13 (9) In order to promote the competitive development of
14 energy storage systems in furtherance of the State's
15 interest in the health, safety, and welfare of its
16 residents, storage credits shall not be eligible to be
17 selected under this subsection (d-20) if the storage
18 credits are sourced from an energy storage system whose
19 costs were being recovered through rates regulated by the
20 State or any other state or states on or after January 1,
21 2017. No entity shall be permitted to bid unless it
22 certifies to the Agency that it is not an electric
23 utility, as defined in Section 16-102 of the Public
24 Utilities Act, serving more than 10,000 customers in the
25 State.

26 (10) The Agency shall require, as a prerequisite to

1 payment for any storage credits, that the winning bidder
2 provide the Agency or its designee a copy of the
3 interconnection agreement under which the applicable
4 energy storage system is connected to the transmission or
5 distribution system.

6 (e) The draft procurement plans are subject to public
7 comment, as required by Section 16-111.5 of the Public
8 Utilities Act.

9 (f) The Agency shall submit the final procurement plan to
10 the Commission. The Agency shall revise a procurement plan if
11 the Commission determines that it does not meet the standards
12 set forth in Section 16-111.5 of the Public Utilities Act.

13 (g) The Agency shall assess fees to each affected utility
14 to recover the costs incurred in preparation of the annual
15 procurement plan for the utility.

16 (h) The Agency shall assess fees to each bidder to recover
17 the costs incurred in connection with a competitive
18 procurement process.

19 (i) A renewable energy credit, carbon emission credit,
20 zero emission credit, or carbon mitigation credit can only be
21 used once to comply with a single portfolio or other standard
22 as set forth in subsection (c), subsection (d), or subsection
23 (d-5) of this Section, respectively. A renewable energy
24 credit, carbon emission credit, zero emission credit, or
25 carbon mitigation credit cannot be used to satisfy the
26 requirements of more than one standard. If more than one type

1 of credit is issued for the same megawatt hour of energy, only
2 one credit can be used to satisfy the requirements of a single
3 standard. After such use, the credit must be retired together
4 with any other credits issued for the same megawatt hour of
5 energy.

6 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
7 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)

8 (20 ILCS 3855/1-125)

9 Sec. 1-125. Agency annual reports.

10 (a) By March ~~February~~ 15 of each year, the Agency shall
11 report annually to the Governor and the General Assembly on
12 the operations and transactions of the Agency. The annual
13 report shall include, but not be limited to, each of the
14 following:

15 (1) The average quantity, price, and term of all
16 contracts for electricity procured under the procurement
17 plans for electric utilities.

18 (2) (Blank).

19 (3) The quantity, price, and rate impact of all energy
20 efficiency and demand response measures purchased for
21 electric utilities, and any measures included in the
22 procurement plan pursuant to Section 16-111.5B of the
23 Public Utilities Act.

24 (4) The amount of power and energy produced by each
25 Agency facility.

1 (5) The quantity of electricity supplied by each
2 Agency facility to municipal electric systems,
3 governmental aggregators, or rural electric cooperatives
4 in Illinois.

5 (6) The revenues as allocated by the Agency to each
6 facility.

7 (7) The costs as allocated by the Agency to each
8 facility.

9 (8) The accumulated depreciation for each facility.

10 (9) The status of any projects under development.

11 (10) Basic financial and operating information
12 specifically detailed for the reporting year and
13 including, but not limited to, income and expense
14 statements, balance sheets, and changes in financial
15 position, all in accordance with generally accepted
16 accounting principles, debt structure, and a summary of
17 funds on a cash basis.

18 (11) The average quantity, price, contract type and
19 term, and rate impact of all renewable resources procured
20 under the long-term renewable resources procurement plans
21 for electric utilities.

22 (12) A comparison of the costs associated with the
23 Agency's procurement of renewable energy resources to (A)
24 the Agency's costs associated with electricity generated
25 by other types of generation facilities and (B) the
26 benefits associated with the Agency's procurement of

1 renewable energy resources.

2 (13) An analysis of the rate impacts associated with
3 the Illinois Power Agency's procurement of renewable
4 resources, including, but not limited to, any long-term
5 contracts, on the eligible retail customers of electric
6 utilities. The analysis shall include the Agency's
7 estimate of the total dollar impact that the Agency's
8 procurement of renewable resources has had on the annual
9 electricity bills of the customer classes that comprise
10 each eligible retail customer class taking service from an
11 electric utility.

12 (14) (Blank).

13 (b) In addition to reporting on the transactions and
14 operations of the Agency, the Agency shall also endeavor to
15 report on the following items through its annual report,
16 recognizing that full and accurate information may not be
17 available for certain items:

18 (1) The overall nameplate capacity amount of installed
19 and scheduled renewable energy generation capacity
20 physically located in Illinois.

21 (2) The percentage of installed and scheduled
22 renewable energy generation capacity as a share of overall
23 electricity generation capacity physically located in
24 Illinois.

25 (3) The amount of megawatt hours produced by renewable
26 energy generation capacity physically located in Illinois

1 for the preceding delivery year.

2 (4) The percentage of megawatt hours produced by
3 renewable energy generation capacity physically located in
4 Illinois as a share of overall electricity generation from
5 facilities physically located in Illinois for the
6 preceding delivery year and as a share of retail
7 electricity sales in Illinois.

8 (5) The renewable portfolio standard expenditures made
9 pursuant to paragraph (1) of subsection (c) of Section
10 1-75 and the total scheduled and installed renewable
11 generation capacity expected to result from these
12 investments. This information shall include the total cost
13 of REC delivery contracts of the renewable portfolio
14 standard by project category, including, but not limited
15 to, renewable energy credits delivery contracts entered
16 into pursuant to subparagraphs (C), (G), (K), and (R) of
17 paragraph (1) of subsection (c) Section 1-75. The Agency
18 shall also report on the total amount of customer load
19 featuring renewable portfolio standard compliance
20 obligations scheduled to be met by self-direct customers
21 pursuant to subparagraph (R) of paragraph (1) of
22 subsection (c) of Section 1-75, as well as the minimum
23 annual quantities of renewable energy credits scheduled to
24 be retired by those customers and amount of installed
25 renewable energy generating capacity used to meet the
26 requirements of subparagraph (R) of paragraph (1) of

subsection (c) of Section 1-75.

The Agency may seek assistance from the Illinois Commerce Commission in developing its annual report and may also retain the services of its expert consulting firm used to develop its procurement plans as outlined in paragraph (1) of subsection (a) of Section 1-75. Confidential or commercially sensitive business information provided by retail customers, alternative retail electric suppliers, or other parties shall be kept confidential by the Agency consistent with Section 1-120, but may be publicly reported in aggregate form.

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

Section 15. The Illinois Procurement Code is amended by changing Section 30-20 as follows:

(30 ILCS 500/30-20)

Sec. 30-20. Prequalification.

(a) The Capital Development Board shall promulgate rules for the development of prequalified supplier lists for construction and construction-related professional services and the periodic updating of those lists. Construction and construction-related professional services contracts over \$25,000 may be awarded to any qualified suppliers.

(b) If deemed necessary by the Agency, the ~~The~~ Illinois Power Agency shall promulgate rules for the development of prequalified supplier lists for construction and

1 construction-related professional services and the periodic
2 updating of those lists. Construction and construction related
3 professional services contracts over \$25,000 may be awarded to
4 any qualified suppliers, pursuant to a competitive bidding
5 process.

6 (Source: P.A. 95-481, eff. 8-28-07.)

7 Section 20. The Property Tax Code is amended by adding
8 Division 22 as follows:

9 (35 ILCS 200/Art. 10 Div. 22 heading new)

10 Division 22. Commercial energy storage systems

11 (35 ILCS 200/10-920 new)

12 Sec. 10-920. Definitions. As used in this Division:

13 "Allowance for physical depreciation" means the product of
14 the quotient that is generated by dividing the actual age in
15 years of the commercial energy storage system on the
16 assessment date by 25 years multiplied by the commercial
17 energy storage system's trended real property cost basis.
18 "Allowance for physical depreciation" may not exceed an amount
19 that reduces the value of the commercial energy storage system
20 to 30% of its trended real property cost basis or less.

21 "Commercial energy storage system" means any device or
22 assembly of devices that is (i) either installed as a
23 stand-alone system or tied to a power generation system, (ii)

1 used for the primary purpose of storing of energy for
2 wholesale or retail sale and not primarily for storage to
3 later consume on the property on which the device resides, and
4 (iii) an energy storage system, as defined in Section 16-135
5 of the Public Utilities Act.

6 "Commercial energy storage system real property cost
7 basis" means the owner of the commercial energy storage
8 system's interest in the land within the project boundaries
9 and real property improvements and shall be calculated at \$65
10 kilowatt hour of rated kilowatt hour energy capacity.

11 "Consumer Price Index" means the index published by the
12 Bureau of Labor Statistics of the United States Department of
13 Labor that measures the average change in prices of goods and
14 services purchased by all urban consumers, United States city
15 average, all items, 1982-84 = 100.

16 "Rated kWh energy capacity" means the maximum amount of
17 stored energy in kilowatt hours. "Trended real property cost
18 basis" means the commercial energy storage system real
19 property cost basis multiplied by the trending factor.

20 "Trending factor" means the following:

21 (1) for stand-alone commercial energy storage systems,
22 the lesser of 2% or the number generated by dividing the
23 Consumer Price Index published by the Bureau of Labor
24 Statistics in the December immediately preceding the
25 assessment date by the Consumer Price Index published by
26 the Bureau of Labor Statistics in December of 2024; or

1 (2) for commercial energy storage systems tied to a
2 power generation system, a trending factor of 1.00.

3 (35 ILCS 200/10-925 new)

4 Sec. 10-925. Improvement valuation of commercial energy
5 systems in counties with fewer than 3,000,000 inhabitants.
6 Beginning in assessment year 2025, the fair cash value of
7 commercial energy storage system improvements in counties with
8 fewer than 3,000,000 inhabitants shall be determined by
9 subtracting the allowance for physical depreciation from the
10 commercial energy storage system trended real property cost
11 basis. Functional obsolescence and external obsolescence of
12 the commercial energy storage system improvements may further
13 reduce the fair cash value of the improvements to the extent
14 the obsolescence is proven by the taxpayer by clear and
15 convincing evidence, except that the combined depreciation
16 from all functional and economic obsolescence shall not exceed
17 70% of the trended real property cost basis. The chief county
18 assessment officer may make reasonable adjustments to the
19 actual age of the commercial energy storage system to account
20 for the routine replacement or upgrade of system components.

21 (35 ILCS 200/10-930 new)

22 Sec. 10-930. Commercial energy storage systems;
23 equalization. Commercial energy storage systems that are
24 subject to assessment under this Division are not subject to

1 equalization factors applied by the Department, any board of
2 review, an assessor, or a chief county assessment officer.

3 (35 ILCS 200/10-935 new)

4 Sec. 10-935. Survey for commercial energy storage systems;
5 parcel identification numbers. Notwithstanding any other
6 provision of law, the owner of the commercial energy storage
7 system shall commission a metes and bounds survey description
8 of the land upon which the commercial energy storage system is
9 located, including access routes, over which the owner of the
10 commercial energy energy storage system has exclusive control.
11 Land held for future development shall not be included in the
12 project area for real property assessment purposes. The owner
13 of the commercial energy storage system shall, at the owner's
14 own expense, use a State-registered land surveyor to prepare
15 the survey. The owner of the commercial energy storage system
16 shall deliver a copy of the survey to the chief county
17 assessment officer and to the owner of the land upon which the
18 commercial energy storage system is located. Upon receiving a
19 copy of the survey and an agreed acknowledgment to the
20 separate parcel identification number by the owner of the land
21 upon which the commercial energy storage system is
22 constructed, the chief county assessment officer shall issue a
23 separate parcel identification number for the real property
24 improvements, including the land containing the commercial
25 energy storage system, to be used only for the purposes of

1 property assessment for taxation. If no survey is provided,
2 the chief county assessment officer shall determine the area
3 of the site that is occupied by the commercial energy storage
4 system. The chief county assessment officer's determination
5 shall be final and may not be challenged on review by the owner
6 of the commercial energy storage system. The property records
7 shall contain the legal description of the commercial energy
8 storage system parcel and describe any leasehold interest or
9 other interest of the owner of the commercial energy storage
10 system in the property. A plat prepared under this Section
11 shall not be construed as a violation of the Plat Act.

12 Surveys that are prepared in accordance with either
13 Section 10-740 or Section 10-620 and that also include the
14 location of a commercial energy storage system in the survey's
15 metes and bounds description shall satisfy the requirements of
16 this Section.

17 (35 ILCS 200/10-940 new)

18 Sec. 10-940. Real estate taxes. Notwithstanding the
19 provisions of Section 9-175 of this Code, the owner of the
20 commercial energy storage system shall be liable for the real
21 estate taxes for the land and real property improvements of
22 the commercial energy storage system. Notwithstanding the
23 foregoing, the owner of the land upon which a commercial
24 energy storage system is located may pay any unpaid tax of the
25 commercial energy storage system parcel prior to the

1 initiation of any tax sale proceedings.

2 (35 ILCS 200/10-945 new)

3 Sec. 10-945. Property assessed as farmland.
4 Notwithstanding any other provision of law, real property
5 assessed as farmland in accordance with Section 10-110 in the
6 assessment year prior to valuation under this Division shall
7 return to being assessed as farmland in accordance with
8 Section 10-110 in the year following completion of the removal
9 of the commercial energy storage system if the property is
10 returned to a farm use, as defined in Section 1-60,
11 notwithstanding that the land was not used for farming for the
12 2 preceding years.

13 (35 ILCS 200/10-950 new)

14 Sec. 10-950. Abatements. Any taxing district may, upon a
15 majority vote of its governing authority and after the
16 determination of the assessed valuation as set forth in this
17 Code, order the clerk of the appropriate municipality or
18 county to abate any portion of real property taxes otherwise
19 levied or extended by the taxing district on a commercial
20 energy storage system.

21 (35 ILCS 200/10-955 new)

22 Sec. 10-955. Applicability. The provisions of this
23 Division apply for assessment years 2025 through 2040.

1 Section 25. The Counties Code is amended by adding
2 Division 5-46 as follows:

3 (55 ILCS 5/Art. 5 Div. 5-46 heading new)

4 Division 5-46. Solar Bill of Rights

5 (55 ILCS 5/5-46005 new)

6 Sec. 5-46005. Definitions. As used in this Division:

7 "Low voltage solar powered device" means a piece of
8 equipment designed for a particular purpose, including, but
9 not limited to, doorbells, security systems, and illumination
10 equipment, powered by a solar collector operating at less than
11 50 volts, and located:

12 (1) entirely within the lot or parcel owned by the
13 property owner; or

14 (2) within a common area without being permanently
15 attached to common property.

16 "Solar collector" means:

17 (1) an assembly, structure, or design, including
18 passive elements, used for gathering, concentrating, or
19 absorbing direct and indirect solar energy and specially
20 designed for holding a substantial amount of useful
21 thermal energy and to transfer that energy to a gas,
22 solid, or liquid or to use that energy directly;

23 (2) a mechanism that absorbs solar energy and converts

1 it into electricity;

2 (3) a mechanism or process used for gathering solar
3 energy through wind or thermal gradients; or

4 (4) a component used to transfer thermal energy to a
5 gas, solid, or liquid, or to convert it into electricity.

6 "Solar energy" means radiant energy received from the sun
7 at wavelengths suitable for heat transfer, photosynthetic use,
8 or photovoltaic use.

9 "Solar energy system" means:

10 (1) a complete assembly, structure, or design of a
11 solar collector or a solar storage mechanism that uses
12 solar energy for generating electricity or for heating or
13 cooling gases, solids, liquids, or other materials; and

14 (2) the design, materials, or elements of a system and
15 its maintenance, operation, and labor components, and the
16 necessary components, if any, of supplemental conventional
17 energy systems designed or constructed to interface with a
18 solar energy system.

19 "Solar storage mechanism" means equipment or elements,
20 such as piping and transfer mechanisms, containers, heat
21 exchangers, batteries, or controls thereof and gases, solids,
22 liquids, or combinations thereof, that are utilized for
23 storing solar energy, gathered by a solar collector, for
24 subsequent use.

1 Sec. 46010. Prohibitions. Notwithstanding any provision of
2 this Code or other provision of law, the adoption of any
3 ordinance or resolution or the exercise of any power by a
4 county that prohibits or has the effect of prohibiting the
5 installation of a solar energy system or low voltage solar
6 powered devices is expressly prohibited.

7 (55 ILCS 5/46015 new)

8 Sec. 46015. Home rule. A home rule unit may not regulate
9 the Solar Bill of Rights in a manner more restrictive than the
10 regulation by the State under this Division. This Section is a
11 limitation under subsection (i) of Section 6 of Article VII of
12 the Illinois Constitution on the concurrent exercise by home
13 rule units of powers and functions exercised by the State.

14 (55 ILCS 5/46020 new)

15 Sec. 46020. Costs; attorney's fees. In any litigation
16 arising under this Division or involving the application of
17 this Division, the prevailing party shall be entitled to costs
18 and reasonable attorney's fees.

19 (55 ILCS 5/46025 new)

20 Sec. 46025. Applicability.

21 (a) As used in this Section, "shared roof" means any roof
22 that (i) serves more than one unit, including, but not limited
23 to, a contiguous roof serving adjacent units, or (ii) is part

1 of the common elements or common area of a unit.

2 (b) This Division shall not apply to any building that:

3 (1) is greater than 60 feet in height; or (2) has a
4 shared roof and is subject to a homeowners' association,
5 common interest community association, or condominium unit
6 owners' association. (b) Notwithstanding subsection (a) of
7 this Section, this Division shall apply to any building
8 with a shared roof: (1) where the solar energy system is
9 located entirely within that portion of the shared roof
10 owned and 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 (c) Notwithstanding subsection (b) of this Section, this
16 Division shall apply to any building with a shared roof:

17 (1) where the solar energy system is located entirely
18 within that portion of the shared roof owned and
19 maintained by the property owner;

20 (2) where all property owners sharing the shared roof
21 are in agreement to install a solar energy system; or

22 (3) to the extent this Division applies to low voltage
23 solar powered devices.

24 Section 30. The Illinois Municipal Code is amended by
25 adding Division 15.5 as follows:

(65 ILCS 5/Art. 11 Div. 15.5 heading new)

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

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 (65 ILCS 5/11-15.5-10 new)

23 Sec. 11-15.5-10. Prohibitions. Notwithstanding any
24 provision of this Code or other provision of law, the adoption
25 of any ordinance or resolution or the exercise of any power, by

1 municipality that prohibits or has the effect of prohibiting
2 the installation of a solar energy system or low voltage solar
3 powered devices is expressly prohibited. Municipalities that
4 own local electric distribution systems may adopt and
5 implement reasonable policies, consistent with Section 17-900
6 of the Public Utilities Act, regarding the interconnection and
7 use of solar energy systems.

8 (65 ILCS 5/11-15.5-15 new)

9 Sec. 11-15.5-15. Home rule. A home rule unit may not
10 regulate the Solar Bill of Rights in a manner more restrictive
11 than the regulation by the State under this Division. This
12 Section is a limitation under subsection (i) of Section 6 of
13 Article VII of the Illinois Constitution on the concurrent
14 exercise by home rule units of powers and functions exercised
15 by the State.

16 (65 ILCS 5/11-15.5-20 new)

17 Sec. 11-15.5-20. Costs; attorney's fees. In any litigation
18 arising under this Division or involving the application of
19 this Division, the prevailing party shall be entitled to costs
20 and reasonable attorney's fees.

21 (65 ILCS 5/11-15.5-25 new)

22 Sec. 11-15.5-25. Applicability.

23 (a) As used in this Section, "shared roof" means any roof

1 that (i) serves more than one unit, including, but not limited
2 to, a contiguous roof serving adjacent units, or (ii) is part
3 of the common elements or common area of a unit.

4 (b) This Division shall not apply to any building that:

5 (1) is greater than 60 feet in height; or

6 (2) has a shared roof and is subject to a homeowners'
7 association, common interest community association, or
8 condominium unit owners' association.

9 (c) Notwithstanding subsection (b) of this Section, this
10 Division shall apply to any building with a shared roof:

11 (1) where the solar energy system is located entirely
12 within that portion of the shared roof owned and
13 maintained by the property owner;

14 (2) where all property owners sharing the shared roof
15 are in agreement to install a solar energy system; or

16 (3) to the extent this Division applies to low voltage
17 solar powered devices.

18 Section 35. The Public Utilities Act is amended by
19 changing Sections 8-103B, 8-406, 8-512, 16-105.5, 16-107.5,
20 16-107.6, 16-111.5, 16-115A, and 17-900 and by adding Sections
21 3-128, 4-620, 8-101.1, 8-513, 16-107.8, 16-108, 16-126.2,
22 16-140, 16-201, 16-202, 20-140, and 20-145 as follows:

23 (220 ILCS 5/3-128 new)

24 Sec. 3-128. Home energy efficiency retrofit. "Home energy

1 efficiency retrofit" means whole home energy efficiency
2 improvements, including, but not limited to, weatherization,
3 building electrification, and heat pump and heat pump water
4 heater installations, either in combination or as stand-alone
5 measures.

6 (220 ILCS 5/4-620 new)

7 Sec. 4-620. New large load energy and water reporting
8 requirements.

9 (a) The purpose of this Section is to ensure transparency
10 regarding the environmental impacts of new extremely large,
11 inflexible-load non-residential facilities operating within
12 the State by requiring the disclosure of energy and water
13 usage data to the Commission.

14 (b) As used in this Section:

15 "Energy consumption" means the total amount of electricity
16 or other forms of energy consumed by an extremely large,
17 inflexible-load, non-residential facility, measured in
18 kilowatt-hours.

19 "Extremely large, inflexible-load, non-residential
20 facility" means a facility where the total highest demand
21 established by the facility during the most recent 12
22 consecutive monthly billing periods or a forecast of its next
23 12 consecutive monthly billing periods was more than 25,000
24 kilowatts, and during the most recent 12 consecutive monthly
25 billing periods the facility has, or during its next 12

1 consecutive monthly billing periods is forecasted to have, a
2 load factor of greater than 50%.

3 "Load factor" means, for any period, the average power
4 used during the period as a percentage of peak power used
5 during the period.

6 "Water consumption" means the total amount of water
7 consumed by an extremely large, inflexible-load,
8 non-residential facility, including water used for cooling,
9 measured in gallons.

10 (c) On and after January 1, 2026, all extremely large,
11 inflexible-load, non-residential facilities operating within
12 the State shall annually disclose the facility's energy and
13 water consumption data to the Commission for the preceding
14 calendar year. The disclosure shall include:

15 (1) the total energy consumption for the previous
16 calendar year, broken down by month and specifying the
17 energy source;

18 (2) total water consumption for the previous calendar
19 year, broken down by month and specifying whether the
20 consumption was for cooling or another application; and

21 (3) any measures undertaken in the previous calendar
22 year to improve energy efficiency or reduce water usage.

23 (d) Disclosures shall be submitted to the Commission no
24 later than March 31 of each year.

25 (e) The information and data required to be disclosed
26 under this Section may be submitted on a confidential basis,

1 shall be treated and maintained by the Commission as
2 confidential and proprietary, and shall be exempt from
3 disclosure under subparagraphs (a) and (g) of paragraph (1) of
4 Section 7 of the Freedom of Information Act. The Office of the
5 Attorney General shall have access to, and maintain the
6 confidentiality of, such information pursuant to Section 6.5
7 of the Attorney General Act.

8 (f) The Commission shall make the aggregated and
9 anonymized form of data disclosed to it under this Section
10 available on a publicly accessible webpage.

11 (g) The Commission shall publish an annual report
12 summarizing statewide energy and water consumption trends in
13 extremely large, inflexible-load, non-residential facilities,
14 including, but not limited to, legislative recommendations to
15 address identified issues.

16 (h) Extremely large, inflexible-load, non-residential
17 facilities that fail to comply with the reporting requirements
18 under this Act may be subject to fines of up to \$10,000 per
19 violation. All funds collected under this subsection (h) shall
20 be deposited into the Energy Efficiency Trust Fund.

21 (i) The Commission shall conduct a comprehensive study on
22 the impact that extremely large, inflexible-load,
23 non-residential facilities in the State have on rate-paying
24 customers. The study shall include, but is not limited to, the
25 following:

26 (1) the energy consumption of extremely large,

1 inflexible-load, non-residential facilities and the
2 facilities' effects on overall electricity demand in the
3 State;

4 (2) the extent to which extremely large,
5 inflexible-load, non-residential facilities contribute to
6 electricity rate changes for residential, commercial, and
7 industrial customers;

8 (3) the environmental impact of extremely large,
9 inflexible-load, non-residential facilities in the State;
10 and

11 (4) potential legislation to mitigate any negative
12 impacts of extremely large, inflexible-load,
13 non-residential facilities on rate-paying customers.

14 (j) In conducting the study under subsection (i), the
15 Commission shall:

16 (1) consult with stakeholders, including, but not
17 limited to, public utilities, extremely large,
18 inflexible-load, non-residential facility operators,
19 consumer advocacy groups, and environmental organizations;

20 (2) analyze data from public utilities and other
21 relevant sources to assess the energy consumption and rate
22 impacts associated with extremely large, inflexible-load,
23 non-residential facilities; and

24 (3) consider best practices from other states in
25 managing the energy and rate impacts of extremely large,
26 inflexible-load, non-residential facilities.

1 (k) The Commission shall submit a report detailing the
2 findings of the study under subsection (i) to the General
3 Assembly and the Governor no later than March 31, 2027.

4 (l) The Commission may adopt rules necessary to implement
5 the provisions of this Act.

6 (220 ILCS 5/8-101.1 new)

7 Sec. 8-101.1. Duties of public utilities; labor force.

8 (a) As used in this Section:

9 "Labor force" means the employees hired directly by the
10 utility and all employees of any and all suppliers and
11 subcontractors of the utility tasked with the construction,
12 maintenance and repair of such utility's infrastructure.

13 "Public utility" means a public utility, as defined in
14 Section 3-105 of this Act, serving more than 100,000 customers
15 as of January 1, 2025.

16 "Substantial change in labor force" means either (1) a
17 greater than 5% reduction in the total labor force or (2) more
18 than a 5% decrease in the ratio of labor force spending
19 compared to capital spending.

20 (b) A public utility shall ensure that it has the
21 necessary labor force in order to furnish, provide, and
22 maintain such service instrumentalities, equipment, and
23 facilities to promote the safety, health, comfort, and
24 convenience of its patrons, employees, and the public and to
25 be in all respects adequate, efficient, just, and reasonable.

1 (c) Unless the Commission specifically orders and except
2 as otherwise provided in this Section, no substantial change
3 shall be made by any public utility in its labor force unless
4 the public utility provides notice to the Commission at least
5 45 days before the implementation of the change. A public
6 utility shall include a report with its notice that provides
7 the following:

8 (1) a detailed analysis and explanation of how and why
9 a change in a specific law, regulation, or market factor
10 requires the public utility to make the substantial change
11 in its labor force; and

12 (2) whether the substantial change in the public
13 utility's labor force, at a minimum:

14 (i) is in the public interest;

15 (ii) will not endanger the quality and
16 availability of public utility services;

17 (iii) will not have a negative impact on the
18 safety or reliability of public utility services; and

19 (iv) is designed to minimize the financial
20 hardship on the members of its labor force impacted by
21 the substantial change.

22 (220 ILCS 5/8-103B)

23 Sec. 8-103B. Energy efficiency and demand-response
24 measures.

25 (a) It is the policy of the State that electric utilities

1 are required to use cost-effective energy efficiency and
2 demand-response measures to reduce delivery load. Requiring
3 investment in cost-effective energy efficiency and
4 demand-response measures will reduce direct and indirect costs
5 to consumers by decreasing environmental impacts and by
6 avoiding or delaying the need for new generation,
7 transmission, and distribution infrastructure. It serves the
8 public interest to allow electric utilities to recover costs
9 for reasonably and prudently incurred expenditures for energy
10 efficiency and demand-response measures. As used in this
11 Section, "cost-effective" means that the measures satisfy the
12 total resource cost test. The low-income measures described in
13 subsection (c) of this Section shall not be required to meet
14 the total resource cost test. For purposes of this Section,
15 the terms "energy-efficiency", "demand-response", "electric
16 utility", and "total resource cost test" have the meanings set
17 forth in the Illinois Power Agency Act. "Black, indigenous,
18 and people of color" and "BIPOC" means people who are members
19 of the groups described in subparagraphs (a) through (e) of
20 paragraph (A) of subsection (1) of Section 2 of the Business
21 Enterprise for Minorities, Women, and Persons with
22 Disabilities Act.

23 (a-5) This Section applies to electric utilities serving
24 more than 500,000 retail customers in the State for those
25 multi-year plans commencing after December 31, 2017.

26 (b) For purposes of this Section, through calendar year

1 2026, electric utilities subject to this Section that serve
2 more than 3,000,000 retail customers in the State shall be
3 deemed to have achieved a cumulative persisting annual savings
4 of 6.6% from energy efficiency measures and programs
5 implemented during the period beginning January 1, 2012 and
6 ending December 31, 2017, which percent is based on the deemed
7 average weather normalized sales of electric power and energy
8 during calendar years 2014, 2015, and 2016 of 88,000,000 MWhs.
9 For the purposes of this subsection (b) and subsection (b-5),
10 the 88,000,000 MWhs of deemed electric power and energy sales
11 shall be reduced by the number of MWhs equal to the sum of the
12 annual consumption of customers that have opted out of
13 subsections (a) through (j) of this Section under paragraph
14 (1) of subsection (1) of this Section, as averaged across the
15 calendar years 2014, 2015, and 2016. After 2017, the deemed
16 value of cumulative persisting annual savings from energy
17 efficiency measures and programs implemented during the period
18 beginning January 1, 2012 and ending December 31, 2017, shall
19 be reduced each year, as follows, and the applicable value
20 shall be applied to and count toward the utility's achievement
21 of the cumulative persisting annual savings goals set forth in
22 subsection (b-5):

23 (1) 5.8% deemed cumulative persisting annual savings
24 for the year ending December 31, 2018;

25 (2) 5.2% deemed cumulative persisting annual savings
26 for the year ending December 31, 2019;

1 (3) 4.5% deemed cumulative persisting annual savings
2 for the year ending December 31, 2020;

3 (4) 4.0% deemed cumulative persisting annual savings
4 for the year ending December 31, 2021;

5 (5) 3.5% deemed cumulative persisting annual savings
6 for the year ending December 31, 2022;

7 (6) 3.1% deemed cumulative persisting annual savings
8 for the year ending December 31, 2023;

9 (7) 2.8% deemed cumulative persisting annual savings
10 for the year ending December 31, 2024;

11 (8) 2.5% deemed cumulative persisting annual savings
12 for the year ending December 31, 2025; and

13 (9) 2.3% deemed cumulative persisting annual savings
14 for the year ending December 31, 2026. +

15 ~~(10) 2.1% deemed cumulative persisting annual savings~~
16 ~~for the year ending December 31, 2027;~~

17 ~~(11) 1.8% deemed cumulative persisting annual savings~~
18 ~~for the year ending December 31, 2028;~~

19 ~~(12) 1.7% deemed cumulative persisting annual savings~~
20 ~~for the year ending December 31, 2029;~~

21 ~~(13) 1.5% deemed cumulative persisting annual savings~~
22 ~~for the year ending December 31, 2030;~~

23 ~~(14) 1.3% deemed cumulative persisting annual savings~~
24 ~~for the year ending December 31, 2031;~~

25 ~~(15) 1.1% deemed cumulative persisting annual savings~~
26 ~~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 than 3,000,000 retail customers in the State shall achieve the

1 following cumulative persisting annual savings goals, as
2 modified by subsection (f) of this Section and as compared to
3 the deemed baseline of 88,000,000 MWhs of electric power and
4 energy sales set forth in subsection (b), as reduced by the
5 number of MWhs equal to the sum of the annual consumption of
6 customers that have opted out of subsections (a) through (j)
7 of this Section under paragraph (1) of subsection (l) of this
8 Section as averaged across the calendar years 2014, 2015, and
9 2016, through the implementation of energy efficiency measures
10 during the applicable year and in prior years, but no earlier
11 than January 1, 2012:

12 (1) 7.8% cumulative persisting annual savings for the
13 year ending December 31, 2018;

14 (2) 9.1% cumulative persisting annual savings for the
15 year ending December 31, 2019;

16 (3) 10.4% cumulative persisting annual savings for the
17 year ending December 31, 2020;

18 (4) 11.8% cumulative persisting annual savings for the
19 year ending December 31, 2021;

20 (5) 13.1% cumulative persisting annual savings for the
21 year ending December 31, 2022;

22 (6) 14.4% cumulative persisting annual savings for the
23 year ending December 31, 2023;

24 (7) 15.7% cumulative persisting annual savings for the
25 year ending December 31, 2024;

26 (8) 17% cumulative persisting annual savings for the

1 year ending December 31, 2025; and

2 (9) 17.9% cumulative persisting annual savings for the
3 year ending December 31, 2026. ~~+~~

4 ~~(10) 18.8% cumulative persisting annual savings for~~
5 ~~the year ending December 31, 2027;~~

6 ~~(11) 19.7% cumulative persisting annual savings for~~
7 ~~the year ending December 31, 2028;~~

8 ~~(12) 20.6% cumulative persisting annual savings for~~
9 ~~the year ending December 31, 2029; and~~

10 ~~(13) 21.5% cumulative persisting annual savings for~~
11 ~~the year ending December 31, 2030.~~

12 ~~No later than December 31, 2021, the Illinois Commerce~~
13 ~~Commission shall establish additional cumulative persisting~~
14 ~~annual savings goals for the years 2031 through 2035. No later~~
15 ~~than December 31, 2024, the Illinois Commerce Commission shall~~
16 ~~establish additional cumulative persisting annual savings~~
17 ~~goals for the years 2036 through 2040. The Commission shall~~
18 ~~also establish additional cumulative persisting annual savings~~
19 ~~goals every 5 years thereafter to ensure that utilities always~~
20 ~~have goals that extend at least 11 years into the future. The~~
21 ~~cumulative persisting annual savings goals beyond the year~~
22 ~~2030 shall increase by 0.9 percentage points per year, absent~~
23 ~~a Commission decision to initiate a proceeding to consider~~
24 ~~establishing goals that increase by more or less than that~~
25 ~~amount. Such a proceeding must be conducted in accordance with~~
26 ~~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 subsection (b-10) and subsection (b-15), the 36,900,000 MWhs

1 of deemed electric power and energy sales shall be reduced by
2 the number of MWhs equal to the sum of the annual consumption
3 of customers that have opted out of subsections (a) through
4 (j) of this Section under paragraph (1) of subsection (1) of
5 this Section, as averaged across the calendar years 2014,
6 2015, and 2016. After 2017, the deemed value of cumulative
7 persisting annual savings from energy efficiency measures and
8 programs implemented during the period beginning January 1,
9 2012 and ending December 31, 2017, shall be reduced each year,
10 as follows, and the applicable value shall be applied to and
11 count toward the utility's achievement of the cumulative
12 persisting annual savings goals set forth in subsection
13 (b-15):

14 (1) 5.8% deemed cumulative persisting annual savings
15 for the year ending December 31, 2018;

16 (2) 5.2% deemed cumulative persisting annual savings
17 for the year ending December 31, 2019;

18 (3) 4.5% deemed cumulative persisting annual savings
19 for the year ending December 31, 2020;

20 (4) 4.0% deemed cumulative persisting annual savings
21 for the year ending December 31, 2021;

22 (5) 3.5% deemed cumulative persisting annual savings
23 for the year ending December 31, 2022;

24 (6) 3.1% deemed cumulative persisting annual savings
25 for the year ending December 31, 2023;

26 (7) 2.8% deemed cumulative persisting annual savings

1 for the year ending December 31, 2024;

2 (8) 2.5% deemed cumulative persisting annual savings
3 for the year ending December 31, 2025; and

4 (9) 2.3% deemed cumulative persisting annual savings
5 for the year ending December 31, 2026. +

6 ~~(10) 2.1% deemed cumulative persisting annual savings~~
7 ~~for the year ending December 31, 2027;~~

8 ~~(11) 1.8% deemed cumulative persisting annual savings~~
9 ~~for the year ending December 31, 2028;~~

10 ~~(12) 1.7% deemed cumulative persisting annual savings~~
11 ~~for the year ending December 31, 2029;~~

12 ~~(13) 1.5% deemed cumulative persisting annual savings~~
13 ~~for the year ending December 31, 2030;~~

14 ~~(14) 1.3% deemed cumulative persisting annual savings~~
15 ~~for the year ending December 31, 2031;~~

16 ~~(15) 1.1% deemed cumulative persisting annual savings~~
17 ~~for the year ending December 31, 2032;~~

18 ~~(16) 0.9% deemed cumulative persisting annual savings~~
19 ~~for the year ending December 31, 2033;~~

20 ~~(17) 0.7% deemed cumulative persisting annual savings~~
21 ~~for the year ending December 31, 2034;~~

22 ~~(18) 0.5% deemed cumulative persisting annual savings~~
23 ~~for the year ending December 31, 2035;~~

24 ~~(19) 0.4% deemed cumulative persisting annual savings~~
25 ~~for the year ending December 31, 2036;~~

26 ~~(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 (l) 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
year ending December 31, 2019;

1 (3) 9.0% cumulative persisting annual savings for the
2 year ending December 31, 2020;

3 (4) 9.8% cumulative persisting annual savings for the
4 year ending December 31, 2021;

5 (5) 10.6% cumulative persisting annual savings for the
6 year ending December 31, 2022;

7 (6) 11.4% cumulative persisting annual savings for the
8 year ending December 31, 2023;

9 (7) 12.2% cumulative persisting annual savings for the
10 year ending December 31, 2024;

11 (8) 13% cumulative persisting annual savings for the
12 year ending December 31, 2025; and

13 (9) 13.6% cumulative persisting annual savings for the
14 year ending December 31, 2026. +

15 ~~(10) 14.2% cumulative persisting annual savings for~~
16 ~~the year ending December 31, 2027;~~

17 ~~(11) 14.8% cumulative persisting annual savings for~~
18 ~~the year ending December 31, 2028;~~

19 ~~(12) 15.4% cumulative persisting annual savings for~~
20 ~~the year ending December 31, 2029; and~~

21 ~~(13) 16% cumulative persisting annual savings for the~~
22 ~~year ending December 31, 2030.~~

23 ~~No later than December 31, 2021, the Illinois Commerce~~
24 ~~Commission shall establish additional cumulative persisting~~
25 ~~annual savings goals for the years 2031 through 2035. No later~~
26 ~~than December 31, 2024, the Illinois Commerce Commission shall~~

~~establish additional cumulative persisting annual savings goals for the years 2036 through 2040. The Commission shall also establish additional cumulative persisting annual savings goals every 5 years thereafter to ensure that utilities always have goals that extend at least 11 years into the future. The cumulative persisting annual savings goals beyond the year 2030 shall increase by 0.6 percentage points per year, absent a Commission decision to initiate a proceeding to consider establishing goals that increase by more or less than that 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 0.4 percentage point annual increases in total cumulative persisting annual savings. The Commission may only establish goals that represent less than 0.4 percentage point annual increases in cumulative persisting annual savings if it can demonstrate, based on clear and convincing evidence and through independent analysis, that 0.4 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.~~

1 (b-16) In 2027 and each year thereafter, each electric
2 utility subject to this Section shall achieve the following
3 savings goals:

4 (1) Each utility must achieve incremental annual
5 energy savings for customers, other than low-income
6 customers, in an amount that is equal to 2.00% of the
7 utility's average annual electricity sales from 2021
8 through 2023 to customers other than low-income customers.

9 The 2.00% incremental annual energy savings
10 requirement may be reduced by 0.025 percentage points for
11 every 1 percentage point increase, above the 25% minimum
12 to be targeted at low-income households as specified in
13 paragraph (c) of this Section, in the portion of total
14 efficiency program spending that is on low-income or
15 moderate-income efficiency programs. In no event shall the
16 incremental annual savings requirement be reduced to a
17 level less than 1.75%, even if the sum of low-income
18 spending and moderate-income spending is greater than 35%
19 of total spending.

20 (2) Each utility must achieve an incremental annual
21 coincident peak demand savings, from energy efficiency
22 measures installed as a result of the utility's programs
23 by customers, other than low-income customers, in an
24 amount that is equal to the energy savings goal from
25 paragraph (1) of this Section divided by the actual
26 average ratio of kilowatt-hour savings to coincident peak

1 demand reduction achieved by the utility through its
2 energy efficiency programs, except for programs for
3 low-income customers, in 2023. If the season in which
4 coincident peak demands are experienced, the hours of the
5 day that peak demands are experienced, and the methods by
6 which peak demand impacts from efficiency measures are
7 estimated are different in the future than when 2023 peak
8 demand impacts were originally estimated, the 2023 peak
9 demand impacts shall be recomputed using such updated peak
10 definitions and estimation methods for the purpose of
11 establishing future coincident peak demand savings goals.
12 To the extent that a utility counts either improvements to
13 the efficiency of the use of gas and other fuels or the
14 electrification of gas and other fuels toward its energy
15 savings goal, as permitted under paragraphs (b-25) and
16 (b-27) of this Section, it must estimate the actual
17 impacts on coincident peak demand from such measures and
18 count them, whether positive or negative, toward its
19 coincident peak demand savings goal. Only coincident peak
20 demand savings from efficiency measures shall count toward
21 this goal. To the extent that some efficiency measures
22 enable demand response, only the peak demand savings from
23 the energy efficiency upgrade shall count toward the goal.
24 Nothing in this Section shall limit the ability of peak
25 demand savings from such enabled demand response
26 initiatives to count for other, non-energy efficiency

1 performance standard performance metrics established for
2 the utility.

3 (3) Each utility's incremental annual energy savings
4 and coincident peak demand savings must be achieved with
5 an average savings life of at least 12 years. In no event
6 can more than one-fifth of the incremental annual savings
7 or the coincident peak demand savings counted toward a
8 utility's annual savings goal in any given year be derived
9 from efficiency measures with average savings lives of
10 less than 5 years. Average savings lives may be shorter
11 than the average operational lives of measures installed
12 if the measures do not produce savings in every year in
13 which the measures operate or if the savings that measures
14 produce decline during the measures' operational lives.

15 For the purposes of this Section, "incremental annual
16 energy savings" means the total electric energy savings
17 from all measures installed in a calendar year that will
18 be realized within 12 months of each measure's
19 installation; "moderate-income" means income between 80%
20 of area median income and 300% of the federal poverty
21 limit; "incremental annual coincident peak demand savings"
22 means the total coincident peak reduction from all energy
23 efficiency measures installed in a calendar year that will
24 be realized within 12 months of each measure's
25 installation; "average savings life" means the lifetime
26 savings that would be realized as a result of a utility's

1 efficiency programs divided by the incremental annual
2 savings such programs produce.

3 (b-20) Each electric utility subject to this Section may
4 include cost-effective voltage optimization measures in its
5 plans submitted under subsections (f) and (g) of this Section,
6 and the costs incurred by a utility to implement the measures
7 under a Commission-approved plan shall be recovered under the
8 provisions of Article IX or Section 16-108.5 of this Act. For
9 purposes of this Section, the measure life of voltage
10 optimization measures shall be 15 years. The measure life
11 period is independent of the depreciation rate of the voltage
12 optimization assets deployed. Utilities may claim savings from
13 voltage optimization on circuits for more than 15 years if
14 they can demonstrate that they have made additional
15 investments necessary to enable voltage optimization savings
16 to continue beyond 15 years. Such demonstrations must be
17 subject to the review of independent evaluation.

18 Within 270 days after June 1, 2017 (the effective date of
19 Public Act 99-906), an electric utility that serves less than
20 3,000,000 retail customers but more than 500,000 retail
21 customers in the State shall file a plan with the Commission
22 that identifies the cost-effective voltage optimization
23 investment the electric utility plans to undertake through
24 December 31, 2024. The Commission, after notice and hearing,
25 shall approve or approve with modification the plan within 120
26 days after the plan's filing and, in the order approving or

1 approving with modification the plan, the Commission shall
2 adjust the applicable cumulative persisting annual savings
3 goals set forth in subsection (b-15) to reflect any amount of
4 cost-effective energy savings approved by the Commission that
5 is greater than or less than the following cumulative
6 persisting annual savings values attributable to voltage
7 optimization for the applicable year:

8 (1) 0.0% of cumulative persisting annual savings for
9 the year ending December 31, 2018;

10 (2) 0.17% of cumulative persisting annual savings for
11 the year ending December 31, 2019;

12 (3) 0.17% of cumulative persisting annual savings for
13 the year ending December 31, 2020;

14 (4) 0.33% of cumulative persisting annual savings for
15 the year ending December 31, 2021;

16 (5) 0.5% of cumulative persisting annual savings for
17 the year ending December 31, 2022;

18 (6) 0.67% of cumulative persisting annual savings for
19 the year ending December 31, 2023;

20 (7) 0.83% of cumulative persisting annual savings for
21 the year ending December 31, 2024; and

22 (8) 1.0% of cumulative persisting annual savings for
23 the year ending December 31, 2025 and all subsequent
24 years.

25 (b-25) In the event an electric utility jointly offers an
26 energy efficiency measure or program with a gas utility under

1 plans approved under this Section and Section 8-104 of this
2 Act, the electric utility may continue offering the program,
3 including the gas energy efficiency measures, in the event the
4 gas utility discontinues funding the program. In that event,
5 the energy savings value associated with such other fuels
6 shall be converted to electric energy savings on an equivalent
7 Btu basis for the premises. However, the electric utility
8 shall prioritize programs for low-income residential customers
9 to the extent practicable. An electric utility may recover the
10 costs of offering the gas energy efficiency measures under
11 this subsection (b-25).

12 For those energy efficiency measures or programs that save
13 both electricity and other fuels but are not jointly offered
14 with a gas utility under plans approved under this Section and
15 Section 8-104 or not offered with an affiliated gas utility
16 under paragraph (6) of subsection (f) of Section 8-104 of this
17 Act, the electric utility may count savings of fuels other
18 than electricity toward the achievement of its annual savings
19 goal, and the energy savings value associated with such other
20 fuels shall be converted to electric energy savings on an
21 equivalent Btu basis at the premises.

22 In no event shall more than 10% of each year's applicable
23 annual total savings requirement as defined in paragraph (7.5)
24 of subsection (g) of this Section, or more than 20% of each
25 year's incremental annual savings requirement as defined in
26 subsection (b-16) of this Section, be met through savings of

1 fuels other than electricity.

2 (b-27) Beginning in 2022, an electric utility may offer
3 and promote measures that electrify space heating, water
4 heating, cooling, drying, cooking, industrial processes, and
5 other building and industrial end uses that would otherwise be
6 served by combustion of fossil fuel at the premises, provided
7 that the electrification measures reduce total energy
8 consumption at the premises. The electric utility may count
9 the reduction in energy consumption at the premises toward
10 achievement of its annual savings goals. The reduction in
11 energy consumption at the premises shall be calculated as the
12 difference between: (A) the reduction in Btu consumption of
13 fossil fuels as a result of electrification, converted to
14 kilowatt-hour equivalents by dividing by 3,412 Btus per
15 kilowatt hour; and (B) the increase in kilowatt hours of
16 electricity consumption resulting from the displacement of
17 fossil fuel consumption as a result of electrification. An
18 electric utility may recover the costs of offering and
19 promoting electrification measures under this subsection
20 (b-27).

21 At least 33% of all costs of offering and promoting
22 electrification measures under this subsection (b-27) must be
23 for supporting installation of electrification measures
24 through programs exclusively targeted to low-income
25 households. The percentage requirement may be reduced if the
26 utility can demonstrate that it is not possible to achieve the

1 level of low-income electrification spending, while supporting
2 programs for non-low-income residential and business
3 electrification, because of limitations regarding the number
4 of low-income households in its service territory that would
5 be able to meet program eligibility requirements set forth in
6 the multi-year energy efficiency plan. If the 33% low-income
7 electrification spending requirement is reduced, the utility
8 must prioritize support of low-income electrification in
9 housing that meets program eligibility requirements over
10 electrification spending on non-low-income residential or
11 business customers.

12 The ratio of spending on electrification measures targeted
13 to low-income, multifamily buildings to spending on
14 electrification measures targeted to low-income, single-family
15 buildings shall be designed to achieve levels of
16 electrification savings from each building type that are
17 approximately proportional to the magnitude of cost-effective
18 electrification savings potential in each building type.

19 In no event shall electrification savings counted toward
20 each year's applicable annual total savings requirement, as
21 defined in paragraph (7.5) of subsection (g) of this Section,
22 or counted toward each year's incremental annual savings, as
23 defined in paragraph (b-16) of this Section, be greater than:

24 (1) 5% per year for each year from 2022 through 2025;

25 (2) 10% per year for ~~each year from 2026 through 2029;~~

26 and

1 (3) 15% per year for 2027 ~~2030~~ and all subsequent
2 years.

3 ~~In addition, a minimum of 25% of all electrification savings~~
4 ~~counted toward a utility's applicable annual total savings~~
5 ~~requirement must be from electrification of end uses in~~
6 ~~low income housing.~~ The limitations on electrification savings
7 that may be counted toward a utility's annual savings goals
8 are separate from and in addition to the subsection (b-25)
9 limitations governing the counting of the other fuel savings
10 resulting from efficiency measures and programs.

11 As part of the annual informational filing to the
12 Commission that is required under paragraph (9) of subsection
13 (g) of this Section, each utility shall identify the specific
14 electrification measures offered under this subsection (b-27);
15 the quantity of each electrification measure that was
16 installed by its customers; the average total cost, average
17 utility cost, average reduction in fossil fuel consumption,
18 and average increase in electricity consumption associated
19 with each electrification measure; the portion of
20 installations of each electrification measure that were in
21 low-income single-family housing, low-income multifamily
22 housing, non-low-income single-family housing, non-low-income
23 multifamily housing, commercial buildings, and industrial
24 facilities; and the quantity of savings associated with each
25 measure category in each customer category that are being
26 counted toward the utility's applicable annual total savings

1 requirement or counted toward each year's incremental annual
2 savings, as defined in paragraph (b-16) of this Section. Prior
3 to installing or promoting ~~an~~ electrification measures
4 ~~measure~~, the utility shall provide customers ~~a customer~~ with
5 estimates ~~an estimate~~ of the impact of the new measures
6 ~~measure~~ on the customer's average monthly electric bill and
7 total annual energy expenses.

