



Sen. Cristina Castro

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1 AMENDMENT TO SENATE BILL 2132

2 AMENDMENT NO. _____. Amend Senate Bill 2132 by replacing
3 everything after the enacting clause with the following:

4 "Article 1.
5 Findings

6 Section 1-5. Findings.

7 (a) The growing clean energy economy in Illinois can be a
8 vehicle for expanding equitable access to public health,
9 safety, a cleaner environment, and quality jobs and economic
10 opportunities, including wealth building, especially since
11 economically disadvantaged communities and communities of
12 color have had to bear the disproportionate burden of dirty
13 fossil fuel pollution.

14 (b) Placing Illinois on a path to 100% renewable energy is
15 vital to a clean energy future. To bring this vision to
16 fruition, our energy policy must prioritize a just transition

1 that incentivizes renewable development and other
2 carbon-reducing policies, such as energy efficiency, while
3 ensuring that the benefits and opportunities of a carbon-free
4 future are accessible in economically disadvantaged
5 communities, environmental justice communities, and
6 communities of color.

7 (c) In the wake of federal reversals on climate action, the
8 State of Illinois should pursue immediate action on policies
9 that will ensure a just and responsible phase out of fossil
10 fuels from the power sector to reduce harmful emissions from
11 Illinois power plants, support power plant communities and
12 workers, and allow the clean energy economy to continue growing
13 in every corner of Illinois.

14 (d) Energy efficiency should form the basis of any robust
15 clean energy policy. It is the cheapest clean energy resource,
16 and efficiency upgrades help customers manage their energy
17 bills directly by reducing the energy they need, and indirectly
18 by holding demand and prices down statewide.

19 (e) The transportation sector is now the leading source of
20 carbon pollution in Illinois, responsible for roughly
21 one-third of all carbon emissions. The State of Illinois should
22 set forth an ambitious goal to remove the equivalent of 1
23 million gasoline and diesel-powered vehicles from our roads by
24 quickly implementing new policies that expand access to
25 transit, promote walking and biking mobility, and increase
26 electric vehicle adoption. If managed appropriately, electric

1 vehicle adoption will drastically reduce emissions from
2 transportation, and could save Illinois residents billions of
3 dollars.

4 (f) In addition to better air quality and safer climate,
5 Illinois residents that do not use electric vehicles also
6 benefit from greater adoption through lower electric bills
7 resulting from the greater utilization of the electric grid
8 during off-peak hours.

9 (g) Energy storage, such as batteries, can provide many
10 services to the electricity grid which benefit the grid,
11 including managing (or shaving) peak load, frequency
12 regulation, voltage support, reserve capacity, and black-start
13 capability. And, if that storage facilitates greater
14 utilization of renewables, it can allow for more clean energy
15 to be accessible, reduce pollution, and provide multiple
16 benefits.

17 (h) Illinois needs to adopt a broad-based policy approach
18 to decarbonize Illinois' electric sector (both how much we
19 produce and how much we consume) in a just and equitable way
20 that puts our State on track to phase out emitting power plants
21 by 2030.

22 (i) Illinois' policy approach must ensure the reduction of
23 co-pollutant emissions that cause serious, local health
24 impacts, prioritizing environmental justice communities near
25 power plants.

26 (j) As we decarbonize Illinois' electric sector, Illinois

1 must create new investment to stimulate the economic and
2 environmental well-being of communities disproportionately
3 impacted by the historical operation of, and recent or expected
4 closures of, fossil fuel power plants.

5 Article 5.

6 Clean Jobs Workforce Hubs Act

7 Section 5-1. Short title. This Article may be cited as the
8 Clean Jobs Workforce Hubs Act. References in this Article to
9 "this Act" mean this Article.

10 Section 5-5. Legislative purpose. The General Assembly
11 finds that the State of Illinois should build upon the success
12 of the Future Energy Jobs Act and the Illinois Solar for All
13 Program by further expanding equitable access to quality jobs
14 and economic opportunities (especially for residents of
15 economically disadvantaged communities, environmental justice
16 communities, communities of color, returning citizens, foster
17 care communities, and other underserved communities who have
18 had to bear the disproportionate burden of dirty fossil fuel
19 pollution) across the entire clean energy sector in Illinois,
20 including solar, wind, energy efficiency, transportation
21 electrification, and other related clean energy industries.

22 Section 5-10. Definitions. As used in this Act:

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

3 "Director" means the Director of Commerce and Economic
4 Opportunity.

5 "Environmental justice communities" means the proposed
6 definition of that term based on existing methodologies and
7 findings used by the Illinois Power Agency and its
8 Administrator in its Illinois Solar for All Program.

9 "Program" means the Clean Jobs Workforce Hubs Program.

10 Section 5-15. Clean Jobs Workforce Hubs Program. The
11 Department must develop and administer the Clean Jobs Workforce
12 Hubs Program to create a network of frontline organizations
13 across the State that provide direct and sustained support for
14 members of economically disadvantaged communities,
15 environmental justice communities, communities of color,
16 returning citizens, foster care communities, and displaced
17 fossil fuel workers to enter and complete the pipeline for
18 clean energy jobs in solar energy, wind energy, energy
19 efficiency, electric vehicles and related industries. The
20 Clean Jobs Workforce Hubs Program must:

21 (1) leverage frontline organizations to ensure members
22 of disadvantaged communities across the State have
23 dedicated and sustained support to enter and complete the
24 career pipeline for clean energy jobs; and

25 (2) develop formal partnerships between frontline

1 organizations and trades groups, labor unions, and clean
2 energy employers to ensure Clean Jobs Workforce Hubs
3 Program participants have priority access to
4 pre-apprenticeship, apprenticeship, and other employment
5 opportunities.

6 Section 5-20. Clean Jobs Workforce Hubs Network. The Clean
7 Jobs Workforce Hubs Network, made up of frontline organizations
8 across the State and administered by a Program Administrator,
9 is required to provide the following:

10 (1) community education and outreach about workforce
11 and training opportunities to ensure members of
12 economically disadvantaged communities, environmental
13 justice communities, communities of color, returning
14 citizens, foster care communities, and displaced fossil
15 fuel workers understand clean energy workforce and
16 training opportunities;

17 (2) training, apprenticeship, job readiness, and skill
18 development, including soft skills, math skills, technical
19 skills, and other development needed for members of
20 economically disadvantaged communities, environmental
21 justice communities, communities of color, returning
22 citizens, foster care communities, and displaced fossil
23 fuel workers to enter clean energy-related training and
24 apprenticeship programs and career paths;

25 (3) targeted outreach and recruitment to ensure people

1 of color are invited, supported, and given preference in
2 applying for both community-based and labor-based training
3 opportunities, including apprenticeship and
4 pre-apprenticeship programs;

5 (4) the development of partnerships with labor
6 organizations to ensure Clean Jobs Workforce Hubs
7 participants are recruited, placed, and supported in
8 labor-based training programs, such as workforce
9 development programs and pre-apprenticeship and
10 apprenticeship programs;

11 (5) a stipend program for Clean Jobs Workforce Hubs
12 participants in clean energy-related training programs and
13 company apprenticeships, including providing funding to
14 assist with transportation, child care, and other needed
15 services and supplies during the length of programs; and

16 (6) direct assistance and counseling to participants
17 in training and apprenticeship programs to help connect
18 trainees to both union and non-union career options with
19 renewable energy companies, energy efficiency companies,
20 and other clean energy employers and to provide a direct
21 resource for industry to identify qualified workers to meet
22 program hiring or subcontracting requirements, including
23 the workforce equity building actions required under
24 Section 1-75 of the Illinois Power Agency Act and Section
25 16-128B of the Public Utilities Act. Placement activities
26 should include outreach to public agencies, utilities, and

1 clean energy companies, creation of formal partnerships
2 with employers, job interview preparation, and on-the-job
3 support and counseling.

4 Section 5-25. Program Administrator. Within 60 days after
5 the effective date of this Act and after a comprehensive
6 stakeholder process that includes representatives from
7 frontline communities, the Department shall select a Program
8 Administrator, as an individual or an organization, to
9 coordinate the work of all or a portion of the work of the
10 Clean Jobs Workforce Hubs. The Program Administrator shall have
11 strong capabilities in program management, knowledge of
12 industry trends and activities, workforce development best
13 practices, and community development. The Program
14 Administrator shall coordinate the work of all or a portion of
15 the Clean Jobs Workforce Hubs network to ensure consistent
16 execution, performance, partnerships, marketing, and program
17 access across the State.