8 (c) Electric utilities shall be responsible for overseeing
9 the design, development, and filing of energy efficiency plans
10 with the Commission and may, as part of that implementation,
11 outsource various aspects of program development and
12 implementation. A minimum of 10%, for electric utilities that
13 serve more than 3,000,000 retail customers in the State, and a
14 minimum of 7%, for electric utilities that serve less than
15 3,000,000 retail customers but more than 500,000 retail
16 customers in the State, of the utility's entire portfolio
17 funding level for a given year shall be used to procure
18 cost-effective energy efficiency measures from units of local
19 government, municipal corporations, school districts, public
20 housing, public institutions of higher education, and
21 community college districts, provided that a minimum
22 percentage of available funds shall be used to procure energy
23 efficiency from public housing, which percentage shall be
24 equal to public housing's share of public building energy
25 consumption.

26 The utilities shall also implement energy efficiency

1 measures targeted at low-income households, which, for
2 purposes of this Section, shall be defined as households at or
3 below 80% of area median income, and expenditures to implement
4 the measures shall be no less than 25% of total energy
5 efficiency program spending approved by the Commission
6 pursuant to review of plans filed under subsection (f) of this
7 Section ~~\$40,000,000 per year for electric utilities that serve~~
8 ~~more than 3,000,000 retail customers in the State and no less~~
9 ~~than \$13,000,000 per year for electric utilities that serve~~
10 ~~less than 3,000,000 retail customers but more than 500,000~~
11 ~~retail customers in the State.~~ The ratio of spending on
12 efficiency programs targeted at low-income multifamily
13 buildings to spending on efficiency programs targeted at
14 low-income single-family buildings shall be designed to
15 achieve levels of savings from each building type that are
16 approximately proportional to the magnitude of cost-effective
17 lifetime savings potential in each building type. Investment
18 in low-income whole-building weatherization programs shall
19 constitute a minimum of 80% of a utility's total budget
20 specifically dedicated to serving low-income customers.

21 The utilities shall work to bundle low-income energy
22 efficiency offerings with other programs that serve low-income
23 households to maximize the benefits going to these households.
24 The utilities shall market and implement low-income energy
25 efficiency programs in coordination with low-income assistance
26 programs, the Illinois Solar for All Program, and

1 weatherization whenever practicable. The program implementer
2 shall walk the customer through the enrollment process for any
3 programs for which the customer is eligible. The utilities
4 shall also pilot targeting customers with high arrearages,
5 high energy intensity (ratio of energy usage divided by home
6 or unit square footage), or energy assistance programs with
7 energy efficiency offerings, and then track reduction in
8 arrearages as a result of the targeting. This targeting and
9 bundling of low-income energy programs shall be offered to
10 both low-income single-family and multifamily customers
11 (owners and residents).

12 The utilities shall invest in health and safety measures
13 appropriate and necessary for comprehensively weatherizing a
14 home or multifamily building, and shall implement a health and
15 safety fund of at least 15% of the total income-qualified
16 weatherization budget that shall be used for the purpose of
17 making grants for technical assistance, construction,
18 reconstruction, improvement, or repair of buildings to
19 facilitate their participation in the energy efficiency
20 programs targeted at low-income single-family and multifamily
21 households. These funds may also be used for the purpose of
22 making grants for technical assistance, construction,
23 reconstruction, improvement, or repair of the following
24 buildings to facilitate their participation in the energy
25 efficiency programs created by this Section: (1) buildings
26 that are owned or operated by registered 501(c)(3) public

1 charities; and (2) day care centers, day care homes, or group
2 day care homes, as defined under 89 Ill. Adm. Code Part 406,
3 407, or 408, respectively.

4 Each electric utility shall assess opportunities to
5 implement cost-effective energy efficiency measures and
6 programs through a public housing authority or authorities
7 located in its service territory. If such opportunities are
8 identified, the utility shall propose such measures and
9 programs to address the opportunities. Expenditures to address
10 such opportunities shall be credited toward the minimum
11 procurement and expenditure requirements set forth in this
12 subsection (c).

13 Implementation of energy efficiency measures and programs
14 targeted at low-income households should be contracted, when
15 it is practicable, to independent third parties that have
16 demonstrated capabilities to serve such households, with a
17 preference for not-for-profit entities and government agencies
18 that have existing relationships with or experience serving
19 low-income communities in the State.

20 Each electric utility shall develop and implement
21 reporting procedures that address and assist in determining
22 the amount of energy savings that can be applied to the
23 low-income procurement and expenditure requirements set forth
24 in this subsection (c). Each electric utility shall also track
25 the types and quantities or volumes of insulation and air
26 sealing materials, and their associated energy saving

1 benefits, installed in energy efficiency programs targeted at
2 low-income single-family and multifamily households.

3 The electric utilities shall participate in a low-income
4 energy efficiency accountability committee ("the committee"),
5 which will directly inform the design, implementation, and
6 evaluation of the low-income and public-housing energy
7 efficiency programs. The committee shall be comprised of the
8 electric utilities subject to the requirements of this
9 Section, the gas utilities subject to the requirements of
10 Section 8-104 of this Act, the utilities' low-income energy
11 efficiency implementation contractors, nonprofit
12 organizations, community action agencies, advocacy groups,
13 State and local governmental agencies, public-housing
14 organizations, and representatives of community-based
15 organizations, especially those living in or working with
16 environmental justice communities and BIPOC communities. The
17 committee shall be composed of 2 geographically differentiated
18 subcommittees: one for stakeholders in northern Illinois and
19 one for stakeholders in central and southern Illinois. The
20 subcommittees shall meet together at least twice per year.

21 There shall be one statewide leadership committee led by
22 and composed of community-based organizations that are
23 representative of BIPOC and environmental justice communities
24 and that includes equitable representation from BIPOC
25 communities. The leadership committee shall be composed of an
26 equal number of representatives from the 2 subcommittees. The

1 subcommittees shall address specific programs and issues, with
2 the leadership committee convening targeted workgroups as
3 needed. The leadership committee may elect to work with an
4 independent facilitator to solicit and organize feedback,
5 recommendations and meeting participation from a wide variety
6 of community-based stakeholders. If a facilitator is used,
7 they shall be fair and responsive to the needs of all
8 stakeholders involved in the committee.

9 All committee meetings must be accessible, with rotating
10 locations if meetings are held in-person, virtual
11 participation options, and materials and agendas circulated in
12 advance.

13 There shall also be opportunities for direct input by
14 committee members outside of committee meetings, such as via
15 individual meetings, surveys, emails and calls, to ensure
16 robust participation by stakeholders with limited capacity and
17 ability to attend committee meetings. Committee meetings shall
18 emphasize opportunities to bundle and coordinate delivery of
19 low-income energy efficiency with other programs that serve
20 low-income communities, such as the Illinois Solar for All
21 Program and bill payment assistance programs. Meetings shall
22 include educational opportunities for stakeholders to learn
23 more about these additional offerings, and the committee shall
24 assist in figuring out the best methods for coordinated
25 delivery and implementation of offerings when serving
26 low-income communities. The committee shall directly and

1 equitably influence and inform utility low-income and
2 public-housing energy efficiency programs and priorities.
3 Participating utilities shall implement recommendations from
4 the committee whenever possible.

5 Participating utilities shall track and report how input
6 from the committee has led to new approaches and changes in
7 their energy efficiency portfolios. This reporting shall occur
8 at committee meetings and in quarterly energy efficiency
9 reports to the Stakeholder Advisory Group and Illinois
10 Commerce Commission, and other relevant reporting mechanisms.
11 Participating utilities shall also report on relevant equity
12 data and metrics requested by the committee, such as energy
13 burden data, geographic, racial, and other relevant
14 demographic data on where programs are being delivered and
15 what populations programs are serving.

16 The Illinois Commerce Commission shall oversee and have
17 relevant staff participate in the committee. The committee
18 shall have a budget of 0.25% of each utility's entire
19 efficiency portfolio funding for a given year. The budget
20 shall be overseen by the Commission. The budget shall be used
21 to provide grants for community-based organizations serving on
22 the leadership committee, stipends for community-based
23 organizations participating in the committee, grants for
24 community-based organizations to do energy efficiency outreach
25 and education, and relevant meeting needs as determined by the
26 leadership committee. The education and outreach shall

1 include, but is not limited to, basic energy efficiency
2 education, information about low-income energy efficiency
3 programs, and information on the committee's purpose,
4 structure, and activities.

5 (d) Notwithstanding any other provision of law to the
6 contrary, a utility providing approved energy efficiency
7 measures and, if applicable, demand-response measures in the
8 State shall be permitted to recover all reasonable and
9 prudently incurred costs of those measures from all retail
10 customers, except as provided in subsection (1) of this
11 Section, as follows, provided that nothing in this subsection
12 (d) permits the double recovery of such costs from customers:

13 (1) The utility may recover its costs through an
14 automatic adjustment clause tariff filed with and approved
15 by the Commission. The tariff shall be established outside
16 the context of a general rate case. Each year the
17 Commission shall initiate a review to reconcile any
18 amounts collected with the actual costs and to determine
19 the required adjustment to the annual tariff factor to
20 match annual expenditures. To enable the financing of the
21 incremental capital expenditures, including regulatory
22 assets, for electric utilities that serve less than
23 3,000,000 retail customers but more than 500,000 retail
24 customers in the State, the utility's actual year-end
25 capital structure that includes a common equity ratio,
26 excluding goodwill, of up to and including 50% of the

1 total capital structure shall be deemed reasonable and
2 used to set rates.

3 (2) A utility may recover its costs through an energy
4 efficiency formula rate approved by the Commission under a
5 filing under subsections (f) and (g) of this Section,
6 which shall specify the cost components that form the
7 basis of the rate charged to customers with sufficient
8 specificity to operate in a standardized manner and be
9 updated annually with transparent information that
10 reflects the utility's actual costs to be recovered during
11 the applicable rate year, which is the period beginning
12 with the first billing day of January and extending
13 through the last billing day of the following December.
14 The energy efficiency formula rate shall be implemented
15 through a tariff filed with the Commission under
16 subsections (f) and (g) of this Section that is consistent
17 with the provisions of this paragraph (2) and that shall
18 be applicable to all delivery services customers. The
19 Commission shall conduct an investigation of the tariff in
20 a manner consistent with the provisions of this paragraph
21 (2), subsections (f) and (g) of this Section, and the
22 provisions of Article IX of this Act to the extent they do
23 not conflict with this paragraph (2). The energy
24 efficiency formula rate approved by the Commission shall
25 remain in effect at the discretion of the utility and
26 shall do the following:

1 (A) Provide for the recovery of the utility's
2 actual costs incurred under this Section that are
3 prudently incurred and reasonable in amount consistent
4 with Commission practice and law. The sole fact that a
5 cost differs from that incurred in a prior calendar
6 year or that an investment is different from that made
7 in a prior calendar year shall not imply the
8 imprudence or unreasonableness of that cost or
9 investment.

10 (B) Reflect the utility's actual year-end capital
11 structure for the applicable calendar year, excluding
12 goodwill, subject to a determination of prudence and
13 reasonableness consistent with Commission practice and
14 law. To enable the financing of the incremental
15 capital expenditures, including regulatory assets, for
16 electric utilities that serve less than 3,000,000
17 retail customers but more than 500,000 retail
18 customers in the State, a participating electric
19 utility's actual year-end capital structure that
20 includes a common equity ratio, excluding goodwill, of
21 up to and including 50% of the total capital structure
22 shall be deemed reasonable and used to set rates.

23 (C) Include a cost of equity that shall be equal to
24 the baseline cost of equity approved by the Commission
25 for the utility's electric distribution rates
26 effective during the applicable year, whether those

1 rates are set pursuant to Section 9-201, subparagraph
2 (B) of paragraph (3) of subsection (d) of Section
3 16-108.18, or any successor electric distribution
4 ratemaking paradigm, as developed in a manner
5 consistent with Commission practice and law. For
6 purposes of this paragraph (2), "baseline cost of
7 equity" means the approved cost of equity excluding
8 any performance measure adjustments.~~, which shall be~~
9 ~~calculated as the sum of the following:~~

- 10 ~~(i) the average for the applicable calendar~~
11 ~~year of the monthly average yields of 30-year U.S.~~
12 ~~Treasury bonds published by the Board of Governors~~
13 ~~of the Federal Reserve System in its weekly H.15~~
14 ~~Statistical Release or successor publication; and~~
15 ~~(ii) 580 basis points.~~

16 ~~At such time as the Board of Governors of the~~
17 ~~Federal Reserve System ceases to include the monthly~~
18 ~~average yields of 30 year U.S. Treasury bonds in its~~
19 ~~weekly H.15 Statistical Release or successor~~
20 ~~publication, the monthly average yields of the U.S.~~
21 ~~Treasury bonds then having the longest duration~~
22 ~~published by the Board of Governors in its weekly H.15~~
23 ~~Statistical Release or successor publication shall~~
24 ~~instead be used for purposes of this paragraph (2).~~

25 (D) Permit and set forth protocols, subject to a
26 determination of prudence and reasonableness

1 consistent with Commission practice and law, for the
2 following:

3 (i) recovery of incentive compensation expense
4 that is based on the achievement of operational
5 metrics, including metrics related to budget
6 controls, outage duration and frequency, safety,
7 customer service, efficiency and productivity, and
8 environmental compliance; however, this protocol
9 shall not apply if such expense related to costs
10 incurred under this Section is recovered under
11 Article IX or Section 16-108.5 of this Act;
12 incentive compensation expense that is based on
13 net income or an affiliate's earnings per share
14 shall not be recoverable under the energy
15 efficiency formula rate;

16 (ii) recovery of pension and other
17 post-employment benefits expense, provided that
18 such costs are supported by an actuarial study;
19 however, this protocol shall not apply if such
20 expense related to costs incurred under this
21 Section is recovered under Article IX or Section
22 16-108.5 of this Act;

23 (iii) recovery of existing regulatory assets
24 over the periods previously authorized by the
25 Commission;

26 (iv) as described in subsection (e),

1 amortization of costs incurred under this Section;
2 and

3 (v) projected, weather normalized billing
4 determinants for the applicable rate year.

5 (E) Provide for an annual reconciliation, as
6 described in paragraph (3) of this subsection (d),
7 less any deferred taxes related to the reconciliation,
8 with interest at an annual rate of return equal to the
9 utility's weighted average cost of capital, including
10 a revenue conversion factor calculated to recover or
11 refund all additional income taxes that may be payable
12 or receivable as a result of that return, of the energy
13 efficiency revenue requirement reflected in rates for
14 each calendar year, beginning with the calendar year
15 in which the utility files its energy efficiency
16 formula rate tariff under this paragraph (2), with
17 what the revenue requirement would have been had the
18 actual cost information for the applicable calendar
19 year been available at the filing date.

20 The utility shall file, together with its tariff, the
21 projected costs to be incurred by the utility during the
22 rate year under the utility's multi-year plan approved
23 under subsections (f) and (g) of this Section, including,
24 but not limited to, the projected capital investment costs
25 and projected regulatory asset balances with
26 correspondingly updated depreciation and amortization

1 reserves and expense, that shall populate the energy
2 efficiency formula rate and set the initial rates under
3 the formula.

4 The Commission shall review the proposed tariff in
5 conjunction with its review of a proposed multi-year plan,
6 as specified in paragraph (5) of subsection (g) of this
7 Section. The review shall be based on the same evidentiary
8 standards, including, but not limited to, those concerning
9 the prudence and reasonableness of the costs incurred by
10 the utility, the Commission applies in a hearing to review
11 a filing for a general increase in rates under Article IX
12 of this Act. The initial rates shall take effect beginning
13 with the January monthly billing period following the
14 Commission's approval.

15 The tariff's rate design and cost allocation across
16 customer classes shall be consistent with the utility's
17 automatic adjustment clause tariff in effect on June 1,
18 2017 (the effective date of Public Act 99-906); however,
19 the Commission may revise the tariff's rate design and
20 cost allocation in subsequent proceedings under paragraph
21 (3) of this subsection (d).

22 If the energy efficiency formula rate is terminated,
23 the then current rates shall remain in effect until such
24 time as the energy efficiency costs are incorporated into
25 new rates that are set under this subsection (d) or
26 Article IX of this Act, subject to retroactive rate

1 adjustment, with interest, to reconcile rates charged with
2 actual costs.

3 (3) The provisions of this paragraph (3) shall only
4 apply to an electric utility that has elected to file an
5 energy efficiency formula rate under paragraph (2) of this
6 subsection (d). Subsequent to the Commission's issuance of
7 an order approving the utility's energy efficiency formula
8 rate structure and protocols, and initial rates under
9 paragraph (2) of this subsection (d), the utility shall
10 file, on or before June 1 of each year, with the Chief
11 Clerk of the Commission its updated cost inputs to the
12 energy efficiency formula rate for the applicable rate
13 year and the corresponding new charges, as well as the
14 information described in paragraph (9) of subsection (g)
15 of this Section. Each such filing shall conform to the
16 following requirements and include the following
17 information:

18 (A) The inputs to the energy efficiency formula
19 rate for the applicable rate year shall be based on the
20 projected costs to be incurred by the utility during
21 the rate year under the utility's multi-year plan
22 approved under subsections (f) and (g) of this
23 Section, including, but not limited to, projected
24 capital investment costs and projected regulatory
25 asset balances with correspondingly updated
26 depreciation and amortization reserves and expense.

1 The filing shall also include a reconciliation of the
2 energy efficiency revenue requirement that was in
3 effect for the prior rate year (as set by the cost
4 inputs for the prior rate year) with the actual
5 revenue requirement for the prior rate year
6 (determined using a year-end rate base) that uses
7 amounts reflected in the applicable FERC Form 1 that
8 reports the actual costs for the prior rate year. Any
9 over-collection or under-collection indicated by such
10 reconciliation shall be reflected as a credit against,
11 or recovered as an additional charge to, respectively,
12 with interest calculated at a rate equal to the
13 utility's weighted average cost of capital approved by
14 the Commission for the prior rate year, the charges
15 for the applicable rate year. Such over-collection or
16 under-collection shall be adjusted to remove any
17 deferred taxes related to the reconciliation, for
18 purposes of calculating interest at an annual rate of
19 return equal to the utility's weighted average cost of
20 capital approved by the Commission for the prior rate
21 year, including a revenue conversion factor calculated
22 to recover or refund all additional income taxes that
23 may be payable or receivable as a result of that
24 return. Each reconciliation shall be certified by the
25 participating utility in the same manner that FERC
26 Form 1 is certified. The filing shall also include the

1 charge or credit, if any, resulting from the
2 calculation required by subparagraph (E) of paragraph
3 (2) of this subsection (d).

4 Notwithstanding any other provision of law to the
5 contrary, the intent of the reconciliation is to
6 ultimately reconcile both the revenue requirement
7 reflected in rates for each calendar year, beginning
8 with the calendar year in which the utility files its
9 energy efficiency formula rate tariff under paragraph
10 (2) of this subsection (d), with what the revenue
11 requirement determined using a year-end rate base for
12 the applicable calendar year would have been had the
13 actual cost information for the applicable calendar
14 year been available at the filing date.

15 For purposes of this Section, "FERC Form 1" means
16 the Annual Report of Major Electric Utilities,
17 Licensees and Others that electric utilities are
18 required to file with the Federal Energy Regulatory
19 Commission under the Federal Power Act, Sections 3,
20 4(a), 304 and 209, modified as necessary to be
21 consistent with 83 Ill. Adm. Code Part 415 as of May 1,
22 2011. Nothing in this Section is intended to allow
23 costs that are not otherwise recoverable to be
24 recoverable by virtue of inclusion in FERC Form 1.

25 (B) The new charges shall take effect beginning on
26 the first billing day of the following January billing

1 period and remain in effect through the last billing
2 day of the next December billing period regardless of
3 whether the Commission enters upon a hearing under
4 this paragraph (3).

5 (C) The filing shall include relevant and
6 necessary data and documentation for the applicable
7 rate year. Normalization adjustments shall not be
8 required.

9 Within 45 days after the utility files its annual
10 update of cost inputs to the energy efficiency formula
11 rate, the Commission shall with reasonable notice,
12 initiate a proceeding concerning whether the projected
13 costs to be incurred by the utility and recovered during
14 the applicable rate year, and that are reflected in the
15 inputs to the energy efficiency formula rate, are
16 consistent with the utility's approved multi-year plan
17 under subsections (f) and (g) of this Section and whether
18 the costs incurred by the utility during the prior rate
19 year were prudent and reasonable. The Commission shall
20 also have the authority to investigate the information and
21 data described in paragraph (9) of subsection (g) of this
22 Section, including the proposed adjustment to the
23 utility's return on equity component of its weighted
24 average cost of capital. During the course of the
25 proceeding, each objection shall be stated with
26 particularity and evidence provided in support thereof,

1 after which the utility shall have the opportunity to
2 rebut the evidence. Discovery shall be allowed consistent
3 with the Commission's Rules of Practice, which Rules of
4 Practice shall be enforced by the Commission or the
5 assigned administrative law judge. The Commission shall
6 apply the same evidentiary standards, including, but not
7 limited to, those concerning the prudence and
8 reasonableness of the costs incurred by the utility,
9 during the proceeding as it would apply in a proceeding to
10 review a filing for a general increase in rates under
11 Article IX of this Act. The Commission shall not, however,
12 have the authority in a proceeding under this paragraph
13 (3) to consider or order any changes to the structure or
14 protocols of the energy efficiency formula rate approved
15 under paragraph (2) of this subsection (d). In a
16 proceeding under this paragraph (3), the Commission shall
17 enter its order no later than the earlier of 195 days after
18 the utility's filing of its annual update of cost inputs
19 to the energy efficiency formula rate or December 15. The
20 utility's proposed return on equity calculation, as
21 described in paragraphs (7) through (9) of subsection (g)
22 of this Section, shall be deemed the final, approved
23 calculation on December 15 of the year in which it is filed
24 unless the Commission enters an order on or before
25 December 15, after notice and hearing, that modifies such
26 calculation consistent with this Section. The Commission's

1 determinations of the prudence and reasonableness of the
2 costs incurred, and determination of such return on equity
3 calculation, for the applicable calendar year shall be
4 final upon entry of the Commission's order and shall not
5 be subject to reopening, reexamination, or collateral
6 attack in any other Commission proceeding, case, docket,
7 order, rule, or regulation; however, nothing in this
8 paragraph (3) shall prohibit a party from petitioning the
9 Commission to rehear or appeal to the courts the order
10 under the provisions of this Act.

11 (e) Beginning on June 1, 2017 (the effective date of
12 Public Act 99-906), a utility subject to the requirements of
13 this Section may elect to defer, as a regulatory asset, up to
14 the full amount of its expenditures incurred under this
15 Section for each annual period, including, but not limited to,
16 any expenditures incurred above the funding level set by
17 subsection (f) of this Section for a given year. The total
18 expenditures deferred as a regulatory asset in a given year
19 shall be amortized and recovered over a period that is equal to
20 the weighted average of the energy efficiency measure lives
21 implemented for that year that are reflected in the regulatory
22 asset. The unamortized balance shall be recognized as of
23 December 31 for a given year. The utility shall also earn a
24 return on the total of the unamortized balances of all of the
25 energy efficiency regulatory assets, less any deferred taxes
26 related to those unamortized balances, at an annual rate equal

1 to the utility's weighted average cost of capital that
2 includes, based on a year-end capital structure, the utility's
3 actual cost of debt for the applicable calendar year and a cost
4 of equity, which shall be determined as set forth in
5 subparagraph (C) of paragraph (2) of subsection of this
6 Section ~~calculated as the sum of the (i) the average for the~~
7 ~~applicable calendar year of the monthly average yields of~~
8 ~~30 year U.S. Treasury bonds published by the Board of~~
9 ~~Governors of the Federal Reserve System in its weekly H.15~~
10 ~~Statistical Release or successor publication; and (ii) 580~~
11 ~~basis points~~, including a revenue conversion factor calculated
12 to recover or refund all additional income taxes that may be
13 payable or receivable as a result of that return. Capital
14 investment costs shall be depreciated and recovered over their
15 useful lives consistent with generally accepted accounting
16 principles. The weighted average cost of capital shall be
17 applied to the capital investment cost balance, less any
18 accumulated depreciation and accumulated deferred income
19 taxes, as of December 31 for a given year.

20 When an electric utility creates a regulatory asset under
21 the provisions of this Section, the costs are recovered over a
22 period during which customers also receive a benefit which is
23 in the public interest. Accordingly, it is the intent of the
24 General Assembly that an electric utility that elects to
25 create a regulatory asset under the provisions of this Section
26 shall recover all of the associated costs as set forth in this

1 Section. After the Commission has approved the prudence and
2 reasonableness of the costs that comprise the regulatory
3 asset, the electric utility shall be permitted to recover all
4 such costs, and the value and recoverability through rates of
5 the associated regulatory asset shall not be limited, altered,
6 impaired, or reduced.

7 (f) Beginning in 2017, each electric utility shall file an
8 energy efficiency plan with the Commission to meet the energy
9 efficiency standards for the next applicable multi-year period
10 beginning January 1 of the year following the filing,
11 according to the schedule set forth in paragraphs (1) through
12 (3) of this subsection (f). If a utility does not file such a
13 plan on or before the applicable filing deadline for the plan,
14 it shall face a penalty of \$100,000 per day until the plan is
15 filed.

16 (1) No later than 30 days after June 1, 2017 (the
17 effective date of Public Act 99-906), each electric
18 utility shall file a 4-year energy efficiency plan
19 commencing on January 1, 2018 that is designed to achieve
20 the cumulative persisting annual savings goals specified
21 in paragraphs (1) through (4) of subsection (b-5) of this
22 Section or in paragraphs (1) through (4) of subsection
23 (b-15) of this Section, as applicable, through
24 implementation of energy efficiency measures; however, the
25 goals may be reduced if the utility's expenditures are
26 limited pursuant to subsection (m) of this Section or, for

1 a utility that serves less than 3,000,000 retail
2 customers, if each of the following conditions are met:
3 (A) the plan's analysis and forecasts of the utility's
4 ability to acquire energy savings demonstrate that
5 achievement of such goals is not cost effective; and (B)
6 the amount of energy savings achieved by the utility as
7 determined by the independent evaluator for the most
8 recent year for which savings have been evaluated
9 preceding the plan filing was less than the average annual
10 amount of savings required to achieve the goals for the
11 applicable 4-year plan period. Except as provided in
12 subsection (m) of this Section, annual increases in
13 cumulative persisting annual savings goals during the
14 applicable 4-year plan period shall not be reduced to
15 amounts that are less than the maximum amount of
16 cumulative persisting annual savings that is forecast to
17 be cost-effectively achievable during the 4-year plan
18 period. The Commission shall review any proposed goal
19 reduction as part of its review and approval of the
20 utility's proposed plan.

21 (2) No later than March 1, 2021, each electric utility
22 shall file a 4-year energy efficiency plan commencing on
23 January 1, 2022 that is designed to achieve the cumulative
24 persisting annual savings goals specified in paragraphs
25 (5) through (8) of subsection (b-5) of this Section or in
26 paragraphs (5) through (8) of subsection (b-15) of this

1 Section, as applicable, through implementation of energy
2 efficiency measures; however, the goals may be reduced if
3 either (1) clear and convincing evidence demonstrates,
4 through independent analysis, that the expenditure limits
5 in subsection (m) of this Section preclude full
6 achievement of the goals or (2) each of the following
7 conditions are met: (A) the plan's analysis and forecasts
8 of the utility's ability to acquire energy savings
9 demonstrate by clear and convincing evidence and through
10 independent analysis that achievement of such goals is not
11 cost effective; and (B) the amount of energy savings
12 achieved by the utility as determined by the independent
13 evaluator for the most recent year for which savings have
14 been evaluated preceding the plan filing was less than the
15 average annual amount of savings required to achieve the
16 goals for the applicable 4-year plan period. If there is
17 not clear and convincing evidence that achieving the
18 savings goals specified in paragraph (b-5) or (b-15) of
19 this Section is possible both cost-effectively and within
20 the expenditure limits in subsection (m), such savings
21 goals shall not be reduced. Except as provided in
22 subsection (m) of this Section, annual increases in
23 cumulative persisting annual savings goals during the
24 applicable 4-year plan period shall not be reduced to
25 amounts that are less than the maximum amount of
26 cumulative persisting annual savings that is forecast to

1 be cost-effectively achievable during the 4-year plan
2 period. The Commission shall review any proposed goal
3 reduction as part of its review and approval of the
4 utility's proposed plan.

5 (2.5) The energy efficiency plans of electric
6 utilities approved by the Commission for calendar years
7 2022 through 2025, including any stipulated agreements
8 between the utility and other parties that were approved
9 by the Commission, shall continue to be in force through
10 calendar year 2026. The utilities' savings goals for 2026
11 shall be the applicable incremental annual savings goals
12 implicit in the growth in cumulative persisting annual
13 savings set forth in subsections (b-5) and (b-15) of this
14 Section.

15 (3) No later than March 1, 2026 ~~2025~~, each electric
16 utility shall file a 3-year ~~4-year~~ energy efficiency plan
17 commencing on January 1, 2027 ~~2026~~ that is designed to
18 achieve lifetime energy and peak demand savings equal to
19 the product of the incremental annual savings goals
20 defined by paragraphs (1) and (2) of subsection (b-16) and
21 the minimum average savings life defined by paragraph (C)
22 of subsection (b-16). ~~the cumulative persisting annual~~
23 ~~savings goals specified in paragraphs (9) through (12) of~~
24 ~~subsection (b-5) of this Section or in paragraphs (9)~~
25 ~~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 multiyear ~~4-year~~ plan
5 period. If there is not clear and convincing evidence that
6 achieving the savings goals specified in paragraph (b-16)
7 ~~paragraphs (b-5) or (b-15)~~ of this Section is possible
8 both cost-effectively and within the expenditure limits in
9 subsection (m), such savings goals shall not be reduced.
10 Except as provided in subsection (m) of this Section,
11 ~~annual increases in cumulative persisting~~ annual savings
12 goals during the applicable 4-year plan period shall not
13 be reduced to amounts that are less than the maximum
14 amount of ~~cumulative persisting~~ annual savings that is
15 forecast to be cost-effectively achievable during the
16 4-year plan period. The Commission shall review any
17 proposed goal reduction as part of its review and approval
18 of the utility's proposed plan.

19 Each utility's plan shall set forth the utility's
20 proposals to meet the energy efficiency standards identified
21 in subsection (b-5), ~~or~~ (b-15), or (b-16), as applicable and
22 as such standards may have been modified under this subsection
23 (f), taking into account the unique circumstances of the
24 utility's service territory. For those plans commencing on
25 January 1, 2018, the Commission shall seek public comment on
26 the utility's plan and shall issue an order approving or

1 disapproving each plan no later than 105 days after June 1,
2 2017 (the effective date of Public Act 99-906). For those
3 plans commencing after December 31, 2021, the Commission shall
4 seek public comment on the utility's plan and shall issue an
5 order approving or disapproving each plan within 6 months
6 after its submission. If the Commission disapproves a plan,
7 the Commission shall, within 30 days, describe in detail the
8 reasons for the disapproval and describe a path by which the
9 utility may file a revised draft of the plan to address the
10 Commission's concerns satisfactorily. If the utility does not
11 refile with the Commission within 60 days, the utility shall
12 be subject to penalties at a rate of \$100,000 per day until the
13 plan is filed. This process shall continue, and penalties
14 shall accrue, until the utility has successfully filed a
15 portfolio of energy efficiency and demand-response measures.
16 Penalties shall be deposited into the Energy Efficiency Trust
17 Fund.

18 (g) In submitting proposed plans and funding levels under
19 subsection (f) of this Section to meet the savings goals
20 identified in subsection (b-5), ~~or (b-15)~~, or (b-16) of this
21 Section, as applicable, the utility shall:

22 (1) Demonstrate that its proposed energy efficiency
23 measures will achieve the applicable requirements that are
24 identified in subsection (b-5), ~~or (b-15)~~, or (b-16) of
25 this Section, as modified by subsection (f) of this
26 Section.

1 (1.5) Demonstrate consideration of the benefits of
2 home energy efficiency retrofit measured savings rebate
3 programs for both residential single-family and
4 multi-family households. To the extent practicable,
5 measured savings programs shall value savings based on
6 time, location, or greenhouse gas emissions reductions, or
7 any combination thereof, to encourage grid flexibility
8 solutions and reduce peak demand. Where applicable,
9 utilities shall consider utilizing a portion of other
10 potential revenue streams to fund savings from peak hours,
11 including, but not limited to, the peak demand reduction
12 programs under subsection (c) and any available Regional
13 Transmission Organization markets. When a utility reports
14 data on vendor and employee diversity as required in
15 paragraph (10) of this subsection (g), the utility shall
16 also report such data for any home energy efficiency
17 retrofit measured savings rebate programs. When a utility
18 provides for an independent evaluation of the performance
19 of the cost-effectiveness of the utility's portfolio of
20 measures as required in paragraph (6) of this subsection
21 (g), the independent evaluation shall include retrofit
22 measured savings rebate programs as a measure of home
23 energy efficiency. The requirements under this paragraph
24 (1.5) shall remain in effect until December 31, 2029. As
25 used in this paragraph (1.5), "measured savings" means
26 savings calculated using open-source advanced measurement

1 and verification software to determine the monthly and
2 hourly weather-normalized energy use of a home before and
3 after the implementation of a home energy efficiency
4 retrofit with the payment rate per kilowatt hour saved or
5 per kilowatt-hour equivalent.

6 (2) (Blank).

7 (2.5) Demonstrate consideration of program options for
8 (A) advancing new building codes, appliance standards, and
9 municipal regulations governing existing and new building
10 efficiency improvements and (B) supporting efforts to
11 improve compliance with new building codes, appliance
12 standards and municipal regulations, as potentially
13 cost-effective means of acquiring energy savings to count
14 toward savings goals.

15 (3) Demonstrate that its overall portfolio of
16 measures, not including low-income programs described in
17 subsection (c) of this Section, is cost-effective using
18 the total resource cost test or complies with paragraphs
19 (1) through (3) of subsection (f) of this Section and
20 represents a diverse cross-section of opportunities for
21 customers of all rate classes, other than those customers
22 described in subsection (1) of this Section, to
23 participate in the programs. Individual measures need not
24 be cost effective.

25 (3.5) Demonstrate that the utility's plan integrates
26 the delivery of energy efficiency programs with natural

1 gas efficiency programs, programs promoting distributed
2 solar, programs promoting demand response and other
3 efforts to address bill payment issues, including, but not
4 limited to, LIHEAP and the Percentage of Income Payment
5 Plan, to the extent such integration is practical and has
6 the potential to enhance customer engagement, minimize
7 market confusion, or reduce administrative costs.

8 (4) Present a third-party energy efficiency
9 implementation program subject to the following
10 requirements:

11 (A) beginning with the year commencing January 1,
12 2019, electric utilities that serve more than
13 3,000,000 retail customers in the State shall fund
14 third-party energy efficiency programs in an amount
15 that is no less than \$25,000,000 per year, and
16 electric utilities that serve less than 3,000,000
17 retail customers but more than 500,000 retail
18 customers in the State shall fund third-party energy
19 efficiency programs in an amount that is no less than
20 \$8,350,000 per year;

21 (B) during 2018, the utility shall conduct a
22 solicitation process for purposes of requesting
23 proposals from third-party vendors for those
24 third-party energy efficiency programs to be offered
25 during one or more of the years commencing January 1,
26 2019, January 1, 2020, and January 1, 2021; for those

1 multi-year plans commencing on January 1, 2022 and
2 January 1, 2026, the utility shall conduct a
3 solicitation process during 2021 and 2025,
4 respectively, for purposes of requesting proposals
5 from third-party vendors for those third-party energy
6 efficiency programs to be offered during one or more
7 years of the respective multi-year plan period; for
8 each solicitation process, the utility shall identify
9 the sector, technology, or geographical area for which
10 it is seeking requests for proposals; the solicitation
11 process must be either for programs that fill gaps in
12 the utility's program portfolio and for programs that
13 target low-income customers, business sectors,
14 building types, geographies, or other specific parts
15 of its customer base with initiatives that would be
16 more effective at reaching these customer segments
17 than the utilities' programs filed in its energy
18 efficiency plans;

19 (C) the utility shall propose the bidder
20 qualifications, performance measurement process, and
21 contract structure, which must include a performance
22 payment mechanism and general terms and conditions;
23 the proposed qualifications, process, and structure
24 shall be subject to Commission approval; and

25 (D) the utility shall retain an independent third
26 party to score the proposals received through the

1 solicitation process described in this paragraph (4),
2 rank them according to their cost per lifetime
3 kilowatt-hours saved, and assemble the portfolio of
4 third-party programs.

5 The electric utility shall recover all costs
6 associated with Commission-approved, third-party
7 administered programs regardless of the success of those
8 programs.

9 (4.5) Implement cost-effective demand-response
10 measures to reduce peak demand by 0.1% over the prior year
11 for eligible retail customers, as defined in Section
12 16-111.5 of this Act, and for customers that elect hourly
13 service from the utility pursuant to Section 16-107 of
14 this Act, provided those customers have not been declared
15 competitive. This requirement continues until December 31,
16 2026.

17 (5) Include a proposed or revised cost-recovery tariff
18 mechanism, as provided for under subsection (d) of this
19 Section, to fund the proposed energy efficiency and
20 demand-response measures and to ensure the recovery of the
21 prudently and reasonably incurred costs of
22 Commission-approved programs.

23 (6) Provide for an annual independent evaluation of
24 the performance of the cost-effectiveness of the utility's
25 portfolio of measures, as well as a full review of the
26 multi-year plan results of the broader net program impacts

1 and, to the extent practical, for adjustment of the
2 measures on a going-forward basis as a result of the
3 evaluations. The resources dedicated to evaluation shall
4 not exceed 3% of portfolio resources in any given year.

5 (7) For electric utilities that serve more than
6 3,000,000 retail customers in the State:

7 (A) Through December 31, 2026 ~~2025~~, provide for an
8 adjustment to the return on equity component of the
9 utility's weighted average cost of capital calculated
10 under subsection (d) of this Section:

11 (i) If the independent evaluator determines
12 that the utility achieved a cumulative persisting
13 annual savings that is less than the applicable
14 annual incremental goal, then the return on equity
15 component shall be reduced by a maximum of 200
16 basis points in the event that the utility
17 achieved no more than 75% of such goal. If the
18 utility achieved more than 75% of the applicable
19 annual incremental goal but less than 100% of such
20 goal, then the return on equity component shall be
21 reduced by 8 basis points for each percent by
22 which the utility failed to achieve the goal.

23 (ii) If the independent evaluator determines
24 that the utility achieved a cumulative persisting
25 annual savings that is more than the applicable
26 annual incremental goal, then the return on equity

1 component shall be increased by a maximum of 200
2 basis points in the event that the utility
3 achieved at least 125% of such goal. If the
4 utility achieved more than 100% of the applicable
5 annual incremental goal but less than 125% of such
6 goal, then the return on equity component shall be
7 increased by 8 basis points for each percent by
8 which the utility achieved above the goal. If the
9 applicable annual incremental goal was reduced
10 under paragraph (1) or (2) of subsection (f) of
11 this Section, then the following adjustments shall
12 be made to the calculations described in this item
13 (ii):

14 (aa) the calculation for determining
15 achievement that is at least 125% of the
16 applicable annual incremental goal shall use
17 the unreduced applicable annual incremental
18 goal to set the value; and

19 (bb) the calculation for determining
20 achievement that is less than 125% but more
21 than 100% of the applicable annual incremental
22 goal shall use the reduced applicable annual
23 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

1 also be modified, as necessary, so that the
2 200 basis points are evenly apportioned among
3 each percentage point value between 100% and
4 125% achievement.

5 (B) (Blank). ~~For the period January 1, 2026~~
6 ~~through December 31, 2029 and in all subsequent 4 year~~
7 ~~periods, provide for an adjustment to the return on~~
8 ~~equity component of the utility's weighted average~~
9 ~~cost of capital calculated under subsection (d) of~~
10 ~~this Section:~~

11 ~~(i) If the independent evaluator determines~~
12 ~~that the utility achieved a cumulative persisting~~
13 ~~annual savings that is less than the applicable~~
14 ~~annual incremental goal, then the return on equity~~
15 ~~component shall be reduced by a maximum of 200~~
16 ~~basis points in the event that the utility~~
17 ~~achieved no more than 66% of such goal. If the~~
18 ~~utility achieved more than 66% of the applicable~~
19 ~~annual incremental goal but less than 100% of such~~
20 ~~goal, then the return on equity component shall be~~
21 ~~reduced by 6 basis points for each percent by~~
22 ~~which the utility failed to achieve the goal.~~

23 ~~(ii) If the independent evaluator determines~~
24 ~~that the utility achieved a cumulative persisting~~
25 ~~annual savings that is more than the applicable~~
26 ~~annual incremental goal, then the return on equity~~

1 ~~component shall be increased by a maximum of 200~~
2 ~~basis points in the event that the utility~~
3 ~~achieved at least 134% of such goal. If the~~
4 ~~utility achieved more than 100% of the applicable~~
5 ~~annual incremental goal but less than 134% of such~~
6 ~~goal, then the return on equity component shall be~~
7 ~~increased by 6 basis points for each percent by~~
8 ~~which the utility achieved above the goal. If the~~
9 ~~applicable annual incremental goal was reduced~~
10 ~~under paragraph (3) of subsection (f) of this~~
11 ~~Section, then the following adjustments shall be~~
12 ~~made to the calculations described in this item~~
13 ~~(ii):~~

14 ~~(aa) the calculation for determining~~
15 ~~achievement that is at least 134% of the~~
16 ~~applicable annual incremental goal shall use~~
17 ~~the unreduced applicable annual incremental~~
18 ~~goal to set the value; and~~

19 ~~(bb) the calculation for determining~~
20 ~~achievement that is less than 134% but more~~
21 ~~than 100% of the applicable annual incremental~~
22 ~~goal shall use the reduced applicable annual~~
23 ~~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 134%~~
26 ~~achievement. The 6 basis point value shall~~

1 ~~also be modified, as necessary, so that the~~
2 ~~200 basis points are evenly apportioned among~~
3 ~~each percentage point value between 100% and~~
4 ~~134% achievement.~~

5 (C) (Blank). ~~Notwithstanding the provisions of~~
6 ~~subparagraphs (A) and (B) of this paragraph (7), if~~
7 ~~the applicable annual incremental goal for an electric~~
8 ~~utility is ever less than 0.6% of deemed average~~
9 ~~weather normalized sales of electric power and energy~~
10 ~~during calendar years 2014, 2015, and 2016, an~~
11 ~~adjustment to the return on equity component of the~~
12 ~~utility's weighted average cost of capital calculated~~
13 ~~under subsection (d) of this Section shall be made as~~
14 ~~follows:~~

15 ~~(i) If the independent evaluator determines~~
16 ~~that the utility achieved a cumulative persisting~~
17 ~~annual savings that is less than would have been~~
18 ~~achieved had the applicable annual incremental~~
19 ~~goal been achieved, then the return on equity~~
20 ~~component shall be reduced by a maximum of 200~~
21 ~~basis points if the utility achieved no more than~~
22 ~~75% of its applicable annual total savings~~
23 ~~requirement as defined in paragraph (7.5) of this~~
24 ~~subsection. If the utility achieved more than 75%~~
25 ~~of the applicable annual total savings requirement~~
26 ~~but less than 100% of such goal, then the return on~~

1 ~~equity component shall be reduced by 8 basis~~
2 ~~points for each percent by which the utility~~
3 ~~failed to achieve the goal.~~

4 ~~(ii) If the independent evaluator determines~~
5 ~~that the utility achieved a cumulative persisting~~
6 ~~annual savings that is more than would have been~~
7 ~~achieved had the applicable annual incremental~~
8 ~~goal been achieved, then the return on equity~~
9 ~~component shall be increased by a maximum of 200~~
10 ~~basis points if the utility achieved at least 125%~~
11 ~~of its applicable annual total savings~~
12 ~~requirement. If the utility achieved more than~~
13 ~~100% of the applicable annual total savings~~
14 ~~requirement but less than 125% of such goal, then~~
15 ~~the return on equity component shall be increased~~
16 ~~by 8 basis points for each percent by which the~~
17 ~~utility achieved above the applicable annual total~~
18 ~~savings requirement. If the applicable annual~~
19 ~~incremental goal was reduced under paragraph (1)~~
20 ~~or (2) of subsection (f) of this Section, then the~~
21 ~~following adjustments shall be made to the~~
22 ~~calculations described in this item (ii):~~

23 ~~(aa) the calculation for determining~~
24 ~~achievement that is at least 125% of the~~
25 ~~applicable annual total savings requirement~~
26 ~~shall use the unreduced applicable annual~~

~~incremental goal to set the value; and~~

~~(bb) the calculation for determining achievement that is less than 125% but more 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

1 progress towards achievement of its applicable annual
2 incremental goal may be counted. Savings may expire
3 because measures installed in previous years have reached
4 the end of their lives, because measures installed in
5 previous years are producing lower savings in the current
6 year than in the previous year, or for other reasons
7 identified by independent evaluators. Notwithstanding
8 anything else set forth in this Section, the difference
9 between the actual annual incremental savings achieved in
10 any given year, including the replacement of energy
11 savings that have expired, and the applicable annual
12 incremental goal shall not affect adjustments to the
13 return on equity for subsequent calendar years under this
14 subsection (g).

15 In this Section, "applicable annual total savings
16 requirement" means the total amount of new annual savings
17 that the utility must achieve in any given year to achieve
18 the applicable annual incremental goal. This is equal to
19 the applicable annual incremental goal plus the total new
20 annual savings that are required to replace savings that
21 expired in or at the end of the previous year.

22 (8) For electric utilities that serve less than
23 3,000,000 retail customers but more than 500,000 retail
24 customers in the State:

25 (A) Through December 31, 2026 ~~2025~~, the applicable
26 annual incremental goal shall be compared to the

1 annual incremental savings as determined by the
2 independent evaluator.

3 (i) The return on equity component shall be
4 reduced by 8 basis points for each percent by
5 which the utility did not achieve 84.4% of the
6 applicable annual incremental goal.

7 (ii) The return on equity component shall be
8 increased by 8 basis points for each percent by
9 which the utility exceeded 100% of the applicable
10 annual incremental goal.

11 (iii) The return on equity component shall not
12 be increased or decreased if the annual
13 incremental savings as determined by the
14 independent evaluator is greater than 84.4% of the
15 applicable annual incremental goal and less than
16 100% of the applicable annual incremental goal.

17 (iv) The return on equity component shall not
18 be increased or decreased by an amount greater
19 than 200 basis points pursuant to this
20 subparagraph (A).

21 (B) (Blank). ~~For the period of January 1, 2026~~
22 ~~through December 31, 2029 and in all subsequent 4-year~~
23 ~~periods, the applicable annual incremental goal shall~~
24 ~~be compared to the annual incremental savings as~~
25 ~~determined by the independent evaluator.~~

26 ~~(i) The return on equity component shall be~~

1 ~~reduced by 6 basis points for each percent by~~
2 ~~which the utility did not achieve 100% of the~~
3 ~~applicable annual incremental goal.~~

4 ~~(ii) The return on equity component shall be~~
5 ~~increased by 6 basis points for each percent by~~
6 ~~which the utility exceeded 100% of the applicable~~
7 ~~annual incremental goal.~~

8 ~~(iii) The return on equity component shall not~~
9 ~~be increased or decreased by an amount greater~~
10 ~~than 200 basis points pursuant to this~~
11 ~~subparagraph (B).~~

12 (C) (Blank). ~~Notwithstanding provisions in~~
13 ~~subparagraphs (A) and (B) of paragraph (7) of this~~
14 ~~subsection, if the applicable annual incremental goal~~
15 ~~for an electric utility is ever less than 0.6% of~~
16 ~~deemed average weather normalized sales of electric~~
17 ~~power and energy during calendar years 2014, 2015 and~~
18 ~~2016, an adjustment to the return on equity component~~
19 ~~of the utility's weighted average cost of capital~~
20 ~~calculated under subsection (d) of this Section shall~~
21 ~~be made as follows:~~

22 ~~(i) The return on equity component shall be~~
23 ~~reduced by 8 basis points for each percent by~~
24 ~~which the utility did not achieve 100% of the~~
25 ~~applicable annual total savings requirement.~~

26 ~~(ii) The return on equity component shall be~~

1 ~~increased by 8 basis points for each percent by~~
2 ~~which the utility exceeded 100% of the applicable~~
3 ~~annual total savings requirement.~~

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 (C).~~

8 ~~(D) (Blank). If the applicable annual incremental~~
9 ~~goal was reduced under paragraph (1), (2), (3), or (4)~~
10 ~~of subsection (f) of this Section, then the following~~
11 ~~adjustments shall be made to the calculations~~
12 ~~described in subparagraphs (A), (B), and (C) of this~~
13 ~~paragraph (8):~~

14 ~~(i) The calculation for determining~~
15 ~~achievement that is at least 125% or 134%, as~~
16 ~~applicable, of the applicable annual incremental~~
17 ~~goal or the applicable annual total savings~~
18 ~~requirement, as applicable, shall use the~~
19 ~~unreduced applicable annual incremental goal to~~
20 ~~set the value.~~

21 ~~(ii) For the period through December 31, 2025,~~
22 ~~the calculation for determining achievement that~~
23 ~~is less than 125% but more than 100% of the~~
24 ~~applicable annual incremental goal or the~~
25 ~~applicable annual total savings requirement, as~~
26 ~~applicable, shall use the reduced applicable~~

1 ~~annual incremental goal to set the value for 100%~~
2 ~~achievement of the goal and shall use the~~
3 ~~unreduced goal to set the value for 125%~~
4 ~~achievement. The 8 basis point value shall also be~~
5 ~~modified, as necessary, so that the 200 basis~~
6 ~~points are evenly apportioned among each~~
7 ~~percentage point value between 100% and 125%~~
8 ~~achievement.~~

9 ~~(iii) For the period of January 1, 2026~~
10 ~~through December 31, 2029 and all subsequent~~
11 ~~4-year periods, the calculation for determining~~
12 ~~achievement that is less than 125% or 134%, as~~
13 ~~applicable, but more than 100% of the applicable~~
14 ~~annual incremental goal or the applicable annual~~
15 ~~total savings requirement, as applicable, shall~~
16 ~~use the reduced applicable annual incremental goal~~
17 ~~to set the value for 100% achievement of the goal~~
18 ~~and shall use the unreduced goal to set the value~~
19 ~~for 125% achievement. The 6 basis point value or 8~~
20 ~~basis point value, as applicable, shall also be~~
21 ~~modified, as necessary, so that the 200 basis~~
22 ~~points are evenly apportioned among each~~
23 ~~percentage point value between 100% and 125% or~~
24 ~~between 100% and 134% achievement, as applicable.~~

25 (8.5) Beginning January 1, 2027, a utility that serves
26 greater than 500,000 retail customers in the State shall

1 have the utility's return on equity modified for
2 performance on the utility's energy savings and peak
3 demand savings goals as follows:

4 (A) A utility's return on equity may be adjusted
5 up or down by a maximum of 150 basis points for its
6 performance relative to its incremental annual energy
7 savings goal. A utility's return on equity may be
8 adjusted up or down by a maximum of 50 basis points for
9 its performance relative to its incremental annual
10 coincident peak demand savings goal.

11 (B) A utility's performance on both its savings
12 goals shall be established by comparing the actual
13 lifetime energy and peak demand savings achieved from
14 efficiency measures installed in a given year to the
15 product of the incremental annual goals established in
16 paragraphs (1) and (2) of subsection (b-16) and the
17 minimum average savings lives established in paragraph
18 (3) of subsection (b-16), as modified, if applicable,
19 by the Commission under paragraph (4) of subsection
20 (f) of this Section. For the purposes of this
21 paragraph (8.5), "lifetime savings" means the total
22 incremental savings that installed efficiency measures
23 are projected to produce, relative to what would have
24 occurred absent to the utility's efficiency programs,
25 over the useful lives of the measures. Performance on
26 the energy savings goal and peak demand savings goal

1 shall be assessed separately, such that it is possible
2 to earn penalties on both, earn bonuses on both, or
3 earn a bonus for performance on one goal and a penalty
4 on the other.

5 (C) No bonus shall be earned if a utility does not
6 achieve greater than 100% of an approved goal. The
7 maximum bonus for a goal shall be earned if the utility
8 achieves 133.3% of the unmodified goal. The bonus
9 earned for achieving more than 100% of an approved
10 goal but less than 133.3% of the unmodified goal shall
11 be linearly interpolated.

12 (D) For utilities with greater than 3,000,000
13 retail customers, the return on equity shall be
14 unmodified due to performance on an individual goal
15 only if the utility achieves exactly 100% of the goal.
16 For utilities with more than 500,000 but fewer than
17 3,000,000 retail customers, the return on equity shall
18 be unmodified, if goals established in paragraph
19 (b-16) are unmodified, for the following levels of
20 performance:

21 (i) achieving between 85% and 100% of an
22 unmodified goal during the 2027 to 2029 plan
23 cycle;

24 (ii) achieving between 92.5% and 100% of an
25 unmodified goal during the 2030 to 2033 plan
26 cycle; and

1 (iii) achieving exactly 100% of an unmodified
2 goal for the 2034 to 2037 plan cycle and all
3 subsequent plan cycles.

4 (E) Penalties may be earned for falling short of
5 goals, with the magnitude of any penalty being a
6 function of both the size of the utility and whether
7 goals established in subsection (b-16) are modified by
8 the Commission under paragraph (4) of subsection (f)
9 of this Section, as follows:

10 (i) If the savings goals specified in
11 subsection (b-16) of this Section are unmodified,
12 a utility with more than 3,000,000 retail
13 customers shall earn the maximum penalty allocated
14 to a goal for achieving 66.7% or less of the goal.
15 The penalty for achieving greater than 66.7% but
16 less than 100% of the goal shall be linearly
17 interpolated.

18 (ii) If the savings goals specified in
19 subsection (b-16) of this Section are unmodified,
20 a utility with more than 500,000 but fewer than
21 3,000,000 retail customers shall earn the maximum
22 penalty allocated to a goal for achieving at least
23 33.3 percentage points less than the bottom end of
24 the deadband specified in subparagraph (D) of this
25 paragraph (8.5). The penalty for achieving less
26 than the bottom end of the deadband and greater

1 than 25 percentage points less than the bottom end
2 of the deadband shall be linearly interpolated.

3 (iii) If either the energy and peak demand
4 savings goals specified in subsection (b-16) are
5 reduced under paragraph (4) of subsection (f) of
6 this Section, the maximum penalty allocated to a
7 goal shall be earned if the utility achieves 80%
8 or less of the modified goal. The penalty for
9 achieving more than 80% but less than 100% of a
10 modified goal shall be linearly interpolated.

11 (9) The utility shall submit the energy savings data
12 to the independent evaluator no later than 30 days after
13 the close of the plan year. The independent evaluator
14 shall determine the cumulative persisting annual savings
15 and annual incremental savings for a given plan year, as
16 well as an estimate of job impacts and other macroeconomic
17 impacts of the efficiency programs for that year, no later
18 than 120 days after the close of the plan year. The utility
19 shall submit an informational filing to the Commission no
20 later than 160 days after the close of the plan year that
21 attaches the independent evaluator's final report
22 identifying the cumulative persisting annual savings for
23 the year and calculates, under paragraph (7) or (8) of
24 this subsection (g), as applicable, any resulting change
25 to the utility's return on equity component of the
26 weighted average cost of capital applicable to the next

1 plan year beginning with the January monthly billing
2 period and extending through the December monthly billing
3 period. However, if the utility recovers the costs
4 incurred under this Section under paragraphs (2) and (3)
5 of subsection (d) of this Section, then the utility shall
6 not be required to submit such informational filing, and
7 shall instead submit the information that would otherwise
8 be included in the informational filing as part of its
9 filing under paragraph (3) of such subsection (d) that is
10 due on or before June 1 of each year.

11 For those utilities that must submit the informational
12 filing, the Commission may, on its own motion or by
13 petition, initiate an investigation of such filing,
14 provided, however, that the utility's proposed return on
15 equity calculation shall be deemed the final, approved
16 calculation on December 15 of the year in which it is filed
17 unless the Commission enters an order on or before
18 December 15, after notice and hearing, that modifies such
19 calculation consistent with this Section.

20 The adjustments to the return on equity component
21 described in paragraphs (7) and (8) of this subsection (g)
22 shall be applied as described in such paragraphs through a
23 separate tariff mechanism, which shall be filed by the
24 utility under subsections (f) and (g) of this Section.

25 (9.5) The utility must demonstrate how it will ensure
26 that program implementation contractors and energy

1 efficiency installation vendors will promote workforce
2 equity and quality jobs.

3 (9.6) Utilities shall collect data necessary to ensure
4 compliance with paragraph (9.5) no less than quarterly and
5 shall communicate progress toward compliance with
6 paragraph (9.5) to program implementation contractors and
7 energy efficiency installation vendors no less than
8 quarterly. Utilities shall work with relevant vendors,
9 providing education, training, and other resources needed
10 to ensure compliance and, where necessary, adjusting or
11 terminating work with vendors that cannot assist with
12 compliance.

13 (10) Utilities required to implement efficiency
14 programs under subsections (b-5), ~~and (b-10)~~, and (b-16)
15 shall report annually to the Illinois Commerce Commission
16 and the General Assembly on how hiring, contracting, job
17 training, and other practices related to its energy
18 efficiency programs enhance the diversity of vendors
19 working on such programs. These reports must include data
20 on vendor and employee diversity, including data on the
21 implementation of paragraphs (9.5) and (9.6). If the
22 utility is not meeting the requirements of paragraphs
23 (9.5) and (9.6), the utility shall submit a plan to adjust
24 their activities so that they meet the requirements of
25 paragraphs (9.5) and (9.6) within the following year.

26 (h) No more than 4% of energy efficiency and

1 demand-response program revenue may be allocated for research,
2 development, or pilot deployment of new equipment or measures.
3 Electric utilities shall work with interested stakeholders to
4 formulate a plan for how these funds should be spent,
5 incorporate statewide approaches for these allocations, and
6 file a 4-year plan that demonstrates that collaboration. If a
7 utility files a request for modified annual energy savings
8 goals with the Commission, then a utility shall forgo spending
9 portfolio dollars on research and development proposals.

10 (i) When practicable, electric utilities shall incorporate
11 advanced metering infrastructure data into the planning,
12 implementation, and evaluation of energy efficiency measures
13 and programs, subject to the data privacy and confidentiality
14 protections of applicable law.

15 (j) The independent evaluator shall follow the guidelines
16 and use the savings set forth in Commission-approved energy
17 efficiency policy manuals and technical reference manuals, as
18 each may be updated from time to time. Until such time as
19 measure life values for energy efficiency measures implemented
20 for low-income households under subsection (c) of this Section
21 are incorporated into such Commission-approved manuals, the
22 low-income measures shall have the same measure life values
23 that are established for same measures implemented in
24 households that are not low-income households.

25 (k) Notwithstanding any provision of law to the contrary,
26 an electric utility subject to the requirements of this

1 Section may file a tariff cancelling an automatic adjustment
2 clause tariff in effect under this Section or Section 8-103,
3 which shall take effect no later than one business day after
4 the date such tariff is filed. Thereafter, the utility shall
5 be authorized to defer and recover its expenditures incurred
6 under this Section through a new tariff authorized under
7 subsection (d) of this Section or in the utility's next rate
8 case under Article IX or Section 16-108.5 of this Act, with
9 interest at an annual rate equal to the utility's weighted
10 average cost of capital as approved by the Commission in such
11 case. If the utility elects to file a new tariff under
12 subsection (d) of this Section, the utility may file the
13 tariff within 10 days after June 1, 2017 (the effective date of
14 Public Act 99-906), and the cost inputs to such tariff shall be
15 based on the projected costs to be incurred by the utility
16 during the calendar year in which the new tariff is filed and
17 that were not recovered under the tariff that was cancelled as
18 provided for in this subsection. Such costs shall include
19 those incurred or to be incurred by the utility under its
20 multi-year plan approved under subsections (f) and (g) of this
21 Section, including, but not limited to, projected capital
22 investment costs and projected regulatory asset balances with
23 correspondingly updated depreciation and amortization reserves
24 and expense. The Commission shall, after notice and hearing,
25 approve, or approve with modification, such tariff and cost
26 inputs no later than 75 days after the utility filed the

1 tariff, provided that such approval, or approval with
2 modification, shall be consistent with the provisions of this
3 Section to the extent they do not conflict with this
4 subsection (k). The tariff approved by the Commission shall
5 take effect no later than 5 days after the Commission enters
6 its order approving the tariff.

7 No later than 60 days after the effective date of the
8 tariff cancelling the utility's automatic adjustment clause
9 tariff, the utility shall file a reconciliation that
10 reconciles the moneys collected under its automatic adjustment
11 clause tariff with the costs incurred during the period
12 beginning June 1, 2016 and ending on the date that the electric
13 utility's automatic adjustment clause tariff was cancelled. In
14 the event the reconciliation reflects an under-collection, the
15 utility shall recover the costs as specified in this
16 subsection (k). If the reconciliation reflects an
17 over-collection, the utility shall apply the amount of such
18 over-collection as a one-time credit to retail customers'
19 bills.

20 (1) For the calendar years covered by a multi-year plan
21 commencing after December 31, 2017, subsections (a) through
22 (j) of this Section do not apply to eligible large private
23 energy customers that have chosen to opt out of multi-year
24 plans consistent with this subsection (1).

25 (1) For purposes of this subsection (1), "eligible
26 large private energy customer" means any retail customers,

1 except for federal, State, municipal, and other public
2 customers, of an electric utility that serves more than
3 3,000,000 retail customers, except for federal, State,
4 municipal and other public customers, in the State and
5 whose total highest 30 minute demand was more than 10,000
6 kilowatts, or any retail customers of an electric utility
7 that serves less than 3,000,000 retail customers but more
8 than 500,000 retail customers in the State and whose total
9 highest 15 minute demand was more than 10,000 kilowatts.
10 For purposes of this subsection (1), "retail customer" has
11 the meaning set forth in Section 16-102 of this Act.
12 However, for a business entity with multiple sites located
13 in the State, where at least one of those sites qualifies
14 as an eligible large private energy customer, then any of
15 that business entity's sites, properly identified on a
16 form for notice, shall be considered eligible large
17 private energy customers for the purposes of this
18 subsection (1). A determination of whether this subsection
19 is applicable to a customer shall be made for each
20 multi-year plan beginning after December 31, 2017. The
21 criteria for determining whether this subsection (1) is
22 applicable to a retail customer shall be based on the 12
23 consecutive billing periods prior to the start of the
24 first year of each such multi-year plan.

25 (2) Within 45 days after September 15, 2021 (the
26 effective date of Public Act 102-662), the Commission

1 shall prescribe the form for notice required for opting
2 out of energy efficiency programs. The notice must be
3 submitted to the retail electric utility 12 months before
4 the next energy efficiency planning cycle. However, within
5 120 days after the Commission's initial issuance of the
6 form for notice, eligible large private energy customers
7 may submit a form for notice to an electric utility. The
8 form for notice for opting out of energy efficiency
9 programs shall include all of the following:

10 (A) a statement indicating that the customer has
11 elected to opt out;

12 (B) the account numbers for the customer accounts
13 to which the opt out shall apply;

14 (C) the mailing address associated with the
15 customer accounts identified under subparagraph (B);

16 (D) an American Society of Heating, Refrigerating,
17 and Air-Conditioning Engineers (ASHRAE) level 2 or
18 higher audit report conducted by an independent
19 third-party expert identifying cost-effective energy
20 efficiency project opportunities that could be
21 invested in over the next 10 years. A retail customer
22 with specialized processes may utilize a self-audit
23 process in lieu of the ASHRAE audit;

24 (E) a description of the customer's plans to
25 reallocate the funds toward internal energy efficiency
26 efforts identified in the subparagraph (D) report,

1 including, but not limited to: (i) strategic energy
2 management or other programs, including descriptions
3 of targeted buildings, equipment and operations; (ii)
4 eligible energy efficiency measures; and (iii)
5 expected energy savings, itemized by technology. If
6 the subparagraph (D) audit report identifies that the
7 customer currently utilizes the best available energy
8 efficient technology, equipment, programs, and
9 operations, the customer may provide a statement that
10 more efficient technology, equipment, programs, and
11 operations are not reasonably available as a means of
12 satisfying this subparagraph (E); and

13 (F) the effective date of the opt out, which will
14 be the next January 1 following notice of the opt out.

15 (3) Upon receipt of a properly and timely noticed
16 request for opt out submitted by an eligible large private
17 energy customer, the retail electric utility shall grant
18 the request, file the request with the Commission and,
19 beginning January 1 of the following year, the opted out
20 customer shall no longer be assessed the costs of the plan
21 and shall be prohibited from participating in that 4-year
22 plan cycle to give the retail utility the certainty to
23 design program plan proposals.

24 (4) Upon a customer's election to opt out under
25 paragraphs (1) and (2) of this subsection (1) and
26 commencing on the effective date of said opt out, the

1 account properly identified in the customer's notice under
2 paragraph (2) shall not be subject to any cost recovery
3 and shall not be eligible to participate in, or directly
4 benefit from, compliance with energy efficiency cumulative
5 persisting savings requirements under subsections (a)
6 through (j).

7 (5) A utility's cumulative persisting annual savings
8 targets will exclude any opted out load.

9 (6) The request to opt out is only valid for the
10 requested plan cycle. An eligible large private energy
11 customer must also request to opt out for future energy
12 plan cycles, otherwise the customer will be included in
13 the future energy plan cycle.

14 (m) Notwithstanding the requirements of this Section, as
15 part of a proceeding to approve a multi-year plan under
16 subsections (f) and (g) of this Section if the multi-year plan
17 has been designed to maximize savings, but does not meet the
18 cost cap limitations of this Section, the Commission shall
19 reduce the amount of energy efficiency measures implemented
20 for any single year, and whose costs are recovered under
21 subsection (d) of this Section, by an amount necessary to
22 limit the estimated average net increase due to the cost of the
23 measures to no more than

24 (1) 3.5% for each of the 4 years beginning January 1,
25 2018,

26 (2) (blank),

1 (3) 4% for each of the 4 years beginning January 1,
2 2022,

3 (3.5) 4.25% for 2026,

4 (4) 4.25% for electric utilities that serve more than
5 3,000,000 retail customers in the State, and 5.19% for
6 electric utilities with less than 3,000,000 retail
7 customers but more than 500,000 retail customers in the
8 State, for the 3 4 years beginning January 1, 2027 2026,
9 and

10 (5) the percentage specified in paragraph (4) 4.25%
11 plus an increase sufficient to account for the rate of
12 inflation between January 1, 2027 2026 and January 1 of
13 the first year of each subsequent 4-year plan cycle,
14 of the average amount paid per kilowatthour by residential
15 eligible retail customers during calendar year 2015 for plans
16 in effect through 2026 and during calendar year 2023 for plans
17 commencing in 2027 and thereafter. An electric utility may
18 plan to spend up to 10% more in any year during an applicable
19 multi-year plan period to cost-effectively achieve additional
20 savings so long as the average over the applicable multi-year
21 plan period does not exceed the percentages defined in items
22 (1) through (5). To determine the total amount that may be
23 spent by an electric utility in any single year, the
24 applicable percentage of the average amount paid per
25 kilowatthour shall be multiplied by the total amount of energy
26 delivered by such electric utility in the calendar year 2015

1 for plans in effect through 2026 and during calendar year 2023
2 for plans commencing in 2027 and thereafter, adjusted to
3 reflect the proportion of the utility's load attributable to
4 customers that have opted out of subsections (a) through (j)
5 of this Section under subsection (l) of this Section. For
6 purposes of this subsection (m), the amount paid per
7 kilowatthour includes, without limitation, estimated amounts
8 paid for supply, transmission, distribution, surcharges, and
9 add-on taxes. For purposes of this Section, "eligible retail
10 customers" shall have the meaning set forth in Section
11 16-111.5 of this Act. Once the Commission has approved a plan
12 under subsections (f) and (g) of this Section, no subsequent
13 rate impact determinations shall be made.

14 (n) A utility shall take advantage of the efficiencies
15 available through existing Illinois Home Weatherization
16 Assistance Program infrastructure and services, such as
17 enrollment, marketing, quality assurance and implementation,
18 which can reduce the need for similar services at a lower cost
19 than utility-only programs, subject to capacity constraints at
20 community action agencies, for both single-family and
21 multifamily weatherization services, to the extent Illinois
22 Home Weatherization Assistance Program community action
23 agencies provide multifamily services. A utility's plan shall
24 demonstrate that in formulating annual weatherization budgets,
25 it has sought input and coordination with community action
26 agencies regarding agencies' capacity to expand and maximize

1 Illinois Home Weatherization Assistance Program delivery using
2 the ratepayer dollars collected under this Section.

3 (o) The recent results of PJM and MISO capacity auctions
4 will affect the market prices paid by customers. Load growth,
5 electric supply constraints, and capacity auction rules have
6 resulted in increased PJM and MISO capacity prices for the
7 2025-2026 delivery year, which will increase the rates paid by
8 PJM and MISO customers beginning with the June 1, 2025 billing
9 cycle. To promote bill transparency:

10 (1) For an electric utility serving customers located
11 in the PJM interconnection region, the utility shall
12 include at least the following statement as part of a bill
13 insert or bill message provided with any bill issued to
14 customers: "Your bill has increased this month due to
15 increased capacity prices resulting from PJM capacity
16 auctions." The amount of the monthly rate increase
17 attributable to increased capacity prices resulting from
18 the PJM capacity auction shall also be reflected in the
19 customer's bill under the description "PJM capacity price
20 increase impact". The electric utility's obligation to
21 reflect the information required by this subsection (o)
22 shall begin with the June 1, 2025 billing cycle and shall
23 not continue past the December 2025 billing period.

24 (2) For an electric and gas combined utility serving
25 customers located in the MISO interconnection region, the
26 utility shall include at least the following statement as

1 part of a bill insert or bill message provided with any
2 bill issued to customers: "Your bill has increased this
3 month due to increased capacity prices resulting from MISO
4 capacity auctions.". The amount of the monthly rate
5 increase attributable to increased capacity prices
6 resulting from the MISO capacity auction shall also be
7 reflected in the customer's bill under the description
8 "MISO capacity price increase impact". The electric and
9 gas combined utility's obligation to reflect the
10 information required by this subsection (o) shall begin
11 with the June 1, 2025 billing cycle and shall not continue
12 past the December 2025 billing period.

13 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-30-23;
14 103-613, eff. 7-1-24.)

15 (220 ILCS 5/8-406) (from Ch. 111 2/3, par. 8-406)

16 Sec. 8-406. Certificate of public convenience and
17 necessity.

18 (a) No public utility not owning any city or village
19 franchise nor engaged in performing any public service or in
20 furnishing any product or commodity within this State as of
21 July 1, 1921 and not possessing a certificate of public
22 convenience and necessity from the Illinois Commerce
23 Commission, the State Public Utilities Commission, or the
24 Public Utilities Commission, at the time Public Act 84-617
25 goes into effect (January 1, 1986), shall transact any

1 business in this State until it shall have obtained a
2 certificate from the Commission that public convenience and
3 necessity require the transaction of such business. A
4 certificate of public convenience and necessity requiring the
5 transaction of public utility business in any area of this
6 State shall include authorization to the public utility
7 receiving the certificate of public convenience and necessity
8 to construct such plant, equipment, property, or facility as
9 is provided for under the terms and conditions of its tariff
10 and as is necessary to provide utility service and carry out
11 the transaction of public utility business by the public
12 utility in the designated area.

13 (b) No public utility shall begin the construction of any
14 new plant, equipment, property, or facility which is not in
15 substitution of any existing plant, equipment, property, or
16 facility, or any extension or alteration thereof or in
17 addition thereto, unless and until it shall have obtained from
18 the Commission a certificate that public convenience and
19 necessity require such construction. Whenever after a hearing
20 the Commission determines that any new construction or the
21 transaction of any business by a public utility will promote
22 the public convenience and is necessary thereto, it shall have
23 the power to issue certificates of public convenience and
24 necessity. The Commission shall determine that proposed
25 construction will promote the public convenience and necessity
26 only if the utility demonstrates: (1) that the proposed

1 construction is necessary to provide adequate, reliable, and
2 efficient service to its customers and is the least-cost means
3 of satisfying the service needs of its customers or that the
4 proposed construction will promote the development of an
5 effectively competitive electricity market that operates
6 efficiently, is equitable to all customers, and is the least
7 cost means of satisfying those objectives; (2) that the
8 utility is capable of efficiently managing and supervising the
9 construction process and has taken sufficient action to ensure
10 adequate and efficient construction and supervision thereof;
11 and (3) that the utility is capable of financing the proposed
12 construction without significant adverse financial
13 consequences for the utility or its customers.

14 (b-5) As used in this subsection (b-5):

15 "Qualifying direct current applicant" means an entity that
16 seeks to provide direct current bulk transmission service for
17 the purpose of transporting electric energy in interstate
18 commerce.

19 "Qualifying direct current project" means a high voltage
20 direct current electric service line that crosses at least one
21 Illinois border, the Illinois portion of which is physically
22 located within the region of the Midcontinent Independent
23 System Operator, Inc., or its successor organization, and runs
24 through the counties of Pike, Scott, Greene, Macoupin,
25 Montgomery, Christian, Shelby, Cumberland, and Clark, is
26 capable of transmitting electricity at voltages of 345

1 kilovolts or above, and may also include associated
2 interconnected alternating current interconnection facilities
3 in this State that are part of the proposed project and
4 reasonably necessary to connect the project with other
5 portions of the grid.

6 Notwithstanding any other provision of this Act, a
7 qualifying direct current applicant that does not own,
8 control, operate, or manage, within this State, any plant,
9 equipment, or property used or to be used for the transmission
10 of electricity at the time of its application or of the
11 Commission's order may file an application on or before
12 December 31, 2023 with the Commission pursuant to this Section
13 or Section 8-406.1 for, and the Commission may grant, a
14 certificate of public convenience and necessity to construct,
15 operate, and maintain a qualifying direct current project. The
16 qualifying direct current applicant may also include in the
17 application requests for authority under Section 8-503. The
18 Commission shall grant the application for a certificate of
19 public convenience and necessity and requests for authority
20 under Section 8-503 if it finds that the qualifying direct
21 current applicant and the proposed qualifying direct current
22 project satisfy the requirements of this subsection and
23 otherwise satisfy the criteria of this Section or Section
24 8-406.1 and the criteria of Section 8-503, as applicable to
25 the application and to the extent such criteria are not
26 superseded by the provisions of this subsection. The

1 Commission's order on the application for the certificate of
2 public convenience and necessity shall also include the
3 Commission's findings and determinations on the request or
4 requests for authority pursuant to Section 8-503. Prior to
5 filing its application under either this Section or Section
6 8-406.1, the qualifying direct current applicant shall conduct
7 3 public meetings in accordance with subsection (h) of this
8 Section. If the qualifying direct current applicant
9 demonstrates in its application that the proposed qualifying
10 direct current project is designed to deliver electricity to a
11 point or points on the electric transmission grid in either or
12 both the PJM Interconnection, LLC or the Midcontinent
13 Independent System Operator, Inc., or their respective
14 successor organizations, the proposed qualifying direct
15 current project shall be deemed to be, and the Commission
16 shall find it to be, for public use. If the qualifying direct
17 current applicant further demonstrates in its application that
18 the proposed transmission project has a capacity of 1,000
19 megawatts or larger and a voltage level of 345 kilovolts or
20 greater, the proposed transmission project shall be deemed to
21 satisfy, and the Commission shall find that it satisfies, the
22 criteria stated in item (1) of subsection (b) of this Section
23 or in paragraph (1) of subsection (f) of Section 8-406.1, as
24 applicable to the application, without the taking of
25 additional evidence on these criteria. Prior to the transfer
26 of functional control of any transmission assets to a regional

1 transmission organization, a qualifying direct current
2 applicant shall request Commission approval to join a regional
3 transmission organization in an application filed pursuant to
4 this subsection (b-5) or separately pursuant to Section 7-102
5 of this Act. The Commission may grant permission to a
6 qualifying direct current applicant to join a regional
7 transmission organization if it finds that the membership, and
8 associated transfer of functional control of transmission
9 assets, benefits Illinois customers in light of the attendant
10 costs and is otherwise in the public interest. Nothing in this
11 subsection (b-5) requires a qualifying direct current
12 applicant to join a regional transmission organization.
13 Nothing in this subsection (b-5) requires the owner or
14 operator of a high voltage direct current transmission line
15 that is not a qualifying direct current project to obtain a
16 certificate of public convenience and necessity to the extent
17 it is not otherwise required by this Section 8-406 or any other
18 provision of this Act.

19 (c) As used in this subsection (c):

20 "Decommissioning" has the meaning given to that term in
21 subsection (a) of Section 8-508.1.

22 "Nuclear power reactor" has the meaning given to that term
23 in Section 8 of the Nuclear Safety Law of 2004.

24 ~~After the effective date of this amendatory Act of the~~
25 ~~103rd General Assembly, no construction shall commence on any~~
26 ~~new nuclear power reactor with a nameplate capacity of more~~

1 ~~than 300 megawatts of electricity to be located within this~~
2 ~~State, and no certificate of public convenience and necessity~~
3 ~~or other authorization shall be issued therefor by the~~
4 ~~Commission, until the Illinois Emergency Management Agency and~~
5 ~~Office of Homeland Security, in consultation with the Illinois~~
6 ~~Environmental Protection Agency and the Illinois Department of~~
7 ~~Natural Resources, finds that the United States Government,~~
8 ~~through its authorized agency, has identified and approved a~~
9 ~~demonstrable technology or means for the disposal of high~~
10 ~~level nuclear waste, or until such construction has been~~
11 ~~specifically approved by a statute enacted by the General~~
12 ~~Assembly.~~ Beginning January 1, 2026, construction may commence
13 on a new nuclear power reactor ~~with a nameplate capacity of 300~~
14 ~~megawatts of electricity or less~~ within this State if the
15 entity constructing the new nuclear power reactor has obtained
16 all permits, licenses, permissions, or approvals governing the
17 construction, operation, and funding of decommissioning of
18 such nuclear power reactors required by: (1) this Act; (2) any
19 rules adopted by the Illinois Emergency Management Agency and
20 Office of Homeland Security under the authority of this Act;
21 (3) any applicable federal statutes, including, but not
22 limited to, the Atomic Energy Act of 1954, the Energy
23 Reorganization Act of 1974, the Low-Level Radioactive Waste
24 Policy Amendments Act of 1985, and the Energy Policy Act of
25 1992; (4) any regulations promulgated or enforced by the U.S.
26 Nuclear Regulatory Commission, including, but not limited to,

1 those codified at Title X, Parts 20, 30, 40, 50, 70, and 72 of
2 the Code of Federal Regulations, as from time to time amended;
3 and (5) any other federal or State statute, rule, or
4 regulation governing the permitting, licensing, operation, or
5 decommissioning of such nuclear power reactors. None of the
6 rules developed by the Illinois Emergency Management Agency
7 and Office of Homeland Security or any other State agency,
8 board, or commission pursuant to this Act shall be construed
9 to supersede the authority of the U.S. Nuclear Regulatory
10 Commission. The changes made by this amendatory Act of the
11 103rd General Assembly shall not apply to the uprate, renewal,
12 or subsequent renewal of any license for an existing nuclear
13 power reactor that began operation prior to the effective date
14 of this amendatory Act of the 103rd General Assembly.

15 None of the changes made in this amendatory Act of the
16 103rd General Assembly are intended to authorize the
17 construction of nuclear power plants powered by nuclear power
18 reactors that are not either: (1) small modular nuclear
19 reactors; or (2) nuclear power reactors licensed by the U.S.
20 Nuclear Regulatory Commission to operate in this State ~~prior~~
21 ~~to the effective date of this amendatory Act of the 103rd~~
22 ~~General Assembly.~~

23 (d) In making its determination under subsection (b) of
24 this Section, the Commission shall attach primary weight to
25 the cost or cost savings to the customers of the utility. The
26 Commission may consider any or all factors which will or may

1 affect such cost or cost savings, including the public
2 utility's engineering judgment regarding the materials used
3 for construction.

4 (e) The Commission may issue a temporary certificate which
5 shall remain in force not to exceed one year in cases of
6 emergency, to assure maintenance of adequate service or to
7 serve particular customers, without notice or hearing, pending
8 the determination of an application for a certificate, and may
9 by regulation exempt from the requirements of this Section
10 temporary acts or operations for which the issuance of a
11 certificate will not be required in the public interest.

12 A public utility shall not be required to obtain but may
13 apply for and obtain a certificate of public convenience and
14 necessity pursuant to this Section with respect to any matter
15 as to which it has received the authorization or order of the
16 Commission under the Electric Supplier Act, and any such
17 authorization or order granted a public utility by the
18 Commission under that Act shall as between public utilities be
19 deemed to be, and shall have except as provided in that Act the
20 same force and effect as, a certificate of public convenience
21 and necessity issued pursuant to this Section.

22 No electric cooperative shall be made or shall become a
23 party to or shall be entitled to be heard or to otherwise
24 appear or participate in any proceeding initiated under this
25 Section for authorization of power plant construction and as
26 to matters as to which a remedy is available under the Electric

1 Supplier Act.

2 (f) Such certificates may be altered or modified by the
3 Commission, upon its own motion or upon application by the
4 person or corporation affected. Unless exercised within a
5 period of 2 years from the grant thereof, authority conferred
6 by a certificate of convenience and necessity issued by the
7 Commission shall be null and void.

8 No certificate of public convenience and necessity shall
9 be construed as granting a monopoly or an exclusive privilege,
10 immunity or franchise.

11 (g) A public utility that undertakes any of the actions
12 described in items (1) through (3) of this subsection (g) or
13 that has obtained approval pursuant to Section 8-406.1 of this
14 Act shall not be required to comply with the requirements of
15 this Section to the extent such requirements otherwise would
16 apply. For purposes of this Section and Section 8-406.1 of
17 this Act, "high voltage electric service line" means an
18 electric line having a design voltage of 100,000 or more. For
19 purposes of this subsection (g), a public utility may do any of
20 the following:

21 (1) replace or upgrade any existing high voltage
22 electric service line and related facilities,
23 notwithstanding its length;

24 (2) relocate any existing high voltage electric
25 service line and related facilities, notwithstanding its
26 length, to accommodate construction or expansion of a

1 roadway or other transportation infrastructure; or

2 (3) construct a high voltage electric service line and
3 related facilities that is constructed solely to serve a
4 single customer's premises or to provide a generator
5 interconnection to the public utility's transmission
6 system and that will pass under or over the premises owned
7 by the customer or generator to be served or under or over
8 premises for which the customer or generator has secured
9 the necessary right of way.

10 (h) A public utility seeking to construct a high-voltage
11 electric service line and related facilities (Project) must
12 show that the utility has held a minimum of 2 pre-filing public
13 meetings to receive public comment concerning the Project in
14 each county where the Project is to be located, no earlier than
15 6 months prior to filing an application for a certificate of
16 public convenience and necessity from the Commission. Notice
17 of the public meeting shall be published in a newspaper of
18 general circulation within the affected county once a week for
19 3 consecutive weeks, beginning no earlier than one month prior
20 to the first public meeting. If the Project traverses 2
21 contiguous counties and where in one county the transmission
22 line mileage and number of landowners over whose property the
23 proposed route traverses is one-fifth or less of the
24 transmission line mileage and number of such landowners of the
25 other county, then the utility may combine the 2 pre-filing
26 meetings in the county with the greater transmission line

1 mileage and affected landowners. All other requirements
2 regarding pre-filing meetings shall apply in both counties.
3 Notice of the public meeting, including a description of the
4 Project, must be provided in writing to the clerk of each
5 county where the Project is to be located. A representative of
6 the Commission shall be invited to each pre-filing public
7 meeting.

8 (h-5) A public utility seeking to construct a high-voltage
9 electric service line and related facilities must also show
10 that the Project has complied with training and competence
11 requirements under subsection (b) of Section 15 of the
12 Electric Transmission Systems Construction Standards Act.

13 (i) For applications filed after August 18, 2015 (the
14 effective date of Public Act 99-399), the Commission shall, by
15 certified mail, notify each owner of record of land, as
16 identified in the records of the relevant county tax assessor,
17 included in the right-of-way over which the utility seeks in
18 its application to construct a high-voltage electric line of
19 the time and place scheduled for the initial hearing on the
20 public utility's application. The utility shall reimburse the
21 Commission for the cost of the postage and supplies incurred
22 for mailing the notice.

23 (Source: P.A. 102-609, eff. 8-27-21; 102-662, eff. 9-15-21;
24 102-813, eff. 5-13-22; 102-931, eff. 5-27-22; 103-569, eff.
25 6-1-24; 103-1066, eff. 2-20-25.)

1 (220 ILCS 5/8-512)

2 Sec. 8-512. Renewable energy access plan.

3 (a) It is the policy of this State to promote
4 cost-effective transmission system development that ensures
5 reliability of the electric transmission system, lowers carbon
6 emissions, minimizes long-term costs for consumers, and
7 supports the electric policy goals of this State. The General
8 Assembly finds that:

9 (1) Transmission planning, primarily for reliability
10 purposes, but also for economic and public policy reasons
11 is conducted by regional transmission organizations in
12 which transmission-owning Illinois utilities and other
13 stakeholders are members.

14 (2) Order No. 1000 of the Federal Energy Regulatory
15 Commission requires regional transmission organizations to
16 plan for transmission system needs in light of State
17 public policies and to accept input from states during the
18 transmission system planning processes.

19 (3) The State of Illinois does not currently have a
20 comprehensive power and environmental policy planning
21 process to identify transmission infrastructure needs that
22 can serve as a vital input into the regional and
23 interregional transmission organization planning
24 processes conducted under Order No. 1000 and other laws
25 and regulations.

26 (4) This State is an electricity generation and power

1 transmission hub, and can leverage that position to invest
2 in infrastructure that enables new and existing Illinois
3 generators to meet the public policy goals of the State of
4 Illinois and of interconnected states while
5 cost-effectively supporting tens of thousands of jobs in
6 the renewable energy sector in this State.

7 (5) The nation has a need to readily access this
8 State's low-cost, clean electric power, and this State
9 also desires access to clean energy resources in other
10 states to develop and support its low-carbon economy and
11 keep electricity prices low in Illinois and interconnected
12 States.

13 (6) Existing transmission infrastructure may constrain
14 the State's achievement of 100% renewable energy by 2050,
15 the accelerated adoption of electric vehicles in a just
16 and equitable way, and electrification of additional
17 sectors of the Illinois economy.

18 (7) Transmission system congestion within this State
19 and the regional transmission organizations serving this
20 State limits the ability of this State's existing and new
21 electric generation facilities that do not emit carbon
22 dioxide, including renewable energy resources and zero
23 emission facilities, to serve the public policy goals of
24 this State and other states, which constrains investment
25 in this State.

26 (8) Investment in infrastructure to support existing

1 and new electric generation facilities that do not emit
2 carbon dioxide, including renewable energy resources and
3 zero emission facilities, stimulates significant economic
4 development and job growth in this State, as well as
5 creates environmental and public health benefits in this
6 State.

7 (9) Creating a forward-looking plan for this State's
8 electric transmission infrastructure, as opposed to
9 relying on case-by-case development and repeated marginal
10 upgrades, will achieve a lower-cost system for Illinois'
11 electricity customers. A forward-looking plan can also
12 help integrate and achieve a comprehensive set of
13 objectives and multiple state, regional, and national
14 policy goals.

15 (10) Alternatives to overhead electric transmission
16 lines can achieve cost-effective resolution of system
17 impacts and warrant investigation of the circumstances
18 under which those alternatives should be considered and
19 approved. The alternatives are likely to be beneficial as
20 investment in electric transmission infrastructure moves
21 forward.

22 (11) Because transmission planning is conducted
23 primarily by the regional transmission organizations, the
24 Commission should be advocating for the State's interests
25 at the regional transmission organizations to ensure that
26 such planning facilitates the State's policies and goals,

1 including overall consumer savings, power system
2 reliability, economic development, environmental
3 improvement, and carbon reduction.

4 (12) Advanced transmission technologies have an
5 important role to play in meeting the State's clean energy
6 goals. For the purposes of this Section, "Advanced
7 Transmission Technology" is hardware or software that
8 provides cost-effective increases to the capacity,
9 efficiency, or reliability of existing transmission
10 infrastructure, and includes, but is not limited to: (i)
11 technology that dynamically adjusts the rated capacity of
12 transmission lines based on real-time conditions; (ii)
13 advanced power flow controls used to actively control the
14 flow of electricity across transmission lines to optimize
15 usage or relieve congestion; (iii) software or hardware
16 used to identify optimal transmission grid configurations
17 or enable routing power flows around congestion points;
18 (iv) reconductoring existing transmission lines with
19 advanced conductors, which are present and future
20 transmission line technologies whose power flow capacities
21 and efficiency exceed the power flow capacities and
22 efficiency of conventional aluminum conductor steel
23 reinforced and aluminum conductor steel supported
24 conductors already installed on the system.

25 (b) Consistent with the findings identified in subsection
26 (a), the Commission shall open an investigation to develop and

1 adopt an initial ~~a~~ renewable energy access plan no later than
2 December 31, 2022. To assist and support the Commission in the
3 development of the plan, the Commission shall retain the
4 services of technical and policy experts with relevant fields
5 of expertise, solicit technical and policy analysis from the
6 public, and provide for a 120-day open public comment period
7 after publication of a draft report, which shall be published
8 no later than 90 days after the comment period ends. The plan
9 shall, at a minimum, do the following:

10 (1) designate renewable energy access plan zones
11 throughout this State in areas in which renewable energy
12 resources and suitable land areas are sufficient for
13 developing generating capacity from renewable energy
14 technologies;

15 (2) develop a plan to achieve transmission capacity
16 necessary to deliver the electric output from renewable
17 energy technologies in the renewable energy access plan
18 zones to customers in Illinois and other states in a
19 manner that is most beneficial and cost-effective to
20 customers;

21 (3) use this State's position as an electricity
22 generation and power transmission hub to create new
23 investment in this State's renewable energy resources;

24 (4) consider programs, policies, and electric
25 transmission projects that can be adopted within this
26 State that promote the cost-effective delivery of power

1 from renewable energy resources interconnected to the bulk
2 electric system to meet the renewable portfolio standard
3 targets under subsection (c) of Section 1-75 of the
4 Illinois Power Agency Act;

5 (5) consider proposals to improve regional
6 transmission organizations' regional and interregional
7 system planning processes, especially proposals that
8 reduce costs and emissions, create jobs, and increase
9 State and regional power system reliability to prevent
10 high-cost outages that can endanger lives, and analyze of
11 how those proposals would improve reliability and
12 cost-effective delivery of electricity in Illinois and the
13 region;

14 (6) make findings and policy recommendations based on
15 technical and policy analysis regarding locations of
16 renewable energy access plan zones and the transmission
17 system developments needed to cost-effectively achieve the
18 public policy goals identified herein;

19 (6.5) make findings and policy recommendations based
20 on analysis regarding the impact of converting non-powered
21 dams to hydropower dams relative to the alternative
22 renewable energy resources; and

23 (7) present the Commission's conclusions and proposed
24 recommendations based on its analysis and use the findings
25 and policy recommendations to determine actions that the
26 Commission should take.

1 (c) No later than December 31, 2025, and every other year
2 thereafter, the Commission shall open an investigation to
3 develop and adopt ~~a an updated~~ renewable energy access plan
4 update that considers electric transmission projects,
5 transmission policies, and transmission alternatives and, at a
6 minimum, ~~7: evaluates the implementation and effectiveness of~~
7 ~~the renewable energy access plan, recommends improvements to~~
8 ~~the renewable energy access plan, and provides changes to~~
9 ~~transmission capacity necessary to deliver electric output~~
10 ~~from the renewable energy access plan zones.~~

11 (1) evaluates the implementation and effectiveness of
12 the renewable energy access plan;

13 (2) recommends improvements to the renewable energy
14 access plan;

15 (3) includes updated inputs and assumptions developed
16 under the integrated resource plan developed and approved
17 pursuant to Section 16-201 and Section 16-202;

18 (4) invites all parties to identify needed
19 transmission projects, including any associated network
20 upgrades, necessary to facilitate achievement of the goals
21 of the REAP and the most recently approved integrated
22 resource plan. Proposals for projects shall include a
23 description of each project, a proposed target date for
24 completion, an estimated timeline for development, the
25 energy, capacity, and load shape of renewable generation
26 and energy storage enabled by the project, anticipated new

1 loads served by the project, the proposed technology used
2 including the use of Advanced Transmission Technologies,
3 and the status of any permits or approvals necessary. For
4 projects with a target completion date of within 5 years
5 from the date of proposal, the proposal must also include
6 an estimated project cost of the project and the proposed
7 routing corridor;

8 (5) requests utilities and other parties to
9 specifically identify all elements of the existing
10 transmission system where Advanced Transmission
11 Technologies are likely to achieve enhanced system
12 resilience or reliability, reduce potential siting
13 conflicts or land impacts from the development of new
14 transmission lines, promote the cost-effective delivery of
15 power from renewable energy resources interconnected to
16 the bulk electric system, enable the interconnection of
17 renewable energy resources, or reduce curtailment of
18 renewable energy resources. The plan must identify all
19 elements of the existing transmission system which have
20 experienced capacity constraints or congestion within the
21 prior 2 years and explain whether any Advanced
22 Transmission Technology could reduce or resolve the
23 capacity constraint or congestion;

24 (6) includes an evaluation of identified and proposed
25 transmission projects, including proposed Advanced
26 Transmission Technology projects, based on independent

1 analysis of costs and benefits, including customer bill
2 impacts over the life of the project and achievement of
3 State clean energy goals. Projects shall be evaluated in
4 coordination with other proposals, and may include a
5 combined evaluation of portfolios of projects;

6 (7) develops a recommended list of transmission
7 projects and Advanced Transmission Technology projects
8 that achieve the clean energy public policy objectives of
9 the State. Nothing in this Section shall limit the
10 recommended list of transmission projects to those
11 initially proposed. However, no transmission or Advanced
12 Transmission Technology project can be included in the
13 recommended list unless evaluated; and

14 (8) evaluates options for implementation of the
15 recommended list of transmission projects and advanced
16 transmission technology projects that achieve the clean
17 energy public policy objectives of the State, including
18 through the use of a State agreement approach or a similar
19 structure made available through the relevant regional
20 transmission organizations, and approves final
21 recommendations on implementation.

22 (d) The Commission shall conclude its investigation within
23 180 days. The Commission shall approve the REAP update if it
24 finds that the evidence in the proceeding demonstrates that
25 the recommended list of transmission projects support the
26 achievement of State clean energy goals, are cost-effective,

1 and address community and environmental impacts.

2 (e) The Commission will notify the applicable regional
3 transmission organizations and utilities that the final
4 recommended list of transmission projects support the clean
5 energy public policy objectives of the State.

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

7 (220 ILCS 5/8-513 new)

8 Sec. 8-513. Thermal Energy Network Pilot Program.

9 (a) As used in this Section:

10 "Customer-side installations" means components of a
11 thermal energy network project that involve a physical,
12 operational, or behavioral modification to a customer's
13 premises, including, but not limited to, the installation or
14 replacement of appliances, pipe installation, pumps,
15 electrical upgrades, ventilation and air distribution systems,
16 and associated building construction to accommodate such
17 systems.

18 "Thermal energy network" means all real estate, fixtures,
19 and personal property operated, owned, used, or to be used for
20 in connection with or to facilitate a community-scale
21 distribution infrastructure project that transfers heat into
22 and out of buildings using non-combusting thermal energy,
23 sourced from zero-emission technologies, including geothermal
24 energy, for the purpose of reducing emissions. "Thermal energy
25 network" includes real estate, fixtures, and personal property

1 that is operated, owned, or used by multiple parties.

2 "Thermal energy network system" means components of a
3 thermal energy network that are not located on an individual
4 customer's premises, are necessary for thermal system
5 interconnection or heat transfer, or are shared among multiple
6 customers.

7 (b) Within 180 days after the effective date of this
8 amendatory Act of the 104th General Assembly, the Commission
9 shall open an investigation into the approval of initial
10 thermal energy network pilot projects. As part of the
11 investigation, the Commission shall invite interested parties
12 to submit proposals for pilot projects that provide at least
13 the following information:

14 (1) a specifically defined geographic area for the
15 location of the pilot project, including the anticipated
16 area served, that identifies specific census blocks and
17 addresses eligible to connect to the thermal energy
18 network;

19 (2) a detailed description of the community served by
20 the system, including the demographics and income levels
21 of customers served, the types of customers and any
22 critical facilities served, the condition of the existing
23 gas distribution infrastructure and any history of leaks
24 and emergency repairs, and the building heating methods,
25 including heating fuel and equipment type;

26 (3) the planned scale of the system, including details

1 on the anticipated thermal heating and cooling load, the
2 thermal energy network footprint and layout, the expected
3 energy use of the thermal energy network system
4 components, and the expected electricity use of
5 customer-side installations;

6 (4) the technological approach for the pilot project,
7 including the heating and cooling sources, the projected
8 number and depth of boreholes for any geothermal-based
9 system, and the role and contribution of equipment to the
10 thermal energy network system and in customer-side
11 installations;

12 (5) the projected participation by customers in the
13 network, including the projected number of customers and
14 projected thermal load at different stages in the
15 lifecycle of the project and the minimum number and
16 thermal load of customers needed to participate from
17 within the identified geographic area in order to make the
18 project financially viable;

19 (6) a description of the anticipated needs for
20 customer-side installations within the project footprint,
21 any associated installation costs and ongoing operating
22 costs and obligations of customer-side equipment, and the
23 timing of customer-side installations in coordination with
24 the pilot project timeline;

25 (7) a demonstration of how the project will coordinate
26 and maximize the value of existing State, federal, and

1 utility energy efficiency, weatherization, renewable
2 energy, energy storage, or electrification programs,
3 policies, incentives, and initiatives;

4 (8) a detailed analysis on the role of State or
5 federal tax credits in the pilot project's financial
6 viability and impact on customers' bills;

7 (9) a proposed rate structure for the thermal energy
8 services supplied to network end users and consumer
9 protection plans for end users;

10 (10) a pro forma analysis of the pilot project's
11 financial viability under various customer participation
12 scenarios and cost assumptions; and

13 (11) a proposed timeline for the project, including
14 the planned construction start date, the operational date
15 of the thermal energy network system, the life of the
16 system, and other major milestones for the project.

17 (c) The Commission shall coordinate with the Illinois
18 Finance Authority, in its role as the Climate Bank for the
19 State, to conduct and evaluate each pilot project proposal on
20 its ability to meet the goals of the program, and the
21 Commission's and the Climate Bank's ability to meet the
22 objectives and requirements of any supplemental funding
23 sources. The Commission will develop a prioritized list of
24 thermal energy network pilot projects as part of the
25 investigation. No later than January 1, 2027, the Commission
26 shall approve, or approve with modifications, pilot projects

1 up to the available funding as described in subsection (d) of
2 this Section, if it determines that a portfolio of thermal
3 energy network pilot projects (i) is in the public interest,
4 (ii) will develop information useful for the Commission in
5 adopting rules governing thermal energy networks, (iii)
6 furtheres emissions reduction, (iv) advances financial and
7 technical approaches to equitable and affordable building
8 electrification, and (v) creates benefits to customers and
9 society at large, including, but not limited to, public health
10 benefits in areas with disproportionate environmental or
11 public health burdens, job retention and creation,
12 reliability, and increased affordability of renewable thermal
13 energy options. The Commission shall have broad discretion in
14 approving proposed pilot projects that are consistent with the
15 public interest as detailed in this Section, approving all
16 tariffs, and issuing other regulatory approvals as necessary
17 to permit a pilot project program that facilitates a full
18 review of thermal network technologies and associated policies
19 in the State.

20 (d) The Commission shall coordinate with the Illinois
21 Finance Authority, in its role as Climate Bank for the State,
22 to leverage any available federal funding to support thermal
23 energy network pilot projects through the provision of grants
24 or to provide or leverage financing. In the event that federal
25 funding is not available or not sufficient to meet program
26 objectives, the Commission shall authorize the allocation of

1 up to \$20,000,000 to support the thermal energy network pilot
2 projects, to be provided to the Illinois Finance Authority to
3 distribute to projects as a grant or to provide or leverage
4 financing. Any funding authorized for the pilot projects by
5 the Commission, except for federal or other funding sources,
6 shall be recovered as part of utility grid plans pursuant to
7 Section 16-105.17 and in a manner determined by the
8 Commission.

9 (e) As part of any pilot project proposed pursuant to this
10 Section, the Commission is authorized to approve any specific
11 customer rebates and incentives and any project-specific
12 tariffs and rules. The Commission may create a standard
13 proposed rate structure or minimum requirements for a rate
14 structure to be required of all thermal energy network pilot
15 projects. The Commission may approve the proposed rate
16 structure of a thermal energy network pilot project if the
17 projected heating and cooling costs for end users is not
18 greater than the heating and cooling costs the end users would
19 have incurred if the end users had not participated in the
20 program. In its approval process, the Commission shall take
21 into account scenarios where pilot projects enhance comfort
22 and safety for customers through expanded access to affordable
23 heating and cooling.