18 Section 5-30. Clean jobs curriculum.

19 (a) Within 60 days after the effective date of this Act,
20 the Department must convene a comprehensive stakeholder
21 process that includes representatives from the Illinois State
22 Board of Education, the Illinois Community College Board, the
23 Illinois Department of Labor, frontline organizations,
24 workforce development providers, labor unions, building

1 trades, clean energy employers, including solar industry, wind
2 industry, energy efficiency, and transportation
3 electrification, and other needed participants to identify the
4 career pathways and training curriculum (such as the
5 Multi-Craft Core Curriculum) needed to prepare workers to enter
6 the clean energy field, including solar photovoltaic, solar
7 thermal, wind energy, energy efficiency, site assessment,
8 sales, and back office. Curriculum must also include broad
9 occupational training to provide career entry into the general
10 construction and building trades sector. Within 120 days after
11 the stakeholder process is convened, the Department must
12 publish a report that reflects the findings and core curriculum
13 recommendations developed by the stakeholder group.

14 (b) Organizations that receive funding to provide training
15 under the Clean Jobs Workforce Hubs Program, including
16 community-based and labor-based training providers, must use
17 the core curriculum that is developed under subsection (a).

18 Section 5-35. Administration; rules. The Department shall
19 administer this Act and shall adopt any rules necessary for
20 that purpose.

21 Article 10.

22 Expanding Clean Energy Entrepreneurship Act

23 Section 10-1. Short title. This Article may be cited as the

1 Expanding Clean Energy Entrepreneurship Act. References in
2 this Article to "this Act" mean this Article.

3 Section 10-5. Legislative purpose. The General Assembly
4 finds that the State of Illinois should build upon the success
5 of the Future Energy Jobs Act and the Illinois Solar for All
6 Program by supporting small, disadvantaged clean energy
7 businesses and contractors having equitable access to economic
8 opportunities created by the growing clean energy sector in
9 Illinois.

10 Section 10-10. Definitions. As used in this Act:

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

14 "Disadvantaged businesses and contractors" means an entity
15 defined under Section 2 of the Business Enterprise for
16 Minorities, Women, and Persons with Disabilities Act.

17 "Environmental justice communities" means the proposed
18 definition of that term based on existing methodologies and
19 findings used by the Illinois Power Agency and its
20 Administrator in its Illinois Solar for All Program.

21 "Program" means the Expanding Clean Energy
22 Entrepreneurship and Contractor Incubator Program.

23 Section 10-15. Expanding Clean Energy Entrepreneurship and

1 Contractor Incubator Program. The Department must develop and
2 administer the Expanding Clean Energy Entrepreneurship and
3 Contractor Incubator Program to support the development of
4 disadvantaged businesses and contractors and provide the
5 needed resources for such businesses to be able to effectively
6 compete for, gain, and execute clean energy-related projects.
7 The Program must provide:

8 (1) Access to low-cost capital for small and
9 disadvantaged clean energy businesses and contractors to
10 be able to complete on a level playing field with more
11 established, capitalized businesses across the entire
12 clean energy sector in Illinois, including solar, wind,
13 energy efficiency, transportation electrification, and
14 other clean energy industries.

15 (2) Support for obtaining the necessary insurance,
16 bonding, back office services, permits, certifications,
17 and other financial assurance requirements needed to
18 effectively compete for clean energy-related projects,
19 incentive programs, and approved vendor and qualified
20 installer opportunities.

21 (3) Development and support needed for disadvantaged
22 clean energy contractors to build their business and
23 connect them to specific projects, Approved Vendor
24 subcontracting and qualified installer opportunities,
25 partnerships, networks, capital, and other resources
26 needed to compete for, gain, and execute clean

1 energy-related project installation and subcontracts.

2 Section 10-20. Program Administrator. Within 60 days after
3 the effective date of this Act, the Department shall select a
4 Program Administrator, as an individual or an organization, to
5 coordinate the work of all or a portion of the work of the
6 Expanding Clean Energy Entrepreneurship and Contractor
7 Incubator Program. The Program Administrator shall have strong
8 capabilities in program management, knowledge of industry
9 trends and activities, disadvantaged business and contractor
10 development best practices, and related development support.
11 The Program Administrator shall coordinate the work of all or a
12 portion of the Program to ensure consistent execution,
13 performance, partnerships, marketing, and program access
14 across the State.

15 Section 10-25. Administration; rules. The Department shall
16 administer this Act and shall adopt any rules necessary for
17 that purpose.

18 Article 15.

19 Community Energy and Climate Planning Act

20 Section 15-1. Short title. This Article may be cited as the
21 Community Energy and Climate Planning Act. References in this
22 Article to "this Act" mean this Article.

1 Section 15-5. Legislative purpose. The General Assembly
2 makes the following findings:

3 (1) The health, welfare, and prosperity of Illinois
4 citizens require that Illinois take all steps possible to
5 combat climate change, address harmful environmental
6 impacts deriving from the generation of electricity,
7 ensure affordable utility service, equitable and
8 affordable access to transportation, and clean, safe,
9 affordable housing.

10 (2) The achievement of these goals will depend on
11 strong community engagement to ensure that programs and
12 policy solutions meet the needs of disparate communities.

13 (3) Ensuring that these goals are met without adverse
14 impacts on utility bill affordability, housing
15 affordability, and other essential services will depend on
16 the coordination of policies and programs within local
17 communities.

18 Section 15-10. Definitions. As used in this Act:

19 "Alternative energy improvement" means the installation or
20 upgrade of electrical wiring, outlets, or charging stations to
21 charge a motor vehicle that is fully or partially powered by
22 electricity; photovoltaic, energy storage, or thermal
23 resource; or any combination thereof.

24 "Energy efficiency improvement" means equipment, devices,

1 or materials intended to decrease energy consumption or promote
2 a more efficient use of electricity, natural gas, propane, or
3 other forms of energy on property, including, but not limited
4 to, all of the following:

5 (1) insulation in walls, roofs, floors, foundations,
6 or heating and cooling distribution systems;

7 (2) storm windows and doors, multi-glazed windows and
8 doors, heat-absorbing or heat-reflective glazed and coated
9 window and door systems, and additional glazing,
10 reductions in glass area, and other window and door system
11 modifications that reduce energy consumption;

12 (3) automated energy control systems;

13 (4) high efficiency heating, ventilating, or
14 air-conditioning and distribution system modifications or
15 replacements;

16 (5) caulking, weather-stripping, and air sealing;

17 (6) replacement or modification of lighting fixtures
18 to reduce the energy use of the lighting system;

19 (7) energy controls or recovery systems;

20 (8) day lighting systems;

21 (9) any energy efficiency project, as defined in
22 Section 825-65 of the Illinois Finance Authority Act; and

23 (10) any other installation or modification of
24 equipment, devices, or materials approved as a utility
25 cost-savings measure by the governing body.

26 "Energy project" means the installation or modification of

1 an alternative energy improvement, energy efficiency
2 improvement, or water use improvement, or the acquisition,
3 installation, or improvement of a renewable energy system that
4 is affixed to a stabilized existing property (including new
5 construction).

6 "Environmental justice communities" means the proposed
7 definition of that term based on existing methodologies and
8 findings used by the Illinois Power Agency and its
9 Administrator in its Illinois Solar for All Program.

10 "Governing body" means the county board or board of county
11 commissioners of a county, the city council of a city, or the
12 board of trustees of a village.

13 "Local unit of government" means a county, city, or
14 village.

15 "Renewable energy resource" includes energy and its
16 associated renewable energy credit or renewable energy credits
17 from wind energy, solar thermal energy, geothermal energy,
18 photovoltaic cells and panels, biodiesel, anaerobic digestion,
19 and hydropower that does not involve new construction or
20 significant expansion of hydropower dams. For purposes of this
21 Act, landfill gas produced in the State is considered a
22 renewable energy resource. "Renewable energy resource" does
23 not include the incineration or burning of any solid material.

24 "Renewable energy system" means a fixture, product,
25 device, or interacting group of fixtures, products, or devices
26 on the customer's side of the meter that use one or more

1 renewable energy resources to generate electricity, and
2 specifically includes any renewable energy project, as defined
3 in Section 825-65 of the Illinois Finance Authority Act.

4 "Water use improvement" means any fixture, product,
5 system, device, or interacting group thereof for or serving any
6 property that has the effect of conserving water resources
7 through improved water management, efficiency, or thermal
8 resource.

9 Section 15-15. Community Energy and Climate Plans;
10 creation.

11 (a) Pursuant to the procedures in Section 15-20, a local
12 unit of government may establish Community Energy and Climate
13 Plans and identify boundaries and areas covered by the Plans.

14 (b) Community Energy and Climate Plans are intended to aid
15 local governments develop a comprehensive approach to
16 combining different energy and climate programs and funding
17 resources to achieve complementary impact. An effective
18 planning process shall:

19 (1) help communities discover ways that their local
20 government, businesses, and residents can control their
21 energy use and bills;

22 (2) ensure a cost-effective transition away from
23 fossil fuels in the transportation sector;

24 (3) expand access to workforce development and job
25 training opportunities in the emerging clean energy

1 economy;

2 (4) promote economic development through improvements
3 in community infrastructure, transit, and support for
4 local business;

5 (5) improve the health of Illinois communities by
6 reducing emissions, addressing existing brownfield areas,
7 and promoting the integration of distributed energy
8 resources;

9 (6) enable greater customer engagement, empowerment,
10 and options for energy services, and ultimately reduce
11 utility bills for Illinoisans;

12 (7) bring the benefits of grid modernization and the
13 deployment of distributed energy resources to economically
14 disadvantaged communities throughout Illinois; and

15 (8) support existing Illinois policy goals promoting
16 energy efficiency, demand response and investments in
17 renewable energy resources.

18 (c) A Community Energy and Climate Plan shall include
19 discussion of:

20 (1) the demographics of the community, including
21 information on the mix of residential and commercial areas
22 and populations, ages, languages, education and workforce
23 training. This includes an examination of the average
24 utility bills paid within the community by class and census
25 area, the percentage and locations of individuals
26 requiring energy assistance, participation of community

1 members in other assistance programs. This also includes an
2 examination of the community's energy use, both for
3 electricity, natural gas, and transportation and other
4 fuels;

5 (2) the geography of the community, including the
6 amount of green space, brownfield sites, open space for
7 potential development, location of critical infrastructure
8 such as emergency response facilities, health care and
9 education facilities, and public transportation routes;
10 and

11 (3) information on economic development opportunities,
12 commercial usage, and employment opportunities.

13 (d) A Community Energy and Climate Plan shall address the
14 following areas:

15 (1) distributed energy resources, including energy
16 efficiency, demand response, dynamic pricing, energy
17 storage, solar (thermal, rooftop, and community);

18 (2) building codes (both commercial and residential);

19 (3) vehicle miles traveled; and

20 (4) transit options, including individual car
21 ownership, ride sharing, buses, trains, bicycles, and
22 pedestrian walkways.

23 (e) A Community Energy and Climate Plan will conclude with
24 proposals to:

25 (1) increase the use of electricity as a transportation
26 fuel at multi-unit dwellings;

1 (2) maximize the system-wide benefits of
2 transportation electrification;

3 (3) test innovative load management programs or rate
4 structures associated with the use of electric vehicles by
5 residential customers to achieve customer fuel cost
6 savings relative to gasoline or diesel fuels and to
7 optimize grid efficiency;

8 (4) increase the integration of distributed energy
9 resources in the community;

10 (5) significantly expand the percentage of net-zero
11 housing and net-zero buildings in the community;

12 (6) improve utility bill affordability;

13 (7) increase mass transit ridership;

14 (8) decrease vehicle miles traveled; and

15 (9) reduce local emissions of greenhouse gases, NO_x,
16 SO_x, particulate matter, and other air pollutants.

17 (e) A Community Energy and Climate Plan may be administered
18 by one or more program administrators or the local unit of
19 government.

20 Section 15-20. Community Energy and Climate Planning
21 process.

22 (a) An effective planning process shall engage with a
23 diverse set of stakeholders in local communities, including:
24 environmental justice organizations; economic development
25 organizations; faith-based nonprofit organizations;

1 educational institutions; interested residents; health care
2 institutions; tenant organizations; housing institutions,
3 developers, and owners; elected and appointed officials; and
4 representatives reflective of each local community.

5 (b) An effective planning process shall engage with
6 individual members of the community as much as possible to
7 ensure that the Plans receive input from as diverse set of
8 perspectives as possible.

9 (c) Plan materials and meetings related to the Plan shall
10 be translated into languages that reflect the makeup of the
11 local community.

12 (d) The planning process shall be conducted in an ethical,
13 transparent fashion, and will continually review its policies
14 and practices to determine how best to meet its objectives.

15 Section 15-25. Joint Community Energy and Climate Plans. A
16 local unit of government may join with any other local unit of
17 government, or with any public or private person, or with any
18 number or combination thereof, under the Intergovernmental
19 Cooperation Act, by contract or otherwise as may be permitted
20 by law, for the implementation of a Community Energy and
21 Climate Plan, in whole or in part.

22 Article 20.

23 Clean Energy Empowerment Zones Act

1 Section 20-1. Short title. This Article may be cited as the
2 Clean Energy Empowerment Zones Act. References in this Article
3 to "this Act" mean this Article.

4 Section 20-5. Legislative findings. The General Assembly
5 finds that, as part of putting Illinois on path to 100%
6 renewable energy, the State of Illinois should ensure a just
7 transition to that goal, providing support for the transition
8 of Illinois' communities and workers impacted by closures or
9 reduced utilization of coal by allocating new State economic
10 development resources for new business tax incentives,
11 workforce training, site clean-up and reuse, and local tax
12 revenue replacement.

13 Section 20-10. Definitions. As used in this Act:

14 "Agency" means the Illinois Environmental Protection
15 Agency.

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

18 "Director" means the Director of Commerce and Economic
19 Opportunity.

20 "Empowerment Zones" means Clean Energy Empowerment Zones
21 Program.

22 "Environmental justice communities" means the proposed
23 definition of that term based on existing methodologies and
24 findings used by the Illinois Power Agency and its

1 Administrator in its Illinois Solar for All Program.

2 Section 20-15. Clean Energy Empowerment Zones. Within 180
3 days after the effective date of this Act, the Illinois
4 Department of Commerce and Economic Opportunity shall develop
5 and implement strategic planning initiatives to support
6 communities and workers who are economically impacted by the
7 decline of fossil-fuel generation and broader changes in the
8 electric sector. As part of this work, the Department shall:

9 (1) work with the Illinois Environmental Protection
10 Agency, Illinois Environmental Justice Commission, and the
11 Illinois Department of Labor to define "Economically
12 Impacted Communities and Workers" by the decline of
13 fossil-fuel use;

14 (2) establish funds to support impacted workers and
15 communities through workforce training programs, new
16 business tax incentives, and revitalization of sites
17 previously used for or by those units, including, but not
18 limited to, the generation sources, coal ash disposal
19 sites, and areas otherwise blighted by fossil-fuel use;

20 (3) convene, jointly with the Agency and at least one
21 community-based organization, quarterly stakeholder
22 engagement sessions beginning in the fourth quarter of 2019
23 and continuing for not less than 2 years to gather input
24 from impacted community members, businesses, elected
25 officials, environmental organizations, and other relevant

1 individuals or organizations on issues faced by impacted
2 communities and potential economic development
3 opportunities for those communities; and

4 (4) provide coordination and guidance for communities
5 and prospective new businesses on available workforce
6 training programs, revitalization opportunities, new
7 business incentives, Community Energy and Climate Plans
8 under the Community Energy and Climate Planning Act,
9 beneficial electrification under Section 16-107.8 of the
10 Public Utilities Act, and other State and federal programs
11 such as Opportunity Zones (Internal Revenue Code 1400Z).