24 (f) Approved thermal energy network pilot projects shall
25 report to the Commission, on a quarterly basis and until
26 completion of the thermal energy network pilot project, the

1 status of each thermal energy network pilot project. The
2 Commission shall post and make publicly available the reports
3 on its website. The reports shall include, but not be limited
4 to:

5 (1) the stage of development of each pilot project;

6 (2) the barriers to development;

7 (3) the number of customers served;

8 (4) the costs of the pilot project;

9 (5) the number of jobs retained or created by the
10 pilot project;

11 (6) energy savings and fuel savings from the project
12 and energy consumption by the project; and

13 (7) other information the Commission deems to be in
14 the public interest or considers likely to prove useful or
15 relevant to the rulemaking described in subsection (i).

16 (g) Any entity operating a Commission-approved thermal
17 energy network pilot project shall demonstrate that it has
18 entered into a labor peace agreement with a bona fide labor
19 organization that is actively engaged in representing its
20 employees. The labor peace agreement shall apply to the
21 employees necessary for the ongoing maintenance and operation
22 of the thermal energy network. The existence of a labor peace
23 agreement shall be an ongoing material condition of an
24 entity's authorization to maintain and operate the thermal
25 energy networks.

26 (h) Any contractor or subcontractor that performs work on

1 a thermal energy network pilot project under this Section
2 shall be a responsible bidder, as described in Section 30-22
3 of the Illinois Procurement Code, and shall certify that not
4 less than prevailing wage, as determined under the Prevailing
5 Wage Act, was or will be paid to the employees who are engaged
6 in construction activities associated with the pilot thermal
7 energy network system. The contractor or subcontractor shall
8 submit evidence to the Commission that it complied with the
9 requirements of this subsection (h). For any approved thermal
10 energy network pilot project, the contractor or subcontractor
11 shall submit evidence that the contractor or subcontractor has
12 entered into a fully executed project labor agreement with the
13 applicable local building trades council for the thermal
14 energy network system prior to the initiation of construction
15 activities.

16 (i) Within 4 years after the effective date of this
17 amendatory Act of the 104th General Assembly, the Commission
18 shall adopt rules to, at a minimum:

19 (1) create fair market access rules for thermal energy
20 networks that do not increase greenhouse gas emissions or
21 copollutants;

22 (2) to the extent it is in the public interest to do
23 so, exempt small-scale thermal energy networks from active
24 regulation by the Commission;

25 (3) promote the training and transition of utility
26 workers impacted by this amendatory Act of the 104th

1 General Assembly; and

2 (4) encourage third-party participation and
3 competition where it will maximize benefits to customers.

4 (220 ILCS 5/16-105.5)

5 Sec. 16-105.5. Rate case filing and revenue-neutral rate
6 design.

7 (a) An electric utility that files a general rate case
8 pursuant to Section 9-201 of this Act or a Multi-Year Rate Plan
9 pursuant to Section 16-108.18 of this Act may omit the rate
10 design component of such filing and subsequently separately
11 file this component with the Commission, subject to the
12 requirements of subsections (b) and (c) of this Section.

13 (b) If the electric utility makes the election described
14 in this Section, then the filing shall be consistent with the
15 rate design and cost allocation across customer classes
16 approved in the Commission's most recent order regarding the
17 electric utility's request for a general adjustment to its
18 rates entered under Section 9-201, subsection (e) of Section
19 16-108.5, or Section 16-108.18 of this Act, as applicable.

20 (c) If the electric utility makes the election described
21 in this Section, then the following provisions apply to the
22 separate filing of the revenue-neutral rate design component:

23 (1) No later than one year after the tariffs
24 implementing the general rate case filing or Multi-year
25 Rate Plan filing, as described in subsection (b) of this

1 Section, are placed into effect, the electric utility
2 shall make a filing with the Commission that proposes
3 changes to the tariffs to incorporate the findings of any
4 final rate design orders of the Commission applicable to
5 the electric utility and entered subsequent to the
6 Commission's approval of the tariffs. If no such orders
7 have been entered, then the electric utility must submit
8 its separate revenue-neutral rate design filing no later
9 than 3 years after the date on which the Commission's most
10 recent final rate design order was entered for the
11 electric utility. The electric utility's separate
12 revenue-neutral rate design filing may either propose
13 revenue-neutral tariff changes or refile the existing
14 tariffs without change, which shall present the Commission
15 with an opportunity to suspend the tariffs and consider
16 revenue-neutral tariff changes related to rate design. The
17 Commission shall, after notice and hearing, enter its
18 order approving, or approving with modification, the
19 proposed changes to the tariffs within 240 days after the
20 electric utility's filing. Any changes ordered by the
21 Commission shall become effective at the commencement of
22 the first January monthly billing period that begins no
23 earlier than 30 days after the Commission issues its order
24 adopting such changes.

25 (2) Following Commission approval under paragraph (1)
26 of this subsection (c), the electric utility shall make a

1 filing with the Commission during each subsequent 3-year
2 period that either proposes revenue-neutral tariff changes
3 or refiles the existing tariffs without change, which
4 shall present the Commission with an opportunity to
5 suspend the tariffs and consider revenue-neutral tariff
6 changes related to rate design. The requirements of this
7 paragraph (2) shall terminate at the time that the
8 electric utility files a general rate case or Multi-Year
9 Rate Plan that includes the rate design component or when
10 the electric utility makes a filing with the Commission
11 proposing revenue-neutral tariff changes consistent with
12 paragraph (3) of this subsection (c).

13 (3) The electric utility shall, no later than 90 days
14 after the effective date of this amendatory Act of the
15 104th General Assembly, make a filing with the Commission
16 that proposes revenue-neutral tariff changes which shall
17 present the Commission with an opportunity to suspend the
18 tariffs and consider revenue-neutral tariff changes
19 related to rate design. The electric utility's proposal
20 shall include, but is not limited to, proposed rates for
21 the class of extremely large, inflexible-load,
22 non-residential customers.

23 For purposes of this Section, the term "extremely
24 large, inflexible-load, non-residential customer" means:

25 (A) any new retail customer after the effective
26 date of this amendatory Act of the 104th General

1 Assembly located in the service territory of an
2 electric utility that serves more than 3,000,000
3 retail customers in the State, and whose total highest
4 30-minute demand established by the retail customer
5 during the most recent 12 consecutive monthly billing
6 periods or a forecast of its next 12 consecutive
7 monthly billing periods was more than 25,000 kilowatts
8 and the customer has during the most recent 12
9 consecutive monthly billing periods or is forecasted
10 to have during its next 12 consecutive monthly billing
11 periods a load factor of greater than 50%; or

12 (B) any new retail customer after the effective
13 date of this amendatory Act of the 104th General
14 Assembly located in the service territory of an
15 electric utility that serves fewer than 3,000,000
16 retail customers but more than 500,000 retail
17 customers in the State, and whose total highest
18 15-minute demand established by the retail customer
19 during the most recent 12 consecutive monthly billing
20 periods or a forecast of its next 12 consecutive
21 monthly billing periods was more than 25,000
22 kilowatts, and the customer has during the most recent
23 12 consecutive monthly billing periods or is
24 forecasted to have during its next 12 consecutive
25 monthly billing periods a load factor of greater than
26 50%.

1 For purposes of this Section, the term "load factor"
2 means, for any period, average power used during the
3 period as a percentage of peak power used during the
4 period.

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 (A) contribute to the Renewable Portfolio Standard
14 pursuant to subsection (c) of Section 1-75 of the
15 Illinois Power Agency Act at 6 times the per
16 kilowatthour rate applicable to all other retail
17 customers as established pursuant to subparagraph (E)
18 of paragraph (1) of subsection (c) of Section 1-75 of
19 the Illinois Power Agency Act, and contribute to the
20 Energy Storage System Portfolio Standard pursuant to
21 subsection (d-20) of Section 1-75 of the Illinois
22 Power Agency Act at 6 times the per
23 kilowatthour/kilowatt rate applicable to all other
24 retail customers; or

25 (B) participate in the Agency's self-direct
26 Renewable Portfolio Standard program pursuant to

1 subparagraph (R-5) of paragraph (1) of subsection (c)
2 of Section 1-75 of the Illinois Power Agency Act and
3 participate in the self-direct Energy Storage System
4 Portfolio Standard program pursuant to subsection
5 (d-20) of Section 1-75 of the Illinois Power Agency
6 Act.

7 The electric utility's extremely large,
8 inflexible-load, non-residential customer tariff shall
9 ensure that the utility recovers from the customer all
10 distribution and transmission costs that providing service
11 to the customer causes the utility to incur including
12 costs that may be outstanding if and when the customer's
13 service is terminated.

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

15 (220 ILCS 5/16-107.5)

16 Sec. 16-107.5. Net electricity metering.

17 (a) The General Assembly finds and declares that a program
18 to provide net electricity metering, as defined in this
19 Section, for eligible customers can encourage private
20 investment in renewable energy resources, stimulate economic
21 growth, enhance the continued diversification of Illinois'
22 energy resource mix, and protect the Illinois environment.
23 Further, to achieve the goals of this Act that robust options
24 for customer-site distributed generation continue to thrive in
25 Illinois, the General Assembly finds that a predictable

1 transition must be ensured for customers between full net
2 metering at the retail electricity rate to the distribution
3 generation rebate described in Section 16-107.6.

4 (b) As used in this Section, (i) "community renewable
5 generation project" shall have the meaning set forth in
6 Section 1-10 of the Illinois Power Agency Act; (ii) "eligible
7 customer" means a retail customer that owns, hosts, or
8 operates, including any third-party owned systems, a solar,
9 wind, or other eligible renewable electrical generating
10 facility that is located on the customer's premises or
11 customer's side of the billing meter and is intended primarily
12 to offset the customer's own current or future electrical
13 requirements; (iii) "electricity provider" means an electric
14 utility or alternative retail electric supplier; (iv)
15 "eligible renewable electrical generating facility" means a
16 generator, which may include the colocation ~~co-location~~ of an
17 energy storage system, that is interconnected under rules
18 adopted by the Commission and is powered by solar electric
19 energy, wind, dedicated crops grown for electricity
20 generation, agricultural residues, untreated and unadulterated
21 wood waste, livestock manure, anaerobic digestion of livestock
22 or food processing waste, fuel cells or microturbines powered
23 by renewable fuels, or hydroelectric energy; (v) "net
24 electricity metering" (or "net metering") means the
25 measurement, during the billing period applicable to an
26 eligible customer, of the net amount of electricity supplied

1 by an electricity provider to the customer or provided to the
2 electricity provider by the customer or subscriber; (vi)
3 "subscriber" shall have the meaning as set forth in Section
4 1-10 of the Illinois Power Agency Act; (vii) "subscription"
5 shall have the meaning set forth in Section 1-10 of the
6 Illinois Power Agency Act; (viii) "energy storage system"
7 means commercially available technology that is capable of
8 absorbing energy and storing it for a period of time for use at
9 a later time, including, but not limited to, electrochemical,
10 thermal, and electromechanical technologies, and may be
11 interconnected behind the customer's meter or interconnected
12 behind its own meter; and (ix) "future electrical
13 requirements" means modeled electrical requirements upon
14 occupation of a new or vacant property, and other reasonable
15 expectations of future electrical use, as well as, for
16 occupied properties, a reasonable approximation of the annual
17 load of 2 electric vehicles and, for non-electric heating
18 customers, a reasonable approximation of the incremental
19 electric load associated with fuel switching. The
20 approximations shall be applied to the appropriate net
21 metering tariff and do not need to be unique to each individual
22 eligible customer. The utility shall submit these
23 approximations to the Commission for review, modification, and
24 approval.

25 (c) A net metering facility shall be equipped with
26 metering equipment that can measure the flow of electricity in

1 both directions at the same rate.

2 (1) For eligible customers whose electric service has
3 not been declared competitive pursuant to Section 16-113
4 of this Act as of July 1, 2011 and whose electric delivery
5 service is provided and measured on a kilowatt-hour basis
6 and electric supply service is not provided based on
7 hourly pricing, this shall typically be accomplished
8 through use of a single, bi-directional meter. If the
9 eligible customer's existing electric revenue meter does
10 not meet this requirement, the electricity provider shall
11 arrange for the local electric utility or a meter service
12 provider to install and maintain a new revenue meter at
13 the electricity provider's expense, which may be the smart
14 meter described by subsection (b) of Section 16-108.5 of
15 this Act.

16 (2) For eligible customers whose electric service has
17 not been declared competitive pursuant to Section 16-113
18 of this Act as of July 1, 2011 and whose electric delivery
19 service is provided and measured on a kilowatt demand
20 basis and electric supply service is not provided based on
21 hourly pricing, this shall typically be accomplished
22 through use of a dual channel meter capable of measuring
23 the flow of electricity both into and out of the
24 customer's facility at the same rate and ratio. If such
25 customer's existing electric revenue meter does not meet
26 this requirement, then the electricity provider shall

1 arrange for the local electric utility or a meter service
2 provider to install and maintain a new revenue meter at
3 the electricity provider's expense, which may be the smart
4 meter described by subsection (b) of Section 16-108.5 of
5 this Act.

6 (3) For all other eligible customers, until such time
7 as the local electric utility installs a smart meter, as
8 described by subsection (b) of Section 16-108.5 of this
9 Act, the electricity provider may arrange for the local
10 electric utility or a meter service provider to install
11 and maintain metering equipment capable of measuring the
12 flow of electricity both into and out of the customer's
13 facility at the same rate and ratio, typically through the
14 use of a dual channel meter. If the eligible customer's
15 existing electric revenue meter does not meet this
16 requirement, then the costs of installing such equipment
17 shall be paid for by the customer.

18 (d) An electricity provider shall measure and charge or
19 credit for the net electricity supplied to eligible customers
20 or provided by eligible customers whose electric service has
21 not been declared competitive pursuant to Section 16-113 of
22 this Act as of July 1, 2011 and whose electric delivery service
23 is provided and measured on a kilowatt-hour basis and electric
24 supply service is not provided based on hourly pricing in the
25 following manner:

26 (1) If the amount of electricity used by the customer

1 during the billing period exceeds the amount of
2 electricity produced by the customer, the electricity
3 provider shall charge the customer for the net electricity
4 supplied to and used by the customer as provided in
5 subsection (e-5) of this Section.

6 (2) If the amount of electricity produced by a
7 customer during the billing period exceeds the amount of
8 electricity used by the customer during that billing
9 period, the electricity provider supplying that customer
10 shall apply a 1:1 kilowatt-hour credit to a subsequent
11 bill for service to the customer for the net electricity
12 supplied to the electricity provider. The electricity
13 provider shall continue to carry over any excess
14 kilowatt-hour credits earned and apply those credits to
15 subsequent billing periods to offset any
16 customer-generator consumption in those billing periods
17 until all credits are used or until the end of the
18 annualized period.

19 (3) At the end of the year or annualized over the
20 period that service is supplied by means of net metering,
21 or in the event that the retail customer terminates
22 service with the electricity provider prior to the end of
23 the year or the annualized period, any remaining credits
24 in the customer's account shall expire.

25 (d-5) An electricity provider shall measure and charge or
26 credit for the net electricity supplied to eligible customers

1 or provided by eligible customers whose electric service has
2 not been declared competitive pursuant to Section 16-113 of
3 this Act as of July 1, 2011 and whose electric delivery service
4 is provided and measured on a kilowatt-hour basis and electric
5 supply service is provided based on hourly pricing or
6 time-of-use rates in the following manner:

7 (1) If the amount of electricity used by the customer
8 during any hourly period or time-of-use period exceeds the
9 amount of electricity produced by the customer, the
10 electricity provider shall charge the customer for the net
11 electricity supplied to and used by the customer according
12 to the terms of the contract or tariff to which the same
13 customer would be assigned to or be eligible for if the
14 customer was not a net metering customer.

15 (2) If the amount of electricity produced by a
16 customer during any hourly period or time-of-use period
17 exceeds the amount of electricity used by the customer
18 during that hourly period or time-of-use period, the
19 energy provider shall apply a credit for the net
20 kilowatt-hours produced in such period. The credit shall
21 consist of an energy credit and a delivery service credit.
22 The energy credit shall be valued at the same price per
23 kilowatt-hour as the electric service provider would
24 charge for kilowatt-hour energy sales during that same
25 hourly period or time-of-use period. The delivery credit
26 shall be equal to the net kilowatt-hours produced in such

1 hourly period or time-of-use period times a credit that
2 reflects all kilowatt-hour based charges in the customer's
3 electric service rate, excluding energy charges.

4 (e) An electricity provider shall measure and charge or
5 credit for the net electricity supplied to eligible customers
6 whose electric service has not been declared competitive
7 pursuant to Section 16-113 of this Act as of July 1, 2011 and
8 whose electric delivery service is provided and measured on a
9 kilowatt demand basis and electric supply service is not
10 provided based on hourly pricing in the following manner:

11 (1) If the amount of electricity used by the customer
12 during the billing period exceeds the amount of
13 electricity produced by the customer, then the electricity
14 provider shall charge the customer for the net electricity
15 supplied to and used by the customer as provided in
16 subsection (e-5) of this Section. The customer shall
17 remain responsible for all taxes, fees, and utility
18 delivery charges that would otherwise be applicable to the
19 net amount of electricity used by the customer.

20 (2) If the amount of electricity produced by a
21 customer during the billing period exceeds the amount of
22 electricity used by the customer during that billing
23 period, then the electricity provider supplying that
24 customer shall apply a 1:1 kilowatt-hour credit that
25 reflects the kilowatt-hour based charges in the customer's
26 electric service rate to a subsequent bill for service to

1 the customer for the net electricity supplied to the
2 electricity provider. The electricity provider shall
3 continue to carry over any excess kilowatt-hour credits
4 earned and apply those credits to subsequent billing
5 periods to offset any customer-generator consumption in
6 those billing periods until all credits are used or until
7 the end of the annualized period.

8 (3) At the end of the year or annualized over the
9 period that service is supplied by means of net metering,
10 or in the event that the retail customer terminates
11 service with the electricity provider prior to the end of
12 the year or the annualized period, any remaining credits
13 in the customer's account shall expire.

14 (e-5) An electricity provider shall provide electric
15 service to eligible customers who utilize net metering at
16 non-discriminatory rates that are identical, with respect to
17 rate structure, retail rate components, and any monthly
18 charges, to the rates that the customer would be charged if not
19 a net metering customer. An electricity provider shall not
20 charge net metering customers any fee or charge or require
21 additional equipment, insurance, or any other requirements not
22 specifically authorized by interconnection standards
23 authorized by the Commission, unless the fee, charge, or other
24 requirement would apply to other similarly situated customers
25 who are not net metering customers. The customer will remain
26 responsible for all taxes, fees, and utility delivery charges

1 that would otherwise be applicable to the net amount of
2 electricity used by the customer. Subsections (c) through (e)
3 of this Section shall not be construed to prevent an
4 arms-length agreement between an electricity provider and an
5 eligible customer that sets forth different prices, terms, and
6 conditions for the provision of net metering service,
7 including, but not limited to, the provision of the
8 appropriate metering equipment for non-residential customers.

9 (f) Notwithstanding the requirements of subsections (c)
10 through (e-5) of this Section, an electricity provider must
11 require dual-channel metering for customers operating eligible
12 renewable electrical generating facilities to whom the
13 provisions of neither subsection (d), (d-5), nor (e) of this
14 Section apply. In such cases, electricity charges and credits
15 shall be determined as follows:

16 (1) The electricity provider shall assess and the
17 customer remains responsible for all taxes, fees, and
18 utility delivery charges that would otherwise be
19 applicable to the gross amount of kilowatt-hours supplied
20 to the eligible customer by the electricity provider.

21 (2) Each month that service is supplied by means of
22 dual-channel metering, the electricity provider shall
23 compensate the eligible customer for any excess
24 kilowatt-hour credits at the electricity provider's
25 avoided cost of electricity supply over the monthly period
26 or as otherwise specified by the terms of a power-purchase

1 agreement negotiated between the customer and electricity
2 provider.

3 (3) For all eligible net metering customers taking
4 service from an electricity provider under contracts or
5 tariffs employing hourly or time-of-use rates, any monthly
6 consumption of electricity shall be calculated according
7 to the terms of the contract or tariff to which the same
8 customer would be assigned to or be eligible for if the
9 customer was not a net metering customer. When those same
10 customer-generators are net generators during any discrete
11 hourly or time-of-use period, the net kilowatt-hours
12 produced shall be valued at the same price per
13 kilowatt-hour as the electric service provider would
14 charge for retail kilowatt-hour sales during that same
15 time-of-use period.

16 (g) For purposes of federal and State laws providing
17 renewable energy credits or greenhouse gas credits, the
18 eligible customer shall be treated as owning and having title
19 to the renewable energy attributes, renewable energy credits,
20 and greenhouse gas emission credits related to any electricity
21 produced by the qualified generating unit. The electricity
22 provider may not condition participation in a net metering
23 program on the signing over of a customer's renewable energy
24 credits; provided, however, this subsection (g) shall not be
25 construed to prevent an arms-length agreement between an
26 electricity provider and an eligible customer that sets forth

1 the ownership or title of the credits.

2 (h) Within 120 days after the effective date of this
3 amendatory Act of the 95th General Assembly, the Commission
4 shall establish standards for net metering and, if the
5 Commission has not already acted on its own initiative,
6 standards for the interconnection of eligible renewable
7 generating equipment to the utility system. The
8 interconnection standards shall address any procedural
9 barriers, delays, and administrative costs associated with the
10 interconnection of customer-generation while ensuring the
11 safety and reliability of the units and the electric utility
12 system. The Commission shall consider the Institute of
13 Electrical and Electronics Engineers (IEEE) Standard 1547 and
14 the issues of (i) reasonable and fair fees and costs, (ii)
15 clear timelines for major milestones in the interconnection
16 process, (iii) nondiscriminatory terms of agreement, and (iv)
17 any best practices for interconnection of distributed
18 generation.

19 ~~(h 5) Within 90 days after the effective date of this~~
20 ~~amendatory Act of the 102nd General Assembly, the Commission~~
21 ~~shall:~~

22 ~~(1) establish an Interconnection Working Group. The~~
23 ~~working group shall include representatives from electric~~
24 ~~utilities, developers of renewable electric generating~~
25 ~~facilities, other industries that regularly apply for~~
26 ~~interconnection with the electric utilities,~~

1 ~~representatives of distributed generation customers, the~~
2 ~~Commission Staff, and such other stakeholders with a~~
3 ~~substantial interest in the topics addressed by the~~
4 ~~Interconnection Working Group. The Interconnection Working~~
5 ~~Group shall address at least the following issues:~~

6 ~~(A) cost and best available technology for~~
7 ~~interconnection and metering, including the~~
8 ~~standardization and publication of standard costs;~~

9 ~~(B) transparency, accuracy and use of the~~
10 ~~distribution interconnection queue and hosting~~
11 ~~capacity maps;~~

12 ~~(C) distribution system upgrade cost avoidance~~
13 ~~through use of advanced inverter functions;~~

14 ~~(D) predictability of the queue management process~~
15 ~~and enforcement of timelines;~~

16 ~~(E) benefits and challenges associated with group~~
17 ~~studies and cost sharing;~~

18 ~~(F) minimum requirements for application to the~~
19 ~~interconnection process and throughout the~~
20 ~~interconnection process to avoid queue clogging~~
21 ~~behavior;~~

22 ~~(G) process and customer service for~~
23 ~~interconnecting customers adopting distributed energy~~
24 ~~resources, including energy storage;~~

25 ~~(H) options for metering distributed energy~~
26 ~~resources, including energy storage;~~

1 ~~(I) interconnection of new technologies, including~~
2 ~~smart inverters and energy storage;~~

3 ~~(J) collect, share, and examine data on Level 1~~
4 ~~interconnection costs, including cost and type of~~
5 ~~upgrades required for interconnection, and use this~~
6 ~~data to inform the final standardized cost of Level 1~~
7 ~~interconnection; and~~

8 ~~(K) such other technical, policy, and tariff~~
9 ~~issues related to and affecting interconnection~~
10 ~~performance and customer service as determined by the~~
11 ~~Interconnection Working Group.~~

12 ~~The Commission may create subcommittees of the~~
13 ~~Interconnection Working Group to focus on specific issues~~
14 ~~of importance, as appropriate. The Interconnection Working~~
15 ~~Group shall report to the Commission on recommended~~
16 ~~improvements to interconnection rules and tariffs and~~
17 ~~policies as determined by the Interconnection Working~~
18 ~~Group at least every 6 months. Such reports shall include~~
19 ~~consensus recommendations of the Interconnection Working~~
20 ~~Group and, if applicable, additional recommendations for~~
21 ~~which consensus was not reached. The Commission shall use~~
22 ~~the report from the Interconnection Working Group to~~
23 ~~determine whether processes should be commenced to~~
24 ~~formally codify or implement the recommendations;~~

25 ~~(2) create or contract for an Ombudsman to resolve~~
26 ~~interconnection disputes through non binding arbitration.~~

~~The Ombudsman may be paid in full or in part through fees
levied on the initiators of the dispute; and~~

~~(3) determine a single standardized cost for Level 1
interconnections, which shall not exceed \$200.~~

(i) All electricity providers shall begin to offer net
metering no later than April 1, 2008.

(j) An electricity provider shall provide net metering to
eligible customers according to subsections (d), (d-5), and
(e). Eligible renewable electrical generating facilities for
which eligible customers registered for net metering before
January 1, 2025 shall continue to receive net metering
services according to subsections (d), (d-5), and (e) of this
Section for the lifetime of the system, regardless of whether
those retail customers change electricity providers or whether
the retail customer benefiting from the system changes. On and
after January 1, 2025, any eligible customer that applies for
net metering and previously would have qualified under
subsections (d), (d-5), or (e) shall only be eligible for net
metering as described in subsection (n).

(k) Each electricity provider shall maintain records and
report annually to the Commission the total number of net
metering customers served by the provider, as well as the
type, capacity, and energy sources of the generating systems
used by the net metering customers. Nothing in this Section
shall limit the ability of an electricity provider to request
the redaction of information deemed by the Commission to be

1 confidential business information.

2 (1)(1) Notwithstanding the definition of "eligible
3 customer" in item (ii) of subsection (b) of this Section, each
4 electricity provider shall allow net metering as set forth in
5 this subsection (1) and for the following projects, provided
6 that only electric utilities serving more than 200,000
7 customers as of January 1, 2021 shall provide net metering for
8 projects that are eligible for subparagraph (C) of this
9 paragraph (1) and have energized after the effective date of
10 this amendatory Act of the 102nd General Assembly:

11 (A) properties owned or leased by multiple customers
12 that contribute to the operation of an eligible renewable
13 electrical generating facility through an ownership or
14 leasehold interest of at least 200 watts in such facility,
15 such as a community-owned wind project, a community-owned
16 biomass project, a community-owned solar project, or a
17 community methane digester processing livestock waste from
18 multiple sources, provided that the facility is also
19 located within the utility's service territory;

20 (B) individual units, apartments, or properties
21 located in a single building that are owned or leased by
22 multiple customers and collectively served by a common
23 eligible renewable electrical generating facility, such as
24 an office or apartment building, a shopping center or
25 strip mall served by photovoltaic panels on the roof; and

26 (C) subscriptions to community renewable generation

1 projects, including community renewable generation
2 projects on the customer's side of the billing meter of a
3 host facility and partially used for the customer's own
4 load.

5 In addition, the nameplate capacity of the eligible
6 renewable electric generating facility that serves the demand
7 of the properties, units, or apartments identified in
8 paragraphs (1) and (2) of this subsection (1) shall not exceed
9 5,000 kilowatts in nameplate capacity in total. Any eligible
10 renewable electrical generating facility or community
11 renewable generation project that is powered by photovoltaic
12 electric energy and installed after the effective date of this
13 amendatory Act of the 99th General Assembly must be installed
14 by a qualified person in compliance with the requirements of
15 Section 16-128A of the Public Utilities Act and any rules or
16 regulations adopted thereunder.

17 (2) Notwithstanding anything to the contrary, an
18 electricity provider shall provide credits for the electricity
19 produced by the projects described in paragraph (1) of this
20 subsection (1). The electricity provider shall provide credits
21 that include at least energy supply, capacity, transmission,
22 and, if applicable, the purchased energy adjustment on the
23 subscriber's monthly bill equal to the subscriber's share of
24 the production of electricity from the project, as determined
25 by paragraph (3) of this subsection (1). For customers with
26 transmission or capacity charges not charged on a

1 kilowatt-hour basis, the electricity provider shall prepare a
2 reasonable approximation of the kilowatt-hour equivalent value
3 and provide that value as a monetary credit. The electricity
4 provider shall submit these approximation methodologies to the
5 Commission for review, modification, and approval.
6 Notwithstanding anything to the contrary, customers on payment
7 plans or participating in budget billing programs shall have
8 credits applied on a monthly basis.

9 (3) Notwithstanding anything to the contrary and
10 regardless of whether a subscriber to an eligible community
11 renewable generation project receives power and energy service
12 from the electric utility or an alternative retail electric
13 supplier, for projects eligible under paragraph (C) of
14 subparagraph (1) of this subsection (1), electric utilities
15 serving more than 200,000 customers as of January 1, 2021
16 shall provide the monetary credits to a subscriber's
17 subsequent bill for the electricity produced by community
18 renewable generation projects. The electric utility shall
19 provide monetary credits to a subscriber's subsequent bill at
20 the utility's total price to compare equal to the subscriber's
21 share of the production of electricity from the project, as
22 determined by paragraph (5) of this subsection (1). For the
23 purposes of this subsection, "total price to compare" means
24 the rate or rates published by the Illinois Commerce
25 Commission for energy supply for eligible customers receiving
26 supply service from the electric utility, and shall include

1 energy, capacity, transmission, and the purchased energy
2 adjustment. Notwithstanding anything to the contrary,
3 customers on payment plans or participating in budget billing
4 programs shall have credits applied on a monthly basis. Any
5 applicable credit or reduction in load obligation from the
6 production of the community renewable generating projects
7 receiving a credit under this subsection shall be credited to
8 the electric utility to offset the cost of providing the
9 credit. To the extent that the credit or load obligation
10 reduction does not completely offset the cost of providing the
11 credit to subscribers of community renewable generation
12 projects as described in this subsection, the electric utility
13 may recover the remaining costs through its Multi-Year Rate
14 Plan. All electric utilities serving 200,000 or fewer
15 customers as of January 1, 2021 shall only provide the
16 monetary credits to a subscriber's subsequent bill for the
17 electricity produced by community renewable generation
18 projects if the subscriber receives power and energy service
19 from the electric utility. Alternative retail electric
20 suppliers providing power and energy service to a subscriber
21 located within the service territory of an electric utility
22 not subject to Sections 16-108.18 and 16-118 shall provide the
23 monetary credits to the subscriber's subsequent bill for the
24 electricity produced by community renewable generation
25 projects.

26 (4) If requested by the owner or operator of a community

1 renewable generating project, an electric utility serving more
2 than 200,000 customers as of January 1, 2021 shall enter into a
3 net crediting agreement with the owner or operator to include
4 a subscriber's subscription fee on the subscriber's monthly
5 electric bill and provide the subscriber with a net credit
6 equivalent to the total bill credit value for that generation
7 period minus the subscription fee, provided the subscription
8 fee is structured as a fixed percentage of bill credit value.
9 The net crediting agreement shall set forth payment terms from
10 the electric utility to the owner or operator of the community
11 renewable generating project, and the electric utility may
12 charge a net crediting fee to the owner or operator of a
13 community renewable generating project that may not exceed 2%
14 of the bill credit value. Notwithstanding anything to the
15 contrary, an electric utility serving 200,000 customers or
16 fewer as of January 1, 2021 shall not be obligated to enter
17 into a net crediting agreement with the owner or operator of a
18 community renewable generating project.

19 (5) For the purposes of facilitating net metering, the
20 owner or operator of the eligible renewable electrical
21 generating facility or community renewable generation project
22 shall be responsible for determining the amount of the credit
23 that each customer or subscriber participating in a project
24 under this subsection (1) is to receive in the following
25 manner:

26 (A) The owner or operator shall, on a monthly basis,

1 provide to the electric utility the kilowatthours of
2 generation attributable to each of the utility's retail
3 customers and subscribers participating in projects under
4 this subsection (1) in accordance with the customer's or
5 subscriber's share of the eligible renewable electric
6 generating facility's or community renewable generation
7 project's output of power and energy for such month. The
8 owner or operator shall electronically transmit such
9 calculations and associated documentation to the electric
10 utility, in a format or method set forth in the applicable
11 tariff, on a monthly basis so that the electric utility
12 can reflect the monetary credits on customers' and
13 subscribers' electric utility bills. The electric utility
14 shall be permitted to revise its tariffs to implement the
15 provisions of this amendatory Act of the 102nd General
16 Assembly. The owner or operator shall separately provide
17 the electric utility with the documentation detailing the
18 calculations supporting the credit in the manner set forth
19 in the applicable tariff.

20 (B) For those participating customers and subscribers
21 who receive their energy supply from an alternative retail
22 electric supplier, the electric utility shall remit to the
23 applicable alternative retail electric supplier the
24 information provided under subparagraph (A) of this
25 paragraph (3) for such customers and subscribers in a
26 manner set forth in such alternative retail electric

1 supplier's net metering program, or as otherwise agreed
2 between the utility and the alternative retail electric
3 supplier. The alternative retail electric supplier shall
4 then submit to the utility the amount of the charges for
5 power and energy to be applied to such customers and
6 subscribers, including the amount of the credit associated
7 with net metering.

8 (C) A participating customer or subscriber may provide
9 authorization as required by applicable law that directs
10 the electric utility to submit information to the owner or
11 operator of the eligible renewable electrical generating
12 facility or community renewable generation project to
13 which the customer or subscriber has an ownership or
14 leasehold interest or a subscription. Such information
15 shall be limited to the components of the net metering
16 credit calculated under this subsection (1), including the
17 bill credit rate, total kilowatthours, and total monetary
18 credit value applied to the customer's or subscriber's
19 bill for the monthly billing period.

20 (1-5) Within 90 days after the effective date of this
21 amendatory Act of the 102nd General Assembly, each electric
22 utility subject to this Section shall file a tariff or tariffs
23 to implement the provisions of subsection (1) of this Section,
24 which shall, consistent with the provisions of subsection (1),
25 describe the terms and conditions under which owners or
26 operators of qualifying properties, units, or apartments may

1 participate in net metering. The Commission shall approve, or
2 approve with modification, the tariff within 120 days after
3 the effective date of this amendatory Act of the 102nd General
4 Assembly.

5 (m) Nothing in this Section shall affect the right of an
6 electricity provider to continue to provide, or the right of a
7 retail customer to continue to receive service pursuant to a
8 contract for electric service between the electricity provider
9 and the retail customer in accordance with the prices, terms,
10 and conditions provided for in that contract. Either the
11 electricity provider or the customer may require compliance
12 with the prices, terms, and conditions of the contract.

13 (n) On and after January 1, 2025, the net metering
14 services described in subsections (d), (d-5), and (e) of this
15 Section shall no longer be offered, except as to those
16 eligible renewable electrical generating facilities for which
17 retail customers are receiving net metering service under
18 these subsections at the time the net metering services under
19 those subsections are no longer offered; those systems shall
20 continue to receive net metering services described in
21 subsections (d), (d-5), and (e) of this Section for the
22 lifetime of the system, regardless of if those retail
23 customers change electricity providers or whether the retail
24 customer benefiting from the system changes. The electric
25 utility serving more than 200,000 customers as of January 1,
26 2021 is responsible for ensuring the billing credits continue

1 without lapse for the lifetime of systems, as required in
2 subsection (o). Those retail customers that begin taking net
3 metering service after the date that net metering services are
4 no longer offered under such subsections shall be subject to
5 the provisions set forth in the following paragraphs (1)
6 through (3) of this subsection (n):

7 (1) An electricity provider shall charge or credit for
8 the net electricity supplied to eligible customers or
9 provided by eligible customers whose electric supply
10 service is not provided based on hourly pricing in the
11 following manner:

12 (A) If the amount of electricity used by the
13 customer during the monthly billing period exceeds the
14 amount of electricity produced by the customer, then
15 the electricity provider shall charge the customer for
16 the net kilowatt-hour based electricity charges
17 reflected in the customer's electric service rate
18 supplied to and used by the customer as provided in
19 paragraph (3) of this subsection (n).

20 (B) If the amount of electricity produced by a
21 customer during the monthly billing period exceeds the
22 amount of electricity used by the customer during that
23 billing period, then the electricity provider
24 supplying that customer shall apply a 1:1
25 kilowatt-hour energy or monetary credit kilowatt-hour
26 supply charges to the customer's subsequent bill. The

1 customer shall choose between 1:1 kilowatt-hour or
2 monetary credit at the time of application. For the
3 purposes of this subsection, "kilowatt-hour supply
4 charges" means the kilowatt-hour equivalent values for
5 energy, capacity, transmission, and the purchased
6 energy adjustment, if applicable. Notwithstanding
7 anything to the contrary, customers on payment plans
8 or participating in budget billing programs shall have
9 credits applied on a monthly basis. The electricity
10 provider shall continue to carry over any excess
11 kilowatt-hour or monetary energy credits earned and
12 apply those credits to subsequent billing periods. For
13 customers with transmission or capacity charges not
14 charged on a kilowatt-hour basis, the electricity
15 provider shall prepare a reasonable approximation of
16 the kilowatt-hour equivalent value and provide that
17 value as a monetary credit. The electricity provider
18 shall submit these approximation methodologies to the
19 Commission for review, modification, and approval.

20 (C) (Blank).

21 (2) An electricity provider shall charge or credit for
22 the net electricity supplied to eligible customers or
23 provided by eligible customers whose electric supply
24 service is provided based on hourly pricing in the
25 following manner:

26 (A) If the amount of electricity used by the

1 customer during any hourly period exceeds the amount
2 of electricity produced by the customer, then the
3 electricity provider shall charge the customer for the
4 net electricity supplied to and used by the customer
5 as provided in paragraph (3) of this subsection (n).

6 (B) If the amount of electricity produced by a
7 customer during any hourly period exceeds the amount
8 of electricity used by the customer during that hourly
9 period, the energy provider shall calculate an energy
10 credit for the net kilowatt-hours produced in such
11 period, and shall apply that credit as a monetary
12 credit to the customer's subsequent bill. The value of
13 the energy credit shall be calculated using the same
14 price per kilowatt-hour as the electric service
15 provider would charge for kilowatt-hour energy sales
16 during that same hourly period and shall also include
17 values for capacity and transmission. For customers
18 with transmission or capacity charges not charged on a
19 kilowatt-hour basis, the electricity provider shall
20 prepare a reasonable approximation of the
21 kilowatt-hour equivalent value and provide that value
22 as a monetary credit. The electricity provider shall
23 submit these approximation methodologies to the
24 Commission for review, modification, and approval.
25 Notwithstanding anything to the contrary, customers on
26 payment plans or participating in budget billing

1 programs shall have credits applied on a monthly
2 basis.

3 (3) An electricity provider shall provide electric
4 service to eligible customers who utilize net metering at
5 non-discriminatory rates that are identical, with respect
6 to rate structure, retail rate components, and any monthly
7 charges, to the rates that the customer would be charged
8 if not a net metering customer. An electricity provider
9 shall charge the customer for the net electricity supplied
10 to and used by the customer according to the terms of the
11 contract or tariff to which the same customer would be
12 assigned or be eligible for if the customer was not a net
13 metering customer. An electricity provider shall not
14 charge net metering customers any fee or charge or require
15 additional equipment, insurance, or any other requirements
16 not specifically authorized by interconnection standards
17 authorized by the Commission, unless the fee, charge, or
18 other requirement would apply to other similarly situated
19 customers who are not net metering customers. The customer
20 remains responsible for the gross amount of delivery
21 services charges, supply-related charges that are kilowatt
22 based, and all taxes and fees related to such charges. The
23 customer also remains responsible for all taxes and fees
24 that would otherwise be applicable to the net amount of
25 electricity used by the customer. Paragraphs (1) and (2)
26 of this subsection (n) shall not be construed to prevent

1 an arms-length agreement between an electricity provider
2 and an eligible customer that sets forth different prices,
3 terms, and conditions for the provision of net metering
4 service, including, but not limited to, the provision of
5 the appropriate metering equipment for non-residential
6 customers. Nothing in this paragraph (3) shall be
7 interpreted to mandate that a utility that is only
8 required to provide delivery services to a given customer
9 must also sell electricity to such customer.

10 (o) Within 90 days after the effective date of this
11 amendatory Act of the 102nd General Assembly, each electric
12 utility subject to this Section shall file a tariff, which
13 shall, consistent with the provisions of this Section, propose
14 the terms and conditions under which a customer may
15 participate in net metering. The tariff for electric utilities
16 serving more than 200,000 customers as of January 1, 2021
17 shall also provide a streamlined and transparent bill
18 crediting system for net metering to be managed by the
19 electric utilities. The terms and conditions shall include,
20 but are not limited to, that an electric utility shall manage
21 and maintain billing of net metering credits and charges
22 regardless of if the eligible customer takes net metering
23 under an electric utility or alternative retail electric
24 supplier. The electric utility serving more than 200,000
25 customers as of January 1, 2021 shall process and approve all
26 net metering applications, even if an eligible customer is

1 served by an alternative retail electric supplier; and the
2 utility shall forward application approval to the appropriate
3 alternative retail electric supplier. Eligibility for net
4 metering shall remain with the owner of the utility billing
5 address such that, if an eligible renewable electrical
6 generating facility changes ownership, the net metering
7 eligibility transfers to the new owner. The electric utility
8 serving more than 200,000 customers as of January 1, 2021
9 shall manage net metering billing for eligible customers to
10 ensure full crediting occurs on electricity bills, including,
11 but not limited to, ensuring net metering crediting begins
12 upon commercial operation date, net metering billing transfers
13 immediately if an eligible customer switches from an electric
14 utility to alternative retail electric supplier or vice versa,
15 and net metering billing transfers between ownership of a
16 valid billing address. All transfers referenced in the
17 preceding sentence shall include transfer of all banked
18 credits. All electric utilities serving 200,000 or fewer
19 customers as of January 1, 2021 shall manage net metering
20 billing for eligible customers receiving power and energy
21 service from the electric utility to ensure full crediting
22 occurs on electricity bills, ensuring net metering crediting
23 begins upon commercial operation date, net metering billing
24 transfers immediately if an eligible customer switches from an
25 electric utility to alternative retail electric supplier or
26 vice versa, and net metering billing transfers between

1 ownership of a valid billing address. Alternative retail
2 electric suppliers providing power and energy service to
3 eligible customers located within the service territory of an
4 electric utility serving 200,000 or fewer customers as of
5 January 1, 2021 shall manage net metering billing for eligible
6 customers to ensure full crediting occurs on electricity
7 bills, including, but not limited to, ensuring net metering
8 crediting begins upon commercial operation date, net metering
9 billing transfers immediately if an eligible customer switches
10 from an electric utility to alternative retail electric
11 supplier or vice versa, and net metering billing transfers
12 between ownership of a valid billing address.

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

14 (220 ILCS 5/16-107.6)

15 Sec. 16-107.6. Distributed generation rebate.

16 (a) In this Section:

17 "Additive services" means the services that distributed
18 energy resources provide to the energy system and society that
19 are not (1) already included in the base rebates for
20 system-wide grid services; or (2) otherwise already
21 compensated. Additive services may reflect, but shall not be
22 limited to, any geographic, time-based, performance-based, and
23 other benefits of distributed energy resources, as well as the
24 present and future technological capabilities of distributed
25 energy resources and present and future grid needs.

1 "Distributed energy resource" means a wide range of
2 technologies that are located on the customer side of the
3 customer's electric meter, including, but not limited to,
4 distributed generation, energy storage, electric vehicles, and
5 demand response technologies.

6 "Energy storage system" means commercially available
7 technology that is capable of absorbing energy and storing it
8 for a period of time for use at a later time, including, but
9 not limited to, electrochemical, thermal, and
10 electromechanical technologies, and may be interconnected
11 behind the customer's meter or interconnected behind its own
12 meter.

13 "Smart inverter" means a device that converts direct
14 current into alternating current and meets the IEEE 1547-2018
15 equipment standards. Until devices that meet the IEEE
16 1547-2018 standard are available, devices that meet the UL
17 1741 SA standard are acceptable.

18 "Subscriber" has the meaning set forth in Section 1-10 of
19 the Illinois Power Agency Act.

20 "Subscription" has the meaning set forth in Section 1-10
21 of the Illinois Power Agency Act.

22 "System-wide grid services" means the benefits that a
23 distributed energy resource provides to the distribution grid
24 for a period of no less than 25 years. System-wide grid
25 services do not vary by location, time, or the performance
26 characteristics of the distributed energy resource.

1 System-wide grid services include, but are not limited to,
2 avoided or deferred distribution capacity costs, resilience
3 and reliability benefits, avoided or deferred distribution
4 operation and maintenance costs, distribution voltage and
5 power quality benefits, and line loss reductions.

6 "Threshold date" means December 31, 2024 or the date on
7 which the utility's tariff or tariffs setting the new
8 compensation values established under subsection (e) take
9 effect, whichever is later.

10 (b) An electric utility that serves more than 200,000
11 customers in the State shall file a petition with the
12 Commission requesting approval of the utility's tariff to
13 provide a rebate to the owner or operator of distributed
14 generation, including third-party owned systems, that meets
15 the following criteria:

16 (1) has a nameplate generating capacity no greater
17 than 5,000 kilowatts and is primarily used to offset a
18 customer's electricity load;

19 (2) is located on the customer's side of the billing
20 meter and for the customer's own use;

21 (3) is interconnected to electric distribution
22 facilities owned by the electric utility under rules
23 adopted by the Commission by means of one or more
24 inverters or smart inverters required by this Section, as
25 applicable.

26 For purposes of this Section, "distributed generation"

1 shall satisfy the definition of distributed renewable energy
2 generation device set forth in Section 1-10 of the Illinois
3 Power Agency Act to the extent such definition is consistent
4 with the requirements of this Section.

5 In addition, any new photovoltaic distributed generation
6 that is installed after June 1, 2017 (the effective date of
7 Public Act 99-906) must be installed by a qualified person, as
8 defined by subsection (i) of Section 1-56 of the Illinois
9 Power Agency Act.

10 The tariff shall include a base rebate that compensates
11 distributed generation for the system-wide grid services
12 associated with distributed generation and, after the
13 proceeding described in subsection (e) of this Section, an
14 additional payment or payments for the additive services. The
15 tariff shall provide that the smart inverter or smart
16 inverters associated with the distributed generation shall
17 provide autonomous response to grid conditions through its
18 default settings as approved by the Commission. Default
19 settings may not be changed after the execution of the
20 interconnection agreement except by mutual agreement between
21 the utility and the owner or operator of the distributed
22 generation. Nothing in this Section shall negate or supersede
23 Institute of Electrical and Electronics Engineers equipment
24 standards or other similar standards or requirements. The
25 tariff shall not limit the ability of the smart inverter or
26 smart inverters or other distributed energy resource to

1 provide wholesale market products such as regulation, demand
2 response, or other services, or limit the ability of the owner
3 of the smart inverter or the other distributed energy resource
4 to receive compensation for providing those wholesale market
5 products or services.

6 (b-5) Within 30 days after the effective date of this
7 amendatory Act of the 102nd General Assembly, each electric
8 public utility with 3,000,000 or more retail customers shall
9 file a tariff with the Commission that further compensates any
10 retail customer that installs or has installed photovoltaic
11 facilities paired with energy storage facilities on or
12 adjacent to its premises for the benefits the facilities
13 provide to the distribution grid. The tariff shall provide
14 that, in addition to the other rebates identified in this
15 Section, the electric utility shall rebate to such retail
16 customer (i) the previously incurred and future costs of
17 installing interconnection facilities and related
18 infrastructure to enable full participation in the PJM
19 Interconnection, LLC or its successor organization frequency
20 regulation market; and (ii) all wholesale demand charges
21 incurred after the effective date of this amendatory Act of
22 the 102nd General Assembly. The Commission shall approve, or
23 approve with modification, the tariff within 120 days after
24 the utility's filing.

25 (c) The proposed tariff authorized by subsection (b) of
26 this Section shall include the following participation terms

1 for rebates to be applied under this Section for distributed
2 generation that satisfies the criteria set forth in subsection
3 (b) of this Section:

4 (1) The owner or operator of distributed generation
5 that services customers not eligible for net metering
6 under subsection (d), (d-5), or (e) of Section 16-107.5 of
7 this Act may apply for a rebate as provided for in this
8 Section. Until the threshold date, the value of the rebate
9 shall be \$250 per kilowatt of nameplate generating
10 capacity, measured as nominal DC power output, of that
11 customer's distributed generation. To the extent the
12 distributed generation also has an associated energy
13 storage, then the energy storage system shall be
14 separately compensated with a base rebate of \$250 per
15 kilowatt-hour of nameplate capacity. Any distributed
16 generation device that is compensated for storage in this
17 subsection (1) before the threshold date shall participate
18 in one or more programs determined through the Multi-Year
19 Integrated Grid Planning process that are designed to meet
20 peak reduction and flexibility. After the threshold date,
21 the value of the base rebate and additional compensation
22 for any additive services shall be as determined by the
23 Commission in the proceeding described in subsection (e)
24 of this Section, provided that the value of the base
25 rebate for system-wide grid services shall not be lower
26 than \$250 per kilowatt of nameplate generating capacity of

1 distributed generation or community renewable generation
2 project.