12 Article 90.

13 Amendatory Provisions

14 Section 90-5. The Electric Vehicle Act is amended by adding
15 Sections 30, 35, and 40 as follows:

16 (20 ILCS 627/30 new)

17 Sec. 30. Electric Vehicle Charging Infrastructure Rebate
18 and Incentive Program.

19 (a) The purpose of this Section is to provide rebates and
20 other incentives to residential and commercial customers to
21 increase the development of electric vehicle charging
22 infrastructure.

23 (b) In this Section:

1 "Level 2 charging" means a charging method that allows an
2 electric vehicle to be connected to permanently wired EVSE with
3 a specialized connector (SAE J1772) with power levels rated at
4 less than or equal to 240 VAC/80 amps.

5 "Level 3 charging" means a charging method that allows an
6 electric vehicle to be connected to permanently wired EVSE with
7 direct current service with power levels rated at 480VAC and a
8 3-phase circuit.

9 (c) Within 120 days after the effective date of this
10 amendatory Act of the 101st General Assembly, the Department of
11 Commerce and Economic Opportunity shall establish a program to
12 provide rebates for residential customers who both install
13 electric vehicle charging infrastructure on their premises and
14 enroll in time-of-use, hourly rates, managed charging, or other
15 beneficial electrification programs as defined in Section
16 16-107.8 of the Public Utilities Act sufficient to offset no
17 less than 60% of the cost of installing that infrastructure (or
18 another reasonable amount sufficient to incentivize
19 development, as determined by the program administrator),
20 except as provided in this subsection.

21 Residential customers residing in environmental justice
22 communities, as defined in the Clean Energy Empowerment Zones
23 Act, or households at or below 80% of the area median income,
24 who install electric vehicle charging infrastructure and
25 enroll in time-of-use, hourly rates, managed charging, or other
26 beneficial electrification programs as defined in Section

1 16-107.8 of the Public Utilities Act shall be eligible to
2 receive rebates of 90% of the cost of installing that
3 infrastructure (or another reasonable amount sufficient to
4 incentivize development, as determined by the program
5 administrator).

6 (d) Within 120 days after the effective date of this
7 amendatory Act of the 101st General Assembly, the Department of
8 Commerce and Economic Opportunity shall establish a program to
9 provide rebates for Level 2 charging and Level 3 charging for
10 government and commercial customers to purchase and install
11 electric vehicle charging infrastructure to support
12 medium-duty and heavy-duty electric fleet vehicles. Eligible
13 customers must both install electric vehicle charging
14 infrastructure for the purpose of charging medium-duty and
15 heavy-duty electric vehicles, as defined in this subsection,
16 and participate in beneficial electrification strategies as
17 defined in Section 16-107.8 of the Public Utilities Act, such
18 as enrolling in managed charging, installing distributed
19 generation which serves all or part of the energy supply needs
20 of the charging infrastructure, or other programs. The amount
21 of the rebate shall be sufficient to incentivize adoption of
22 electric medium-duty and heavy-duty fleet vehicles, but no less
23 than 50% of the cost of purchase and installation. For the
24 purposes of this Section, medium-duty and heavy-duty electric
25 vehicles include school buses, transit buses, freight trucks,
26 delivery vehicles, and other vehicles as defined by the program

1 administrator.

2 (e) Within 120 days after the effective date of this
3 amendatory Act of the 101st General Assembly, the Department of
4 Commerce and Economic Opportunity shall establish a program to
5 provide rebates for commercial customers to purchase and
6 install charging infrastructure to support light-duty electric
7 vehicles, including personal vehicles used by employees, to
8 enable charging on premises. Eligible customers must both
9 install electric vehicle charging infrastructure for the
10 purpose of charging and participate in beneficial
11 electrification strategies as defined in Section 16-107.8 of
12 the Public Utilities Act, such as enrolling in Managed
13 Charging, installing distributed generation which serves all
14 or part of the energy supply needs of the charging
15 infrastructure, or other programs. The amount of the rebate
16 shall be sufficient to incentivize installation of light-duty
17 electric vehicle charging infrastructure, but no less than 50%
18 of the cost of purchase and installation.

19 (f) Within 120 days after the effective date of this
20 amendatory Act of the 101st General Assembly, the Department of
21 Commerce and Economic Opportunity shall establish a program to
22 provide rebates for Level 2 and Level 3 electric vehicle
23 charging infrastructure which serves multi-family (three or
24 more unit) residential premises. Owners of the multi-family
25 property on whose premises the infrastructure will be installed
26 or third parties are eligible to apply for the rebate. The

1 amount of the rebate shall be sufficient to incentivize
2 installation of light-duty electric vehicle charging
3 infrastructure, but no less than 50% of the cost of purchase
4 and installation.

5 (g) Within 120 days after the effective date of this
6 amendatory Act of the 101st General Assembly, the Department of
7 Commerce and Economic Opportunity shall establish a program to
8 provide rebates for pilot programs which incentivize
9 installation of electric vehicle charging infrastructure on
10 the public way. Such programs shall include:

11 (1) local governments that develop publicly-available
12 electric vehicle charging using streetlights or other
13 city-owned infrastructure; and

14 (2) local governments and privately-owned third
15 parties that install publicly-available electric vehicle
16 charging infrastructure along State highways, interstates,
17 and other corridors.

18 (h) Within 120 days after the effective date of this
19 amendatory Act of the 101st General Assembly, the Department of
20 Commerce and Economic Opportunity shall establish and
21 implement an Electric Vehicle Access for All Program set forth
22 in Section 35.

23 (i) The Department of Commerce and Economic Opportunity
24 shall select, through a competitive bidding process, a program
25 administrator to oversee and administer the programs described
26 in this Section.

1 (j) The Department shall report to the Governor and the
2 General Assembly regarding the effectiveness of the programs in
3 increasing electric vehicle charging infrastructure
4 development no later than July 1, 2021.

5 (20 ILCS 627/35 new)

6 Sec. 35. Electric Vehicle Access for All.

7 (a) The General Assembly finds that it is necessary to
8 provide access to electric vehicles to residents in communities
9 where and for individuals whom car ownership is not an option,
10 affordable, or a preference, particularly for environmental
11 justice communities and low-income communities.

12 (b) Within 120 days after the effective date of this
13 amendatory Act of the 101st General Assembly, the Department of
14 Commerce and Economic Opportunity shall establish and
15 implement an Electric Vehicle Access for All Program, designed
16 to maximize opportunities for carbon-free transportation
17 across the State, particularly targeting environmental justice
18 and low-income communities, which shall include the following
19 initiatives:

20 (1) Car sharing. The Department of Commerce and
21 Economic Opportunity shall develop and implement an
22 electric vehicle car sharing program that enables
23 residents opportunities to use electric vehicles owned by
24 local municipalities or other third parties for occasional
25 commutes.

1 (2) Pilot programs. The Department shall dedicate
2 funding for local governments' eligible Community Energy
3 and Climate Plans that include Electric Vehicle Access for
4 All as priority initiatives.

5 (c) To the extent possible, the Department shall coordinate
6 the Electric Vehicle Access for All program with the other
7 programs established in this Act.

8 (20 ILCS 627/40 new)

9 Sec. 40. Carbon-Free Last Mile of Commutes Program.

10 (a) The purpose of this Section is to provide citizens
11 access to carbon-free commuting by creating pilot programs to
12 address the "last mile" of commutes, enabling a larger number
13 of citizens to access public transportation and reducing the
14 pollution impact of the entire commute.

15 (b) Within 120 days after the effective date of this
16 amendatory Act of the 101st General Assembly, and for a period
17 not less than 36 months thereafter, the Department of Commerce
18 and Economic Opportunity shall establish and implement a Last
19 Mile of Commutes Program, designed to maximize opportunities
20 for carbon-free transportation across the State, particularly
21 targeting environmental justice and low-income communities, to
22 provide grants to pilot programs with the purpose of bridging
23 public transportation gaps between residences and employment
24 locations. Eligible programs may include electric shuttles,
25 electric and non-electric bicycle and scooter sharing,

1 electric vehicle sharing, and other carbon-free alternatives.

2 The Department of Commerce and Economic Opportunity shall
3 select, through a competitive bidding program, a program
4 administrator to oversee and administer the program.

5 (c) In conducting the program, the Department of Commerce
6 and Economic Opportunity shall partner with appropriate
7 transit agencies, employers, and other transportation services
8 to increase the number of employment locations reachable by
9 public transit. The Department of Commerce and Economic
10 Opportunity shall additionally partner with local governments
11 engaging in Community Energy and Climate Planning, as described
12 in the Community Energy and Climate Planning Act, to implement
13 Last Mile of Commutes Programs efficiently with needs
14 identified in Community Energy and Climate Plans.

15 (d) The Department of Commerce and Economic Opportunity
16 shall operate the Last Mile of Commutes Program in conjunction
17 with the Electric Vehicle Access for All Program, to
18 effectively coordinate the programs and maximize opportunities
19 for carbon-free transportation across the State, particularly
20 targeting environmental justice and low-income communities.

21 (e) The Department of Commerce and Economic Opportunity
22 shall report to the Governor and the General Assembly regarding
23 the effectiveness of the programs no later than July 1, 2021.

24 Section 90-10. The Illinois Power Agency Act is amended by
25 changing Sections 1-5, 1-20, 1-56, and 1-75 as follows:

1 (20 ILCS 3855/1-5)

2 Sec. 1-5. Legislative declarations and findings. The
3 General Assembly finds and declares:

4 (1) The health, welfare, and prosperity of all Illinois
5 citizens require the provision of adequate, reliable,
6 affordable, efficient, and environmentally sustainable
7 electric service at the lowest total cost over time, taking
8 into account any benefits of price stability.

9 (1.5) To provide the highest quality of life for the
10 residents of Illinois, and to provide for a clean and
11 healthy environment, it is the policy of this State to
12 rapidly transition to 100% renewable energy.

13 (2) (Blank).

14 (3) (Blank).

15 (4) It is necessary to improve the process of procuring
16 electricity to serve Illinois residents, to promote
17 investment in energy efficiency and demand-response
18 measures, and to maintain and support development of clean
19 coal technologies, generation resources that operate at
20 all hours of the day and under all weather conditions, zero
21 emission facilities, and renewable resources.

22 (5) Procuring a diverse electricity supply portfolio
23 will ensure the lowest total cost over time for adequate,
24 reliable, efficient, and environmentally sustainable
25 electric service.

1 (6) Including renewable resources and zero emission
2 credits from zero emission facilities in that portfolio
3 will reduce long-term direct and indirect costs to
4 consumers by decreasing environmental impacts and by
5 avoiding or delaying the need for new generation,
6 transmission, and distribution infrastructure. Developing
7 new renewable energy resources in Illinois, including
8 brownfield solar projects and community solar projects,
9 will help to diversify Illinois electricity supply, avoid
10 and reduce pollution, reduce peak demand, and enhance
11 public health and well-being of Illinois residents.

12 (7) Developing community solar projects in Illinois
13 will help to expand access to renewable energy resources to
14 more Illinois residents.

15 (8) Developing brownfield solar projects in Illinois
16 will help return blighted or contaminated land to
17 productive use while enhancing public health and the
18 well-being of Illinois residents.

19 (9) Energy efficiency, demand-response measures, zero
20 emission energy, and renewable energy are resources
21 currently underused in Illinois. These resources should be
22 used, when cost effective, to reduce costs to consumers,
23 improve reliability, and improve environmental quality and
24 public health.

25 (10) The State should encourage the use of advanced
26 clean coal technologies that capture and sequester carbon

1 dioxide emissions to advance environmental protection
2 goals and to demonstrate the viability of coal and
3 coal-derived fuels in a carbon-constrained economy.

4 (11) The General Assembly enacted Public Act 96-0795 to
5 reform the State's purchasing processes, recognizing that
6 government procurement is susceptible to abuse if
7 structural and procedural safeguards are not in place to
8 ensure independence, insulation, oversight, and
9 transparency.

10 (12) The principles that underlie the procurement
11 reform legislation apply also in the context of power
12 purchasing.

13 (13) To ensure that the benefits of installing
14 renewable resources are available to all Illinois
15 residents and located across the State, subject to
16 appropriation, it is necessary for the Illinois Power
17 Agency to provide public information and educational
18 resources on how residents can benefit from the expansion
19 of renewable energy in Illinois and participate in the
20 Illinois Solar for All Program established in Section 1-56
21 of this Act, the Adjustable Block Program established in
22 Section 1-75 of this Act, the job training programs
23 established by paragraph (1) of subsection (a) of Section
24 16-108.12 of the Public Utilities Act, and the programs and
25 resources established by the Clean Jobs Workforce Hubs Act.

26 The General Assembly therefore finds that it is necessary

1 to create the Illinois Power Agency and that the goals and
2 objectives of that Agency are to accomplish each of the
3 following:

4 (A) Develop electricity procurement plans to ensure
5 adequate, reliable, affordable, efficient, and
6 environmentally sustainable electric service at the lowest
7 total cost over time, taking into account any benefits of
8 price stability, for electric utilities that on December
9 31, 2005 provided electric service to at least 100,000
10 customers in Illinois and for small multi-jurisdictional
11 electric utilities that (i) on December 31, 2005 served
12 less than 100,000 customers in Illinois and (ii) request a
13 procurement plan for their Illinois jurisdictional load.
14 The procurement plan shall be updated on an annual basis
15 and shall include renewable energy resources and,
16 beginning with the delivery year commencing June 1, 2017,
17 zero emission credits from zero emission facilities
18 sufficient to achieve the standards specified in this Act.

19 (B) Conduct the competitive procurement processes
20 identified in this Act.

21 (C) Develop electric generation and co-generation
22 facilities that use indigenous coal or renewable
23 resources, or both, financed with bonds issued by the
24 Illinois Finance Authority.

25 (D) Supply electricity from the Agency's facilities at
26 cost to one or more of the following: municipal electric

1 systems, governmental aggregators, or rural electric
2 cooperatives in Illinois.

3 (E) Ensure that the process of power procurement is
4 conducted in an ethical and transparent fashion, immune
5 from improper influence.

6 (F) Continue to review its policies and practices to
7 determine how best to meet its mission of providing the
8 lowest cost power to the greatest number of people, at any
9 given point in time, in accordance with applicable law.

10 (G) Operate in a structurally insulated, independent,
11 and transparent fashion so that nothing impedes the
12 Agency's mission to secure power at the best prices the
13 market will bear, provided that the Agency meets all
14 applicable legal requirements.

15 (H) Implement renewable energy procurement and
16 training programs throughout the State to diversify
17 Illinois electricity supply, improve reliability, avoid
18 and reduce pollution, reduce peak demand, and enhance
19 public health and well-being of Illinois residents,
20 including low-income residents.

21 (Source: P.A. 99-906, eff. 6-1-17.)

22 (20 ILCS 3855/1-20)

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

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

25 (1) Develop electricity procurement plans to ensure

1 adequate, reliable, affordable, efficient, and
2 environmentally sustainable electric service at the lowest
3 total cost over time, taking into account any benefits of
4 price stability, for electric utilities that on December
5 31, 2005 provided electric service to at least 100,000
6 customers in Illinois and for small multi-jurisdictional
7 electric utilities that (A) on December 31, 2005 served
8 less than 100,000 customers in Illinois and (B) request a
9 procurement plan for their Illinois jurisdictional load.
10 Except as provided in paragraph (1.5) of this subsection
11 (a), the electricity procurement plans shall be updated on
12 an annual basis and shall include electricity generated
13 from renewable resources sufficient to achieve the
14 standards specified in this Act. Beginning with the
15 delivery year commencing June 1, 2017, develop procurement
16 plans to include zero emission credits generated from zero
17 emission facilities sufficient to achieve the standards
18 specified in this Act. Beginning with the procurement for
19 the delivery year commencing June 1, 2021, the Agency shall
20 for each year develop a plan, as part of its procurement
21 plan, to conduct a procurement of capacity from qualified
22 resources needed to meet capacity requirements of the
23 retail customers of electric utilities that serve more than
24 3,000,000 retail customers and are located in the PJM
25 interconnection, subject to the open access tariff and
26 manuals of PJM Interconnection and approved by the Federal

1 Energy Regulatory Commission. The capacity procurement
2 plan shall be updated annually and shall include
3 electricity generated from renewable resources sufficient
4 to achieve the renewable portfolio standards as specified
5 in this Act.