3 (2) The owner or operator of distributed generation
4 that, before the threshold date, would have been eligible
5 for net metering under subsection (d), (d-5), or (e) of
6 Section 16-107.5 of this Act and that has not previously
7 received a distributed generation rebate, may apply for a
8 rebate as provided for in this Section. Until the
9 threshold date, the value of the base rebate shall be \$300
10 per kilowatt of nameplate generating capacity, measured as
11 nominal DC power output, of the distributed generation.
12 The owner or operator of distributed generation that,
13 before the threshold date, is eligible for net metering
14 under subsection (d), (d-5), or (e) of Section 16-107.5 of
15 this Act may apply for a base rebate for an associated
16 energy storage device behind the same retail customer
17 meter as the distributed generation, regardless of whether
18 the distributed generation applies for a rebate for the
19 distributed generation device. The energy storage system
20 shall be separately compensated at a base payment of \$300
21 per kilowatt-hour of nameplate capacity. Any distributed
22 generation device that is compensated for storage in this
23 subsection (2) before the threshold date shall participate
24 in a peak time rebate program, hourly pricing program, or
25 time-of-use rate program offered by the applicable
26 electric utility. After the threshold date, the value of

1 the base rebate and additional compensation for any
2 additive services shall be as determined by the Commission
3 in the proceeding described in subsection (e) of this
4 Section, provided that, prior to December 31, 2029, the
5 value of the base rebate for system-wide services shall
6 not be lower than \$300 per kilowatt of nameplate
7 generating capacity of distributed generation, after which
8 it shall not be lower than \$250 per kilowatt of nameplate
9 capacity. The eligibility of energy storage devices that
10 are interconnected behind the same retail customer meter
11 as the distributed generation shall not be limited to
12 energy storage devices interconnected after the effective
13 date of this amendatory Act of the 103rd General Assembly.
14 To the extent that an electric utility's tariffs are
15 inconsistent with the requirements of this paragraph (2)
16 as modified by this amendatory Act of the 103rd General
17 Assembly, such electric utility shall, within 30 days,
18 file modified tariffs consistent with the requirements of
19 this paragraph (2).

20 (3) Upon approval of a rebate application submitted
21 under this subsection (c), the retail customer shall no
22 longer be entitled to receive any delivery service credits
23 for the excess electricity generated by its facility and
24 shall be subject to the provisions of subsection (n) of
25 Section 16-107.5 of this Act unless the owner or operator
26 receives a rebate only for an energy storage device and

1 not for the distributed generation device.

2 (4) To be eligible for a rebate described in this
3 subsection (c), the owner or operator of the distributed
4 generation must have a smart inverter installed and in
5 operation on the distributed generation.

6 (d) The Commission shall review the proposed tariff
7 authorized by subsection (b) of this Section and may make
8 changes to the tariff that are consistent with this Section
9 and with the Commission's authority under Article IX of this
10 Act, subject to notice and hearing. Following notice and
11 hearing, the Commission shall issue an order approving, or
12 approving with modification, such tariff no later than 240
13 days after the utility files its tariff. Upon the effective
14 date of this amendatory Act of the 102nd General Assembly, an
15 electric utility shall file a petition with the Commission to
16 amend and update any existing tariffs to comply with
17 subsections (b) and (c).

18 (e) By no later than June 30, 2023, the Commission shall
19 open an independent, statewide investigation into the value
20 of, and compensation for, distributed energy resources. The
21 Commission shall conduct the investigation, but may arrange
22 for experts or consultants independent of the utilities and
23 selected by the Commission to assist with the investigation.
24 The cost of the investigation shall be shared by the utilities
25 filing tariffs under subsection (b) of this Section but may be
26 recovered as an expense through normal ratemaking procedures.

1 (1) The Commission shall ensure that the investigation
2 includes, at minimum, diverse sets of stakeholders; a
3 review of best practices in calculating the value of
4 distributed energy resource benefits; a review of the full
5 value of the distributed energy resources and the manner
6 in which each component of that value is or is not
7 otherwise compensated; and assessments of how the value of
8 distributed energy resources may evolve based on the
9 present and future technological capabilities of
10 distributed energy resources and based on present and
11 future grid needs.

12 (2) The Commission's final order concluding this
13 investigation shall establish an annual process and
14 formula for the compensation of distributed generation and
15 energy storage systems, and an initial set of inputs for
16 that formula. The Commission's final order concluding this
17 investigation shall establish base rebates that compensate
18 distributed generation, community renewable generation
19 projects and energy storage systems for the system-wide
20 grid services that they provide. Those base rebate values
21 shall be consistent across the state, and shall not vary
22 by customer, customer class, customer location, or any
23 other variable. With respect to rebates for distributed
24 generation or community renewable generation projects,
25 that rebate shall not be lower than \$250 per kilowatt of
26 nameplate generating capacity of the distributed

1 generation or community renewable generation project. The
2 Commission's final order concluding this proceeding shall
3 also direct the utilities to update the formula, on an
4 annual basis, with inputs derived from their integrated
5 grid plans developed pursuant to Section 16-105.17. The
6 base rebate shall be updated annually based on the annual
7 updates to the formula inputs, but, with respect to
8 rebates for distributed generation or community renewable
9 generation projects, shall be no lower than \$250 per
10 kilowatt of nameplate generating capacity of the
11 distributed generation or community renewable generation
12 project.

13 (3) The Commission shall also determine, as a part of
14 its investigation under this subsection, whether
15 distributed energy resources can provide any additive
16 services. Those additive services may include services
17 that are provided through utility-controlled responses to
18 grid conditions. If the Commission determines that
19 distributed energy resources can provide additive grid
20 services, the Commission shall determine the terms and
21 conditions for the operation and compensation of those
22 services. That compensation shall be above and beyond the
23 base rebate that the distributed energy generation,
24 community renewable generation project and energy storage
25 system receives. Compensation for additive services may
26 vary by location, time, performance characteristics,

1 technology types, or other variables.

2 (4) The Commission shall ensure that compensation for
3 distributed energy resources, including base rebates and
4 any payments for additive services, shall reflect all
5 reasonably known and measurable values of the distributed
6 generation over its full expected useful life.
7 Compensation for additive services shall reflect, but
8 shall not be limited to, any geographic, time-based,
9 performance-based, and other benefits of distributed
10 generation, as well as the present and future
11 technological capabilities of distributed energy resources
12 and present and future grid needs.

13 (5) The Commission shall consider the electric
14 utility's integrated grid plan developed pursuant to
15 Section 16-105.17 of this Act to help identify the value
16 of distributed energy resources for the purpose of
17 calculating the compensation described in this subsection.

18 (6) The Commission shall determine additional
19 compensation for distributed energy resources that creates
20 savings and value on the distribution system by being
21 colocated ~~co-located~~ or in close proximity to electric
22 vehicle charging infrastructure in use by medium-duty and
23 heavy-duty vehicles, primarily serving environmental
24 justice communities, as outlined in the utility integrated
25 grid planning process under Section 16-105.17 of this Act.
26 No later than 60 days after the Commission enters its

1 final order under this subsection (e), each utility shall file
2 its updated tariff or tariffs in compliance with the order,
3 including new tariffs for the recovery of costs incurred under
4 this subsection (e) that shall provide for volumetric-based
5 cost recovery, and the Commission shall approve, or approve
6 with modification, the tariff or tariffs within 240 days after
7 the utility's filing.

8 (f) Notwithstanding any provision of this Act to the
9 contrary, the owner or operator of a community renewable
10 generation project as defined in Section 1-10 of the Illinois
11 Power Agency Act shall also be eligible to apply for the rebate
12 described in this Section. The owner or operator of the
13 community renewable generation project may apply for a rebate
14 only if the owner or operator, or previous owner or operator,
15 of the community renewable generation project has not already
16 submitted an application, and, regardless of whether the
17 subscriber is a residential or non-residential customer, may
18 be allowed the amount identified in paragraph (1) of
19 subsection (c) applicable on the date that the application is
20 submitted.

21 (g) The owner of the distributed generation or community
22 renewable generation project may apply for the rebate or
23 rebates approved under this Section at the time of execution
24 of an interconnection agreement with the distribution utility
25 and shall receive the value available at that time of
26 execution of the interconnection agreement, provided the

1 project reaches mechanical completion within 24 months after
2 execution of the interconnection agreement. If the project has
3 not reached mechanical completion within 24 months after
4 execution, the owner may reapply for the rebate or rebates
5 approved under this Section available at the time of
6 application and shall receive the value available at the time
7 of application. The utility shall issue the rebate no later
8 than 60 days after the project is energized. In the event the
9 application is incomplete or the utility is otherwise unable
10 to calculate the payment based on the information provided by
11 the owner, the utility shall issue the payment no later than 60
12 days after the application is complete or all requested
13 information is received.

14 (h) An electric utility shall recover from its retail
15 customers all of the costs of the rebates made under a tariff
16 or tariffs approved under subsection (d) of this Section,
17 including, but not limited to, the value of the rebates and all
18 costs incurred by the utility to comply with and implement
19 subsections (b) and (c) of this Section, but not including
20 costs incurred by the utility to comply with and implement
21 subsection (e) of this Section, consistent with the following
22 provisions:

23 (1) The utility shall defer the full amount of its
24 costs as a regulatory asset. The total costs deferred as a
25 regulatory asset shall be amortized over a 15-year period.
26 The unamortized balance shall be recognized as of December

1 31 for a given year. The utility shall also earn a return
2 on the total of the unamortized balance of the regulatory
3 assets, less any deferred taxes related to the unamortized
4 balance, at an annual rate equal to the utility's weighted
5 average cost of capital that includes, based on a year-end
6 capital structure, the utility's actual cost of debt for
7 the applicable calendar year and a cost of equity, which
8 shall be calculated as set forth in subparagraph (C) of
9 paragraph (2) of subsection (d) of Section 8-103B ~~the sum~~
10 ~~of (i) the average for the applicable calendar year of the~~
11 ~~monthly average yields of 30-year U.S. Treasury bonds~~
12 ~~published by the Board of Governors of the Federal Reserve~~
13 ~~System in its weekly H.15 Statistical Release or successor~~
14 ~~publication; and (ii) 580 basis points,~~ including a
15 revenue conversion factor calculated to recover or refund
16 all additional income taxes that may be payable or
17 receivable as a result of that return.

18 When an electric utility creates a regulatory asset
19 under the provisions of this paragraph (1) of subsection
20 (h), the costs are recovered over a period during which
21 customers also receive a benefit, which is in the public
22 interest. Accordingly, it is the intent of the General
23 Assembly that an electric utility that elects to create a
24 regulatory asset under the provisions of this paragraph
25 (1) shall recover all of the associated costs, including,
26 but not limited to, its cost of capital as set forth in

1 this paragraph (1). After the Commission has approved the
2 prudence and reasonableness of the costs that comprise the
3 regulatory asset, the electric utility shall be permitted
4 to recover all such costs, and the value and
5 recoverability through rates of the associated regulatory
6 asset shall not be limited, altered, impaired, or reduced.
7 To enable the financing of the incremental capital
8 expenditures, including regulatory assets, for electric
9 utilities that serve less than 3,000,000 retail customers
10 but more than 500,000 retail customers in the State, the
11 utility's actual year-end capital structure that includes
12 a common equity ratio, excluding goodwill, of up to and
13 including 50% of the total capital structure shall be
14 deemed reasonable and used to set rates.

15 (2) The utility, at its election, may recover all of
16 the costs as part of a filing for a general increase in
17 rates under Article IX of this Act, as part of an annual
18 filing to update a performance-based formula rate under
19 subsection (d) of Section 16-108.5 of this Act, or through
20 an automatic adjustment clause tariff, provided that
21 nothing in this paragraph (2) permits the double recovery
22 of such costs from customers. If the utility elects to
23 recover the costs it incurs under subsections (b) and (c)
24 through an automatic adjustment clause tariff, the utility
25 may file its proposed tariff together with the tariff it
26 files under subsection (b) of this Section or at a later

1 time. The proposed tariff shall provide for an annual
2 reconciliation, less any deferred taxes related to the
3 reconciliation, with interest at an annual rate of return
4 equal to the utility's weighted average cost of capital as
5 calculated under paragraph (1) of this subsection (h),
6 including a revenue conversion factor calculated to
7 recover or refund all additional income taxes that may be
8 payable or receivable as a result of that return, of the
9 revenue requirement reflected in rates for each calendar
10 year, beginning with the calendar year in which the
11 utility files its automatic adjustment clause tariff under
12 this subsection (h), with what the revenue requirement
13 would have been had the actual cost information for the
14 applicable calendar year been available at the filing
15 date. The Commission shall review the proposed tariff and
16 may make changes to the tariff that are consistent with
17 this Section and with the Commission's authority under
18 Article IX of this Act, subject to notice and hearing.
19 Following notice and hearing, the Commission shall issue
20 an order approving, or approving with modification, such
21 tariff no later than 240 days after the utility files its
22 tariff.

23 (i) An electric utility shall recover from its retail
24 customers, on a volumetric basis, all of the costs of the
25 rebates made under a tariff or tariffs placed into effect
26 under subsection (e) of this Section, including, but not

1 limited to, the value of the rebates and all costs incurred by
2 the utility to comply with and implement subsection (e) of
3 this Section, consistent with the following provisions:

4 (1) The utility may defer a portion of its costs as a
5 regulatory asset. The Commission shall determine the
6 portion that may be appropriately deferred as a regulatory
7 asset. Factors that the Commission shall consider in
8 determining the portion of costs that shall be deferred as
9 a regulatory asset include, but are not limited to: (i)
10 whether and the extent to which a cost effectively
11 deferred or avoided other distribution system operating
12 costs or capital expenditures; (ii) the extent to which a
13 cost provides environmental benefits; (iii) the extent to
14 which a cost improves system reliability or resilience;
15 (iv) the electric utility's distribution system plan
16 developed pursuant to Section 16-105.17 of this Act; (v)
17 the extent to which a cost advances equity principles; and
18 (vi) such other factors as the Commission deems
19 appropriate. The remainder of costs shall be deemed an
20 operating expense and shall be recoverable if found
21 prudent and reasonable by the Commission.

22 The total costs deferred as a regulatory asset shall
23 be amortized over a 15-year period. The unamortized
24 balance shall be recognized as of December 31 for a given
25 year. The utility shall also earn a return on the total of
26 the unamortized balance of the regulatory assets, less any

1 deferred taxes related to the unamortized balance, at an
2 annual rate equal to the utility's weighted average cost
3 of capital that includes, based on a year-end capital
4 structure, the utility's actual cost of debt for the
5 applicable calendar year and a cost of equity, which shall
6 be calculated as the sum of: (I) the average for the
7 applicable calendar year of the monthly average yields of
8 30-year U.S. Treasury bonds published by the Board of
9 Governors of the Federal Reserve System in its weekly H.15
10 Statistical Release or successor publication; and (II) 580
11 basis points, including a revenue conversion factor
12 calculated to recover or refund all additional income
13 taxes that may be payable or receivable as a result of that
14 return.

15 (2) The utility may recover all of the costs through
16 an automatic adjustment clause tariff, on a volumetric
17 basis. The utility may file its proposed cost-recovery
18 tariff together with the tariff it files under subsection
19 (e) of this Section or at a later time. The proposed tariff
20 shall provide for an annual reconciliation, less any
21 deferred taxes related to the reconciliation, with
22 interest at an annual rate of return equal to the
23 utility's weighted average cost of capital as calculated
24 under paragraph (1) of this subsection (i), including a
25 revenue conversion factor calculated to recover or refund
26 all additional income taxes that may be payable or

1 receivable as a result of that return, of the revenue
2 requirement reflected in rates for each calendar year,
3 beginning with the calendar year in which the utility
4 files its automatic adjustment clause tariff under this
5 subsection (i), with what the revenue requirement would
6 have been had the actual cost information for the
7 applicable calendar year been available at the filing
8 date. The Commission shall review the proposed tariff and
9 may make changes to the tariff that are consistent with
10 this Section and with the Commission's authority under
11 Article IX of this Act, subject to notice and hearing.
12 Following notice and hearing, the Commission shall issue
13 an order approving, or approving with modification, such
14 tariff no later than 240 days after the utility files its
15 tariff.

16 (j) No later than 90 days after the Commission enters an
17 order, or order on rehearing, whichever is later, approving an
18 electric utility's proposed tariff under this Section, the
19 electric utility shall provide notice of the availability of
20 rebates under this Section.

21 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22;
22 103-1066, eff. 2-20-25.)

23 (220 ILCS 5/16-107.8 new)

24 Sec. 16-107.8. Residential time-of-use pricing.

25 (a) The General Assembly finds that market-based

1 time-of-use rates and pricing plans can reduce costs and help
2 the State achieve its energy policy goals by improving load
3 shape, encouraging energy conservation, and shifting usage
4 away from periods where fossil fuels are used. By providing
5 consumers information relating the costs of service to the
6 time of energy usage, time-of-use rates can help consumers
7 reduce energy bills by using electricity when it is less
8 costly.

9 (b) An electric utility shall offer at least one
10 market-based residential rate option for eligible retail
11 customers, including, but not limited to, customers
12 participating in net electricity metering under the terms of
13 Section 16-107.5, who choose to take power and energy supply
14 service from the utility. The utility shall file its
15 time-of-use rate tariff no later than 120 days after the
16 effective date of this amendatory Act of the 104th General
17 Assembly. The tariff or tariffs shall be subject to the
18 following requirements:

19 (1) If more than one tariff is proposed, at least one
20 tariff shall include the following 3 time blocks:

21 (A) a peak time block of consecutive hours best
22 reflecting the average consecutive highest system
23 power and energy use per hour in a calendar day;

24 (B) an off-peak time block, which reflects the
25 next highest system power and energy demands in a
26 calendar day; and

1 (C) a super-off-peak time block, defined as all
2 other hours in a calendar day.

3 Time blocks shall reflect the hour and weekday for
4 which the costs of services outlined in paragraphs (2)
5 and (3) of this subsection (b) are charged.

6 (2) The tariff or tariffs shall describe the
7 methodology for determining the prices for each time block
8 using the applicable average zonal and capacity prices of
9 the PJM Interconnection, LLC (PJM) and the Midcontinent
10 Independent System Operator (MISO) and describe the manner
11 in which customers who elect time-of-use pricing will be
12 provided with the time blocks, associated block pricing,
13 and day-ahead energy prices. Costs for electric capacity
14 shall be determined in a manner that recovers the capacity
15 obligation costs incurred by the electric utility.

16 (3) The time-of-use rate shall include the costs of
17 transmission services and the charges for network
18 integration transmission service, transmission
19 enhancement, and locational reliability, as these terms
20 are defined in the PJM and MISO Open Access Transmission
21 Tariffs and manuals. If the Open Access Transmission
22 Tariff or the manuals subsequently rename those terms, the
23 services reflected under those terms shall continue to be
24 included in the time-of-use rate described in this
25 paragraph (3).

26 (4) Adjustments to the charges set by the tariff may

1 be made on a monthly basis and adjustments to the time
2 blocks may be made on an annual basis. A utility shall
3 submit to the Commission, through an informational filing,
4 any updates and such updates shall take effect on the next
5 business day. Customers shall be provided at least 2 weeks
6 advance notice of any charges or time blocks.

7 (5) A purchased energy adjustment shall be calculated
8 to fully recover costs to supply power and energy. A
9 utility shall procure power and energy in the applicable
10 day-ahead market.

11 (c) The Commission shall approve or approve with
12 modifications the tariff or tariffs after notice and hearing.
13 A proceeding under this subsection (c) may not exceed 180 days
14 in length.

15 (d) An electric utility shall submit an annual report to
16 the Commission no later than April 1 of each year that
17 describes the operation and results of the rate option,
18 including information concerning the number and types of
19 customers using the rate option, changes in customers' energy
20 use patterns, an assessment of the value of the rate option to
21 both participants and nonparticipants, and recommendations
22 concerning modification of the rate option and the tariff or
23 tariffs filed under this Section. The report shall be made
24 available to the public on the Commission's website.

25 (e) Once a tariff or tariffs has been in effect for 12
26 months, the Commission may, upon complaint, petition, or its

1 own initiative, open a proceeding to investigate whether
2 changes or modifications, consistent with the requirements of
3 this Section, to the tariff or tariffs, rate option
4 administration, or any other rate option element is necessary
5 to achieve the goals described in subsection (a). Such a
6 proceeding may not last more than 90 days from the date upon
7 which the investigation was opened.

8 (f) An electric utility shall be entitled to recover
9 reasonable costs incurred in complying with this Section
10 apportioned among its residential customers.

11 (g) An electric utility's tariff or tariffs filed pursuant
12 to this Section shall be subject to the provisions of Article
13 IX of this Act as long as such provisions do not conflict with
14 this Section.

15 (h) This Section does not apply to an electric utility
16 that provides service to 100,000 or fewer customers.

17 (220 ILCS 5/16-108)

18 Sec. 16-108. Recovery of costs associated with the
19 provision of delivery and other services.

20 (a) An electric utility shall file a delivery services
21 tariff with the Commission at least 210 days prior to the date
22 that it is required to begin offering such services pursuant
23 to this Act. An electric utility shall provide the components
24 of delivery services that are subject to the jurisdiction of
25 the Federal Energy Regulatory Commission at the same prices,

1 terms and conditions set forth in its applicable tariff as
2 approved or allowed into effect by that Commission. The
3 Commission shall otherwise have the authority pursuant to
4 Article IX to review, approve, and modify the prices, terms
5 and conditions of those components of delivery services not
6 subject to the jurisdiction of the Federal Energy Regulatory
7 Commission, including the authority to determine the extent to
8 which such delivery services should be offered on an unbundled
9 basis. In making any such determination the Commission shall
10 consider, at a minimum, the effect of additional unbundling on
11 (i) the objective of just and reasonable rates, (ii) electric
12 utility employees, and (iii) the development of competitive
13 markets for electric energy services in Illinois.

14 (b) The Commission shall enter an order approving, or
15 approving as modified, the delivery services tariff no later
16 than 30 days prior to the date on which the electric utility
17 must commence offering such services. The Commission may
18 subsequently modify such tariff pursuant to this Act.

19 (c) The electric utility's tariffs shall define the
20 classes of its customers for purposes of delivery services
21 charges. Delivery services shall be priced and made available
22 to all retail customers electing delivery services in each
23 such class on a nondiscriminatory basis regardless of whether
24 the retail customer chooses the electric utility, an affiliate
25 of the electric utility, or another entity as its supplier of
26 electric power and energy. Charges for delivery services shall

1 be cost based, and shall allow the electric utility to recover
2 the costs of providing delivery services through its charges
3 to its delivery service customers that use the facilities and
4 services associated with such costs. Such costs shall include
5 the costs of owning, operating and maintaining transmission
6 and distribution facilities. The Commission shall also be
7 authorized to consider whether, and if so to what extent, the
8 following costs are appropriately included in the electric
9 utility's delivery services rates: (i) the costs of that
10 portion of generation facilities used for the production and
11 absorption of reactive power in order that retail customers
12 located in the electric utility's service area can receive
13 electric power and energy from suppliers other than the
14 electric utility, and (ii) the costs associated with the use
15 and redispatch of generation facilities to mitigate
16 constraints on the transmission or distribution system in
17 order that retail customers located in the electric utility's
18 service area can receive electric power and energy from
19 suppliers other than the electric utility. Nothing in this
20 subsection shall be construed as directing the Commission to
21 allocate any of the costs described in (i) or (ii) that are
22 found to be appropriately included in the electric utility's
23 delivery services rates to any particular customer group or
24 geographic area in setting delivery services rates.

25 (d) The Commission shall establish charges, terms and
26 conditions for delivery services that are just and reasonable

1 and shall take into account customer impacts when establishing
2 such charges. In establishing charges, terms and conditions
3 for delivery services, the Commission shall take into account
4 voltage level differences. A retail customer shall have the
5 option to request to purchase electric service at any delivery
6 service voltage reasonably and technically feasible from the
7 electric facilities serving that customer's premises provided
8 that there are no significant adverse impacts upon system
9 reliability or system efficiency. A retail customer shall also
10 have the option to request to purchase electric service at any
11 point of delivery that is reasonably and technically feasible
12 provided that there are no significant adverse impacts on
13 system reliability or efficiency. Such requests shall not be
14 unreasonably denied.

15 (e) Electric utilities shall recover the costs of
16 installing, operating or maintaining facilities for the
17 particular benefit of one or more delivery services customers,
18 including without limitation any costs incurred in complying
19 with a customer's request to be served at a different voltage
20 level, directly from the retail customer or customers for
21 whose benefit the costs were incurred, to the extent such
22 costs are not recovered through the charges referred to in
23 subsections (c) and (d) of this Section.

24 (f) An electric utility shall be entitled but not required
25 to implement transition charges in conjunction with the
26 offering of delivery services pursuant to Section 16-104. If

1 an electric utility implements transition charges, it shall
2 implement such charges for all delivery services customers and
3 for all customers described in subsection (h), but shall not
4 implement transition charges for power and energy that a
5 retail customer takes from cogeneration or self-generation
6 facilities located on that retail customer's premises, if such
7 facilities meet the following criteria:

8 (i) the cogeneration or self-generation facilities
9 serve a single retail customer and are located on that
10 retail customer's premises (for purposes of this
11 subparagraph and subparagraph (ii), an industrial or
12 manufacturing retail customer and a third party contractor
13 that is served by such industrial or manufacturing
14 customer through such retail customer's own electrical
15 distribution facilities under the circumstances described
16 in subsection (vi) of the definition of "alternative
17 retail electric supplier" set forth in Section 16-102,
18 shall be considered a single retail customer);

19 (ii) the cogeneration or self-generation facilities
20 either (A) are sized pursuant to generally accepted
21 engineering standards for the retail customer's electrical
22 load at that premises (taking into account standby or
23 other reliability considerations related to that retail
24 customer's operations at that site) or (B) if the facility
25 is a cogeneration facility located on the retail
26 customer's premises, the retail customer is the thermal

1 host for that facility and the facility has been designed
2 to meet that retail customer's thermal energy requirements
3 resulting in electrical output beyond that retail
4 customer's electrical demand at that premises, comply with
5 the operating and efficiency standards applicable to
6 "qualifying facilities" specified in title 18 Code of
7 Federal Regulations Section 292.205 as in effect on the
8 effective date of this amendatory Act of 1999;

9 (iii) the retail customer on whose premises the
10 facilities are located either has an exclusive right to
11 receive, and corresponding obligation to pay for, all of
12 the electrical capacity of the facility, or in the case of
13 a cogeneration facility that has been designed to meet the
14 retail customer's thermal energy requirements at that
15 premises, an identified amount of the electrical capacity
16 of the facility, over a minimum 5-year period; and

17 (iv) if the cogeneration facility is sized for the
18 retail customer's thermal load at that premises but
19 exceeds the electrical load, any sales of excess power or
20 energy are made only at wholesale, are subject to the
21 jurisdiction of the Federal Energy Regulatory Commission,
22 and are not for the purpose of circumventing the
23 provisions of this subsection (f).

24 If a generation facility located at a retail customer's
25 premises does not meet the above criteria, an electric utility
26 implementing transition charges shall implement a transition

1 charge until December 31, 2006 for any power and energy taken
2 by such retail customer from such facility as if such power and
3 energy had been delivered by the electric utility. Provided,
4 however, that an industrial retail customer that is taking
5 power from a generation facility that does not meet the above
6 criteria but that is located on such customer's premises will
7 not be subject to a transition charge for the power and energy
8 taken by such retail customer from such generation facility if
9 the facility does not serve any other retail customer and
10 either was installed on behalf of the customer and for its own
11 use prior to January 1, 1997, or is both predominantly fueled
12 by byproducts of such customer's manufacturing process at such
13 premises and sells or offers an average of 300 megawatts or
14 more of electricity produced from such generation facility
15 into the wholesale market. Such charges shall be calculated as
16 provided in Section 16-102, and shall be collected on each
17 kilowatt-hour delivered under a delivery services tariff to a
18 retail customer from the date the customer first takes
19 delivery services until December 31, 2006 except as provided
20 in subsection (h) of this Section. Provided, however, that an
21 electric utility, other than an electric utility providing
22 service to at least 1,000,000 customers in this State on
23 January 1, 1999, shall be entitled to petition for entry of an
24 order by the Commission authorizing the electric utility to
25 implement transition charges for an additional period ending
26 no later than December 31, 2008. The electric utility shall

1 file its petition with supporting evidence no earlier than 16
2 months, and no later than 12 months, prior to December 31,
3 2006. The Commission shall hold a hearing on the electric
4 utility's petition and shall enter its order no later than 8
5 months after the petition is filed. The Commission shall
6 determine whether and to what extent the electric utility
7 shall be authorized to implement transition charges for an
8 additional period. The Commission may authorize the electric
9 utility to implement transition charges for some or all of the
10 additional period, and shall determine the mitigation factors
11 to be used in implementing such transition charges; provided,
12 that the Commission shall not authorize mitigation factors
13 less than 110% of those in effect during the 12 months ended
14 December 31, 2006. In making its determination, the Commission
15 shall consider the following factors: the necessity to
16 implement transition charges for an additional period in order
17 to maintain the financial integrity of the electric utility;
18 the prudence of the electric utility's actions in reducing its
19 costs since the effective date of this amendatory Act of 1997;
20 the ability of the electric utility to provide safe, adequate
21 and reliable service to retail customers in its service area;
22 and the impact on competition of allowing the electric utility
23 to implement transition charges for the additional period.

24 (g) The electric utility shall file tariffs that establish
25 the transition charges to be paid by each class of customers to
26 the electric utility in conjunction with the provision of

1 delivery services. The electric utility's tariffs shall define
2 the classes of its customers for purposes of calculating
3 transition charges. The electric utility's tariffs shall
4 provide for the calculation of transition charges on a
5 customer-specific basis for any retail customer whose average
6 monthly maximum electrical demand on the electric utility's
7 system during the 6 months with the customer's highest monthly
8 maximum electrical demands equals or exceeds 3.0 megawatts for
9 electric utilities having more than 1,000,000 customers, and
10 for other electric utilities for any customer that has an
11 average monthly maximum electrical demand on the electric
12 utility's system of one megawatt or more, and (A) for which
13 there exists data on the customer's usage during the 3 years
14 preceding the date that the customer became eligible to take
15 delivery services, or (B) for which there does not exist data
16 on the customer's usage during the 3 years preceding the date
17 that the customer became eligible to take delivery services,
18 if in the electric utility's reasonable judgment there exists
19 comparable usage information or a sufficient basis to develop
20 such information, and further provided that the electric
21 utility can require customers for which an individual
22 calculation is made to sign contracts that set forth the
23 transition charges to be paid by the customer to the electric
24 utility pursuant to the tariff.

25 (h) An electric utility shall also be entitled to file
26 tariffs that allow it to collect transition charges from

1 retail customers in the electric utility's service area that
2 do not take delivery services but that take electric power or
3 energy from an alternative retail electric supplier or from an
4 electric utility other than the electric utility in whose
5 service area the customer is located. Such charges shall be
6 calculated, in accordance with the definition of transition
7 charges in Section 16-102, for the period of time that the
8 customer would be obligated to pay transition charges if it
9 were taking delivery services, except that no deduction for
10 delivery services revenues shall be made in such calculation,
11 and usage data from the customer's class shall be used where
12 historical usage data is not available for the individual
13 customer. The customer shall be obligated to pay such charges
14 on a lump sum basis on or before the date on which the customer
15 commences to take service from the alternative retail electric
16 supplier or other electric utility, provided, that the
17 electric utility in whose service area the customer is located
18 shall offer the customer the option of signing a contract
19 pursuant to which the customer pays such charges ratably over
20 the period in which the charges would otherwise have applied.

21 (i) An electric utility shall be entitled to add to the
22 bills of delivery services customers charges pursuant to
23 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
24 and Section 16-114 of this Act, Section 5-5 of the Electricity
25 Infrastructure Maintenance Fee Law, Section 6-5 of the
26 Renewable Energy, Energy Efficiency, and Coal Resources

1 Development Law of 1997, and Section 13 of the Energy
2 Assistance Act.

3 (i-5) An electric utility required to impose the Coal to
4 Solar and Energy Storage Initiative Charge provided for in
5 subsection (c-5) of Section 1-75 of the Illinois Power Agency
6 Act shall add such charge to the bills of its delivery services
7 customers pursuant to the terms of a tariff conforming to the
8 requirements of subsection (c-5) of Section 1-75 of the
9 Illinois Power Agency Act and this subsection (i-5) and filed
10 with and approved by the Commission. The electric utility
11 shall file its proposed tariff with the Commission on or
12 before July 1, 2022 to be effective, after review and approval
13 or modification by the Commission, beginning January 1, 2023.
14 On or before December 1, 2022, the Commission shall review the
15 electric utility's proposed tariff, including by conducting a
16 docketed proceeding if deemed necessary by the Commission, and
17 shall approve the proposed tariff or direct the electric
18 utility to make modifications the Commission finds necessary
19 for the tariff to conform to the requirements of subsection
20 (c-5) of Section 1-75 of the Illinois Power Agency Act and this
21 subsection (i-5). The electric utility's tariff shall provide
22 for imposition of the Coal to Solar and Energy Storage
23 Initiative Charge on a per-kilowatthour basis to all
24 kilowatthours delivered by the electric utility to its
25 delivery services customers. The tariff shall provide for the
26 calculation of the Coal to Solar and Energy Storage Initiative

1 Charge to be in effect for the year beginning January 1, 2023
2 and each year beginning January 1 thereafter, sufficient to
3 collect the electric utility's estimated payment obligations
4 for the delivery year beginning the following June 1 under
5 contracts for purchase of renewable energy credits entered
6 into pursuant to subsection (c-5) of Section 1-75 of the
7 Illinois Power Agency Act and the obligations of the
8 Department of Commerce and Economic Opportunity, or any
9 successor department or agency, which for purposes of this
10 subsection (i-5) shall be referred to as the Department, to
11 make grant payments during such delivery year from the Coal to
12 Solar and Energy Storage Initiative Fund pursuant to grant
13 contracts entered into pursuant to subsection (c-5) of Section
14 1-75 of the Illinois Power Agency Act, and using the electric
15 utility's kilowatthour deliveries to its delivery services
16 customers during the delivery year ended May 31 of the
17 preceding calendar year. On or before November 1 of each year
18 beginning November 1, 2022, the Department shall notify the
19 electric utilities of the amount of the Department's estimated
20 obligations for grant payments during the delivery year
21 beginning the following June 1 pursuant to grant contracts
22 entered into pursuant to subsection (c-5) of Section 1-75 of
23 the Illinois Power Agency Act; and each electric utility shall
24 incorporate in the calculation of its Coal to Solar and Energy
25 Storage Initiative Charge the fractional portion of the
26 Department's estimated obligations equal to the electric

1 utility's kilowatthour deliveries to its delivery services
2 customers in the delivery year ended the preceding May 31
3 divided by the aggregate deliveries of both electric utilities
4 to delivery services customers in such delivery year. The
5 electric utility shall remit on a monthly basis to the State
6 Treasurer, for deposit in the Coal to Solar and Energy Storage
7 Initiative Fund provided for in subsection (c-5) of Section
8 1-75 of the Illinois Power Agency Act, the electric utility's
9 collections of the Coal to Solar and Energy Storage Initiative
10 Charge estimated to be needed by the Department for grant
11 payments pursuant to grant contracts entered into pursuant to
12 subsection (c-5) of Section 1-75 of the Illinois Power Agency
13 Act. The initial charge under the electric utility's tariff
14 shall be effective for kilowatthours delivered beginning
15 January 1, 2023, and thereafter shall be revised to be
16 effective January 1, 2024 and each January 1 thereafter, based
17 on the payment obligations for the delivery year beginning the
18 following June 1. The tariff shall provide for the electric
19 utility to make an annual filing with the Commission on or
20 before November 15 of each year, beginning in 2023, setting
21 forth the Coal to Solar and Energy Storage Initiative Charge
22 to be in effect for the year beginning the following January 1.
23 The electric utility's tariff shall also provide that the
24 electric utility shall make a filing with the Commission on or
25 before August 1 of each year beginning in 2024 setting forth a
26 reconciliation, for the delivery year ended the preceding May

1 31, of the electric utility's collections of the Coal to Solar
2 and Energy Storage Initiative Charge against actual payments
3 for renewable energy credits pursuant to contracts entered
4 into, and the actual grant payments by the Department pursuant
5 to grant contracts entered into, pursuant to subsection (c-5)
6 of Section 1-75 of the Illinois Power Agency Act. The tariff
7 shall provide that any excess or shortfall of collections to
8 payments shall be deducted from or added to, on a
9 per-kilowatthour basis, the Coal to Solar and Energy Storage
10 Initiative Charge, over the 6-month period beginning October 1
11 of that calendar year.

12 (j) If a retail customer that obtains electric power and
13 energy from cogeneration or self-generation facilities
14 installed for its own use on or before January 1, 1997,
15 subsequently takes service from an alternative retail electric
16 supplier or an electric utility other than the electric
17 utility in whose service area the customer is located for any
18 portion of the customer's electric power and energy
19 requirements formerly obtained from those facilities
20 (including that amount purchased from the utility in lieu of
21 such generation and not as standby power purchases, under a
22 cogeneration displacement tariff in effect as of the effective
23 date of this amendatory Act of 1997), the transition charges
24 otherwise applicable pursuant to subsections (f), (g), or (h)
25 of this Section shall not be applicable in any year to that
26 portion of the customer's electric power and energy

1 requirements formerly obtained from those facilities,
2 provided, that for purposes of this subsection (j), such
3 portion shall not exceed the average number of kilowatt-hours
4 per year obtained from the cogeneration or self-generation
5 facilities during the 3 years prior to the date on which the
6 customer became eligible for delivery services, except as
7 provided in subsection (f) of Section 16-110.

8 (k) The electric utility shall be entitled to recover
9 through tariffed charges all of the costs associated with the
10 purchase of zero emission credits from zero emission
11 facilities to meet the requirements of subsection (d-5) of
12 Section 1-75 of the Illinois Power Agency Act and all of the
13 costs associated with the purchase of carbon mitigation
14 credits from carbon-free energy resources to meet the
15 requirements of subsection (d-10) of Section 1-75 of the
16 Illinois Power Agency Act. Such costs shall include the costs
17 of procuring the zero emission credits and carbon mitigation
18 credits from carbon-free energy resources, as well as the
19 reasonable costs that the utility incurs as part of the
20 procurement processes and to implement and comply with plans
21 and processes approved by the Commission under subsections
22 (d-5) and (d-10). The costs shall be allocated across all
23 retail customers through a single, uniform cents per
24 kilowatt-hour charge applicable to all retail customers, which
25 shall appear as a separate line item on each customer's bill.
26 The electric utility shall be entitled to recover through

1 tariffed charges approved by the Commission all of the costs
2 associated with energy storage resources procurements to meet
3 the energy storage system portfolio standard of subsection
4 (d-20) of Section 1-75 of the Illinois Power Agency Act. Such
5 costs shall include the contract costs for the energy storage
6 system resources and the reasonable costs that the utility
7 incurs as part of the procurement processes and in
8 implementing and complying with plans and processes approved
9 by the Commission under subsection (d-20). Beginning June 1,
10 2017, the electric utility shall be entitled to recover
11 through tariffed charges all of the costs associated with the
12 purchase of renewable energy resources to meet the renewable
13 energy resource standards of subsection (c) of Section 1-75 of
14 the Illinois Power Agency Act, under procurement plans as
15 approved in accordance with that Section and Section 16-111.5
16 of this Act. Such costs shall include the costs of procuring
17 the renewable energy resources, as well as the reasonable
18 costs that the utility incurs as part of the procurement
19 processes and to implement and comply with plans and processes
20 approved by the Commission under such Sections. The costs
21 associated with the purchase of renewable energy resources
22 shall be allocated across all retail customers in proportion
23 to the amount of renewable energy resources the utility
24 procures for such customers through a single, uniform cents
25 per kilowatt-hour charge applicable to such retail customers,
26 which shall appear as a separate line item on each such

1 customer's bill. The credits, costs, and penalties associated
2 with the self-direct renewable portfolio standard compliance
3 program described in subparagraph (R) of paragraph (1) of
4 subsection (c) of Section 1-75 of the Illinois Power Agency
5 Act shall be allocated to approved eligible self-direct
6 customers by the utility in a cents per kilowatt-hour credit,
7 cost, or penalty, which shall appear as a separate line item on
8 each such customer's bill.

9 Notwithstanding whether the Commission has approved the
10 initial long-term renewable resources procurement plan as of
11 June 1, 2017, an electric utility shall place new tariffed
12 charges into effect beginning with the June 2017 monthly
13 billing period, to the extent practicable, to begin recovering
14 the costs of procuring renewable energy resources, as those
15 charges are calculated under the limitations described in
16 subparagraph (E) of paragraph (1) of subsection (c) of Section
17 1-75 of the Illinois Power Agency Act. Notwithstanding the
18 date on which the utility places such new tariffed charges
19 into effect, the utility shall be permitted to collect the
20 charges under such tariff as if the tariff had been in effect
21 beginning with the first day of the June 2017 monthly billing
22 period. For the delivery years commencing June 1, 2017, June
23 1, 2018, June 1, 2019, and each delivery year thereafter, the
24 electric utility shall deposit into a separate interest
25 bearing account of a financial institution the monies
26 collected under the tariffed charges. Money collected from

1 customers for the procurement of renewable energy resources in
2 a given delivery year may be spent by the utility for the
3 procurement of renewable resources over any of the following 5
4 delivery years, after which unspent money shall be credited
5 back to retail customers. The electric utility shall spend all
6 money collected in earlier delivery years that has not yet
7 been returned to customers, first, before spending money
8 collected in later delivery years. Any interest earned shall
9 be credited back to retail customers under the reconciliation
10 proceeding provided for in this subsection (k), provided that
11 the electric utility shall first be reimbursed from the
12 interest for the administrative costs that it incurs to
13 administer and manage the account. Any taxes due on the funds
14 in the account, or interest earned on it, will be paid from the
15 account or, if insufficient monies are available in the
16 account, from the monies collected under the tariffed charges
17 to recover the costs of procuring renewable energy resources.
18 Monies deposited in the account shall be subject to the
19 review, reconciliation, and true-up process described in this
20 subsection (k) that is applicable to the funds collected and
21 costs incurred for the procurement of renewable energy
22 resources.

23 The electric utility shall be entitled to recover all of
24 the costs identified in this subsection (k) through automatic
25 adjustment clause tariffs applicable to all of the utility's
26 retail customers that allow the electric utility to adjust its

1 tariffed charges consistent with this subsection (k). The
2 determination as to whether any excess funds were collected
3 during a given delivery year for the purchase of renewable
4 energy resources, and the crediting of any excess funds back
5 to retail customers, shall not be made until after the close of
6 the delivery year, which will ensure that the maximum amount
7 of funds is available to implement the approved long-term
8 renewable resources procurement plan during a given delivery
9 year. The amount of excess funds eligible to be credited back
10 to retail customers shall be reduced by an amount equal to the
11 payment obligations required by any contracts entered into by
12 an electric utility under contracts described in subsection
13 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
14 Illinois Power Agency Act, even if such payments have not yet
15 been made and regardless of the delivery year in which those
16 payment obligations were incurred. Notwithstanding anything to
17 the contrary, including in tariffs authorized by this
18 subsection (k) in effect before the effective date of this
19 amendatory Act of the 102nd General Assembly, all unspent
20 funds as of May 31, 2021, excluding any funds credited to
21 customers during any utility billing cycle that commences
22 prior to the effective date of this amendatory Act of the 102nd
23 General Assembly, shall remain in the utility account and
24 shall on a first in, first out basis be used toward utility
25 payment obligations under contracts described in subsection
26 (b) of Section 1-56 and subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act. The electric utility's collections
2 under such automatic adjustment clause tariffs to recover the
3 costs of renewable energy resources, zero emission credits
4 from zero emission facilities, energy storage resources, and
5 carbon mitigation credits from carbon-free energy resources
6 shall be subject to separate annual review, reconciliation,
7 and true-up against actual costs by the Commission under a
8 procedure that shall be specified in the electric utility's
9 automatic adjustment clause tariffs and that shall be approved
10 by the Commission in connection with its approval of such
11 tariffs. The procedure shall provide that any difference
12 between the electric utility's collections for energy storage
13 resources, zero emission credits, and carbon mitigation
14 credits under the automatic adjustment charges for an annual
15 period and the electric utility's actual costs of energy
16 storage resources, zero emission credits from zero emission
17 facilities, and carbon mitigation credits from carbon-free
18 energy resources for that same annual period shall be refunded
19 to or collected from, as applicable, the electric utility's
20 retail customers in subsequent periods.

21 Nothing in this subsection (k) is intended to affect,
22 limit, or change the right of the electric utility to recover
23 the costs associated with the procurement of renewable energy
24 resources for periods commencing before, on, or after June 1,
25 2017, as otherwise provided in the Illinois Power Agency Act.

26 The funding available under this subsection (k), if any,

1 for the programs described under subsection (b) of Section
2 1-56 of the Illinois Power Agency Act shall not reduce the
3 amount of funding for the programs described in subparagraph
4 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
5 Illinois Power Agency Act. If funding is available under this
6 subsection (k) for programs described under subsection (b) of
7 Section 1-56 of the Illinois Power Agency Act, then the
8 long-term renewable resources plan shall provide for the
9 Agency to procure contracts in an amount that does not exceed
10 the funding, and the contracts approved by the Commission
11 shall be executed by the applicable utility or utilities.

12 (1) A utility that has terminated any contract executed
13 under subsection (d-5) or (d-10) of Section 1-75 of the
14 Illinois Power Agency Act shall be entitled to recover any
15 remaining balance associated with the purchase of zero
16 emission credits prior to such termination, and such utility
17 shall also apply a credit to its retail customer bills in the
18 event of any over-collection.

19 (m)(1) An electric utility that recovers its costs of
20 procuring zero emission credits from zero emission facilities
21 through a cents-per-kilowatthour charge under subsection (k)
22 of this Section shall be subject to the requirements of this
23 subsection (m). Notwithstanding anything to the contrary, such
24 electric utility shall, beginning on April 30, 2018, and each
25 April 30 thereafter until April 30, 2026, calculate whether
26 any reduction must be applied to such cents-per-kilowatthour

1 charge that is paid by retail customers of the electric
2 utility that have opted out of subsections (a) through (j) of
3 Section 8-103B of this Act under subsection (l) of Section
4 8-103B. Such charge shall be reduced for such customers for
5 the next delivery year commencing on June 1 based on the amount
6 necessary, if any, to limit the annual estimated average net
7 increase for the prior calendar year due to the future energy
8 investment costs to no more than 1.3% of 5.98 cents per
9 kilowatt-hour, which is the average amount paid per
10 kilowatthour for electric service during the year ending
11 December 31, 2015 by Illinois industrial retail customers, as
12 reported to the Edison Electric Institute.

13 The calculations required by this subsection (m) shall be
14 made only once for each year, and no subsequent rate impact
15 determinations shall be made.

16 (2) For purposes of this Section, "future energy
17 investment costs" shall be calculated by subtracting the
18 cents-per-kilowatthour charge identified in subparagraph (A)
19 of this paragraph (2) from the sum of the
20 cents-per-kilowatthour charges identified in subparagraph (B)
21 of this paragraph (2):

22 (A) The cents-per-kilowatthour charge identified in
23 the electric utility's tariff placed into effect under
24 Section 8-103 of the Public Utilities Act that, on
25 December 1, 2016, was applicable to those retail customers
26 that have opted out of subsections (a) through (j) of

1 Section 8-103B of this Act under subsection (l) of Section
2 8-103B.

3 (B) The sum of the following cents-per-kilowatthour
4 charges applicable to those retail customers that have
5 opted out of subsections (a) through (j) of Section 8-103B
6 of this Act under subsection (l) of Section 8-103B,
7 provided that if one or more of the following charges has
8 been in effect and applied to such customers for more than
9 one calendar year, then each charge shall be equal to the
10 average of the charges applied over a period that
11 commences with the calendar year ending December 31, 2017
12 and ends with the most recently completed calendar year
13 prior to the calculation required by this subsection (m):

14 (i) the cents-per-kilowatthour charge to recover
15 the costs incurred by the utility under subsection
16 (d-5) of Section 1-75 of the Illinois Power Agency
17 Act, adjusted for any reductions required under this
18 subsection (m); and

19 (ii) the cents-per-kilowatthour charge to recover
20 the costs incurred by the utility under Section
21 16-107.6 of the Public Utilities Act.

22 If no charge was applied for a given calendar year
23 under item (i) or (ii) of this subparagraph (B), then the
24 value of the charge for that year shall be zero.

25 (3) If a reduction is required by the calculation
26 performed under this subsection (m), then the amount of the

1 reduction shall be multiplied by the number of years reflected
2 in the averages calculated under subparagraph (B) of paragraph
3 (2) of this subsection (m). Such reduction shall be applied to
4 the cents-per-kilowatthour charge that is applicable to those
5 retail customers that have opted out of subsections (a)
6 through (j) of Section 8-103B of this Act under subsection (1)
7 of Section 8-103B beginning with the next delivery year
8 commencing after the date of the calculation required by this
9 subsection (m).

10 (4) The electric utility shall file a notice with the
11 Commission on May 1 of 2018 and each May 1 thereafter until May
12 1, 2026 containing the reduction, if any, which must be
13 applied for the delivery year which begins in the year of the
14 filing. The notice shall contain the calculations made
15 pursuant to this Section. By October 1 of each year beginning
16 in 2018, each electric utility shall notify the Commission if
17 it appears, based on an estimate of the calculation required
18 in this subsection (m), that a reduction will be required in
19 the next year.

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

21 (220 ILCS 5/16-111.5)

22 Sec. 16-111.5. Provisions relating to procurement.

23 (a) An electric utility that on December 31, 2005 served
24 at least 100,000 customers in Illinois shall procure power and
25 energy for its eligible retail customers in accordance with

1 the applicable provisions set forth in Section 1-75 of the
2 Illinois Power Agency Act and this Section. Beginning with the
3 delivery year commencing on June 1, 2017, such electric
4 utility shall also procure zero emission credits from zero
5 emission facilities in accordance with the applicable
6 provisions set forth in Section 1-75 of the Illinois Power
7 Agency Act, and, for years beginning on or after June 1, 2017,
8 the utility shall procure renewable energy resources in
9 accordance with the applicable provisions set forth in Section
10 1-75 of the Illinois Power Agency Act and this Section.
11 Beginning with the delivery year commencing on June 1, 2022,
12 an electric utility serving over 3,000,000 customers shall
13 also procure carbon mitigation credits from carbon-free energy
14 resources in accordance with the applicable provisions set
15 forth in Section 1-75 of the Illinois Power Agency Act and this
16 Section. Beginning with the delivery year commencing on June
17 1, 2025, an electric utility serving more than 300,000
18 customers in the State as of January 1, 2019 shall also procure
19 energy storage resources in accordance with the applicable
20 provisions of subsection (d-20) of Section 1-75 of the
21 Illinois Power Agency Act and this Section. A small
22 multi-jurisdictional electric utility that on December 31,
23 2005 served less than 100,000 customers in Illinois may elect
24 to procure power and energy for all or a portion of its
25 eligible Illinois retail customers in accordance with the
26 applicable provisions set forth in this Section and Section

1 1-75 of the Illinois Power Agency Act. This Section shall not
2 apply to a small multi-jurisdictional utility until such time
3 as a small multi-jurisdictional utility requests the Illinois
4 Power Agency to prepare a procurement plan for its eligible
5 retail customers. "Eligible retail customers" for the purposes
6 of this Section means those retail customers that purchase
7 power and energy from the electric utility under fixed-price
8 bundled service tariffs, other than those retail customers
9 whose service is declared or deemed competitive under Section
10 16-113 and those other customer groups specified in this
11 Section, including self-generating customers, customers
12 electing hourly pricing, or those customers who are otherwise
13 ineligible for fixed-price bundled tariff service. Except as
14 otherwise provided for in subsection (b-10), for ~~For~~ those
15 customers that are excluded from the procurement plan's
16 electric supply service requirements, ~~and~~ the utility shall
17 procure any supply requirements, including capacity, ancillary
18 services, and hourly priced energy, in the applicable markets
19 as needed to serve those customers, provided that the utility
20 may include in its procurement plan load requirements for the
21 load that is associated with those retail customers whose
22 service has been declared or deemed competitive pursuant to
23 Section 16-113 of this Act to the extent that those customers
24 are purchasing power and energy during one of the transition
25 periods identified in subsection (b) of Section 16-113 of this
26 Act.