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

15 (2) Conduct competitive procurement processes to
16 procure the supply resources identified in the electricity
17 procurement plan, pursuant to Section 16-111.5 of the
18 Public Utilities Act, and, for the delivery year commencing
19 June 1, 2017, conduct procurement processes to procure zero
20 emission credits from zero emission facilities, under
21 subsection (d-5) of Section 1-75 of this Act.

22 (2.5) Beginning with the procurement for the 2017
23 delivery year, conduct competitive procurement processes
24 and implement programs to procure renewable energy credits
25 identified in the long-term renewable resources
26 procurement plan developed and approved under subsection

1 (c) of Section 1-75 of this Act and Section 16-111.5 of the
2 Public Utilities Act.

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

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

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

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

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

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

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

26 (5) To purchase, receive, take by grant, gift, devise,

1 bequest, or otherwise, lease, or otherwise acquire, own,
2 hold, improve, employ, use, and otherwise deal in and with,
3 real or personal property whether tangible or intangible,
4 or any interest therein, within the State.

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

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

17 (8) To purchase, take, receive, subscribe for, or
18 otherwise acquire, hold, make a tender offer for, vote,
19 employ, sell, lend, lease, exchange, transfer, or
20 otherwise dispose of, mortgage, pledge, or grant a security
21 interest in, use, and otherwise deal in and with, bonds and
22 other obligations, shares, or other securities (or
23 interests therein) issued by others, whether engaged in a
24 similar or different business or activity.

25 (9) To make and execute agreements, contracts, and
26 other instruments necessary or convenient in the exercise

1 of the powers and functions of the Agency under this Act,
2 including contracts with any person, including personal
3 service contracts, or with any local government, State
4 agency, or other entity; and all State agencies and all
5 local governments are authorized to enter into and do all
6 things necessary to perform any such agreement, contract,
7 or other instrument with the Agency. No such agreement,
8 contract, or other instrument shall exceed 40 years.

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

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

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

24 (13) To procure insurance against any loss in
25 connection with its properties or operations in such amount
26 or amounts and from such insurers, including the federal

1 government, as it may deem necessary or desirable, and to
2 pay any premiums therefor.

3 (14) To negotiate and enter into agreements with
4 trustees or receivers appointed by United States
5 bankruptcy courts or federal district courts or in other
6 proceedings involving adjustment of debts and authorize
7 proceedings involving adjustment of debts and authorize
8 legal counsel for the Agency to appear in any such
9 proceedings.

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

13 (16) To enter into management agreements for the
14 operation of any of the property or facilities owned by the
15 Agency.

16 (17) To enter into an agreement to transfer and to
17 transfer any land, facilities, fixtures, or equipment of
18 the Agency to one or more municipal electric systems,
19 governmental aggregators, or rural electric agencies or
20 cooperatives, for such consideration and upon such terms as
21 the Agency may determine to be in the best interest of the
22 citizens of Illinois.

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

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

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

7 (21) To accept and expend appropriations.

8 (22) To engage in any activity or operation that is
9 incidental to and in furtherance of efficient operation to
10 accomplish the Agency's purposes, including hiring
11 employees that the Director deems essential for the
12 operations of the Agency.

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

19 (24) To establish and collect charges and fees as
20 described in this Act.

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

25 (26) To review, revise, and approve sourcing
26 agreements and mediate and resolve disputes between gas

1 utilities and the clean coal SNG brownfield facility
2 pursuant to subsection (h-1) of Section 9-220 of the Public
3 Utilities Act.

4 (27) To request, review and accept proposals, execute
5 contracts, purchase renewable energy credits and otherwise
6 dedicate funds from the Illinois Power Agency Renewable
7 Energy Resources Fund to create and carry out the
8 objectives of the Illinois Solar for All program in
9 accordance with Section 1-56 of this Act.

10 (Source: P.A. 99-906, eff. 6-1-17.)

11 (20 ILCS 3855/1-56)

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

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

16 (b) The Illinois Power Agency Renewable Energy Resources
17 Fund shall be administered by the Agency as described in this
18 subsection (b), provided that the changes to this subsection
19 (b) made by this amendatory Act of the 99th General Assembly
20 shall not interfere with existing contracts under this Section.

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

25 (2) The Illinois Power Agency Renewable Energy

1 Resources Fund shall also be used to create the Illinois
2 Solar for All Program, which shall include incentives for
3 low-income distributed generation and community solar
4 projects, and other associated approved expenditures. The
5 objectives of the Illinois Solar for All Program are to
6 bring photovoltaics to low-income communities in this
7 State in a manner that maximizes the development of new
8 photovoltaic generating facilities, to create a long-term,
9 low-income solar marketplace throughout this State, to
10 integrate, through interaction with stakeholders, with
11 existing energy efficiency initiatives, and to minimize
12 administrative costs. The Agency shall include a
13 description of its proposed approach to the design,
14 administration, implementation and evaluation of the
15 Illinois Solar for All Program, as part of the long-term
16 renewable resources procurement plan authorized by
17 subsection (c) of Section 1-75 of this Act, and the program
18 shall be designed to grow the low-income solar market. The
19 Agency or utility, as applicable, shall purchase renewable
20 energy credits from the (i) photovoltaic distributed
21 renewable energy generation projects and (ii) community
22 solar projects that are procured under procurement
23 processes authorized by the long-term renewable resources
24 procurement plans approved by the Commission.

25 The Illinois Solar for All Program shall include the
26 program offerings described in subparagraphs (A) through

1 (D) of this paragraph (2), which the Agency shall implement
2 through contracts with third-party providers and, subject
3 to appropriation, pay the approximate amounts identified
4 using monies available in the Illinois Power Agency
5 Renewable Energy Resources Fund. Each contract that
6 provides for the installation of solar facilities shall
7 provide that the solar facilities will produce energy and
8 economic benefits, at a level determined by the Agency to
9 be reasonable, for the participating low income customers.
10 The monies available in the Illinois Power Agency Renewable
11 Energy Resources Fund and not otherwise committed to
12 contracts executed under subsection (i) of this Section
13 shall be allocated among the programs described in this
14 paragraph (2), as follows: 22.5% of these funds shall be
15 allocated to programs described in subparagraph (A) of this
16 paragraph (2), 37.5% of these funds shall be allocated to
17 programs described in subparagraph (B) of this paragraph
18 (2), 15% of these funds shall be allocated to programs
19 described in subparagraph (C) of this paragraph (2), and
20 25% of these funds, but in no event more than \$50,000,000,
21 shall be allocated to programs described in subparagraph
22 (D) of this paragraph (2). Beginning with the 2019 update
23 to the long-term renewable resource procurement plan
24 authorized by subsection (c) of Section 1-75 of this Act,
25 subject to appropriation and, following the 2021 delivery
26 year, subject to fund availability through the Commission

1 process described in subparagraph (Q) of paragraph (1) of
2 subsection (c) of Section 1-75, funds shall be allocated to
3 programs described in subparagraphs (E) and (F) of this
4 paragraph (2). The allocation of funds among subparagraphs
5 (A), (B), or (C) of this paragraph (2) may be changed if
6 the Agency or administrator, through delegated authority,
7 determines incentives in subparagraphs (A), (B), or (C) of
8 this paragraph (2) have not been adequately subscribed to
9 fully utilize the Illinois Power Agency Renewable Energy
10 Resources Fund. The determination shall include input
11 through a stakeholder process. Additionally, if the
12 Commission process described in subparagraph (Q) of
13 paragraph (1) of subsection (c) of Section 1-75 results in
14 an increase in funds available to the Illinois Solar for
15 All program, the Agency shall reallocate the funds among
16 all the various subprograms of the Illinois Solar for All
17 Program to provide funding for the subprograms described in
18 subparagraphs (E) and (F) of this paragraph (2). This
19 reallocation shall involve input through a stakeholder
20 process. The program offerings described in subparagraphs
21 (A) through (D) of this paragraph (2) shall also be
22 implemented through contracts funded from such additional
23 amounts as are allocated to one or more of the programs in
24 the long-term renewable resources procurement plans as
25 specified in subsection (c) of Section 1-75 of this Act and
26 subparagraph (O) of paragraph (1) of such subsection (c).