1 (b) A procurement plan shall be prepared for each electric
2 utility consistent with the applicable requirements of the
3 Illinois Power Agency Act and this Section. For purposes of
4 this Section, Illinois electric utilities that are affiliated
5 by virtue of a common parent company are considered to be a
6 single electric utility. Small multi-jurisdictional utilities
7 may request a procurement plan for a portion of or all of its
8 Illinois load. Each procurement plan shall analyze the
9 projected balance of supply and demand for those retail
10 customers to be included in the plan's electric supply service
11 requirements over a 5-year period, with the first planning
12 year beginning on June 1 of the year following the year in
13 which the plan is filed. The plan shall specifically identify
14 the wholesale products to be procured following plan approval,
15 and shall follow all the requirements set forth in the Public
16 Utilities Act and all applicable State and federal laws,
17 statutes, rules, or regulations, as well as Commission orders.
18 Nothing in this Section precludes consideration of contracts
19 longer than 5 years and related forecast data. Unless
20 specified otherwise in this Section, in the procurement plan
21 or in the implementing tariff, any procurement occurring in
22 accordance with this plan shall be competitively bid through a
23 request for proposals process. Approval and implementation of
24 the procurement plan shall be subject to review and approval
25 by the Commission according to the provisions set forth in
26 this Section. A procurement plan shall include each of the

1 following components:

2 (1) Hourly load analysis. This analysis shall include:

3 (i) multi-year historical analysis of hourly
4 loads;

5 (ii) switching trends and competitive retail
6 market analysis;

7 (iii) known or projected changes to future loads;
8 and

9 (iv) growth forecasts by customer class.

10 (2) Analysis of the impact of any demand side and
11 renewable energy initiatives. This analysis shall include:

12 (i) the impact of demand response programs and
13 energy efficiency programs, both current and
14 projected; for small multi-jurisdictional utilities,
15 the impact of demand response and energy efficiency
16 programs approved pursuant to Section 8-408 of this
17 Act, both current and projected; and

18 (ii) supply side needs that are projected to be
19 offset by purchases of renewable energy resources, if
20 any.

21 (3) A plan for meeting the expected load requirements
22 that will not be met through preexisting contracts. This
23 plan shall include:

24 (i) definitions of the different Illinois retail
25 customer classes for which supply is being purchased;

26 (ii) the proposed mix of demand-response products

1 for which contracts will be executed during the next
2 year. For small multi-jurisdictional electric
3 utilities that on December 31, 2005 served fewer than
4 100,000 customers in Illinois, these shall be defined
5 as demand-response products offered in an energy
6 efficiency plan approved pursuant to Section 8-408 of
7 this Act. The cost-effective demand-response measures
8 shall be procured whenever the cost is lower than
9 procuring comparable capacity products, provided that
10 such products shall:

11 (A) be procured by a demand-response provider
12 from those retail customers included in the plan's
13 electric supply service requirements;

14 (B) at least satisfy the demand-response
15 requirements of the regional transmission
16 organization market in which the utility's service
17 territory is located, including, but not limited
18 to, any applicable capacity or dispatch
19 requirements;

20 (C) provide for customers' participation in
21 the stream of benefits produced by the
22 demand-response products;

23 (D) provide for reimbursement by the
24 demand-response provider of the utility for any
25 costs incurred as a result of the failure of the
26 supplier of such products to perform its

obligations thereunder; and

(E) meet the same credit requirements as apply to suppliers of capacity, in the applicable regional transmission organization market;

(iii) monthly forecasted system supply requirements, including expected minimum, maximum, and average values for the planning period;

(iv) the proposed mix and selection of standard wholesale products for which contracts will be executed during the next year, separately or in combination, to meet that portion of its load requirements not met through pre-existing contracts, including but not limited to monthly 5 x 16 peak period block energy, monthly off-peak wrap energy, monthly 7 x 24 energy, annual 5 x 16 energy, other standardized energy or capacity products designed to provide eligible retail customer benefits from commercially deployed advanced technologies including but not limited to high voltage direct current converter stations, as such term is defined in Section 1-10 of the Illinois Power Agency Act, whether or not such product is currently available in wholesale markets, annual off-peak wrap energy, annual 7 x 24 energy, monthly capacity, annual capacity, peak load capacity obligations, capacity purchase plan, and ancillary services;

1 (v) proposed term structures for each wholesale
2 product type included in the proposed procurement plan
3 portfolio of products; and

4 (vi) an assessment of the price risk, load
5 uncertainty, and other factors that are associated
6 with the proposed procurement plan; this assessment,
7 to the extent possible, shall include an analysis of
8 the following factors: contract terms, time frames for
9 securing products or services, fuel costs, weather
10 patterns, transmission costs, market conditions, and
11 the governmental regulatory environment; the proposed
12 procurement plan shall also identify alternatives for
13 those portfolio measures that are identified as having
14 significant price risk and mitigation in the form of
15 additional retail customer and ratepayer price,
16 reliability, and environmental benefits from
17 standardized energy products delivered from
18 commercially deployed advanced technologies,
19 including, but not limited to, high voltage direct
20 current converter stations, as such term is defined in
21 Section 1-10 of the Illinois Power Agency Act, whether
22 or not such product is currently available in
23 wholesale markets.

24 (4) Proposed procedures for balancing loads. The
25 procurement plan shall include, for load requirements
26 included in the procurement plan, the process for (i)

1 hourly balancing of supply and demand and (ii) the
2 criteria for portfolio re-balancing in the event of
3 significant shifts in load.

4 (5) Long-Term Renewable Resources Procurement Plan.
5 The Agency shall prepare a long-term renewable resources
6 procurement plan for the procurement of renewable energy
7 credits under Sections 1-56 and 1-75 of the Illinois Power
8 Agency Act for delivery beginning in the 2017 delivery
9 year.

10 (i) The initial long-term renewable resources
11 procurement plan and all subsequent revisions shall be
12 subject to review and approval by the Commission. For
13 the purposes of this Section, "delivery year" has the
14 same meaning as in Section 1-10 of the Illinois Power
15 Agency Act. For purposes of this Section, "Agency"
16 shall mean the Illinois Power Agency.

17 (ii) The long-term renewable resources planning
18 process shall be conducted as follows:

19 (A) Electric utilities shall provide a range
20 of load forecasts to the Illinois Power Agency
21 within 45 days of the Agency's request for
22 forecasts, which request shall specify the length
23 and conditions for the forecasts including, but
24 not limited to, the quantity of distributed
25 generation expected to be interconnected for each
26 year.

1 (B) The Agency shall publish for comment the
2 initial long-term renewable resources procurement
3 plan no later than 120 days after the effective
4 date of this amendatory Act of the 99th General
5 Assembly and shall review, and may revise, the
6 plan at least every 2 years thereafter. To the
7 extent practicable, the Agency shall review and
8 propose any revisions to the long-term renewable
9 energy resources procurement plan in conjunction
10 with the Agency's other planning and approval
11 processes conducted under this Section. The
12 initial long-term renewable resources procurement
13 plan shall:

14 (aa) Identify the procurement programs and
15 competitive procurement events consistent with
16 the applicable requirements of the Illinois
17 Power Agency Act and shall be designed to
18 achieve the goals set forth in subsection (c)
19 of Section 1-75 of that Act.

20 (bb) Include a schedule for procurements
21 for renewable energy credits from
22 utility-scale wind projects, utility-scale
23 solar projects, and brownfield site
24 photovoltaic projects consistent with
25 subparagraph (G) of paragraph (1) of
26 subsection (c) of Section 1-75 of the Illinois

1 Power Agency Act.

2 (cc) Identify the process whereby the
3 Agency will submit to the Commission for
4 review and approval the proposed contracts to
5 implement the programs required by such plan.

6 If so authorized by the Commission in its
7 order approving the procurement plan, the
8 procurement plan shall provide that small
9 multi-jurisdictional electric utilities that on
10 December 31, 2005 served fewer than 100,000
11 customers in Illinois shall, in lieu of serving as
12 counterparties to contracts for the delivery of
13 renewable energy credits, instead provide an
14 equivalent amount in collections to utilities that
15 served at least 100,000 customers in Illinois as a
16 compliance payment for the procurement of
17 additional renewable energy credits to satisfy
18 that small multi-jurisdictional electric utility's
19 obligation for compliance with the goals set forth
20 in subsection (c) of Section 1-75 of the Illinois
21 Power Agency Act. This authorization may include
22 the transfer of existing contract obligations.

23 Copies of the initial long-term renewable
24 resources procurement plan and all subsequent
25 revisions shall be posted and made publicly
26 available on the Agency's and Commission's

1 websites, and copies shall also be provided to
2 each affected electric utility. An affected
3 utility and other interested parties shall have 45
4 days following the date of posting to provide
5 comment to the Agency on the initial long-term
6 renewable resources procurement plan and all
7 subsequent revisions. All comments submitted to
8 the Agency shall be specific, supported by data or
9 other detailed analyses, and, if objecting to all
10 or a portion of the procurement plan, accompanied
11 by specific alternative wording or proposals. All
12 comments shall be posted on the Agency's and
13 Commission's websites. During this 45-day comment
14 period, the Agency shall hold at least one virtual
15 or in-person public hearing for ~~within~~ each
16 utility's service area that is subject to the
17 requirements of this paragraph (5) for the purpose
18 of receiving public comment. Within 21 days
19 following the end of the 45-day review period, the
20 Agency may revise the long-term renewable
21 resources procurement plan based on the comments
22 received and shall file the plan with the
23 Commission for review and approval.

24 (C) Within 14 days after the filing of the
25 initial long-term renewable resources procurement
26 plan or any subsequent revisions, any person

1 objecting to the plan may file an objection with
2 the Commission. Within 21 days after the filing of
3 the plan, the Commission shall determine whether a
4 hearing is necessary. The Commission shall enter
5 its order confirming or modifying the initial
6 long-term renewable resources procurement plan or
7 any subsequent revisions within 120 days after the
8 filing of the plan by the Illinois Power Agency.

9 (D) The Commission shall approve the initial
10 long-term renewable resources procurement plan and
11 any subsequent revisions, including expressly the
12 forecast used in the plan and taking into account
13 that funding will be limited to the amount of
14 revenues actually collected by the utilities, if
15 the Commission determines that the plan will
16 reasonably and prudently accomplish the
17 requirements of Section 1-56 and subsection (c) of
18 Section 1-75 of the Illinois Power Agency Act. The
19 Commission shall also approve the process for the
20 submission, review, and approval of the proposed
21 contracts to procure renewable energy credits or
22 implement the programs authorized by the
23 Commission pursuant to a long-term renewable
24 resources procurement plan approved under this
25 Section.

26 In approving any long-term renewable resources

1 procurement plan after the effective date of this
2 amendatory Act of the 102nd General Assembly, the
3 Commission shall approve or modify the Agency's
4 proposal for minimum equity standards pursuant to
5 subsection (c-10) of Section 1-75 of the Illinois
6 Power Agency Act. The Commission shall consider
7 any analysis performed by the Agency in developing
8 its proposal, including past performance,
9 availability of equity eligible contractors, and
10 availability of equity eligible persons at the
11 time the long-term renewable resources procurement
12 plan is approved.

13 (iii) The Agency or third parties contracted by
14 the Agency shall implement all programs authorized by
15 the Commission in an approved long-term renewable
16 resources procurement plan without further review and
17 approval by the Commission. Third parties shall not
18 begin implementing any programs or receive any payment
19 under this Section until the Commission has approved
20 the contract or contracts under the process authorized
21 by the Commission in item (D) of subparagraph (ii) of
22 paragraph (5) of this subsection (b) and the third
23 party and the Agency or utility, as applicable, have
24 executed the contract. For those renewable energy
25 credits subject to procurement through a competitive
26 bid process under the plan or under the initial

1 forward procurements for wind and solar resources
2 described in subparagraph (G) of paragraph (1) of
3 subsection (c) of Section 1-75 of the Illinois Power
4 Agency Act, the Agency shall follow the procurement
5 process specified in the provisions relating to
6 electricity procurement in subsections (e) through (i)
7 of this Section.

8 (iv) An electric utility shall recover its costs
9 associated with the procurement of renewable energy
10 credits under this Section and pursuant to subsection
11 (c-5) of Section 1-75 of the Illinois Power Agency Act
12 through an automatic adjustment clause tariff under
13 subsection (k) or a tariff pursuant to subsection
14 (i-5), as applicable, of Section 16-108 of this Act. A
15 utility shall not be required to advance any payment
16 or pay any amounts under this Section that exceed the
17 actual amount of revenues collected by the utility
18 under paragraph (6) of subsection (c) of Section 1-75
19 of the Illinois Power Agency Act, subsection (c-5) of
20 Section 1-75 of the Illinois Power Agency Act, and
21 subsection (k) or subsection (i-5), as applicable, of
22 Section 16-108 of this Act, and contracts executed
23 under this Section shall expressly incorporate this
24 limitation.

25 (v) For the public interest, safety, and welfare,
26 the Agency and the Commission may adopt rules to carry

1 out the provisions of this Section on an emergency
2 basis immediately following the effective date of this
3 amendatory Act of the 99th General Assembly.

4 (vi) On or before July 1 of each year, the
5 Commission shall hold an informal hearing for the
6 purpose of receiving comments on the prior year's
7 procurement process and any recommendations for
8 change.

9 (6) Energy Storage System Resources Procurement Plan.

10 The Agency shall prepare an energy storage system
11 resources procurement plan for the procurement of energy
12 storage system resources in compliance with this Section
13 and subsection (d-20) of Section 1-75 of the Illinois
14 Power Agency Act.

15 (i) The initial energy storage system resources
16 procurement plan and all subsequent revisions shall be
17 subject to review and approval by the Commission. For
18 the purposes of this paragraph (6), "delivery year"
19 has the meaning given to that term in Section 1-10 of
20 the Illinois Power Agency Act, and "Agency" means the
21 Illinois Power Agency.

22 (ii) The energy storage system resources
23 procurement planning process shall be conducted as
24 follows:

25 (A) The Agency shall publish for comment the
26 initial energy storage system resources

1 procurement plan no later than August 15, 2027 and
2 may revise the plan at least every 2 years
3 thereafter. To the extent practicable, the Agency
4 shall review and propose any revisions to the
5 energy storage system resources procurement plan
6 in conjunction with the Agency's long-term
7 renewable resources procurement plan. The initial
8 energy storage system resources plan shall:

9 (aa) include a schedule for procurements
10 for energy storage system resources consistent
11 with subsection (d-20) of Section 1-75 of the
12 Illinois Power Agency Act; and

13 (bb) identify the process whereby the
14 Agency will submit to the Commission for
15 review and approval the proposed contracts to
16 implement the programs required by the plan.

17 Copies of the initial energy storage system
18 resources procurement plan and all subsequent
19 revisions shall be posted and made publicly
20 available on the Agency's and Commission's
21 websites, and copies shall also be provided to
22 each affected electric utility. An affected
23 utility and other interested parties shall have 45
24 days after the date of posting to provide comment
25 to the Agency on the initial storage system
26 resources procurement plan and all subsequent

1 revisions. All comments shall be posted on the
2 Agency's and the Commission's websites.

3 (B) The Commission shall approve the initial
4 energy storage system resources procurement plan
5 and any subsequent revisions if the Commission
6 determines that the plan will reasonably and
7 prudently accomplish the requirements of
8 subsection (d-20) of Section 1-75 of the Illinois
9 Power Agency Act. The Commission shall also
10 approve the process for the submission, review,
11 and approval of the proposed contracts to procure
12 energy storage system resources or implement the
13 programs authorized by the Commission pursuant to
14 a long-term energy storage resources procurement
15 plan approved under this Section.

16 (iii) The Agency or third parties contracted by
17 the Agency shall implement all programs authorized by
18 the Commission in an approved energy storage system
19 resources procurement plan without further review and
20 approval by the Commission. Third parties shall not
21 begin implementing any programs or receive any payment
22 under this Section until the Commission has approved a
23 contract under the energy storage system resources
24 procurement process under this Section.

25 (iv) An electric utility shall recover its costs
26 associated with the procurement of energy storage

1 system resources procurements under this Section and
2 under subsection (d-20) of Section 1-75 of the
3 Illinois Power Agency Act through an automatic
4 adjustment clause tariff under subsection (k) of
5 Section 16-108.

6 (b-5) An electric utility that as of January 1, 2019
7 served more than 300,000 retail customers in this State shall
8 purchase renewable energy credits from new renewable energy
9 facilities constructed at or adjacent to the sites of
10 coal-fueled electric generating facilities in this State in
11 accordance with subsection (c-5) of Section 1-75 of the
12 Illinois Power Agency Act and shall purchase renewable energy
13 credits, or other services as applicable, for energy storage
14 system resources in accordance with Section 1-93 of the
15 Illinois Power Agency Act. Except as expressly provided in
16 this Section, the plans and procedures for such procurements
17 shall not be included in the procurement plans provided for in
18 this Section, but rather shall be conducted and implemented
19 solely in accordance with subsection (c-5) of Section 1-75 of
20 the Illinois Power Agency Act.

21 (b-10) In recognition of the potential need to facilitate
22 additional supply to address any resource adequacy challenges
23 through a stable and competitively neutral cost allocation
24 mechanism, upon an identification of need by the Commission
25 pursuant to the integrated resource planning process outlined
26 in Section 16-201, the procurement plan described in

1 subsection (b) may also include the procurement of energy,
2 capacity, environmental attributes, or some combination
3 thereof intended to serve all retail customers. Any
4 procurements proposed under this subsection (b-10) shall
5 feature long-term contracts, shall be structured to facilitate
6 new and additive supply resources, and shall be sized to
7 ensure that the substantial majority of any load-serving
8 entity's supply portfolio is not composed of contracts awarded
9 under this subsection (b-10).

10 (1) Facilities eligible for long-term contracts under
11 this subsection (b-10) must be new clean energy resources,
12 as defined in Section 1-10 of the Illinois Power Agency
13 Act, and must qualify as an accredited capacity resource
14 within the service areas of PJM Interconnection, LLC, or
15 Midcontinent Independent System Operator, Inc. For
16 purposes of this subsection (b-10), "new" means energized
17 on or after the effective date of this amendatory Act of
18 the 104th General Assembly.

19 (2) Contracts may take the form of a sourcing
20 agreement, power purchase agreement, or other instrument
21 as determined by the Commission in approving the plan, and
22 may feature fixed or variable pricing structures,
23 including utilization of a contract for differences in
24 pricing structure. Contracts may feature both electric
25 utilities and alternative retail electric suppliers as
26 counterparties. In approving the contract structure

1 utilized for any contract awards made pursuant to this
2 subsection (b-10), the Commission shall prioritize
3 structures that ensure stable, reliable, and competitively
4 neutral allocations of costs and responsibilities.

5 (3) Purchases made under contracts awarded through
6 this subsection (b-10) shall be funded in a competitively
7 neutral manner as determined by the Commission in
8 approving the plan. To meet contract obligations, the
9 Commission may order collections from all retail customers
10 or from all load-serving entities, including alternative
11 retail electric suppliers as defined in Section 16-102 of
12 this Act, as a means of ensuring a fair and competitively
13 neutral allocation of contract costs.

14 (4) The Agency may propose and the Commission may
15 approve additional terms, conditions, and requirements
16 applicable to this procurement process through development
17 and approval of the Agency's annual electricity
18 procurement plan.

19 (5) New supply resources supported through this
20 subsection (b-10) shall be cost-effective. For purposes of
21 this subsection (b-10), "cost-effective" means a
22 Commission determination that awarding a contract to the
23 resource will result a projected net reduction in the cost
24 of service for Illinois ratepayers over the contract term
25 relative to a scenario where the resource was not
26 developed, taking into account the value of the resource's

1 environmental attributes, projected impact on energy and
2 capacity prices, and additional potential reliability and
3 resource adequacy benefits.

4 (6) The manner and form for developing contracts,
5 qualifying potential counterparties, and awarding
6 contracts shall be proposed as part of the annual
7 electricity procurement plan described in this subsection
8 (b-10). However, to the extent practicable, the proposed
9 approach for contract development and award should
10 endeavor to follow the provisions of subsections (c) and
11 (e) through (i) of this Section.

12 (7) As further outlined in Section 16-115A, compliance
13 with any procurement process proposed under this
14 subsection (b-10) shall be considered a condition of
15 service for alternative retail electric suppliers.

16 (c) The provisions of this subsection (c) shall not apply
17 to procurements conducted pursuant to subsection (c-5) of
18 Section 1-75 of the Illinois Power Agency Act. However, the
19 Agency may retain a procurement administrator to assist the
20 Agency in planning and carrying out the procurement events and
21 implementing the other requirements specified in such
22 subsection (c-5) of Section 1-75 of the Illinois Power Agency
23 Act, with the costs incurred by the Agency for the procurement
24 administrator to be recovered through fees charged to
25 applicants for selection to sell and deliver renewable energy
26 credits to electric utilities pursuant to subsection (c-5) of

1 Section 1-75 of the Illinois Power Agency Act. The procurement
2 process set forth in Section 1-75 of the Illinois Power Agency
3 Act and subsection (e) of this Section shall be administered
4 by a procurement administrator and monitored by a procurement
5 monitor.

6 (1) The procurement administrator shall:

7 (i) design the final procurement process in
8 accordance with Section 1-75 of the Illinois Power
9 Agency Act and subsection (e) of this Section
10 following Commission approval of the procurement plan;

11 (ii) develop benchmarks in accordance with
12 subsection (e)(3) to be used to evaluate bids; these
13 benchmarks shall be submitted to the Commission for
14 review and approval on a confidential basis prior to
15 the procurement event;

16 (iii) serve as the interface between the electric
17 utility and suppliers;

18 (iv) manage the bidder pre-qualification and
19 registration process;

20 (v) obtain the electric utilities' agreement to
21 the final form of all supply contracts and credit
22 collateral agreements;

23 (vi) administer the request for proposals process;

24 (vii) have the discretion to negotiate to
25 determine whether bidders are willing to lower the
26 price of bids that meet the benchmarks approved by the

1 Commission; any post-bid negotiations with bidders
2 shall be limited to price only and shall be completed
3 within 24 hours after opening the sealed bids and
4 shall be conducted in a fair and unbiased manner; in
5 conducting the negotiations, there shall be no
6 disclosure of any information derived from proposals
7 submitted by competing bidders; if information is
8 disclosed to any bidder, it shall be provided to all
9 competing bidders;

10 (viii) maintain confidentiality of supplier and
11 bidding information in a manner consistent with all
12 applicable laws, rules, regulations, and tariffs;

13 (ix) submit a confidential report to the
14 Commission recommending acceptance or rejection of
15 bids;

16 (x) notify the utility of contract counterparties
17 and contract specifics; and

18 (xi) administer related contingency procurement
19 events.

20 (2) The procurement monitor, who shall be retained by
21 the Commission, shall:

22 (i) monitor interactions among the procurement
23 administrator, suppliers, and utility;

24 (ii) monitor and report to the Commission on the
25 progress of the procurement process;

26 (iii) provide an independent confidential report

1 to the Commission regarding the results of the
2 procurement event;

3 (iv) assess compliance with the procurement plans
4 approved by the Commission for each utility that on
5 December 31, 2005 provided electric service to at
6 least 100,000 customers in Illinois and for each small
7 multi-jurisdictional utility that on December 31, 2005
8 served less than 100,000 customers in Illinois;

9 (v) preserve the confidentiality of supplier and
10 bidding information in a manner consistent with all
11 applicable laws, rules, regulations, and tariffs;

12 (vi) provide expert advice to the Commission and
13 consult with the procurement administrator regarding
14 issues related to procurement process design, rules,
15 protocols, and policy-related matters; and

16 (vii) consult with the procurement administrator
17 regarding the development and use of benchmark
18 criteria, standard form contracts, credit policies,
19 and bid documents.

20 (d) Except as provided in subsection (j), the planning
21 process shall be conducted as follows:

22 (1) Beginning in 2008, each Illinois utility procuring
23 power pursuant to this Section shall annually provide a
24 range of load forecasts to the Illinois Power Agency by
25 July 15 of each year, or such other date as may be required
26 by the Commission or Agency. The load forecasts shall

1 cover the 5-year procurement planning period for the next
2 procurement plan and shall include hourly data
3 representing a high-load, low-load, and expected-load
4 scenario for the load of those retail customers included
5 in the plan's electric supply service requirements. The
6 utility shall provide supporting data and assumptions for
7 each of the scenarios.

8 (2) Beginning in 2008, the Illinois Power Agency shall
9 prepare a procurement plan by August 15th of each year, or
10 such other date as may be required by the Commission. The
11 procurement plan shall identify the portfolio of
12 demand-response and power and energy products to be
13 procured. Cost-effective demand-response measures shall be
14 procured as set forth in item (iii) of subsection (b) of
15 this Section. Copies of the procurement plan shall be
16 posted and made publicly available on the Agency's and
17 Commission's websites, and copies shall also be provided
18 to each affected electric utility. An affected utility
19 shall have 30 days following the date of posting to
20 provide comment to the Agency on the procurement plan.
21 Other interested entities also may comment on the
22 procurement plan. All comments submitted to the Agency
23 shall be specific, supported by data or other detailed
24 analyses, and, if objecting to all or a portion of the
25 procurement plan, accompanied by specific alternative
26 wording or proposals. All comments shall be posted on the

1 Agency's and Commission's websites. During this 30-day
2 comment period, the Agency shall hold at least one virtual
3 or in-person public hearing for ~~within~~ each utility's
4 service area for the purpose of receiving public comment
5 on the procurement plan. Within 14 days following the end
6 of the 30-day review period, the Agency shall revise the
7 procurement plan as necessary based on the comments
8 received and file the procurement plan with the Commission
9 and post the procurement plan on the websites.

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

18 (4) The Commission shall approve the procurement plan,
19 including expressly the forecast used in the procurement
20 plan, if the Commission determines that it will ensure
21 adequate, reliable, affordable, efficient, and
22 environmentally sustainable electric service at the lowest
23 total cost over time, taking into account any benefits of
24 price stability.

25 (4.5) The Commission shall review the Agency's
26 recommendations for the selection of applicants to enter

1 into long-term contracts for the sale and delivery of
2 renewable energy credits from new renewable energy
3 facilities to be constructed at or adjacent to the sites
4 of coal-fueled electric generating facilities in this
5 State in accordance with the provisions of subsection
6 (c-5) of Section 1-75 of the Illinois Power Agency Act,
7 and shall approve the Agency's recommendations if the
8 Commission determines that the applicants recommended by
9 the Agency for selection, the proposed new renewable
10 energy facilities to be constructed, the amounts of
11 renewable energy credits to be delivered pursuant to the
12 contracts, and the other terms of the contracts, are
13 consistent with the requirements of subsection (c-5) of
14 Section 1-75 of the Illinois Power Agency Act.

15 (e) The procurement process shall include each of the
16 following components:

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

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

10 (2) Standard contract forms and credit terms and
11 instruments. The procurement administrator, in
12 consultation with the utilities, the Commission, and other
13 interested parties and subject to Commission oversight,
14 shall develop and provide standard contract forms for the
15 supplier contracts that meet generally accepted industry
16 practices. Standard credit terms and instruments that meet
17 generally accepted industry practices shall be similarly
18 developed. The procurement administrator shall make
19 available to the Commission all written comments it
20 receives on the contract forms, credit terms, or
21 instruments. If the procurement administrator cannot reach
22 agreement with the applicable electric utility as to the
23 contract terms and conditions, the procurement
24 administrator must notify the Commission of any disputed
25 terms and the Commission shall resolve the dispute. The
26 terms of the contracts shall not be subject to negotiation

1 by winning bidders, and the bidders must agree to the
2 terms of the contract in advance so that winning bids are
3 selected solely on the basis of price.

4 (3) Establishment of a market-based price benchmark.
5 As part of the development of the procurement process, the
6 procurement administrator, in consultation with the
7 Commission staff, Agency staff, and the procurement
8 monitor, shall establish benchmarks for evaluating the
9 final prices in the contracts for each of the products
10 that will be procured through the procurement process. The
11 benchmarks shall be based on price data for similar
12 products for the same delivery period and same delivery
13 hub, or other delivery hubs after adjusting for that
14 difference. The price benchmarks may also be adjusted to
15 take into account differences between the information
16 reflected in the underlying data sources and the specific
17 products and procurement process being used to procure
18 power for the Illinois utilities. The benchmarks shall be
19 confidential but shall be provided to, and will be subject
20 to Commission review and approval, prior to a procurement
21 event.

22 (4) Request for proposals competitive procurement
23 process. The procurement administrator shall design and
24 issue a request for proposals to supply electricity in
25 accordance with each utility's procurement plan, as
26 approved by the Commission. The request for proposals

1 shall set forth a procedure for sealed, binding commitment
2 bidding with pay-as-bid settlement, and provision for
3 selection of bids on the basis of price.

4 (5) A plan for implementing contingencies in the event
5 of supplier default or failure of the procurement process
6 to fully meet the expected load requirement due to
7 insufficient supplier participation, Commission rejection
8 of results, or any other cause.

9 (i) Event of supplier default: In the event of
10 supplier default, the utility shall review the
11 contract of the defaulting supplier to determine if
12 the amount of supply is 200 megawatts or greater, and
13 if there are more than 60 days remaining of the
14 contract term. If both of these conditions are met,
15 and the default results in termination of the
16 contract, the utility shall immediately notify the
17 Illinois Power Agency that a request for proposals
18 must be issued to procure replacement power, and the
19 procurement administrator shall run an additional
20 procurement event. If the contracted supply of the
21 defaulting supplier is less than 200 megawatts or
22 there are less than 60 days remaining of the contract
23 term, the utility shall procure power and energy from
24 the applicable regional transmission organization
25 market, including ancillary services, capacity, and
26 day-ahead or real time energy, or both, for the

1 duration of the contract term to replace the
2 contracted supply; provided, however, that if a needed
3 product is not available through the regional
4 transmission organization market it shall be purchased
5 from the wholesale market.

6 (ii) Failure of the procurement process to fully
7 meet the expected load requirement: If the procurement
8 process fails to fully meet the expected load
9 requirement due to insufficient supplier participation
10 or due to a Commission rejection of the procurement
11 results, the procurement administrator, the
12 procurement monitor, and the Commission staff shall
13 meet within 10 days to analyze potential causes of low
14 supplier interest or causes for the Commission
15 decision. If changes are identified that would likely
16 result in increased supplier participation, or that
17 would address concerns causing the Commission to
18 reject the results of the prior procurement event, the
19 procurement administrator may implement those changes
20 and rerun the request for proposals process according
21 to a schedule determined by those parties and
22 consistent with Section 1-75 of the Illinois Power
23 Agency Act and this subsection. In any event, a new
24 request for proposals process shall be implemented by
25 the procurement administrator within 90 days after the
26 determination that the procurement process has failed

1 to fully meet the expected load requirement.

2 (iii) In all cases where there is insufficient
3 supply provided under contracts awarded through the
4 procurement process to fully meet the electric
5 utility's load requirement, the utility shall meet the
6 load requirement by procuring power and energy from
7 the applicable regional transmission organization
8 market, including ancillary services, capacity, and
9 day-ahead or real time energy, or both; provided,
10 however, that if a needed product is not available
11 through the regional transmission organization market
12 it shall be purchased from the wholesale market.

13 (6) The procurement processes described in this
14 subsection and in subsection (c-5) of Section 1-75 of the
15 Illinois Power Agency Act are exempt from the requirements
16 of the Illinois Procurement Code, pursuant to Section
17 20-10 of that Code.

18 (f) Within 2 business days after opening the sealed bids,
19 the procurement administrator shall submit a confidential
20 report to the Commission. The report shall contain the results
21 of the bidding for each of the products along with the
22 procurement administrator's recommendation for the acceptance
23 and rejection of bids based on the price benchmark criteria
24 and other factors observed in the process. The procurement
25 monitor also shall submit a confidential report to the
26 Commission within 2 business days after opening the sealed

1 bids. The report shall contain the procurement monitor's
2 assessment of bidder behavior in the process as well as an
3 assessment of the procurement administrator's compliance with
4 the procurement process and rules. The Commission shall review
5 the confidential reports submitted by the procurement
6 administrator and procurement monitor, and shall accept or
7 reject the recommendations of the procurement administrator
8 within 2 business days after receipt of the reports.

9 (g) Within 3 business days after the Commission decision
10 approving the results of a procurement event, the utility
11 shall enter into binding contractual arrangements with the
12 winning suppliers using the standard form contracts; except
13 that the utility shall not be required either directly or
14 indirectly to execute the contracts if a tariff that is
15 consistent with subsection (l) of this Section has not been
16 approved and placed into effect for that utility.

17 (h) For the procurement of standard wholesale products,
18 the names of the successful bidders and the load weighted
19 average of the winning bid prices for each contract type and
20 for each contract term shall be made available to the public at
21 the time of Commission approval of a procurement event. For
22 procurements conducted to meet the requirements of subsection
23 (b) of Section 1-56 or subsection (c) of Section 1-75 of the
24 Illinois Power Agency Act governed by the provisions of this
25 Section, the address and nameplate capacity of the new
26 renewable energy generating facility proposed by a winning

1 bidder shall also be made available to the public at the time
2 of Commission approval of a procurement event, along with the
3 business address and contact information for any winning
4 bidder. An estimate or approximation of the nameplate capacity
5 of the new renewable energy generating facility may be
6 disclosed if necessary to protect the confidentiality of
7 individual bid prices.

8 The Commission, the procurement monitor, the procurement
9 administrator, the Illinois Power Agency, and all participants
10 in the procurement process shall maintain the confidentiality
11 of all other supplier and bidding information in a manner
12 consistent with all applicable laws, rules, regulations, and
13 tariffs. Confidential information, including the confidential
14 reports submitted by the procurement administrator and
15 procurement monitor pursuant to subsection (f) of this
16 Section, shall not be made publicly available and shall not be
17 discoverable by any party in any proceeding, absent a
18 compelling demonstration of need, nor shall those reports be
19 admissible in any proceeding other than one for law
20 enforcement purposes.

21 For procurements conducted to meet the requirements of
22 subsection (b) of Section 1-56 or subsection (c) of Section
23 1-75 of the Illinois Power Agency Act, the Illinois Power
24 Agency may release aggregated information related to
25 participation levels across product types and the basis of
26 rejection for non-accepted bids if the Commission, the

1 procurement monitor, the procurement administrator, and the
2 Illinois Power Agency determine that the release of this
3 information would not result in the disclosure of confidential
4 bid information or negatively impact the competitiveness of
5 future renewable energy credit procurements. The Agency may
6 also release information about the development status of new
7 renewable energy projects under contract and project-specific
8 information about renewable energy credit delivery quantities
9 for projects under contract if the Commission, the procurement
10 monitor, the procurement administrator, and the Illinois Power
11 Agency determine that the release of this information would
12 not result in the disclosure of confidential bid information
13 or negatively impact the competitiveness of future renewable
14 energy credit procurements.

15 (i) Within 2 business days after a Commission decision
16 approving the results of a procurement event or such other
17 date as may be required by the Commission from time to time,
18 the utility shall file for informational purposes with the
19 Commission its actual or estimated retail supply charges, as
20 applicable, by customer supply group reflecting the costs
21 associated with the procurement and computed in accordance
22 with the tariffs filed pursuant to subsection (l) of this
23 Section and approved by the Commission.

24 (j) Within 60 days following August 28, 2007 (the
25 effective date of Public Act 95-481), each electric utility
26 that on December 31, 2005 provided electric service to at

1 least 100,000 customers in Illinois shall prepare and file
2 with the Commission an initial procurement plan, which shall
3 conform in all material respects to the requirements of the
4 procurement plan set forth in subsection (b); provided,
5 however, that the Illinois Power Agency Act shall not apply to
6 the initial procurement plan prepared pursuant to this
7 subsection. The initial procurement plan shall identify the
8 portfolio of power and energy products to be procured and
9 delivered for the period June 2008 through May 2009, and shall
10 identify the proposed procurement administrator, who shall
11 have the same experience and expertise as is required of a
12 procurement administrator hired pursuant to Section 1-75 of
13 the Illinois Power Agency Act. Copies of the procurement plan
14 shall be posted and made publicly available on the
15 Commission's website. The initial procurement plan may include
16 contracts for renewable resources that extend beyond May 2009.

17 (i) Within 14 days following filing of the initial
18 procurement plan, any person may file a detailed objection
19 with the Commission contesting the procurement plan
20 submitted by the electric utility. All objections to the
21 electric utility's plan shall be specific, supported by
22 data or other detailed analyses. The electric utility may
23 file a response to any objections to its procurement plan
24 within 7 days after the date objections are due to be
25 filed. Within 7 days after the date the utility's response
26 is due, the Commission shall determine whether a hearing

1 is necessary. If it determines that a hearing is
2 necessary, it shall require the hearing to be completed
3 and issue an order on the procurement plan within 60 days
4 after the filing of the procurement plan by the electric
5 utility.

6 (ii) The order shall approve or modify the procurement
7 plan, approve an independent procurement administrator,
8 and approve or modify the electric utility's tariffs that
9 are proposed with the initial procurement plan. The
10 Commission shall approve the procurement plan if the
11 Commission determines that it will ensure adequate,
12 reliable, affordable, efficient, and environmentally
13 sustainable electric service at the lowest total cost over
14 time, taking into account any benefits of price stability.

15 (k) (Blank).

16 (k-5) (Blank).

17 (l) An electric utility shall recover its costs incurred
18 under this Section and subsection (c-5) of Section 1-75 of the
19 Illinois Power Agency Act, including, but not limited to, the
20 costs of procuring power and energy demand-response resources
21 under this Section and its costs for purchasing renewable
22 energy credits pursuant to subsection (c-5) of Section 1-75 of
23 the Illinois Power Agency Act. The utility shall file with the
24 initial procurement plan its proposed tariffs through which
25 its costs of procuring power that are incurred pursuant to a
26 Commission-approved procurement plan and those other costs

1 identified in this subsection (1), will be recovered. The
2 tariffs shall include a formula rate or charge designed to
3 pass through both the costs incurred by the utility in
4 procuring a supply of electric power and energy for the
5 applicable customer classes with no mark-up or return on the
6 price paid by the utility for that supply, plus any just and
7 reasonable costs that the utility incurs in arranging and
8 providing for the supply of electric power and energy. The
9 formula rate or charge shall also contain provisions that
10 ensure that its application does not result in over or under
11 recovery due to changes in customer usage and demand patterns,
12 and that provide for the correction, on at least an annual
13 basis, of any accounting errors that may occur. A utility
14 shall recover through the tariff all reasonable costs incurred
15 to implement or comply with any procurement plan that is
16 developed and put into effect pursuant to Section 1-75 of the
17 Illinois Power Agency Act and this Section, and for the
18 procurement of renewable energy credits pursuant to subsection
19 (c-5) of Section 1-75 of the Illinois Power Agency Act,
20 including any fees assessed by the Illinois Power Agency,
21 costs associated with load balancing, and contingency plan
22 costs. The electric utility shall also recover its full costs
23 of procuring electric supply for which it contracted before
24 the effective date of this Section in conjunction with the
25 provision of full requirements service under fixed-price
26 bundled service tariffs subsequent to December 31, 2006. All

1 such costs shall be deemed to have been prudently incurred.
2 The pass-through tariffs that are filed and approved pursuant
3 to this Section shall not be subject to review under, or in any
4 way limited by, Section 16-111(i) of this Act. All of the costs
5 incurred by the electric utility associated with the purchase
6 of zero emission credits in accordance with subsection (d-5)
7 of Section 1-75 of the Illinois Power Agency Act, all costs
8 incurred by the electric utility associated with the purchase
9 of carbon mitigation credits in accordance with subsection
10 (d-10) of Section 1-75 of the Illinois Power Agency Act, and,
11 beginning June 1, 2017, all of the costs incurred by the
12 electric utility associated with the purchase of renewable
13 energy resources in accordance with Sections 1-56 and 1-75 of
14 the Illinois Power Agency Act, and all of the costs incurred by
15 the electric utility in purchasing renewable energy credits in
16 accordance with subsection (c-5) of Section 1-75 of the
17 Illinois Power Agency Act, shall be recovered through the
18 electric utility's tariffed charges applicable to all of its
19 retail customers, as specified in subsection (k) or subsection
20 (i-5), as applicable, of Section 16-108 of this Act, and shall
21 not be recovered through the electric utility's tariffed
22 charges for electric power and energy supply to its eligible
23 retail customers.

24 (m) The Commission has the authority to adopt rules to
25 carry out the provisions of this Section. For the public
26 interest, safety, and welfare, the Commission also has

1 authority to adopt rules to carry out the provisions of this
2 Section on an emergency basis immediately following August 28,
3 2007 (the effective date of Public Act 95-481).

4 (n) Notwithstanding any other provision of this Act, any
5 affiliated electric utilities that submit a single procurement
6 plan covering their combined needs may procure for those
7 combined needs in conjunction with that plan, and may enter
8 jointly into power supply contracts, purchases, and other
9 procurement arrangements, and allocate capacity and energy and
10 cost responsibility therefor among themselves in proportion to
11 their requirements.

12 (o) On or before June 1 of each year, the Commission shall
13 hold an informal hearing for the purpose of receiving comments
14 on the prior year's procurement process and any
15 recommendations for change.

16 (p) An electric utility subject to this Section may
17 propose to invest, lease, own, or operate an electric
18 generation facility as part of its procurement plan, provided
19 the utility demonstrates that such facility is the least-cost
20 option to provide electric service to those retail customers
21 included in the plan's electric supply service requirements.
22 If the facility is shown to be the least-cost option and is
23 included in a procurement plan prepared in accordance with
24 Section 1-75 of the Illinois Power Agency Act and this
25 Section, then the electric utility shall make a filing
26 pursuant to Section 8-406 of this Act, and may request of the

1 Commission any statutory relief required thereunder. If the
2 Commission grants all of the necessary approvals for the
3 proposed facility, such supply shall thereafter be considered
4 as a pre-existing contract under subsection (b) of this
5 Section. The Commission shall in any order approving a
6 proposal under this subsection specify how the utility will
7 recover the prudently incurred costs of investing in, leasing,
8 owning, or operating such generation facility through just and
9 reasonable rates charged to those retail customers included in
10 the plan's electric supply service requirements. Cost recovery
11 for facilities included in the utility's procurement plan
12 pursuant to this subsection shall not be subject to review
13 under or in any way limited by the provisions of Section
14 16-111(i) of this Act. Nothing in this Section is intended to
15 prohibit a utility from filing for a fuel adjustment clause as
16 is otherwise permitted under Section 9-220 of this Act.

17 (q) If the Illinois Power Agency filed with the
18 Commission, under Section 16-111.5 of this Act, its proposed
19 procurement plan for the period commencing June 1, 2017, and
20 the Commission has not yet entered its final order approving
21 the plan on or before the effective date of this amendatory Act
22 of the 99th General Assembly, then the Illinois Power Agency
23 shall file a notice of withdrawal with the Commission, after
24 the effective date of this amendatory Act of the 99th General
25 Assembly, to withdraw the proposed procurement of renewable
26 energy resources to be approved under the plan, other than the

1 procurement of renewable energy credits from distributed
2 renewable energy generation devices using funds previously
3 collected from electric utilities' retail customers that take
4 service pursuant to electric utilities' hourly pricing tariff
5 or tariffs and, for an electric utility that serves less than
6 100,000 retail customers in the State, other than the
7 procurement of renewable energy credits from distributed
8 renewable energy generation devices. Upon receipt of the
9 notice, the Commission shall enter an order that approves the
10 withdrawal of the proposed procurement of renewable energy
11 resources from the plan. The initially proposed procurement of
12 renewable energy resources shall not be approved or be the
13 subject of any further hearing, investigation, proceeding, or
14 order of any kind.

15 This amendatory Act of the 99th General Assembly preempts
16 and supersedes any order entered by the Commission that
17 approved the Illinois Power Agency's procurement plan for the
18 period commencing June 1, 2017, to the extent it is
19 inconsistent with the provisions of this amendatory Act of the
20 99th General Assembly. To the extent any previously entered
21 order approved the procurement of renewable energy resources,
22 the portion of that order approving the procurement shall be
23 void, other than the procurement of renewable energy credits
24 from distributed renewable energy generation devices using
25 funds previously collected from electric utilities' retail
26 customers that take service under electric utilities' hourly

1 pricing tariff or tariffs and, for an electric utility that
2 serves less than 100,000 retail customers in the State, other
3 than the procurement of renewable energy credits for
4 distributed renewable energy generation devices.

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

6 (220 ILCS 5/16-115A)

7 Sec. 16-115A. Obligations of alternative retail electric
8 suppliers.

9 (a) An alternative retail electric supplier:

10 (i) shall comply with the requirements imposed on
11 public utilities by Sections 8-201 through 8-207, 8-301,
12 8-505 and 8-507 of this Act, to the extent that these
13 Sections have application to the services being offered by
14 the alternative retail electric supplier;

15 (ii) shall continue to comply with the requirements
16 for certification stated in subsection (d) of Section
17 16-115;

18 (iii) by May 31, 2020 and every June 30 thereafter,
19 shall submit to the Commission and the Office of the
20 Attorney General the rates the retail electric supplier
21 charged to residential customers in the prior year,
22 including each distinct rate charged and whether the rate
23 was a fixed or variable rate, the basis for the variable
24 rate, and any fees charged in addition to the supply rate,
25 including monthly fees, flat fees, or other service

1 charges; ~~and~~

2 (iv) shall make publicly available on its website,
3 without the need for a customer login, rate information
4 for all of its variable, time-of-use, and fixed rate
5 contracts currently available to residential customers,
6 including, but not limited to, fixed monthly charges,
7 early termination fees, and kilowatt-hour charges; ~~and~~

8 (v) shall provide to the Commission, in the form and
9 manner requested, the information necessary for the
10 Commission to compile and submit the integrated resource
11 plan required under Section 16-201; and

12 (vi) shall comply with the Commission's determinations
13 made pursuant to subsection (b-10) of Section 16-111.5,
14 including, but not limited to, the imposition of any
15 collections, the execution of any contracts, and the
16 required performance under any contracts developed
17 thereunder.

18 (b) An alternative retail electric supplier shall obtain
19 verifiable authorization from a customer, in a form or manner
20 approved by the Commission consistent with Section 2EE of the
21 Consumer Fraud and Deceptive Business Practices Act, before
22 the customer is switched from another supplier.

23 (c) No alternative retail electric supplier, or electric
24 utility other than the electric utility in whose service area
25 a customer is located, shall (i) enter into or employ any
26 arrangements which have the effect of preventing a retail

1 customer with a maximum electrical demand of less than one
2 megawatt from having access to the services of the electric
3 utility in whose service area the customer is located or (ii)
4 charge retail customers for such access. This subsection shall
5 not be construed to prevent an arms-length agreement between a
6 supplier and a retail customer that sets a term of service,
7 notice period for terminating service and provisions governing
8 early termination through a tariff or contract as allowed by
9 Section 16-119.

10 (d) An alternative retail electric supplier that is
11 certified to serve residential or small commercial retail
12 customers shall not:

13 (1) deny service to a customer or group of customers
14 nor establish any differences as to prices, terms,
15 conditions, services, products, facilities, or in any
16 other respect, whereby such denial or differences are
17 based upon race, gender or income, except as provided in
18 Section 16-115E.

19 (2) deny service to a customer or group of customers
20 based on locality nor establish any unreasonable
21 difference as to prices, terms, conditions, services,
22 products, or facilities as between localities.

23 (3) warrant that it has a residential customer or
24 small commercial retail customer's express consent
25 agreement to access interval data as described in
26 subsection (b) of Section 16-122, unless the alternative

1 retail electric supplier has:

2 (A) disclosed to the consumer at the outset of the
3 offer that the alternative retail electric supplier
4 will access the consumer's interval data from the
5 consumer's utility with the consumer's express
6 agreement and the consumer's option to refuse to
7 provide express agreement to access the consumer's
8 interval data; and

9 (B) obtained the consumer's express agreement for
10 the alternative retail electric supplier to access the
11 consumer's interval data from the consumer's utility
12 in a separate letter of agency, a distinct response to
13 a third-party verification, or as a separate
14 affirmative consent during a recorded enrollment
15 initiated by the consumer. The disclosure by the
16 alternative retail electric supplier to the consumer
17 in this Section shall be conducted in, translated
18 into, and provided in a language in which the consumer
19 subject to the disclosure is able to understand and
20 communicate.

21 (4) release, sell, license, or otherwise disclose any
22 customer interval data obtained under Section 16-122 to
23 any third person except as provided for in Section 16-122
24 and paragraphs (1) through (4) of subsection (d-5) of
25 Section 2EE of the Consumer Fraud and Deceptive Business
26 Practices Act.

1 (e) An alternative retail electric supplier shall comply
2 with the following requirements with respect to the marketing,
3 offering and provision of products or services to residential
4 and small commercial retail customers:

5 (i) All marketing materials, including, but not
6 limited to, electronic marketing materials, in-person
7 solicitations, and telephone solicitations, shall contain
8 information that adequately discloses the prices, terms,
9 and conditions of the products or services that the
10 alternative retail electric supplier is offering or
11 selling to the customer and shall disclose the current
12 utility electric supply price to compare applicable at the
13 time the alternative retail electric supplier is offering
14 or selling the products or services to the customer and
15 shall disclose the date on which the utility electric
16 supply price to compare became effective and the date on
17 which it will expire. The utility electric supply price to
18 compare shall be the sum of the electric supply charge and
19 the transmission services charge and shall not include the
20 purchased electricity adjustment. The disclosure shall
21 include a statement that the price to compare does not
22 include the purchased electricity adjustment, and, if
23 applicable, the range of the purchased electricity
24 adjustment. All marketing materials, including, but not
25 limited to, electronic marketing materials, in-person
26 solicitations, and telephone solicitations, shall include

1 the following statement:

2 "(Name of the alternative retail electric
3 supplier) is not the same entity as your electric
4 delivery company. You are not required to enroll with
5 (name of alternative retail electric supplier).
6 Beginning on (effective date), the electric supply
7 price to compare is (price in cents per kilowatt
8 hour). The electric utility electric supply price will
9 expire on (expiration date). The utility electric
10 supply price to compare does not include the purchased
11 electricity adjustment factor. For more information go
12 to the Illinois Commerce Commission's free website at
13 www.pluginillinois.org".

14 If applicable, the statement shall also include the
15 following statement:

16 "The purchased electricity adjustment factor may
17 range between +.5 cents and -.5 cents per kilowatt
18 hour."

19 This paragraph (i) does not apply to goodwill or
20 institutional advertising.

21 (ii) Before any customer is switched from another
22 supplier, the alternative retail electric supplier shall
23 give the customer written information that adequately
24 discloses, in plain language, the prices, terms and
25 conditions of the products and services being offered and
26 sold to the customer. This written information shall be

1 provided in a language in which the customer subject to
2 the marketing or solicitation is able to understand and
3 communicate, and the alternative retail electric supplier
4 shall not switch a customer who is unable to understand
5 and communicate in a language in which the marketing or
6 solicitation was conducted. The alternative retail
7 electric supplier shall comply with Section 2N of the
8 Consumer Fraud and Deceptive Business Practices Act.

9 (iii) An alternative retail electric supplier shall
10 provide documentation to the Commission and to customers
11 that substantiates any claims made by the alternative
12 retail electric supplier regarding the technologies and
13 fuel types used to generate the electricity offered or
14 sold to customers.

15 (iv) The alternative retail electric supplier shall
16 provide to the customer (1) itemized billing statements
17 that describe the products and services provided to the
18 customer and their prices, and (2) an additional
19 statement, at least annually, that adequately discloses
20 the average monthly prices, and the terms and conditions,
21 of the products and services sold to the customer.

22 (v) All in-person and telephone solicitations shall be
23 conducted in, translated into, and provided in a language
24 in which the consumer subject to the marketing or
25 solicitation is able to understand and communicate. An
26 alternative retail electric supplier shall terminate a

1 solicitation if the consumer subject to the marketing or
2 communication is unable to understand and communicate in
3 the language in which the marketing or solicitation is
4 being conducted. An alternative retail electric supplier
5 shall comply with Section 2N of the Consumer Fraud and
6 Deceptive Business Practices Act.

7 (vi) Each alternative retail electric supplier shall
8 conduct training for individual representatives engaged in
9 in-person solicitation and telemarketing to residential
10 customers on behalf of that alternative retail electric
11 supplier prior to conducting any such solicitations on the
12 alternative retail electric supplier's behalf. Each
13 alternative retail electric supplier shall submit a copy
14 of its training material to the Commission on an annual
15 basis and the Commission shall have the right to review
16 and require updates to the material. After initial
17 training, each alternative retail electric supplier shall
18 be required to conduct refresher training for its
19 individual representatives every 6 months.

20 (f) An alternative retail electric supplier may limit the
21 overall size or availability of a service offering by
22 specifying one or more of the following: a maximum number of
23 customers, maximum amount of electric load to be served, time
24 period during which the offering will be available, or other
25 comparable limitation, but not including the geographic
26 locations of customers within the area which the alternative

1 retail electric supplier is certificated to serve. The
2 alternative retail electric supplier shall file the terms and
3 conditions of such service offering including the applicable
4 limitations with the Commission prior to making the service
5 offering available to customers.

6 (g) Nothing in this Section shall be construed as
7 preventing an alternative retail electric supplier, which is
8 an affiliate of, or which contracts with, (i) an industry or
9 trade organization or association, (ii) a membership
10 organization or association that exists for a purpose other
11 than the purchase of electricity, or (iii) another
12 organization that meets criteria established in a rule adopted
13 by the Commission, from offering through the organization or
14 association services at prices, terms and conditions that are
15 available solely to the members of the organization or
16 association.

17 (Source: P.A. 102-459, eff. 8-20-21; 103-237, eff. 6-30-23.)

18 (220 ILCS 5/16-126.2 new)

19 Sec. 16-126.2. Energy Reliability Corporation of Illinois.

20 (a) The General Assembly finds that:

21 (1) When Illinois restructured its electric market in
22 1997, Illinois' largest 2 electric utilities unexpectedly
23 elected to join 2 different Regional Transmission
24 Operators (RTOs), which effectively split the State into 2
25 zones.

1 (2) In 2021, Illinois became the first state in the
2 Midwest to mandate a clean energy future when it enacted
3 the Climate and Equitable Jobs Act.

4 (3) Upward pressure on load growth from new demand
5 sources, such as the onshoring of new manufacturing and
6 the rise in data centers, AI, and quantum computing,
7 present resource adequacy challenges for Illinois.

8 (4) Illinois' bifurcated, existing RTO membership
9 structure has created significant concerns related to
10 delays in transmission build out, excessively long
11 interconnection queue processes, favoring polluting
12 generation resources over more cost-effective clean
13 sources, inhibiting State policies, and inexplicably
14 frustrating State efforts to address its resource adequacy
15 needs through the development of new generation.

16 (5) The governance structures of PJM Interconnection,
17 LLC (PJM) and the Midcontinent Independent System
18 Operator, Inc. (MISO) have consistently failed to
19 represent Illinois' interests.

20 (6) The Illinois Commerce Commission is a trusted,
21 neutral party with relevant expertise to evaluate and
22 present its findings related to the costs and benefits of
23 Illinois establishing a single, State-specific Independent
24 System Operator (ISO).

25 (7) The General Assembly intends to understand fully
26 the effectiveness over time of creating such a single,

1 State-specific ISO, including reducing ratepayer bills,
2 supporting environmental and public health, and providing
3 economic benefits to Illinois while creating good-paying
4 jobs in equity communities, as well as for the women and
5 men of organized labor. The potential impacts of a
6 State-specific ISO may include, but are not limited to,
7 support for Illinois' resource adequacy needs, grid
8 reliability, carbon and other pollutant emissions,
9 long-term and short-term electric rates, environmental
10 justice communities, organized labor, jobs, and the
11 overall economy.

12 (c) The Commission shall conduct and publish the results
13 of a policy study to evaluate the effectiveness over time of
14 establishing a single State-operated ISO and to determine
15 whether such a move would be consistent with the State's goals
16 and would maximize benefits to State businesses and residents.

17 (d) The policy study shall evaluate the benefits and costs
18 of participation in MISO and PJM, including consideration of
19 the relative net benefits of participation in a State-specific
20 ISO. The study shall look at the costs and benefits of such
21 participation over 20 years. The study shall examine the costs
22 and benefits to State ratepayers, including, but not limited
23 to, consideration of the regulatory, reliability, operational,
24 and competitive benefits of participating in MISO and PJM
25 versus a State-specific ISO. The costs and benefits evaluated
26 should include resource adequacy benefits, resilience,

1 affordability, equity, the impact on the environment, and the
2 general health, safety, and welfare of the People of the
3 State.

4 The study shall, at a minimum, include the following, and
5 it may consider or suggest additional or alternative items:

6 (1) the appropriate timetable to establish and
7 effectively transition to a State-specific ISO, taking
8 into account how that schedule could support the timeline
9 established in Section 9.15 of the Environmental
10 Protection Act;

11 (2) the appropriate benefits and costs to consider,
12 such as the regulatory, reliability, operational, and
13 competitive benefits, including, but not limited to:

14 (i) capacity market benefits and costs of
15 separating from the PJM and MISO territories versus
16 those of the status quo;

17 (ii) transmission benefits and costs of separating
18 from the PJM and MISO territories versus those of a
19 State-specific ISO;

20 (iii) the legal, correct, and appropriate exit
21 fees for leaving RTOs;

22 (iv) using Illinois' entire generation fleet,
23 funded by Illinois ratepayers, to supply electricity
24 throughout Illinois versus the existing bifurcated
25 structure;

26 (v) the potential improvements in interconnection

1 queue speed versus the current lengthy delays inherent
2 in the PJM and MISO processes;

3 (vi) the potential for a State-specific ISO to
4 more effectively value and enable resources, such as
5 storage of renewable resources, demand response,
6 energy efficiency, and the adoption of new
7 technologies and applications, versus the current PJM
8 and MISO structures; and

9 (vii) an evaluation of any improved ability for
10 the State to meet its goals and objectives in a new
11 State-specific ISO versus the existing structure;

12 (3) the appropriate governance structure and design
13 that would enable State policy independence and more fully
14 support Illinois resource adequacy and reliability, while
15 also complying with FERC Order 2000, including, but not
16 limited to, how the single state governance structure
17 would be able to demonstrate the following:

18 (i) independence from market participants;

19 (ii) an appropriate scope and regional
20 configuration;

21 (iii) possession of operational authority for all
22 transmission facilities under Illinois ISO control;

23 (iv) exclusive authority to maintain short-term
24 reliability of the grid;

25 (v) tariff administration and design;

26 (vi) congestion management;

1 (vii) management of parallel path flows;

2 (viii) provision of last resort for ancillary
3 services;

4 (ix) development of an Open Access Same-time
5 Information System (OASIS);

6 (x) market monitoring; and

7 (xi) responsibility for planning and expanding
8 facilities under its control; and

9 (4) an assessment of the appropriate entity and
10 organizational structure and the staffing needs and
11 physical needs of the new independent organization,
12 not-for-profit independent company, or State agency that
13 would be tasked with overseeing the State-specific ISO,
14 including, but not limited to:

15 (i) identifying the functions necessary for a
16 State-specific ISO;

17 (ii) attracting and retaining qualified staff;

18 (iii) engineering, design, or procurement of the
19 physical facilities that would be required of a
20 State-specific ISO; and

21 (iv) the length of time it would reasonably take
22 to establish a State-specific ISO in the State.

23 (d) The Commission shall retain the services of
24 technical and policy experts with relevant fields of
25 expertise. Given the critical and rapid actions required
26 under this Section, the Commission may procure the

1 services of any facilitator, expert, or consultant to
2 assist with the implementation of this Section. Such
3 procurement is exempt from the requirements of the
4 Illinois Procurement Code under Section 20-10 of the
5 Illinois Procurement Code. The Commission may determine
6 that the cost of any contract pursuant to this Section may
7 be borne initially by the relevant electric public
8 utilities, but shall be recovered as an expense through
9 normal ratemaking procedures. The Illinois Power Agency,
10 the Illinois Finance Authority, the Illinois Environmental
11 Protection Agency, and the Department of Commerce and
12 Economic Opportunity shall provide support to and consult
13 with the Commission when requested. The Commission may
14 consult with other State agencies, commissions, or task
15 forces as needed.

16 (e) The Commission may solicit information, including
17 confidential or proprietary information, from entities
18 likely to be impacted by the creation of a State-specific
19 ISO. The Commission may consult with and seek assistance
20 from (i) Independent System Operators in other states,
21 such as Texas, California, and New York, (ii) federal
22 agencies, such as the Federal Energy Regulatory
23 Commission, and (iii) the Regional Transmission
24 Organizations PJM and MISO. Any information designated as
25 confidential or proprietary information by the entity
26 providing the information shall be kept confidential by

1 the Commission, its consultants, and its contractors and
2 is not subject to disclosure under the Freedom of
3 Information Act.

4 (f) The Commission shall publish its final policy
5 study no later than December 1, 2026 and suitable copies
6 shall be delivered to the Governor and members of the
7 General Assembly.

8 (220 ILCS 5/16-140 new)
9 Sec. 16-140. Investigation into colocation and rate
10 design.

11 (a) The General Assembly finds that the colocation of
12 large load with existing generation sources has the potential
13 to cause resource adequacy challenges for Illinois. The
14 Federal Energy Regulatory Commission (FERC) is studying this
15 arrangement in Docket No. EL25-49-000.

16 (b) By January 31, 2026, when the FERC approves rates,
17 terms, and conditions of service that apply to colocated load
18 with existing generation resources in Docket No. EL25-49-000,
19 or any successor proceeding, whichever comes first, the
20 Commission shall initiate an investigation into the potential
21 impacts of the colocation of large load with existing
22 generation sources on the State and may make determinations as
23 to actions needed by the electric utilities to respond.

24 (c) In its investigation, the Commission shall analyze the
25 impact of colocation arrangements on the State with the goal

1 of minimizing or eliminating cost increases for other
2 ratepayers, avoiding stranded assets, and minimizing or
3 eliminating power system impacts that would impede the State's
4 climate and clean energy goals. The analysis shall include,
5 but not be limited to, the following topics:

6 (1) whether an electric utility tariff for large,
7 colocated non-residential customers ensures that the
8 electric utility recovers from a customer all distribution
9 and transmission costs that are incurred when the utility
10 provides service to the customer, including costs that may
11 be outstanding if and when the customer's service is
12 modified or terminated.

13 (2) whether large, colocated non-residential customers
14 should be required to (i) continue to contribute to the
15 Renewable Portfolio Standard pursuant to subsection (c) of
16 Section 1-75 of the Illinois Power Agency Act and the
17 Energy Storage System Portfolio Standard pursuant to
18 subsection (d-20) of Section 1-75 of the Illinois Power
19 Agency Act or (ii) participate in the Agency's self-direct
20 Renewable Portfolio Standard and the self-direct Energy
21 Storage System Portfolio Standard program pursuant to
22 subparagraph (R) of paragraph (1) of subsection (c) of
23 Section 1-75 of the Illinois Power Agency Act; and

24 (3) whether more actions are needed to address the
25 impact of large, colocated non-residential customers on
26 resource adequacy, reliability, and other issues related

1 to the bulk power system, including cumulative impacts
2 from multiple large, colocated non-residential customers.

3 (c) The Commission may require electric utilities to file
4 tariffs with the Commission that propose the rates, terms, and
5 conditions applicable to large, colocated non-residential
6 customers pursuant to the findings in the Commission's final
7 order from the investigation conducted pursuant to this
8 Section.

9 (d) The Commission may require utilities to develop and
10 submit to the Commission, in addition to any other information
11 the Commission requires, information on the estimated
12 distribution and transmission costs that the colocation of the
13 customer to existing Illinois generation resources causes the
14 utility and its ratepayers to incur and the impact, including
15 the cumulative impacts of multiple large, colocated
16 non-residential customers, that such colocation will have on
17 resource adequacy in the State.

18 (e) The Commission may require entities seeking to
19 colocate load with existing State generation resources to
20 notify the Commission when the entities submit requests to
21 colocate load with an existing State generation resource and
22 to provide the Commission with any and all information
23 required by the Commission regarding the nature of the
24 requested colocation arrangement.

25 (f) A customer shall not colocate with an existing State
26 generation resource without Commission approval and the

1 Commission may condition its approval upon the customer's
2 compliance with utility tariffs filed pursuant to this
3 Section.

4 (g) For purposes of this Section, the term "large,
5 colocated non-residential customer" means any retail customer
6 whose load is physically connected to the facilities of an
7 existing generation unit on the customer's side of the point
8 of interconnection to the regional transmission organization's
9 transmission system, and who is located (i) in the service
10 territory of an electric utility that serves more than
11 3,000,000 retail customers in the State and whose total
12 highest 30-minute demand established by the retail customer
13 during the most recent 12 consecutive monthly billing periods
14 or a forecast of its next 12 consecutive monthly billing
15 periods was more than 25,000 kilowatts, or (ii) located in the
16 service territory of an electric utility that serves fewer
17 than 3,000,000 retail customers but more than 500,000 retail
18 customers in the State and whose total highest 15-minute
19 demand established by the retail customer during the most
20 recent 12 consecutive monthly billing periods or a forecast of
21 its next 12 consecutive monthly billing periods was more than
22 25,000 kilowatts.

23 (220 ILCS 5/16-201 new)

24 Sec. 16-201. Integrated resource plan development.

25 (a) The General Assembly hereby finds that:

1 (1) In 2021, Illinois set itself on the path to a clean
2 energy future that would produce the least amount of
3 carbon and copollutant emissions while ensuring adequate,
4 reliable, affordable, efficient, and environmentally
5 sustainable electric service at the lowest total cost over
6 time and in a manner that benefits the Illinois economy
7 and workforce and improves the quality of life, including
8 environmental health, for all its citizens.

9 (2) In the ensuing years, Illinois has created a
10 strong economic environment that has led to the
11 revitalization and expansion of its manufacturing sector
12 and has made Illinois an attractive place for the
13 technology industry to locate new data and quantum
14 computing centers. These developments have led to the
15 creation of good-paying jobs for working families.

16 (3) The unforeseen growth in the manufacturing and
17 technology sectors will likely lead to a dramatic increase
18 in electricity demand over time.

19 (4) The long interconnection times and the capacity
20 market structures enacted by the 2 Regional Transmission
21 Operators that Illinois is split between further
22 exacerbate the potential for an imbalance between
23 electricity supply and demand.

24 (5) The new sources of load growth from the
25 manufacturing and technology sectors combined with
26 external challenges require a more nimble and responsive

1 administrative approach to effectively address future
2 resource adequacy challenges.

3 (6) The Illinois agencies that oversee and implement
4 Illinois energy policy must have the ability to (i) fully
5 understand current and future resource adequacy needs,
6 (ii) plan for what resources could be utilized to address
7 such needs, (iii) be able to coordinate, modify, expand,
8 and direct all of Illinois' existing energy programs and
9 policies so as to address any resource adequacy or
10 reliability concerns, and (iv) direct the development of
11 new energy programs and policies in order meet resource
12 adequacy and reliability needs without the need for
13 additional legislative action.

14 (b) The purpose of this Section is to ensure that the
15 Commission, the agencies, electric utilities supplying
16 electric service in Illinois, stakeholders, interested
17 planners, market participants, and policy makers have a common
18 set of data and information regarding the State's electricity
19 resource needs in order to plan for sufficient electricity
20 resources to serve Illinois customers in a manner that is
21 adequate, safe, reliable, affordable, efficient,
22 environmentally sustainable, at the lowest cost over time, and
23 consistent with the energy policy goals of the State,
24 including, but not limited to, the clean energy policy
25 established by Public Act 102-662. To that end, this Section
26 establishes a requirement that the agencies prepare an

1 integrated resource plan and submit such plan to the
2 Commission consistent with this Section for the Commission's
3 review and approval.

4 (c) Unless otherwise specified, as used in this Section,
5 the following terms shall have the following meanings:

6 (1) "Advanced transmission" means technologies, tools,
7 and software that improve power flows over transmission
8 systems and lines. "Advanced transmission technologies"
9 includes, but is not limited to, the following:

10 (i) technology that dynamically adjusts the rated
11 capacity of transmission lines based on real-time
12 conditions;

13 (ii) advanced power flow controls used to actively
14 control the flow of electricity across transmission
15 lines to optimize usage or relieve congestion;

16 (iii) software or hardware used to identify
17 optimal transmission grid configurations or enable
18 routing power flows around congestion points; and

19 (iv) advanced transmission line conductors that
20 have a direct current electrical resistance at least
21 10% lower than existing conductors of a similar
22 diameter on the transmission system.

23 (2) "Agencies" means the Illinois Commerce Commission
24 Staff, the Illinois Power Agency, the Illinois Finance
25 Authority, the Illinois Environmental Protection Agency,
26 and any consultants those agencies retain, including, but

1 not limited to, the consultant retained by the Commission
2 pursuant to subsection (j) of this Section and the
3 consultant retained by the Illinois Power Agency pursuant
4 to paragraph (1) of subsection (a) of Section 1-75 of the
5 Illinois Power Agency Act.

6 (3) "Clean energy" means energy generation that
7 either:

8 (A) emits no on-site SO₂, NO_x, mercury, or any
9 other regulated pollutants; or

10 (B) as shown through pollution control
11 technologies, has reduced a utility's CO₂ emissions by
12 90% compared to what the utility would have otherwise
13 emitted and that has CO₂ emissions less than 130
14 lb/MWh.

15 (4) "Regional Transmission Organization" or "RTO"
16 means PJM Interconnection, LLC and the Midcontinent
17 Independent System Operator, Inc. or the regional
18 transmission organization or independent system operator
19 of which the electric utility is a member or would be a
20 member, given the location of the electric utility's
21 customers, if it were required to be a member.

22 (d) The agencies, coordinated by Commission staff, shall
23 compile and propose an integrated resource plan in compliance
24 with this Section once every 3 years. The agencies may consult
25 with each electric utility that has more than 500,000 electric
26 retail customers in developing the plan and the plan shall

1 consider each RTO zone in the State. Commission staff shall
2 submit the initial integrated resource plan to the Commission
3 no later than June 1, 2026, and subsequent plans shall be
4 submitted every 3 years thereafter, in each case by June 1 of
5 the applicable year. At any time after the submission of a
6 plan, the agencies may submit an update to the plan if the
7 agencies believe that a material change in the inputs or
8 conclusions of the plan is warranted. The agencies shall
9 notify the Commission as soon as practicable of the material
10 change and the potential update to the plan. The Commission
11 shall publish the integrated resource plan on its website.

12 (e) An alternative retail electric supplier shall provide
13 information related to the resource needs of its customers
14 located in an electric utility's service territory as
15 requested by the agencies or the Commission to compile and
16 develop the plan required by this Section.

17 (f) Commission staff shall lead the agencies in the
18 development of the integrated resource plan to ensure that a
19 plan submitted pursuant to this Section includes the
20 following:

21 (1) an evaluation of the future electric resource
22 needs in each electric utility's service area for periods
23 of at least 5, 10, 15, and 20 years such that the plan
24 coincides with the timelines established in Section 9.15
25 of Title II of the Environmental Protection Act and is
26 designed to support those standards to the maximum extent

1 practicable on the schedule established therein;

2 (2) peak demand and energy usage forecasts, such that
3 the plan:

4 (i) contains no fewer than 3 scenarios of (i)
5 forecasted peak demand, (ii) net peak demand if
6 different than peak demand, (iii) non-coincidental
7 peak demand, and (iv) energy usage, to capture a
8 reasonable range of forecasts based on historic trends
9 and a diverse range of more conservative to high load
10 growth based on reasonable projections;

11 (ii) includes estimates of peak demand
12 corresponding to seasons or other applicable time
13 periods as defined by the RTO in which the State's
14 electric utilities are a member;

15 (iii) reflects known changes in facility and
16 appliance codes and standards;

17 (iv) reflects load reductions from State-sponsored
18 programs;

19 (v) reflects load reductions from programs
20 sponsored by electric utilities;

21 (vi) reflects load reductions from aggregators of
22 retail customers that can be applied to the host
23 load-serving entity's resource adequacy requirement;

24 (vii) reflects load reductions from any other
25 sources including out-of-state programs that could
26 influence State load;

1 (viii) reflects expected adoption of other
2 distributed energy resources, including
3 behind-the-meter generation; and

4 (ix) includes any additional sensitivities as
5 determined by the agencies;

6 (3) an analysis of all generation and energy resource
7 options available to meet the range of load forecasts with
8 a focus on the first 5-year period covered by the plan,
9 including an analysis of existing supply found within each
10 electric utility's service area and new supply expected to
11 come online across that 5-year period, such that the plan
12 shall consider the following:

13 (i) the current and projected status of electric
14 resource adequacy and reliability throughout the State
15 from sources the agencies deem reasonable;

16 (ii) a range of resource options that can be
17 deployed at a reasonable scale, that provide clean
18 energy to the maximum extent practicable, and that
19 include both dispatchable and non-dispatchable
20 resources on both the demand-side and supply-side;

21 (iii) developing technologies that will be
22 commercially viable during the period of analysis;

23 (iv) reflect reasonable assumptions for capital
24 and operating costs and the performance of resource
25 technologies. The calculation of resource costs shall
26 include reasonable expected costs for transmission

1 interconnection and network upgrades made necessary by
2 the addition of each resource; and

3 (v) appropriate considerations for implementation,
4 such as:

5 (A) timelines for implementation, including,
6 but not limited to, siting, permitting,
7 engineering, transmission interconnection, and the
8 time it takes to modify existing programs or
9 create new programs and put them into operation;

10 (B) recommendations for how new clean
11 resources should be developed to respond to
12 resource adequacy challenges; and

13 (C) any other requirements for implementation;

14 (4) confirmation that the resource adequacy and
15 reliability requirements employed in the plan meet the
16 following conditions:

17 (i) the plan must reflect planning reserve margin
18 requirements established by the corresponding RTO,
19 other resource adequacy requirements set by an
20 applicable authority as authorized by the State, or
21 another standard chosen by the Commission;

22 (ii) the plan must meet RTO requirements each
23 year, season, or other time-period for which the RTO
24 or applicable authority as authorized by the State
25 establishes such requirements; and

26 (iii) the integrated resource plan may reflect a

1 supplemental reliability analysis, including the
2 evaluation of reliability metrics not prescribed by an
3 RTO or other applicable authority as authorized by the
4 State;

5 (5) consistency with existing State and federal
6 environmental laws and policies, including, but not
7 limited to, the decarbonization goals set forth in Section
8 9.15 of the Illinois Environmental Protection Act. The
9 plan may consider potential changes in State and federal
10 environmental laws and policies. The plan must provide
11 expected emissions for CO₂, SO₂, NO_x, mercury, and any
12 other regulated pollutants in order to analyze the impact
13 of retirement timelines on emissions reductions. The plan
14 must be consistent with the State's other clean energy
15 goals and targets, including, but not limited to, its
16 Renewable Portfolio Standard, its Energy Efficiency
17 Portfolio Standard, the carbon mitigation credit program,
18 and its Storage Portfolio Standard. The plan shall include
19 an analysis of the following:

20 (i) the State's current progress toward its
21 renewable energy resource development goals, its
22 storage development goals, and its energy efficiency
23 and demand response goals, as well as the pace of the
24 development of renewables, energy storage, including
25 distributed storage, the deployment of virtual power
26 plants, and demand-response utilization; and

1 (ii) the status of the State's CO₂e and copollutant
2 emissions reductions and its current status and
3 progress toward developing emerging clean energy
4 technologies;

5 (6) consideration of the following additional issues:

6 (i) an integrated resource plan shall be designed
7 to collectively meet all of Illinois' energy policy
8 goals and shall describe:

9 (A) how the plan complies with the various
10 requirements of State energy policy;

11 (B) the assumptions and analytical methods
12 used in the plan;

13 (C) recommendations for how State policy
14 should serve to facilitate the development of new
15 resources; and

16 (D) the impacts of the plan on customer costs,
17 including net present value costs relative to
18 alternatives.

19 (ii) An integrated resource plan shall include a
20 discussion of the steps needed to implement the plan,
21 including, but not limited to, options and steps to
22 bring on new or increased energy generated from any
23 recommended resources for the 5 years after the plan
24 would be implemented, that align with State clean
25 energy policy;

26 (iii) An integrated resource plan shall consider

1 the information and conclusions set forth in the
2 Renewable Energy Access Plan developed in accordance
3 with Section 8-512, including, but not limited to,
4 information concerning the locations of renewable
5 energy access plan zones, considerations of advanced
6 transmission technologies to increase efficiencies,
7 and different transmission planning options and cost
8 allocations;

9 (iv) an integrated resource plan may consider the
10 impacts of future or anticipated changes in State and
11 federal energy laws and policies; and

12 (v) any solutions for any additional conclusions.

13 (220 ILCS 5/16-202 new)

14 Sec. 16-202. Integrated resource plan review and approval.

15 (a) The Commission shall enter its order approving or
16 approving with modifications an integrated resource plan
17 within 180 days after the agencies filing the plan and any
18 companion reports or other information. The Commission may
19 extend the period of review of the plan for no more than an
20 additional 180 days.

21 (b) The Commission may approve a plan or a modified plan
22 and authorize its implementation only if, after notice and
23 hearing, it finds that the plan:

24 (1) addresses any resource adequacy challenges in the
25 5 years immediately following the implementation of the

1 plan, while also taking into account the 10 years
2 following the plan;

3 (2) prepares the State to best address issues of
4 resource adequacy at the least amount of CO₂e and
5 copollutant emissions;

6 (3) considers the emissions' impacts on environmental
7 justice communities while taking into account all
8 applicable labor and equity standards;

9 (4) supports the provisioning of adequate, reliable,
10 affordable, efficient, and environmentally sustainable
11 electric service at the lowest total cost over time; and

12 (5) utilizes the expansion of renewable energy, energy
13 storage, virtual power plants and distributed energy
14 storage, energy efficiency, demand response, time-of-use
15 rates or other pricing designed to manage peak load,
16 transmission development, carbon mitigation credits or any
17 other clean energy strategies to the maximum extent
18 practicable to resolve any identified resource adequacy
19 shortfall or reliability violation in an affordable,
20 timely and clean manner.

21 (c) The Commission's order in approving a plan or a
22 modified plan shall supersede the statutory provisions related
23 to the existing and new programs enumerated in this Section.
24 The Commission may, as a part of its decision to approve the
25 plan or modified plan, order changes to existing programs or
26 authorize the creation of new programs, direct specific

1 actions within new or existing programs including the
2 authorization to support the expansion of an existing program
3 or the creation of a new program, including, but not limited
4 to:

5 (1) any of the following plans or programs designed to
6 increase the amount of generation and capacity available:

7 (i) the Long-Term Renewable Resources Procurement
8 Plan, including programs and procurements authorized
9 through that Plan, and to increase the limitations
10 placed on the procurement of renewable energy
11 resources established pursuant to subparagraph (E) of
12 paragraph (1) of subsection (c) of Section 1-75 of the
13 Illinois Power Agency Act in order to increase,
14 direct, or adjust procurements of renewable energy
15 resources to support new renewable energy projects;

16 (ii) the Energy Storage Procurement Plan,
17 including programs and procurements authorized through
18 that Plan, and to increase the limitations placed on
19 the procurement of energy storage established pursuant
20 to subsection (d-20) of Section 1-75 of the Illinois
21 Power Agency Act in order to increase or adjust
22 procurements for new energy storage;

23 (iii) the carbon mitigation credit procurement
24 plans established pursuant to subsection (d-10) of
25 Section 1-75 of the Illinois Power Agency Act in order
26 to preserve existing carbon-free energy resources,

1 including extending or expanding carbon mitigation
2 credit contract awards in accordance with a new
3 schedule of baseline costs;

4 (iv) the Illinois Power Agency's annual
5 Electricity Procurement Plans established pursuant to
6 paragraph (2) of subsection (d) of Section 16-111.5,
7 including modification of the products to be procured
8 and allowing for costs associated with the purchase of
9 new or additional products to be socialized across all
10 retail customers or all load-serving entities, as
11 applicable; and

12 (v) any additional programs designed to procure
13 appropriate sources of new clean energy and capacity
14 resources, including any associated clean attribute
15 credits; and

16 (2) any of the following designed to manage energy
17 demand, including, but not limited to, extending or
18 expanding the energy efficiency programs implemented by
19 State electric utilities and the limitation on the amount
20 of energy efficiency and demand-response measures
21 implemented pursuant to Section 8-103B in order to gain
22 increased load reductions:

23 (i) the Multi-Year Integrated Grid Plans
24 implemented by State electric utilities pursuant to
25 Section 16-105.17 in order to extend or expand
26 programs related to peak load management and

1 reduction, including, but not limited to, virtual
2 power plants, front of the meter distributed storage,
3 demand response, and time-of-use rates; and

4 (ii) the Renewable Energy Access Plan established
5 pursuant to Section 8-512 in order to facilitate and
6 target areas of the State for development of renewable
7 energy and energy storage in order to support
8 Illinois' clean energy goals, including through
9 transmission planning, increasing advanced
10 transmission technologies, and transmission planning
11 and cost allocation agreements, including, but not
12 limited to, multi-value projects.

13 (d) If all of the changes made to the programs pursuant to
14 this Section would reasonably be insufficient to balance
15 supply and demand and avoid a resource adequacy shortfall,
16 then the Commission may delay, in whole or in part, the CO_{2e}
17 and copollutant emissions reductions requirements found in
18 Section 9.15 of the Environmental Protection Act but only to
19 the minimum extent and duration necessary to address the
20 resource adequacy shortfall needs of the State. If the
21 Commission finds that reducing or delaying the emissions
22 reductions requirements is necessary, despite any or all of
23 the changes made pursuant to this Section, then it shall also
24 include in its final order recommendations to the General
25 Assembly on what additional policies shall be adopted that
26 could avoid future modifications to the emissions reductions.

1 (e) The agencies, electric utilities, and any other
2 impacted entities shall comply with any of the Commission's
3 findings, and when required seek approval from the Commission
4 and make any required modifications to their plans, programs,
5 or related initiatives in a manner consistent with the process
6 and timing for those changes as outlined in the approved plans
7 or, if none is specified, as soon as practicable. If the plan
8 approved by the Commission contains recommendations that are
9 outside the Commission's authority, the Commission shall
10 communicate any such recommendations to the Governor and the
11 General Assembly.

12 (f) Given the critical and rapid actions required under
13 this Section, the Commission may procure the services of any
14 facilitator, expert, or consultant to assist with the
15 implementation of this Section, including the Procurement
16 Monitor retained by the Commission pursuant to paragraph (2)
17 of subsection (c) Section 16-111.5. Such procurement is exempt
18 from the requirements of the Illinois Procurement Code,
19 pursuant to Section 20-10 of that Code.

20 (g) The Commission may adopt rules to implement the
21 requirements of this Section.

22 (220 ILCS 5/17-900)

23 Sec. 17-900. Customer self-generation of electricity.

24 (a) The General Assembly finds and declares that municipal
25 systems and electric cooperatives shall continue to be

1 governed by their respective governing bodies, but that such
2 governing bodies should recognize and implement policies to
3 provide the opportunity for their residential and small
4 commercial customers who wish to self-generate electricity and
5 for reasonable credits to customers for excess electricity,
6 balanced against the rights of the other non-self-generating
7 customers. This includes creating consistent, fair policies
8 that are accessible to all customers and transparent, fair
9 processes for raising and addressing any concerns.

10 (b) Customers have the right to install renewable
11 generating facilities to be located on the customer's premises
12 or customer's side of the billing meter and that are intended
13 primarily to offset the customer's own electrical requirements
14 and produce, consume, and store their own renewable energy
15 without discriminatory repercussions from an electric
16 cooperative or municipal system. This includes a customer's
17 rights to:

18 (1) generate, consume, and deliver excess renewable
19 energy to the distribution grid and reduce his or her use
20 of electricity obtained from the grid;

21 (2) use technology to store energy ~~at his or her~~
22 ~~residence;~~

23 (3) interconnect his or her electrical system that
24 generates renewable energy, stores energy, or any
25 combination thereof, with the electricity meter on the
26 customer's premises that is provided by an electric

1 cooperative or municipal system:

2 (A) in a timely manner;

3 (B) in accordance with requirements established by
4 the electric cooperative or municipal utility to
5 ensure the safety of utility workers; and

6 (C) after providing written notice to the electric
7 cooperative or municipal utility system providing
8 service in the service territory, installing a
9 nomenclature plate on the electrical meter panel and
10 meeting all applicable State and local safety and
11 electrical code requirements associated with
12 installing a parallel distributed generation system;
13 ~~and~~

14 (4) receive fair credit for excess energy delivered to
15 the distribution grid; and

16 (5) for residential and small commercial customers,
17 interconnect renewable energy systems sized up to and
18 including 25 kW AC.

19 (c) The policies of municipal systems and electric
20 cooperatives regarding self-generation and credits for excess
21 electricity may reasonably differ from those required of other
22 entities by Article XVI of the Public Utilities Act or other
23 Acts. The credits must recognize the value of self-generation
24 to the distribution grid and benefits to other customers.

25 (c-5) The policies of municipal systems and electric
26 cooperatives regarding self-generation and credits for excess

1 electricity shall not require customers to name the municipal
2 system or electric cooperative as an additional insured on the
3 customer's insurance policies or have any minimum liability
4 limit requirement in connection with the installation and
5 operation of renewable generating facilities if the renewable
6 generating facilities meet the safety standards listed in the
7 applicable interconnection agreement and the contractor used
8 to install the renewable generating facilities is licensed and
9 possesses commercial general liability insurance coverage of
10 at least \$1,000,000 per occurrence and \$2,000,000 in the
11 aggregate per year.

12 (d) Within 180 days after this amendatory Act of the 102nd
13 General Assembly, each electric cooperative and municipal
14 system shall update its policies for the interconnection and
15 fair crediting of customer self-generation and storage if
16 necessary, to comply with the standards of subsection (b) of
17 this Section. Each electric cooperative and municipal system
18 shall post its updated policies to a public-facing area of its
19 website.

20 (e) An electric cooperative or municipal system customer
21 who produces, consumes, and stores his or her own renewable
22 energy shall not face discriminatory rate design, fees or
23 charges, treatment, or excessive compliance requirements that
24 would unreasonably affect that customer's right to
25 self-generate electricity as provided for in this Section.

26 (f) An electric cooperative or municipal utility system

1 customer shall have a right to appeal any decision related to
2 self-generation and storage that violates these rights to
3 self-generation and non-discrimination pursuant to the
4 provisions of this Section through a complaint under the
5 Administrative Review Law or similar legal process.

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

7 (220 ILCS 5/20-140 new)

8 Sec. 20-140. Interconnection Working Group.

9 (a) The Commission shall establish an Interconnection
10 Working Group. The working group shall include representatives
11 from electric utilities, developers of renewable electric
12 generating facilities, representatives of new large loads
13 seeking grid interconnection, other industries that regularly
14 apply for interconnection with the electric utilities as
15 appropriate, representatives of distributed generation
16 customers, the Commission staff, and other stakeholders with a
17 substantial interest in the topics addressed by the
18 Interconnection Working Group.

19 (b) The Interconnection Working Group shall address at
20 least the following issues in relation to new generation and
21 new large loads:

22 (1) the cost of and the best available technology for
23 interconnection and metering, including the
24 standardization and publication of standard costs;

25 (2) transparency, accuracy, and use of the

1 distribution interconnection queue and hosting capacity
2 maps;

3 (3) distribution system upgrade cost avoidance through
4 use of advanced inverter functions, energy storage, and
5 load management;

6 (4) predictability of the queue management process and
7 enforcement of timelines;

8 (5) benefits and challenges associated with group
9 studies and cost sharing;

10 (6) minimum requirements for application to the
11 interconnection process and throughout the interconnection
12 process to avoid queue clogging behavior;

13 (7) the process and customer service for
14 interconnecting customers adopting distributed energy
15 resources, including energy storage;

16 (8) options for metering distributed energy resources,
17 including energy storage;

18 (9) interconnection of new technologies, including
19 smart inverters and energy storage;

20 (10) collection, examination, and sharing of data on
21 Level 1 interconnection costs, including cost and type of
22 upgrades required for interconnection, and the use of this
23 data to inform the final standardized cost of Level 1
24 interconnection;

25 (11) determination of a single standardized cost for
26 Level 1 interconnections, which shall not exceed \$200; and

1 (12) such other technical, policy, and tariff issues
2 related to and affecting interconnection performance and
3 customer service as determined by the Interconnection
4 Working Group.

5 (c) The Commission may create subcommittees of the
6 Interconnection Working Group to focus on specific issues of
7 importance, as appropriate.

8 (d) The Interconnection Working Group shall report to the
9 Commission on recommended improvements to interconnection
10 rules, tariffs, and policies as determined by the
11 Interconnection Working Group at least every year. A report
12 shall include consensus recommendations of the Interconnection
13 Working Group and, if applicable, additional recommendations
14 for which consensus was not reached. Non-consensus shall not
15 be a basis for excluding recommendations that are majority or
16 minority recommendations. The Commission shall use the report
17 from the Interconnection Working Group to determine whether
18 processes should be commenced to formally codify or implement
19 the recommendations. The Interconnection Working Group shall
20 provide a report under this subsection (d) to the Commission
21 on at least the following topics within the following
22 timelines:

23 (1) within 6 months after the effective date of this
24 amendatory Act of the 104th General Assembly, (A) a
25 mechanism for good cause extensions to construction
26 timelines as long as the interconnection customer

1 reasonably demonstrates progress; (B) a mechanism for all
2 electric utilities to accept cash, letters of credit, or
3 bonds for any deposits required under the interconnection
4 agreement; (C) cost sharing for distribution system
5 upgrades and interconnection facilities for multiple
6 interconnection customers attempting to interconnect on
7 the same feeder or substation; and (D) requirements that
8 interconnection studies process without delay based on
9 queue position or status of applications ahead in the
10 queue, and associated requirements for disclosure of
11 contingent upgrades;

12 (2) within 12 months after the effective date of this
13 amendatory Act of the 104th General Assembly, (A)
14 mandatory disclosures on the hosting capacity map and
15 studies for contingent upgrades including timelines for
16 notice of responsibility and payment; and (B) a framework
17 for concurrent study on multiple feeders for a distributed
18 energy resource;

19 (3) within 18 months after the effective date of this
20 amendatory Act of the 104th General Assembly, (A) dynamic
21 hosting capacity maps; (B) standards for public queue and
22 hosting capacity map information regarding individual
23 projects in queue, including (i) distributed generation
24 nameplate capacity, (ii) paired or stand-alone energy
25 storage system nameplate capacity, (iii) detailed
26 estimated upgrade costs, and (iv) systems that have

1 completed upgrades and withdrawn projects; and (C)
2 timelines for refund of deposits in the event of
3 termination of the interconnection agreement; and

4 (4) within 24 months after the effective date of this
5 amendatory Act of the 104th General Assembly, (A) level of
6 detail of costs in system impact and facilities studies
7 and level 2 studies; and (B) a cap on charges to the
8 interconnection customer based on a percentage of the
9 non-binding cost estimate in the facilities study, system
10 impact study, or level 2 study.

11 (e) In collaboration with the General Counsel of the
12 Commission, the Office shall develop policies and
13 procedures to facilitate employees of the Office in
14 leading the Interconnection Working Group without
15 interference with docketed proceedings. The policies and
16 procedures developed under this subsection (e) shall be
17 designed to allow the Interconnection Working Group to
18 work without interruption.

19 (220 ILCS 5/20-145 new)

20 Sec. 20-145. Interconnection Monitor.

21 (a) The Office of Retail Market Development may employ,
22 designate, or otherwise retain the services of an Ombudsperson
23 who, in addition to the roles described in this Act, is
24 responsible for oversight of a utility's compliance with the
25 rules adopted under Section 20-145 of this Act and any other

1 utility interconnection policies or procedures. The
2 Ombudsperson may be paid in full or in part through fees levied
3 on the initiators of a dispute.

4 (b) The Ombudsperson may from time to time request, and
5 each electric utility shall timely provide, records and
6 information to carry out his or her duties under this Section.

7 (c) The Office shall monitor interconnection between
8 electric utilities and applicants for interconnection and
9 interconnection customers. The Office may request, and
10 electric utilities shall promptly provide, information and
11 records related to pending, successful, and terminated
12 interconnections. The Office shall take these steps for
13 interconnections involving distributed renewable energy
14 resources, energy storage systems, utility-scale wind
15 projects, utility-scale solar projects, and extremely large,
16 inflexible load non-residential customers, including
17 interconnections to a distribution system or a transmission
18 system.

19 (d) The Office may require electric utilities to perform a
20 system impact and facilities study to provide a detailed
21 breakdown of the non-binding costs of operation and an
22 estimate that individually itemizes operational costs,
23 including equipment by type or model, labor, operation and
24 maintenance, engineering and design, permitting, easements and
25 rights-of-way, direct overhead, and indirect overhead.

26 (e) The Office is authorized to establish an informal

1 interconnection dispute resolution process consistent with the
2 Commission's existing interconnection rules. Any dispute
3 submitted pursuant to the provisions of this Section shall be
4 in a form and manner as determined by the Bureau Chief. In
5 addition to any other dispute resolution provisions under the
6 Commission's rules, an electric utility, an interconnection
7 customer, or an interconnection applicant, may submit a
8 dispute pursuant to this subsection (e) and the Ombudsperson,
9 or his or her designee, shall provide a recommended resolution
10 of such dispute within 30 days after the Ombudsperson
11 determines that full information from all parties to the
12 dispute has been received. The electric utility, the
13 interconnection customer, the interconnection applicant, or
14 any other party authorized to initiate dispute resolution
15 under the Commission's rules may include the Ombudsperson's
16 recommendation in any further formal dispute resolution before
17 the Commission. Nothing in this subsection (e) prohibits the
18 Ombudsperson from taking part in a dispute as required by this
19 Section or the Commission's rules.

20 (f) The Office is encouraged to include at least one
21 employee, at the Bureau Chief's discretion, with a background
22 in engineering of renewable resources and distribution
23 interconnections.

24 Section 40. The Environmental Protection Act is amended by
25 changing Sections 9.15 and 39 and by adding Section 17.13 as

1 follows:

2 (415 ILCS 5/9.15)

3 Sec. 9.15. Greenhouse gases.

4 (a) An air pollution construction permit shall not be
5 required due to emissions of greenhouse gases if the
6 equipment, site, or source is not subject to regulation, as
7 defined by 40 CFR 52.21, as now or hereafter amended, for
8 greenhouse gases or is otherwise not addressed in this Section
9 or by the Board in regulations for greenhouse gases. These
10 exemptions do not relieve an owner or operator from the
11 obligation to comply with other applicable rules or
12 regulations.

13 (b) An air pollution operating permit shall not be
14 required due to emissions of greenhouse gases if the
15 equipment, site, or source is not subject to regulation, as
16 defined by Section 39.5 of this Act, for greenhouse gases or is
17 otherwise not addressed in this Section or by the Board in
18 regulations for greenhouse gases. These exemptions do not
19 relieve an owner or operator from the obligation to comply
20 with other applicable rules or regulations.

21 (c) (Blank).

22 (d) (Blank).

23 (e) (Blank).

24 (f) As used in this Section:

25 "Carbon dioxide emission" means the plant annual CO₂ total

1 output emission as measured by the United States Environmental
2 Protection Agency in its Emissions & Generation Resource
3 Integrated Database (eGrid), or its successor.

4 "Carbon dioxide equivalent emissions" or "CO₂e" means the
5 sum total of the mass amount of emissions in tons per year,
6 calculated by multiplying the mass amount of each of the 6
7 greenhouse gases specified in Section 3.207, in tons per year,
8 by its associated global warming potential as set forth in 40
9 CFR 98, subpart A, table A-1 or its successor, and then adding
10 them all together.

11 "Cogeneration" or "combined heat and power" refers to any
12 system that, either simultaneously or sequentially, produces
13 electricity and useful thermal energy from a single fuel
14 source.

15 "Copollutants" refers to the 6 criteria pollutants that
16 have been identified by the United States Environmental
17 Protection Agency pursuant to the Clean Air Act.

18 "Electric generating unit" or "EGU" means a fossil
19 fuel-fired stationary boiler, combustion turbine, or combined
20 cycle system that serves a generator that has a nameplate
21 capacity greater than 25 MWe and produces electricity for
22 sale.

23 "Environmental justice community" means the definition of
24 that term based on existing methodologies and findings, used
25 and as may be updated by the Illinois Power Agency and its
26 program administrator in the Illinois Solar for All Program.

1 "Equity investment eligible community" or "eligible
2 community" means the geographic areas throughout Illinois that
3 would most benefit from equitable investments by the State
4 designed to combat discrimination and foster sustainable
5 economic growth. Specifically, eligible community means the
6 following areas:

7 (1) areas where residents have been historically
8 excluded from economic opportunities, including
9 opportunities in the energy sector, as defined as R3 areas
10 pursuant to Section 10-40 of the Cannabis Regulation and
11 Tax Act; and

12 (2) areas where residents have been historically
13 subject to disproportionate burdens of pollution,
14 including pollution from the energy sector, as established
15 by environmental justice communities as defined by the
16 Illinois Power Agency pursuant to the Illinois Power
17 Agency Act, excluding any racial or ethnic indicators.

18 "Equity investment eligible person" or "eligible person"
19 means the persons who would most benefit from equitable
20 investments by the State designed to combat discrimination and
21 foster sustainable economic growth. Specifically, eligible
22 person means the following people:

23 (1) persons whose primary residence is in an equity
24 investment eligible community;

25 (2) persons whose primary residence is in a
26 municipality, or a county with a population under 100,000,

1 where the closure of an electric generating unit or mine
2 has been publicly announced or the electric generating
3 unit or mine is in the process of closing or closed within
4 the last 5 years;

5 (3) persons who are graduates of or currently enrolled
6 in the foster care system; or

7 (4) persons who were formerly incarcerated.

8 "Existing emissions" means:

9 (1) for CO₂e, the total average tons-per-year of CO₂e
10 emitted by the EGU or large GHG-emitting unit either in
11 the years 2018 through 2020 or, if the unit was not yet in
12 operation by January 1, 2018, in the first 3 full years of
13 that unit's operation; and

14 (2) for any copollutant, the total average
15 tons-per-year of that copollutant emitted by the EGU or
16 large GHG-emitting unit either in the years 2018 through
17 2020 or, if the unit was not yet in operation by January 1,
18 2018, in the first 3 full years of that unit's operation.

19 "Green hydrogen" means a power plant technology in which
20 an EGU creates electric power exclusively from electrolytic
21 hydrogen, in a manner that produces zero carbon and
22 copollutant emissions, using hydrogen fuel that is
23 electrolyzed using a 100% renewable zero carbon emission
24 energy source.

25 "Large greenhouse gas-emitting unit" or "large
26 GHG-emitting unit" means a unit that is an electric generating

1 unit or other fossil fuel-fired unit that itself has a
2 nameplate capacity or serves a generator that has a nameplate
3 capacity greater than 25 MWe and that produces electricity,
4 including, but not limited to, coal-fired, coal-derived,
5 oil-fired, natural gas-fired, and cogeneration units.

6 "NO_x emission rate" means the plant annual NO_x total output
7 emission rate as measured by the United States Environmental
8 Protection Agency in its Emissions & Generation Resource
9 Integrated Database (eGrid), or its successor, in the most
10 recent year for which data is available.

11 "Public greenhouse gas-emitting units" or "public
12 GHG-emitting unit" means large greenhouse gas-emitting units,
13 including EGUs, that are wholly owned, directly or indirectly,
14 by one or more municipalities, municipal corporations, joint
15 municipal electric power agencies, electric cooperatives, or
16 other governmental or nonprofit entities, whether organized
17 and created under the laws of Illinois or another state.

18 "SO₂ emission rate" means the "plant annual SO₂ total
19 output emission rate" as measured by the United States
20 Environmental Protection Agency in its Emissions & Generation
21 Resource Integrated Database (eGrid), or its successor, in the
22 most recent year for which data is available.