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

6 Contracts under the Illinois Solar for All Program
7 shall include an approach, as set forth in the long-term
8 renewable resources procurement plans, to ensure the
9 wholesale market value of the energy is credited to
10 participating low-income customers or organizations and to
11 ensure tangible economic benefits flow directly to program
12 participants, except in the case of low-income
13 multi-family housing where the low-income customer does
14 not directly pay for energy. Priority shall be given to
15 projects that demonstrate meaningful involvement of
16 low-income community members in designing the initial
17 proposals. Acceptable proposals to implement projects must
18 demonstrate the applicant's ability to conduct initial
19 community outreach, education, and recruitment of
20 low-income participants in the community. Projects must
21 include job training opportunities if available, and shall
22 endeavor to coordinate with the job training programs
23 described in paragraph (1) of subsection (a) of Section
24 16-108.12 of the Public Utilities Act.

25 (A) Low-income distributed generation incentive.

26 This program will provide incentives to low-income

1 customers, either directly or through solar providers,
2 to increase the participation of low-income households
3 in photovoltaic on-site distributed generation.
4 Companies participating in this program that install
5 solar panels shall commit to hiring job trainees for a
6 portion of their low-income installations, and an
7 administrator shall facilitate partnering the
8 companies that install solar panels with entities that
9 provide solar panel installation job training. It is a
10 goal of this program that a minimum of 25% of the
11 incentives for this program be allocated to projects
12 located within environmental justice communities.
13 Contracts entered into under this paragraph may be
14 entered into with an entity that will develop and
15 administer the program and shall also include
16 contracts for renewable energy credits from the
17 photovoltaic distributed generation that is the
18 subject of the program, as set forth in the long-term
19 renewable resources procurement 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. Incentives should also be
4 offered to community solar projects that are 100%
5 low-income subscriber owned, which includes low-income
6 households, not-for-profit organizations, and
7 affordable housing owners. It is a goal of this program
8 that a minimum of 25% of the incentives for this
9 program be allocated to community photovoltaic
10 projects in environmental justice communities.
11 Contracts entered into under this paragraph may be
12 entered into with developers and shall also include
13 contracts for renewable energy credits related to the
14 program.

15 (C) Incentives for non-profits and public
16 facilities. Under this program funds shall be used to
17 support on-site photovoltaic distributed renewable
18 energy generation devices to serve the load associated
19 with not-for-profit customers and to support
20 photovoltaic distributed renewable energy generation
21 that uses photovoltaic technology to serve the load
22 associated with public sector customers taking service
23 at public buildings. It is a goal of this program that
24 at least 25% of the incentives for this program be
25 allocated to projects located in environmental justice
26 communities. Contracts entered into under this

1 paragraph may be entered into with an entity that will
2 develop and administer the program or with developers
3 and shall also include contracts for renewable energy
4 credits related to the program.

5 (D) Low-Income Community Solar Pilot Projects.

6 Under this program, persons, including, but not
7 limited to, electric utilities, shall propose pilot
8 community solar projects. Community solar projects
9 proposed under this subparagraph (D) may exceed 2,000
10 kilowatts in nameplate capacity, but the amount paid
11 per project under this program may not exceed
12 \$20,000,000. Pilot projects must result in economic
13 benefits for the members of the community in which the
14 project will be located. The proposed pilot project
15 must include a partnership with at least one
16 community-based organization. Approved pilot projects
17 shall be competitively bid by the Agency, subject to
18 fair and equitable guidelines developed by the Agency.
19 Funding available under this subparagraph (D) may not
20 be distributed solely to a utility, and at least some
21 funds under this subparagraph (D) must include a
22 project partnership that includes community ownership
23 by the project subscribers. Contracts entered into
24 under this paragraph may be entered into with an entity
25 that will develop and administer the program or with
26 developers and shall also include contracts for

1 renewable energy credits related to the program. A
2 project proposed by a utility that is implemented under
3 this subparagraph (D) shall not be included in the
4 utility's rate base ~~ratebase~~.

5 (E) Energy Sovereignty Distributed Generation
6 Incentive. Beginning with the 2019 update to the
7 long-term renewable resource procurement plan
8 authorized by subsection (c) of Section 1-75 of this
9 Act, subject to appropriation, the Illinois Power
10 Agency shall create a program that provides incentives
11 to low-income customers, either directly or through
12 solar providers, to increase the participation of
13 low-income households in photovoltaic on-site
14 distributed generation in projects that are 100%
15 low-income household owned, which includes low-income
16 households, low-income households in environmental
17 justice communities, not-for-profit organizations
18 providing services to low-income households,
19 affordable housing owners, and community-based limited
20 liability companies providing services to low-income
21 households. The program shall also provide incentives
22 for photovoltaic on-site distributed generation
23 projects that, by no later than 5 years after the
24 device is interconnected at the distribution system
25 level of the utility and energized, are a minimum of
26 49% low-income subscriber owned, which includes

1 low-income households, low-income households in
2 environmental justice communities, not-for-profit
3 organizations providing services to low-income
4 households, affordable housing owners, and
5 community-based limited liability companies providing
6 services to low-income households. Companies
7 participating in this program that install solar
8 panels shall commit to hiring job trainees for a
9 portion of their low-income installations, and an
10 administrator shall facilitate partnering the
11 companies that install solar panels with entities that
12 provide solar panel installation job training. It is a
13 goal of this program that a minimum of 25% of the
14 incentives for this program be allocated to projects in
15 environmental justice communities. Contracts entered
16 into under this paragraph may be entered into with an
17 entity that will develop and administer the program and
18 shall also include contracts for renewable energy
19 credits from the photovoltaic distributed generation
20 that is the subject of the program, as set forth in the
21 long-term renewable resources procurement plan.

22 (F) Energy Sovereignty Community Solar Incentive.
23 Beginning with the 2019 update to the long-term
24 renewable resource procurement plan authorized by
25 subsection (c) of Section 1-75 of this Act, subject to
26 appropriation, the Illinois Power Agency shall create

1 a program that shall provide incentives to low-income
2 customers, either directly or through developers, to
3 increase the participation of low-income subscribers
4 of community solar projects in projects that are 100%
5 low-income subscriber owned, which includes low-income
6 households, low-income households in environmental
7 justice communities, not-for-profit organizations
8 providing services to low-income households,
9 affordable housing owners, and community-based limited
10 liability companies providing services to low-income
11 households. The program shall also provide incentives
12 for community solar projects that, by no later than 5
13 years after the device is interconnected at the
14 distribution system level of the utility and
15 energized, are a minimum of 49% low-income subscriber
16 owned, which includes low-income households,
17 low-income households in environmental justice
18 communities, not-for-profit organizations providing
19 services to low-income households, affordable housing
20 owners, and community-based limited liability
21 companies providing services to low-income households.
22 The developer of each project shall identify its
23 partnership with community stakeholders regarding the
24 location, development and participation in the
25 project. Companies participating in this program that
26 install solar panels shall commit to hiring job

1 trainees for a portion of their low-income
2 installations, and an administrator shall facilitate
3 partnering the companies that install solar panels
4 with entities that provide solar panel installation
5 job training. It is a goal of this program that a
6 minimum of 25% of the incentives for this program be
7 allocated to projects in environmental justice
8 communities. Contracts entered into under this
9 paragraph may be entered into with developers and shall
10 also include contracts for renewable energy credits
11 related to the program.