23 (g) All EGUs and large greenhouse gas-emitting units that
24 use coal or oil as a fuel and are not public GHG-emitting units
25 shall permanently reduce all CO₂e and copollutant emissions to
26 zero no later than January 1, 2030.

1 (h) All EGUs and large greenhouse gas-emitting units that
2 use coal as a fuel and are public GHG-emitting units shall
3 permanently reduce CO₂e emissions to zero no later than
4 December 31, 2045. Any source or plant with such units must
5 also reduce their CO₂e emissions by 45% from existing
6 emissions by no later than January 1, 2035. If the emissions
7 reduction requirement is not achieved by December 31, 2035,
8 the plant shall retire one or more units or otherwise reduce
9 its CO₂e emissions by 45% from existing emissions by June 30,
10 2038.

11 (i) All EGUs and large greenhouse gas-emitting units that
12 use gas as a fuel and are not public GHG-emitting units shall
13 permanently reduce all CO₂e and copollutant emissions to zero,
14 including through unit retirement or the use of 100% green
15 hydrogen or other similar technology that is commercially
16 proven to achieve zero carbon emissions, according to the
17 following:

18 (1) No later than January 1, 2030: all EGUs and large
19 greenhouse gas-emitting units that have a NO_x emissions
20 rate of greater than 0.12 lbs/MWh or a SO₂ emission rate of
21 greater than 0.006 lb/MWh, and are located in or within 3
22 miles of an environmental justice community designated as
23 of January 1, 2021 or an equity investment eligible
24 community.

25 (2) No later than January 1, 2040: all EGUs and large
26 greenhouse gas-emitting units that have a NO_x emission

1 rate of greater than 0.12 lbs/MWh or a SO₂ emission rate
2 greater than 0.006 lb/MWh, and are not located in or
3 within 3 miles of an environmental justice community
4 designated as of January 1, 2021 or an equity investment
5 eligible community. After January 1, 2035, each such EGU
6 and large greenhouse gas-emitting unit shall reduce its
7 CO₂e emissions by at least 50% from its existing emissions
8 for CO₂e, and shall be limited in operation to, on average,
9 6 hours or less per day, measured over a calendar year, and
10 shall not run for more than 24 consecutive hours except in
11 emergency conditions, as designated by a Regional
12 Transmission Organization or Independent System Operator.

13 (3) No later than January 1, 2035: all EGUs and large
14 greenhouse gas-emitting units that began operation prior
15 to the effective date of this amendatory Act of the 102nd
16 General Assembly and have a NO_x emission rate of less than
17 or equal to 0.12 lb/MWh and a SO₂ emission rate less than
18 or equal to 0.006 lb/MWh, and are located in or within 3
19 miles of an environmental justice community designated as
20 of January 1, 2021 or an equity investment eligible
21 community. Each such EGU and large greenhouse gas-emitting
22 unit shall reduce its CO₂e emissions by at least 50% from
23 its existing emissions for CO₂e no later than January 1,
24 2030.

25 (4) No later than January 1, 2040: All remaining EGUs
26 and large greenhouse gas-emitting units that have a heat

1 rate greater than or equal to 7000 BTU/kWh. Each such EGU
2 and Large greenhouse gas-emitting unit shall reduce its
3 CO₂e emissions by at least 50% from its existing emissions
4 for CO₂e no later than January 1, 2035.

5 (5) No later than January 1, 2045: all remaining EGUs
6 and large greenhouse gas-emitting units.

7 (j) All EGUs and large greenhouse gas-emitting units that
8 use gas as a fuel and are public GHG-emitting units shall
9 permanently reduce all CO₂e and copollutant emissions to zero,
10 including through unit retirement or the use of 100% green
11 hydrogen or other similar technology that is commercially
12 proven to achieve zero carbon emissions by January 1, 2045.

13 (k) All EGUs and large greenhouse gas-emitting units that
14 utilize combined heat and power or cogeneration technology
15 shall permanently reduce all CO₂e and copollutant emissions to
16 zero, including through unit retirement or the use of 100%
17 green hydrogen or other similar technology that is
18 commercially proven to achieve zero carbon emissions by
19 January 1, 2045.

20 (k-5) No EGU or large greenhouse gas-emitting unit that
21 uses gas as a fuel and is not a public GHG-emitting unit may
22 emit, in any 12-month period, CO₂e or copollutants in excess of
23 that unit's existing emissions for those pollutants.

24 (l) Notwithstanding subsections (g) through (k-5), large
25 GHG-emitting units including EGUs may temporarily continue
26 emitting CO₂e and copollutants after any applicable deadline

1 specified in any of subsections (g) through (k-5) if it has
2 been determined, as described in paragraphs (1) and (2) of
3 this subsection, that ongoing operation of the EGU is
4 necessary to maintain power grid supply and reliability or
5 ongoing operation of large GHG-emitting unit that is not an
6 EGU is necessary to serve as an emergency backup to
7 operations. Up to and including the occurrence of an emission
8 reduction deadline under subsection (i), all EGUs and large
9 GHG-emitting units must comply with the following terms:

10 (1) if an EGU or large GHG-emitting unit that is a
11 participant in a regional transmission organization
12 intends to retire, it must submit documentation to the
13 appropriate regional transmission organization by the
14 appropriate deadline that meets all applicable regulatory
15 requirements necessary to obtain approval to permanently
16 cease operating the large GHG-emitting unit;

17 (2) if any EGU or large GHG-emitting unit that is a
18 participant in a regional transmission organization
19 receives notice that the regional transmission
20 organization has determined that continued operation of
21 the unit is required, the unit may continue operating
22 until the issue identified by the regional transmission
23 organization is resolved. The owner or operator of the
24 unit must cooperate with the regional transmission
25 organization in resolving the issue and must reduce its
26 emissions to zero, consistent with the requirements under

1 subsection (g), (h), (i), (j), (k), or (k-5), as
2 applicable, as soon as practicable when the issue
3 identified by the regional transmission organization is
4 resolved; and

5 (3) any large GHG-emitting unit that is not a
6 participant in a regional transmission organization shall
7 be allowed to continue emitting CO₂e and copollutants
8 after the zero-emission date specified in subsection (g),
9 (h), (i), (j), (k), or (k-5), as applicable, in the
10 capacity of an emergency backup unit if approved by the
11 Illinois Commerce Commission.

12 (m) No variance, adjusted standard, or other regulatory
13 relief otherwise available in this Act may be granted to the
14 emissions reduction and elimination obligations in this
15 Section.

16 (n) By June 30 of each year, beginning in 2025, the Agency
17 shall prepare and publish on its website a report setting
18 forth the actual greenhouse gas emissions from individual
19 units and the aggregate statewide emissions from all units for
20 the prior year.

21 (o) ~~The Every 5 years beginning in 2025, the~~ Environmental
22 Protection Agency, Illinois Power Agency, and Illinois
23 Commerce Commission shall jointly prepare, and release
24 publicly, a report to the General Assembly that examines the
25 State's current progress toward its renewable energy resource
26 development goals, the status of CO₂e and copollutant

1 emissions reductions, the current status and progress toward
2 developing and implementing green hydrogen technologies, the
3 current and projected status of electric resource adequacy and
4 reliability throughout the State for the period beginning 5
5 years ahead, and proposed solutions for any findings. The
6 Environmental Protection Agency, Illinois Power Agency, and
7 Illinois Commerce Commission shall consult PJM
8 Interconnection, LLC and Midcontinent Independent System
9 Operator, Inc., or their respective successor organizations
10 regarding forecasted resource adequacy and reliability needs,
11 anticipated new generation interconnection, new transmission
12 development or upgrades, and any announced large GHG-emitting
13 unit closure dates and include this information in the report.
14 The report shall be released publicly by no later than
15 December 15, 2025 ~~of the year it is prepared~~. If the
16 Environmental Protection Agency, Illinois Power Agency, and
17 Illinois Commerce Commission jointly conclude in the report
18 that the data from the regional grid operators, the pace of
19 renewable energy development, the pace of development of
20 energy storage and demand response utilization, transmission
21 capacity, and the CO₂e and copollutant emissions reductions
22 required by subsection (i) or (k-5) reasonably demonstrate
23 that a resource adequacy shortfall will occur, including
24 whether there will be sufficient in-state capacity to meet the
25 zonal requirements of MISO Zone 4 or the PJM ComEd Zone, per
26 the requirements of the regional transmission organizations,

1 or that the regional transmission operators determine that a
2 reliability violation will occur during the time frame the
3 study is evaluating, then the Illinois Power Agency, in
4 conjunction with the Environmental Protection Agency shall
5 develop a plan to reduce or delay CO₂e and copollutant
6 emissions reductions requirements only to the extent and for
7 the duration necessary to meet the resource adequacy and
8 reliability needs of the State, including allowing any plants
9 whose emission reduction deadline has been identified in the
10 plan as creating a reliability concern to continue operating,
11 including operating with reduced emissions or as emergency
12 backup where appropriate. The plan shall also consider the use
13 of renewable energy, energy storage, demand response,
14 transmission development, or other strategies to resolve the
15 identified resource adequacy shortfall or reliability
16 violation.

17 (1) In developing the plan, the Environmental
18 Protection Agency and the Illinois Power Agency shall hold
19 at least one workshop open to, and accessible at a time and
20 place convenient to, the public and shall consider any
21 comments made by stakeholders or the public. Upon
22 development of the plan, copies of the plan shall be
23 posted and made publicly available on the Environmental
24 Protection Agency's, the Illinois Power Agency's, and the
25 Illinois Commerce Commission's websites. All interested
26 parties shall have 60 days following the date of posting

1 to provide comment to the Environmental Protection Agency
2 and the Illinois Power Agency on the plan. All comments
3 submitted to the Environmental Protection Agency and the
4 Illinois Power Agency shall be encouraged to be specific,
5 supported by data or other detailed analyses, and, if
6 objecting to all or a portion of the plan, accompanied by
7 specific alternative wording or proposals. All comments
8 shall be posted on the Environmental Protection Agency's,
9 the Illinois Power Agency's, and the Illinois Commerce
10 Commission's websites. Within 30 days following the end of
11 the 60-day review period, the Environmental Protection
12 Agency and the Illinois Power Agency shall revise the plan
13 as necessary based on the comments received and file its
14 revised plan with the Illinois Commerce Commission for
15 approval.

16 (2) Within 60 days after the filing of the revised
17 plan at the Illinois Commerce Commission, any person
18 objecting to the plan shall file an objection with the
19 Illinois Commerce Commission. Within 30 days after the
20 expiration of the comment period, the Illinois Commerce
21 Commission shall determine whether an evidentiary hearing
22 is necessary. The Illinois Commerce Commission shall also
23 host 3 public hearings within 90 days after the plan is
24 filed. Following the evidentiary and public hearings, the
25 Illinois Commerce Commission shall enter its order
26 approving or approving with modifications the reliability

1 mitigation plan within 180 days.

2 (3) The Illinois Commerce Commission shall only
3 approve the plan if the Illinois Commerce Commission
4 determines that it will resolve the resource adequacy or
5 reliability deficiency identified in the reliability
6 mitigation plan at the least amount of CO₂e and copollutant
7 emissions, taking into consideration the emissions impacts
8 on environmental justice communities, and that it will
9 ensure adequate, reliable, affordable, efficient, and
10 environmentally sustainable electric service at the lowest
11 total cost over time, taking into account the impact of
12 increases in emissions.

13 (4) If the resource adequacy or reliability deficiency
14 identified in the reliability mitigation plan is resolved
15 or reduced, the Environmental Protection Agency and the
16 Illinois Power Agency may file an amended plan adjusting
17 the reduction or delay in CO₂e and copollutant emission
18 reduction requirements identified in the plan.

19 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

20 (415 ILCS 5/17.13 new)

21 Sec. 17.13. New extremely large, inflexible-load,
22 non-residential facility water and waste planning.

23 (a) As used in this Section, "extremely large,
24 inflexible-load, non-residential facility" means a facility
25 whose total highest demand established by the facility during

1 the most recent 12 consecutive monthly billing periods or a
2 forecast of its next 12 consecutive monthly billing periods
3 was more than 25,000 kilowatts and the facility has during the
4 most recent 12 consecutive monthly billing periods or is
5 forecasted to have during its next 12 consecutive monthly
6 billing periods a load factor of greater than 50%.

7 (b) Each extremely large, inflexible-load, non-residential
8 facility shall create a public website on which it shall post:

9 (1) At least 6 months before starting operation, a
10 water resources plan that provides the following
11 information:

12 (i) the expected volume of water, in kiloliters,
13 needed to fulfill 100% of the anticipated water
14 consumption needs of the data center over the course
15 of 12 consecutive months;

16 (ii) the extremely large, inflexible-load,
17 non-residential facility's policy for sustainable
18 water use and water conservation, including:

19 (A) water sourcing and consumption plans,
20 including any agreements or contracts to supply
21 water for the data center;

22 (B) the heating or cooling of water prior to
23 discharge from the facility; and

24 (C) plans to conserve, reuse, and replace
25 water, including, but not limited to, the
26 following measures: using water efficient fixtures

1 and practices; treating, infiltrating, and
2 harvesting rainwater; recycling water before
3 discharging; partnering with local water utilities
4 to use discharged water for irrigation and other
5 water conservation purposes; using reclaimed water
6 where possible for operations; supporting water
7 restoration in local watersheds; and using a
8 non-evaporative cooling system; and
9 (iii) a list of any discharge or other water
10 permits or approvals that the facility will obtain.

11 (2) At least 6 months before starting operation, a
12 waste disposal plan that provides the following
13 information:

14 (i) the facility's plan for recycling or disposing
15 of any metals, e-wastes, or chemical wastes from the
16 facility;

17 (ii) the volume or mass of metal wastes, e-wastes,
18 and chemical waste expected to be generated at the
19 facility each year; and

20 (iii) measures the facility plans to take to
21 minimize metal wastes, e-wastes, and chemical wastes
22 at the facility.

23 (3) Any zoning, water use, discharge, air, or other
24 permits or approvals issued to the facility, within 15
25 days of the facility's receipt of such permit or approval.

26 (c) Within 30 days of the creation of its public website,

1 each extremely large, inflexible-load, non-residential
2 facility shall submit to the Agency, in a manner prescribed
3 the Agency, the Uniform Resource Locator (URL) for its public
4 website and shall publicize that website in a manner
5 determined by the Agency.

6 (415 ILCS 5/39) (from Ch. 111 1/2, par. 1039)

7 Sec. 39. Issuance of permits; procedures.

8 (a) When the Board has by regulation required a permit for
9 the construction, installation, or operation of any type of
10 facility, equipment, vehicle, vessel, or aircraft, the
11 applicant shall apply to the Agency for such permit and it
12 shall be the duty of the Agency to issue such a permit upon
13 proof by the applicant that the facility, equipment, vehicle,
14 vessel, or aircraft will not cause a violation of this Act or
15 of regulations hereunder. The Agency shall adopt such
16 procedures as are necessary to carry out its duties under this
17 Section. In making its determinations on permit applications
18 under this Section the Agency may consider prior adjudications
19 of noncompliance with this Act by the applicant that involved
20 a release of a contaminant into the environment. In granting
21 permits, the Agency may impose reasonable conditions
22 specifically related to the applicant's past compliance
23 history with this Act as necessary to correct, detect, or
24 prevent noncompliance. The Agency may impose such other
25 conditions as may be necessary to accomplish the purposes of

1 this Act, and as are not inconsistent with the regulations
2 promulgated by the Board hereunder. Except as otherwise
3 provided in this Act, a bond or other security shall not be
4 required as a condition for the issuance of a permit. If the
5 Agency denies any permit under this Section, the Agency shall
6 transmit to the applicant within the time limitations of this
7 Section specific, detailed statements as to the reasons the
8 permit application was denied. Such statements shall include,
9 but not be limited to, the following:

10 (i) the Sections of this Act which may be violated if
11 the permit were granted;

12 (ii) the provision of the regulations, promulgated
13 under this Act, which may be violated if the permit were
14 granted;

15 (iii) the specific type of information, if any, which
16 the Agency deems the applicant did not provide the Agency;
17 and

18 (iv) a statement of specific reasons why the Act and
19 the regulations might not be met if the permit were
20 granted.

21 If there is no final action by the Agency within 90 days
22 after the filing of the application for permit, the applicant
23 may deem the permit issued; except that this time period shall
24 be extended to 180 days when (1) notice and opportunity for
25 public hearing are required by State or federal law or
26 regulation, (2) the application which was filed is for any

1 permit to develop a landfill subject to issuance pursuant to
2 this subsection, or (3) the application that was filed is for a
3 MSWLF unit required to issue public notice under subsection
4 (p) of Section 39. The 90-day and 180-day time periods for the
5 Agency to take final action do not apply to NPDES permit
6 applications under subsection (b) of this Section, to RCRA
7 permit applications under subsection (d) of this Section, to
8 UIC permit applications under subsection (e) of this Section,
9 or to CCR surface impoundment applications under subsection
10 (y) of this Section.

11 The Agency shall publish notice of all final permit
12 determinations for development permits for MSWLF units and for
13 significant permit modifications for lateral expansions for
14 existing MSWLF units one time in a newspaper of general
15 circulation in the county in which the unit is or is proposed
16 to be located.

17 After January 1, 1994 and until July 1, 1998, operating
18 permits issued under this Section by the Agency for sources of
19 air pollution permitted to emit less than 25 tons per year of
20 any combination of regulated air pollutants, as defined in
21 Section 39.5 of this Act, shall be required to be renewed only
22 upon written request by the Agency consistent with applicable
23 provisions of this Act and regulations promulgated hereunder.
24 Such operating permits shall expire 180 days after the date of
25 such a request. The Board shall revise its regulations for the
26 existing State air pollution operating permit program

1 consistent with this provision by January 1, 1994.

2 After June 30, 1998, operating permits issued under this
3 Section by the Agency for sources of air pollution that are not
4 subject to Section 39.5 of this Act and are not required to
5 have a federally enforceable State operating permit shall be
6 required to be renewed only upon written request by the Agency
7 consistent with applicable provisions of this Act and its
8 rules. Such operating permits shall expire 180 days after the
9 date of such a request. Before July 1, 1998, the Board shall
10 revise its rules for the existing State air pollution
11 operating permit program consistent with this paragraph and
12 shall adopt rules that require a source to demonstrate that it
13 qualifies for a permit under this paragraph.

14 After the effective date of this amendatory Act of the
15 104th General Assembly, each air pollution control
16 construction permit issued by the Agency for fossil fuel-fired
17 power backup generators to a source that is required to have a
18 federally enforceable State operating permit or Clean Air Act
19 Permit Program permit shall, in addition to any other
20 applicable requirements, require each such generator to: (i)
21 meet standards at least as protective as Tier 4 standards for
22 non-road diesel engines set out by the United States
23 Environmental Protection Agency in 40 CFR 1039, as it exists
24 on the effective date of this amendatory Act of the 104th
25 General Assembly; and (ii) operate solely as an emergency or
26 standby unit in accordance with 35 Ill. Adm. Code 211.1920, as

1 it exists on the effective date of this amendatory Act of the
2 104th General Assembly, except that 35 Ill. Adm. Code
3 211.1920(e) shall not apply to the generators permitted under
4 this paragraph.

5 (b) The Agency may issue NPDES permits exclusively under
6 this subsection for the discharge of contaminants from point
7 sources into navigable waters, all as defined in the Federal
8 Water Pollution Control Act, as now or hereafter amended,
9 within the jurisdiction of the State, or into any well.

10 All NPDES permits shall contain those terms and
11 conditions, including, but not limited to, schedules of
12 compliance, which may be required to accomplish the purposes
13 and provisions of this Act.

14 The Agency may issue general NPDES permits for discharges
15 from categories of point sources which are subject to the same
16 permit limitations and conditions. Such general permits may be
17 issued without individual applications and shall conform to
18 regulations promulgated under Section 402 of the Federal Water
19 Pollution Control Act, as now or hereafter amended.

20 The Agency may include, among such conditions, effluent
21 limitations and other requirements established under this Act,
22 Board regulations, the Federal Water Pollution Control Act, as
23 now or hereafter amended, and regulations pursuant thereto,
24 and schedules for achieving compliance therewith at the
25 earliest reasonable date.

26 The Agency shall adopt filing requirements and procedures

1 which are necessary and appropriate for the issuance of NPDES
2 permits, and which are consistent with the Act or regulations
3 adopted by the Board, and with the Federal Water Pollution
4 Control Act, as now or hereafter amended, and regulations
5 pursuant thereto.

6 The Agency, subject to any conditions which may be
7 prescribed by Board regulations, may issue NPDES permits to
8 allow discharges beyond deadlines established by this Act or
9 by regulations of the Board without the requirement of a
10 variance, subject to the Federal Water Pollution Control Act,
11 as now or hereafter amended, and regulations pursuant thereto.

12 (c) Except for those facilities owned or operated by
13 sanitary districts organized under the Metropolitan Water
14 Reclamation District Act, no permit for the development or
15 construction of a new pollution control facility may be
16 granted by the Agency unless the applicant submits proof to
17 the Agency that the location of the facility has been approved
18 by the county board of the county if in an unincorporated area,
19 or the governing body of the municipality when in an
20 incorporated area, in which the facility is to be located in
21 accordance with Section 39.2 of this Act. For purposes of this
22 subsection (c), and for purposes of Section 39.2 of this Act,
23 the appropriate county board or governing body of the
24 municipality shall be the county board of the county or the
25 governing body of the municipality in which the facility is to
26 be located as of the date when the application for siting

1 approval is filed.

2 In the event that siting approval granted pursuant to
3 Section 39.2 has been transferred to a subsequent owner or
4 operator, that subsequent owner or operator may apply to the
5 Agency for, and the Agency may grant, a development or
6 construction permit for the facility for which local siting
7 approval was granted. Upon application to the Agency for a
8 development or construction permit by that subsequent owner or
9 operator, the permit applicant shall cause written notice of
10 the permit application to be served upon the appropriate
11 county board or governing body of the municipality that
12 granted siting approval for that facility and upon any party
13 to the siting proceeding pursuant to which siting approval was
14 granted. In that event, the Agency shall conduct an evaluation
15 of the subsequent owner or operator's prior experience in
16 waste management operations in the manner conducted under
17 subsection (i) of Section 39 of this Act.

18 Beginning August 20, 1993, if the pollution control
19 facility consists of a hazardous or solid waste disposal
20 facility for which the proposed site is located in an
21 unincorporated area of a county with a population of less than
22 100,000 and includes all or a portion of a parcel of land that
23 was, on April 1, 1993, adjacent to a municipality having a
24 population of less than 5,000, then the local siting review
25 required under this subsection (c) in conjunction with any
26 permit applied for after that date shall be performed by the

1 governing body of that adjacent municipality rather than the
2 county board of the county in which the proposed site is
3 located; and for the purposes of that local siting review, any
4 references in this Act to the county board shall be deemed to
5 mean the governing body of that adjacent municipality;
6 provided, however, that the provisions of this paragraph shall
7 not apply to any proposed site which was, on April 1, 1993,
8 owned in whole or in part by another municipality.

9 In the case of a pollution control facility for which a
10 development permit was issued before November 12, 1981, if an
11 operating permit has not been issued by the Agency prior to
12 August 31, 1989 for any portion of the facility, then the
13 Agency may not issue or renew any development permit nor issue
14 an original operating permit for any portion of such facility
15 unless the applicant has submitted proof to the Agency that
16 the location of the facility has been approved by the
17 appropriate county board or municipal governing body pursuant
18 to Section 39.2 of this Act.

19 After January 1, 1994, if a solid waste disposal facility,
20 any portion for which an operating permit has been issued by
21 the Agency, has not accepted waste disposal for 5 or more
22 consecutive calendar years, before that facility may accept
23 any new or additional waste for disposal, the owner and
24 operator must obtain a new operating permit under this Act for
25 that facility unless the owner and operator have applied to
26 the Agency for a permit authorizing the temporary suspension

1 of waste acceptance. The Agency may not issue a new operation
2 permit under this Act for the facility unless the applicant
3 has submitted proof to the Agency that the location of the
4 facility has been approved or re-approved by the appropriate
5 county board or municipal governing body under Section 39.2 of
6 this Act after the facility ceased accepting waste.

7 Except for those facilities owned or operated by sanitary
8 districts organized under the Metropolitan Water Reclamation
9 District Act, and except for new pollution control facilities
10 governed by Section 39.2, and except for fossil fuel mining
11 facilities, the granting of a permit under this Act shall not
12 relieve the applicant from meeting and securing all necessary
13 zoning approvals from the unit of government having zoning
14 jurisdiction over the proposed facility.

15 Before beginning construction on any new sewage treatment
16 plant or sludge drying site to be owned or operated by a
17 sanitary district organized under the Metropolitan Water
18 Reclamation District Act for which a new permit (rather than
19 the renewal or amendment of an existing permit) is required,
20 such sanitary district shall hold a public hearing within the
21 municipality within which the proposed facility is to be
22 located, or within the nearest community if the proposed
23 facility is to be located within an unincorporated area, at
24 which information concerning the proposed facility shall be
25 made available to the public, and members of the public shall
26 be given the opportunity to express their views concerning the

1 proposed facility.

2 The Agency may issue a permit for a municipal waste
3 transfer station without requiring approval pursuant to
4 Section 39.2 provided that the following demonstration is
5 made:

6 (1) the municipal waste transfer station was in
7 existence on or before January 1, 1979 and was in
8 continuous operation from January 1, 1979 to January 1,
9 1993;

10 (2) the operator submitted a permit application to the
11 Agency to develop and operate the municipal waste transfer
12 station during April of 1994;

13 (3) the operator can demonstrate that the county board
14 of the county, if the municipal waste transfer station is
15 in an unincorporated area, or the governing body of the
16 municipality, if the station is in an incorporated area,
17 does not object to resumption of the operation of the
18 station; and

19 (4) the site has local zoning approval.

20 (d) The Agency may issue RCRA permits exclusively under
21 this subsection to persons owning or operating a facility for
22 the treatment, storage, or disposal of hazardous waste as
23 defined under this Act. Subsection (y) of this Section, rather
24 than this subsection (d), shall apply to permits issued for
25 CCR surface impoundments.

26 All RCRA permits shall contain those terms and conditions,

1 including, but not limited to, schedules of compliance, which
2 may be required to accomplish the purposes and provisions of
3 this Act. The Agency may include among such conditions
4 standards and other requirements established under this Act,
5 Board regulations, the Resource Conservation and Recovery Act
6 of 1976 (P.L. 94-580), as amended, and regulations pursuant
7 thereto, and may include schedules for achieving compliance
8 therewith as soon as possible. The Agency shall require that a
9 performance bond or other security be provided as a condition
10 for the issuance of a RCRA permit.

11 In the case of a permit to operate a hazardous waste or PCB
12 incinerator as defined in subsection (k) of Section 44, the
13 Agency shall require, as a condition of the permit, that the
14 operator of the facility perform such analyses of the waste to
15 be incinerated as may be necessary and appropriate to ensure
16 the safe operation of the incinerator.

17 The Agency shall adopt filing requirements and procedures
18 which are necessary and appropriate for the issuance of RCRA
19 permits, and which are consistent with the Act or regulations
20 adopted by the Board, and with the Resource Conservation and
21 Recovery Act of 1976 (P.L. 94-580), as amended, and
22 regulations pursuant thereto.

23 The applicant shall make available to the public for
24 inspection all documents submitted by the applicant to the
25 Agency in furtherance of an application, with the exception of
26 trade secrets, at the office of the county board or governing

1 body of the municipality. Such documents may be copied upon
2 payment of the actual cost of reproduction during regular
3 business hours of the local office. The Agency shall issue a
4 written statement concurrent with its grant or denial of the
5 permit explaining the basis for its decision.

6 (e) The Agency may issue UIC permits exclusively under
7 this subsection to persons owning or operating a facility for
8 the underground injection of contaminants as defined under
9 this Act.

10 All UIC permits shall contain those terms and conditions,
11 including, but not limited to, schedules of compliance, which
12 may be required to accomplish the purposes and provisions of
13 this Act. The Agency may include among such conditions
14 standards and other requirements established under this Act,
15 Board regulations, the Safe Drinking Water Act (P.L. 93-523),
16 as amended, and regulations pursuant thereto, and may include
17 schedules for achieving compliance therewith. The Agency shall
18 require that a performance bond or other security be provided
19 as a condition for the issuance of a UIC permit.

20 The Agency shall adopt filing requirements and procedures
21 which are necessary and appropriate for the issuance of UIC
22 permits, and which are consistent with the Act or regulations
23 adopted by the Board, and with the Safe Drinking Water Act
24 (P.L. 93-523), as amended, and regulations pursuant thereto.

25 The applicant shall make available to the public for
26 inspection all documents submitted by the applicant to the

1 Agency in furtherance of an application, with the exception of
2 trade secrets, at the office of the county board or governing
3 body of the municipality. Such documents may be copied upon
4 payment of the actual cost of reproduction during regular
5 business hours of the local office. The Agency shall issue a
6 written statement concurrent with its grant or denial of the
7 permit explaining the basis for its decision.

8 (f) In making any determination pursuant to Section 9.1 of
9 this Act:

10 (1) The Agency shall have authority to make the
11 determination of any question required to be determined by
12 the Clean Air Act, as now or hereafter amended, this Act,
13 or the regulations of the Board, including the
14 determination of the Lowest Achievable Emission Rate,
15 Maximum Achievable Control Technology, or Best Available
16 Control Technology, consistent with the Board's
17 regulations, if any.

18 (2) The Agency shall adopt requirements as necessary
19 to implement public participation procedures, including,
20 but not limited to, public notice, comment, and an
21 opportunity for hearing, which must accompany the
22 processing of applications for PSD permits. The Agency
23 shall briefly describe and respond to all significant
24 comments on the draft permit raised during the public
25 comment period or during any hearing. The Agency may group
26 related comments together and provide one unified response

1 for each issue raised.

2 (3) Any complete permit application submitted to the
3 Agency under this subsection for a PSD permit shall be
4 granted or denied by the Agency not later than one year
5 after the filing of such completed application.

6 (4) The Agency shall, after conferring with the
7 applicant, give written notice to the applicant of its
8 proposed decision on the application, including the terms
9 and conditions of the permit to be issued and the facts,
10 conduct, or other basis upon which the Agency will rely to
11 support its proposed action.

12 (g) The Agency shall include as conditions upon all
13 permits issued for hazardous waste disposal sites such
14 restrictions upon the future use of such sites as are
15 reasonably necessary to protect public health and the
16 environment, including permanent prohibition of the use of
17 such sites for purposes which may create an unreasonable risk
18 of injury to human health or to the environment. After
19 administrative and judicial challenges to such restrictions
20 have been exhausted, the Agency shall file such restrictions
21 of record in the Office of the Recorder of the county in which
22 the hazardous waste disposal site is located.

23 (h) A hazardous waste stream may not be deposited in a
24 permitted hazardous waste site unless specific authorization
25 is obtained from the Agency by the generator and disposal site
26 owner and operator for the deposit of that specific hazardous

1 waste stream. The Agency may grant specific authorization for
2 disposal of hazardous waste streams only after the generator
3 has reasonably demonstrated that, considering technological
4 feasibility and economic reasonableness, the hazardous waste
5 cannot be reasonably recycled for reuse, nor incinerated or
6 chemically, physically, or biologically treated so as to
7 neutralize the hazardous waste and render it nonhazardous. In
8 granting authorization under this Section, the Agency may
9 impose such conditions as may be necessary to accomplish the
10 purposes of the Act and are consistent with this Act and
11 regulations promulgated by the Board hereunder. If the Agency
12 refuses to grant authorization under this Section, the
13 applicant may appeal as if the Agency refused to grant a
14 permit, pursuant to the provisions of subsection (a) of
15 Section 40 of this Act. For purposes of this subsection (h),
16 the term "generator" has the meaning given in Section 3.205 of
17 this Act, unless: (1) the hazardous waste is treated,
18 incinerated, or partially recycled for reuse prior to
19 disposal, in which case the last person who treats,
20 incinerates, or partially recycles the hazardous waste prior
21 to disposal is the generator; or (2) the hazardous waste is
22 from a response action, in which case the person performing
23 the response action is the generator. This subsection (h) does
24 not apply to any hazardous waste that is restricted from land
25 disposal under 35 Ill. Adm. Code 728.

26 (i) Before issuing any RCRA permit, any permit for a waste

1 storage site, sanitary landfill, waste disposal site, waste
2 transfer station, waste treatment facility, waste incinerator,
3 or any waste-transportation operation, any permit or interim
4 authorization for a clean construction or demolition debris
5 fill operation, or any permit required under subsection (d-5)
6 of Section 55, the Agency shall conduct an evaluation of the
7 prospective owner's or operator's prior experience in waste
8 management operations, clean construction or demolition debris
9 fill operations, and tire storage site management. The Agency
10 may deny such a permit, or deny or revoke interim
11 authorization, if the prospective owner or operator or any
12 employee or officer of the prospective owner or operator has a
13 history of:

14 (1) repeated violations of federal, State, or local
15 laws, regulations, standards, or ordinances in the
16 operation of waste management facilities or sites, clean
17 construction or demolition debris fill operation
18 facilities or sites, or tire storage sites; or

19 (2) conviction in this or another State of any crime
20 which is a felony under the laws of this State, or
21 conviction of a felony in a federal court; or conviction
22 in this or another state or federal court of any of the
23 following crimes: forgery, official misconduct, bribery,
24 perjury, or knowingly submitting false information under
25 any environmental law, regulation, or permit term or
26 condition; or

1 (3) proof of gross carelessness or incompetence in
2 handling, storing, processing, transporting, or disposing
3 of waste, clean construction or demolition debris, or used
4 or waste tires, or proof of gross carelessness or
5 incompetence in using clean construction or demolition
6 debris as fill.

7 (i-5) Before issuing any permit or approving any interim
8 authorization for a clean construction or demolition debris
9 fill operation in which any ownership interest is transferred
10 between January 1, 2005, and the effective date of the
11 prohibition set forth in Section 22.52 of this Act, the Agency
12 shall conduct an evaluation of the operation if any previous
13 activities at the site or facility may have caused or allowed
14 contamination of the site. It shall be the responsibility of
15 the owner or operator seeking the permit or interim
16 authorization to provide to the Agency all of the information
17 necessary for the Agency to conduct its evaluation. The Agency
18 may deny a permit or interim authorization if previous
19 activities at the site may have caused or allowed
20 contamination at the site, unless such contamination is
21 authorized under any permit issued by the Agency.

22 (j) The issuance under this Act of a permit to engage in
23 the surface mining of any resources other than fossil fuels
24 shall not relieve the permittee from its duty to comply with
25 any applicable local law regulating the commencement,
26 location, or operation of surface mining facilities.

1 (k) A development permit issued under subsection (a) of
2 Section 39 for any facility or site which is required to have a
3 permit under subsection (d) of Section 21 shall expire at the
4 end of 2 calendar years from the date upon which it was issued,
5 unless within that period the applicant has taken action to
6 develop the facility or the site. In the event that review of
7 the conditions of the development permit is sought pursuant to
8 Section 40 or 41, or permittee is prevented from commencing
9 development of the facility or site by any other litigation
10 beyond the permittee's control, such two-year period shall be
11 deemed to begin on the date upon which such review process or
12 litigation is concluded.

13 (1) No permit shall be issued by the Agency under this Act
14 for construction or operation of any facility or site located
15 within the boundaries of any setback zone established pursuant
16 to this Act, where such construction or operation is
17 prohibited.

18 (m) The Agency may issue permits to persons owning or
19 operating a facility for composting landscape waste. In
20 granting such permits, the Agency may impose such conditions
21 as may be necessary to accomplish the purposes of this Act, and
22 as are not inconsistent with applicable regulations
23 promulgated by the Board. Except as otherwise provided in this
24 Act, a bond or other security shall not be required as a
25 condition for the issuance of a permit. If the Agency denies
26 any permit pursuant to this subsection, the Agency shall

1 transmit to the applicant within the time limitations of this
2 subsection specific, detailed statements as to the reasons the
3 permit application was denied. Such statements shall include
4 but not be limited to the following:

5 (1) the Sections of this Act that may be violated if
6 the permit were granted;

7 (2) the specific regulations promulgated pursuant to
8 this Act that may be violated if the permit were granted;

9 (3) the specific information, if any, the Agency deems
10 the applicant did not provide in its application to the
11 Agency; and

12 (4) a statement of specific reasons why the Act and
13 the regulations might be violated if the permit were
14 granted.

15 If no final action is taken by the Agency within 90 days
16 after the filing of the application for permit, the applicant
17 may deem the permit issued. Any applicant for a permit may
18 waive the 90-day limitation by filing a written statement with
19 the Agency.

20 The Agency shall issue permits for such facilities upon
21 receipt of an application that includes a legal description of
22 the site, a topographic map of the site drawn to the scale of
23 200 feet to the inch or larger, a description of the operation,
24 including the area served, an estimate of the volume of
25 materials to be processed, and documentation that:

26 (1) the facility includes a setback of at least 200

1 feet from the nearest potable water supply well;

2 (2) the facility is located outside the boundary of
3 the 10-year floodplain or the site will be floodproofed;

4 (3) the facility is located so as to minimize
5 incompatibility with the character of the surrounding
6 area, including at least a 200 foot setback from any
7 residence, and in the case of a facility that is developed
8 or the permitted composting area of which is expanded
9 after November 17, 1991, the composting area is located at
10 least 1/8 mile from the nearest residence (other than a
11 residence located on the same property as the facility);

12 (4) the design of the facility will prevent any
13 compost material from being placed within 5 feet of the
14 water table, will adequately control runoff from the site,
15 and will collect and manage any leachate that is generated
16 on the site;

17 (5) the operation of the facility will include
18 appropriate dust and odor control measures, limitations on
19 operating hours, appropriate noise control measures for
20 shredding, chipping and similar equipment, management
21 procedures for composting, containment and disposal of
22 non-compostable wastes, procedures to be used for
23 terminating operations at the site, and recordkeeping
24 sufficient to document the amount of materials received,
25 composted, and otherwise disposed of; and

26 (6) the operation will be conducted in accordance with

1 any applicable rules adopted by the Board.

2 The Agency shall issue renewable permits of not longer
3 than 10 years in duration for the composting of landscape
4 wastes, as defined in Section 3.155 of this Act, based on the
5 above requirements.

6 The operator of any facility permitted under this
7 subsection (m) must submit a written annual statement to the
8 Agency on or before April 1 of each year that includes an
9 estimate of the amount of material, in tons, received for
10 composting.

11 (n) The Agency shall issue permits jointly with the
12 Department of Transportation for the dredging or deposit of
13 material in Lake Michigan in accordance with Section 18 of the
14 Rivers, Lakes, and Streams Act.

15 (o) (Blank).

16 (p) (1) Any person submitting an application for a permit
17 for a new MSWLF unit or for a lateral expansion under
18 subsection (t) of Section 21 of this Act for an existing MSWLF
19 unit that has not received and is not subject to local siting
20 approval under Section 39.2 of this Act shall publish notice
21 of the application in a newspaper of general circulation in
22 the county in which the MSWLF unit is or is proposed to be
23 located. The notice must be published at least 15 days before
24 submission of the permit application to the Agency. The notice
25 shall state the name and address of the applicant, the
26 location of the MSWLF unit or proposed MSWLF unit, the nature

1 and size of the MSWLF unit or proposed MSWLF unit, the nature
2 of the activity proposed, the probable life of the proposed
3 activity, the date the permit application will be submitted,
4 and a statement that persons may file written comments with
5 the Agency concerning the permit application within 30 days
6 after the filing of the permit application unless the time
7 period to submit comments is extended by the Agency.

8 When a permit applicant submits information to the Agency
9 to supplement a permit application being reviewed by the
10 Agency, the applicant shall not be required to reissue the
11 notice under this subsection.

12 (2) The Agency shall accept written comments concerning
13 the permit application that are postmarked no later than 30
14 days after the filing of the permit application, unless the
15 time period to accept comments is extended by the Agency.

16 (3) Each applicant for a permit described in part (1) of
17 this subsection shall file a copy of the permit application
18 with the county board or governing body of the municipality in
19 which the MSWLF unit is or is proposed to be located at the
20 same time the application is submitted to the Agency. The
21 permit application filed with the county board or governing
22 body of the municipality shall include all documents submitted
23 to or to be submitted to the Agency, except trade secrets as
24 determined under Section 7.1 of this Act. The permit
25 application and other documents on file with the county board
26 or governing body of the municipality shall be made available

1 for public inspection during regular business hours at the
2 office of the county board or the governing body of the
3 municipality and may be copied upon payment of the actual cost
4 of reproduction.

5 (q) Within 6 months after July 12, 2011 (the effective
6 date of Public Act 97-95), the Agency, in consultation with
7 the regulated community, shall develop a web portal to be
8 posted on its website for the purpose of enhancing review and
9 promoting timely issuance of permits required by this Act. At
10 a minimum, the Agency shall make the following information
11 available on the web portal:

12 (1) Checklists and guidance relating to the completion
13 of permit applications, developed pursuant to subsection
14 (s) of this Section, which may include, but are not
15 limited to, existing instructions for completing the
16 applications and examples of complete applications. As the
17 Agency develops new checklists and develops guidance, it
18 shall supplement the web portal with those materials.

19 (2) Within 2 years after July 12, 2011 (the effective
20 date of Public Act 97-95), permit application forms or
21 portions of permit applications that can be completed and
22 saved electronically, and submitted to the Agency
23 electronically with digital signatures.

24 (3) Within 2 years after July 12, 2011 (the effective
25 date of Public Act 97-95), an online tracking system where
26 an applicant may review the status of its pending

1 application, including the name and contact information of
2 the permit analyst assigned to the application. Until the
3 online tracking system has been developed, the Agency
4 shall post on its website semi-annual permitting
5 efficiency tracking reports that include statistics on the
6 timeframes for Agency action on the following types of
7 permits received after July 12, 2011 (the effective date
8 of Public Act 97-95): air construction permits, new NPDES
9 permits and associated water construction permits, and
10 modifications of major NPDES permits and associated water
11 construction permits. The reports must be posted by
12 February 1 and August 1 each year and shall include:

13 (A) the number of applications received for each
14 type of permit, the number of applications on which
15 the Agency has taken action, and the number of
16 applications still pending; and

17 (B) for those applications where the Agency has
18 not taken action in accordance with the timeframes set
19 forth in this Act, the date the application was
20 received and the reasons for any delays, which may
21 include, but shall not be limited to, (i) the
22 application being inadequate or incomplete, (ii)
23 scientific or technical disagreements with the
24 applicant, USEPA, or other local, state, or federal
25 agencies involved in the permitting approval process,
26 (iii) public opposition to the permit, or (iv) Agency

1 staffing shortages. To the extent practicable, the
2 tracking report shall provide approximate dates when
3 cause for delay was identified by the Agency, when the
4 Agency informed the applicant of the problem leading
5 to the delay, and when the applicant remedied the
6 reason for the delay.

7 (r) Upon the request of the applicant, the Agency shall
8 notify the applicant of the permit analyst assigned to the
9 application upon its receipt.

10 (s) The Agency is authorized to prepare and distribute
11 guidance documents relating to its administration of this
12 Section and procedural rules implementing this Section.
13 Guidance documents prepared under this subsection shall not be
14 considered rules and shall not be subject to the Illinois
15 Administrative Procedure Act. Such guidance shall not be
16 binding on any party.

17 (t) Except as otherwise prohibited by federal law or
18 regulation, any person submitting an application for a permit
19 may include with the application suggested permit language for
20 Agency consideration. The Agency is not obligated to use the
21 suggested language or any portion thereof in its permitting
22 decision. If requested by the permit applicant, the Agency
23 shall meet with the applicant to discuss the suggested
24 language.

25 (u) If requested by the permit applicant, the Agency shall
26 provide the permit applicant with a copy of the draft permit

1 prior to any public review period.

2 (v) If requested by the permit applicant, the Agency shall
3 provide the permit applicant with a copy of the final permit
4 prior to its issuance.

5 (w) An air pollution permit shall not be required due to
6 emissions of greenhouse gases, as specified by Section 9.15 of
7 this Act.

8 (x) If, before the expiration of a State operating permit
9 that is issued pursuant to subsection (a) of this Section and
10 contains federally enforceable conditions limiting the
11 potential to emit of the source to a level below the major
12 source threshold for that source so as to exclude the source
13 from the Clean Air Act Permit Program, the Agency receives a
14 complete application for the renewal of that permit, then all
15 of the terms and conditions of the permit shall remain in
16 effect until final administrative action has been taken on the
17 application for the renewal of the permit.

18 (y) The Agency may issue permits exclusively under this
19 subsection to persons owning or operating a CCR surface
20 impoundment subject to Section 22.59.

21 (z) If a mass animal mortality event is declared by the
22 Department of Agriculture in accordance with the Animal
23 Mortality Act:

24 (1) the owner or operator responsible for the disposal
25 of dead animals is exempted from the following:

26 (i) obtaining a permit for the construction,

1 installation, or operation of any type of facility or
2 equipment issued in accordance with subsection (a) of
3 this Section;

4 (ii) obtaining a permit for open burning in
5 accordance with the rules adopted by the Board; and

6 (iii) registering the disposal of dead animals as
7 an eligible small source with the Agency in accordance
8 with Section 9.14 of this Act;

9 (2) as applicable, the owner or operator responsible
10 for the disposal of dead animals is required to obtain the
11 following permits:

12 (i) an NPDES permit in accordance with subsection
13 (b) of this Section;

14 (ii) a PSD permit or an NA NSR permit in accordance
15 with Section 9.1 of this Act;

16 (iii) a lifetime State operating permit or a
17 federally enforceable State operating permit, in
18 accordance with subsection (a) of this Section; or

19 (iv) a CAAPP permit, in accordance with Section
20 39.5 of this Act.

21 All CCR surface impoundment permits shall contain those
22 terms and conditions, including, but not limited to, schedules
23 of compliance, which may be required to accomplish the
24 purposes and provisions of this Act, Board regulations, the
25 Illinois Groundwater Protection Act and regulations pursuant
26 thereto, and the Resource Conservation and Recovery Act and

1 regulations pursuant thereto, and may include schedules for
2 achieving compliance therewith as soon as possible.

3 The Board shall adopt filing requirements and procedures
4 that are necessary and appropriate for the issuance of CCR
5 surface impoundment permits and that are consistent with this
6 Act or regulations adopted by the Board, and with the RCRA, as
7 amended, and regulations pursuant thereto.

8 The applicant shall make available to the public for
9 inspection all documents submitted by the applicant to the
10 Agency in furtherance of an application, with the exception of
11 trade secrets, on its public internet website as well as at the
12 office of the county board or governing body of the
13 municipality where CCR from the CCR surface impoundment will
14 be permanently disposed. Such documents may be copied upon
15 payment of the actual cost of reproduction during regular
16 business hours of the local office.

17 The Agency shall issue a written statement concurrent with
18 its grant or denial of the permit explaining the basis for its
19 decision.

20 (Source: P.A. 101-171, eff. 7-30-19; 102-216, eff. 1-1-22;
21 102-558, eff. 8-20-21; 102-813, eff. 5-13-22.)

22 Section 45. The Electric Transmission Systems Construction
23 Standards Act is amended by changing Sections 5 and 15 as
24 follows:

(220 ILCS 32/5)

Sec. 5. Definitions. For the purposes of this Act:

"Commission" means the Illinois Commerce Commission.

"Construction contractor" means any entity that is not a utility and that is responsible for the construction, installation, maintenance, or repair of electric transmission systems subject to this Act.

"Electric transmission systems" means an electrical transmission system designed and constructed with the capability of being safely and reliably energized at 69 kilovolts or more, including transmission lines, transmission towers, conductors, insulators, foundations, grounding systems, access roads, and all associated transmission facilities, including transmission substations. "Electric transmission systems" does not include (i) projects located on the electric generating facility's side of the facility's point of interconnection or (ii) facilities not functionally classified as transmission systems, regardless of voltage.

"OSHA" means Occupational Safety and Health Administration.

"Utility" has the meaning given to the ~~that~~ term "public utility" in Section 3-105 of the Public Utilities Act, except "utility" does not include a public utility, as defined in Section 3-105 of the Public Utilities Act, if that public utility does not serve customers.

(Source: P.A. 103-1066, eff. 2-20-25.)

1 (220 ILCS 32/15)

2 Sec. 15. Requirements for construction contractors.

3 (a) Prevailing wage compliance. All ~~utilities and~~
4 construction contractors responsible for the construction,
5 installation, maintenance, or repair of electric transmission
6 systems shall pay employees performing the construction,
7 installation, maintenance, or repair work of such systems
8 wages and benefits consistent with the Prevailing Wage Act.

9 (b) Training and competence requirement. To ensure safety
10 and reliability in the construction, installation,
11 maintenance, and repair of electric transmission systems, each
12 ~~electric utility and~~ construction contractor must demonstrate
13 the competence of their employees who are performing the work
14 of construction, installation, maintenance, or repair of
15 electric transmission systems, which shall be consistent with
16 the standards required by Illinois utilities as of January 1,
17 2007, or greater. Competence must include, at a minimum: (1)
18 completion, or active participation with ultimate completion,
19 in an accredited or recognized apprenticeship program for the
20 relevant craft, trade, or skill; or (2) a minimum of 2 years of
21 direct employment in the specific work function.

22 The Commission shall oversee compliance to ensure
23 employees meet these standards.

24 (c) Safety training. All employees engaged in the
25 construction, installation, maintenance, or repair of electric

1 transmission systems must successfully complete OSHA-certified
2 safety training required for their specific roles on the
3 project site.

4 (d) Diversity Plan.

5 (1) All construction contractors engaged in the
6 construction, installation, maintenance, or repair of
7 electric transmission systems shall develop a Diversity
8 Plan that sets forth:

9 (A) the goals for apprenticeship hours to be
10 performed by minorities and women;

11 (B) the goals for total hours to be performed by
12 underrepresented minorities and women; and

13 (C) spending for women-owned, minority-owned,
14 veteran-owned, and small business enterprises in the
15 previous calendar year.

16 (2) These goals shall be expressed as a percentage of
17 the total work performed by the construction contractor
18 submitting the plan and the actual spending for all
19 women-owned, minority-owned, veteran-owned, and small
20 business enterprises shall also be expressed as a
21 percentage of the total work performed by the construction
22 contractor submitting the Diversity Plan.

23 (3) For purposes of the Diversity Plan, minorities and
24 women shall have the same definition as defined in the
25 Business Enterprise for Minorities, Women, and Persons
26 with Disabilities Act.

1 (4) The construction contractor shall submit the
2 Diversity Plan to the Commission.
3 (Source: P.A. 103-1066, eff. 2-20-25.)".