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

16 (3) Costs associated with the Illinois Solar for All
17 Program and its components described in paragraph (2) of
18 this subsection (b), including, but not limited to, costs
19 associated with procuring experts, consultants, and the
20 program administrator referenced in this subsection (b)
21 and related incremental costs, and costs related to the
22 evaluation of the Illinois Solar for All Program, may be
23 paid for using monies in the Illinois Power Agency
24 Renewable Energy Resources Fund, but the Agency or program
25 administrator shall strive to minimize costs in the
26 implementation of the program. The Agency shall purchase

1 renewable energy credits from generation that is the
2 subject of a contract under subparagraphs (A) through (D)
3 of this paragraph (2) of this subsection (b), and may pay
4 for such renewable energy credits through an upfront
5 payment per installed kilowatt of nameplate capacity paid
6 once the device is interconnected at the distribution
7 system level of the utility and is energized. The payment
8 shall be in exchange for an assignment of all renewable
9 energy credits generated by the system during the first 15
10 years of operation and shall be structured to overcome
11 barriers to participation in the solar market by the
12 low-income community. The incentives provided for in this
13 Section may be implemented through the pricing of renewable
14 energy credits where the prices paid for the credits are
15 higher than the prices from programs offered under
16 subsection (c) of Section 1-75 of this Act to account for
17 the incentives. The Agency shall ensure collaboration with
18 community agencies, and allocate up to 5% of the funds
19 available under the Illinois Solar for All Program to
20 community-based groups to assist in grassroots education
21 efforts related to the Illinois Solar for All Program. The
22 Agency shall retire any renewable energy credits purchased
23 from this program and the credits shall count towards the
24 obligation under subsection (c) of Section 1-75 of this Act
25 for the electric utility to which the project is
26 interconnected.

1 (4) The Agency shall, consistent with the requirements
2 of this subsection (b), propose the Illinois Solar for All
3 Program terms, conditions, and requirements, including the
4 prices to be paid for renewable energy credits, and which
5 prices may be determined through a formula, through the
6 development, review, and approval of the Agency's
7 long-term renewable resources procurement plan described
8 in subsection (c) of Section 1-75 of this Act and Section
9 16-111.5 of the Public Utilities Act. In the course of the
10 Commission proceeding initiated to review and approve the
11 plan, including the Illinois Solar for All Program proposed
12 by the Agency, a party may propose an additional low-income
13 solar or solar incentive program, or modifications to the
14 programs proposed by the Agency, and the Commission may
15 approve an additional program, or modifications to the
16 Agency's proposed program, if the additional or modified
17 program more effectively maximizes the benefits to
18 low-income customers after taking into account all
19 relevant factors, including, but not limited to, the extent
20 to which a competitive market for low-income solar has
21 developed. Following the Commission's approval of the
22 Illinois Solar for All Program, the Agency or a party may
23 propose adjustments to the program terms, conditions, and
24 requirements, including the price offered to new systems,
25 to ensure the long-term viability and success of the
26 program. The Commission shall review and approve any

1 modifications to the program through the plan revision
2 process described in Section 16-111.5 of the Public
3 Utilities Act.

4 (5) The Agency shall issue a request for qualifications
5 for a third-party program administrator or administrators
6 to administer all or a portion of the Illinois Solar for
7 All Program. The third-party program administrator shall
8 be chosen through a competitive bid process based on
9 selection criteria and requirements developed by the
10 Agency, including, but not limited to, experience in
11 administering low-income energy programs and overseeing
12 statewide clean energy or energy efficiency services. If
13 the Agency retains a program administrator or
14 administrators to implement all or a portion of the
15 Illinois Solar for All Program, each administrator shall
16 periodically submit reports to the Agency and Commission
17 for each program that it administers, at appropriate
18 intervals to be identified by the Agency in its long-term
19 renewable resources procurement plan, provided that the
20 reporting interval is at least quarterly.

21 (6) The long-term renewable resources procurement plan
22 shall also provide for an independent evaluation of the
23 Illinois Solar for All Program. At least every 2 years, the
24 Agency shall select an independent evaluator to review and
25 report on the Illinois Solar for All Program and the
26 performance of the third-party program administrator of

1 the Illinois Solar for All Program. The evaluation shall be
2 based on objective criteria developed through a public
3 stakeholder process. The process shall include feedback
4 and participation from Illinois Solar for All Program
5 stakeholders, including participants and organizations in
6 environmental justice and historically underserved
7 communities. The report shall include a summary of the
8 evaluation of the Illinois Solar for All Program based on
9 the stakeholder developed objective criteria. The report
10 shall include the number of projects installed; the total
11 installed capacity in kilowatts; the average cost per
12 kilowatt of installed capacity to the extent reasonably
13 obtainable by the Agency; the number of jobs or job
14 opportunities created; economic, social, and environmental
15 benefits created; and the total administrative costs
16 expended by the Agency and program administrator to
17 implement and evaluate the program. The report shall be
18 delivered to the Commission and posted on the Agency's
19 website, and shall be used, as needed, to revise the
20 Illinois Solar for All Program. The Commission shall also
21 consider the results of the evaluation as part of its
22 review of the long-term renewable resources procurement
23 plan under subsection (c) of Section 1-75 of this Act.

24 (7) If additional funding for the programs described in
25 this subsection (b) is available under subsection (k) of
26 Section 16-108 of the Public Utilities Act, then the Agency

1 shall submit a procurement plan to the Commission no later
2 than September 1, 2018, that proposes how the Agency will
3 procure programs on behalf of the applicable utility. After
4 notice and hearing, the Commission shall approve, or
5 approve with modification, the plan no later than November
6 1, 2018.

7 (8) Beginning with the 2019 update to the long-term
8 renewable resources procurement plan authorized by
9 subsection (c) of Section 1-75 of this Act, subject to
10 appropriation and, following the 2021 delivery year,
11 subject to fund availability through the Commission
12 process described in subparagraph (Q) of paragraph (1) of
13 subsection (c) of Section 1-75, the Illinois Power Agency
14 shall propose an expansion of the Illinois Solar for All
15 Program. The expansion shall have as a goal quadrupling the
16 annual installed capacity in kilowatts under subparagraphs
17 (A), (B), and (C) of paragraph (2) as well as quintupling
18 the grassroots education efforts under paragraph (3) of
19 this subsection.

20 As used in this subsection (b), "low-income households"
21 means persons and families whose income does not exceed 80% of
22 area median income, adjusted for family size and revised every
23 5 years.

24 For the purposes of this subsection (b), the Agency shall
25 define "environmental justice community" based on
26 methodologies and findings established by the Illinois Power

1 Agency and its Administrator for the Illinois Solar for All
2 Program in its initial long-term renewable resources
3 procurement plan and updated by the Illinois Power Agency and
4 its Administrator for the Illinois Solar for All Program as
5 part of the long-term renewable resources procurement plan
6 update as part of long term renewable resources procurement
7 plan development, to ensure, to the extent practicable,
8 compatibility with other agencies' definitions and may, for
9 guidance, look to the definitions used by federal, state, or
10 local governments.

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

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

25 (c) (Blank).

26 (d) (Blank).

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

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

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

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

26 (h-5) The Agency may assess fees to each bidder to recover

1 the costs incurred in connection with a procurement process
2 held under this Section. Fees collected from bidders shall be
3 deposited into the Renewable Energy Resources Fund.

4 (i) Supplemental procurement process.

5 (1) Within 90 days after the effective date of this
6 amendatory Act of the 98th General Assembly, the Agency
7 shall develop a one-time supplemental procurement plan
8 limited to the procurement of renewable energy credits, if
9 available, from new or existing photovoltaics, including,
10 but not limited to, distributed photovoltaic generation.
11 Nothing in this subsection (i) requires procurement of wind
12 generation through the supplemental procurement.

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

21 For the purposes of this paragraph (1), "qualified
22 person" means a person who performs installations of
23 photovoltaics, including, but not limited to, distributed
24 photovoltaic generation, and who: (A) has completed an
25 apprenticeship as a journeyman electrician from a United
26 States Department of Labor registered electrical

1 apprenticeship and training program and received a
2 certification of satisfactory completion; or (B) does not
3 currently meet the criteria under clause (A) of this
4 paragraph (1), but is enrolled in a United States
5 Department of Labor registered electrical apprenticeship
6 program, provided that the person is directly supervised by
7 a person who meets the criteria under clause (A) of this
8 paragraph (1); or (C) has obtained one of the following
9 credentials in addition to attesting to satisfactory
10 completion of at least 5 years or 8,000 hours of documented
11 hands-on electrical experience: (i) a North American Board
12 of Certified Energy Practitioners (NABCEP) Installer
13 Certificate for Solar PV; (ii) an Underwriters
14 Laboratories (UL) PV Systems Installer Certificate; (iii)
15 an Electronics Technicians Association, International
16 (ETAI) Level 3 PV Installer Certificate; or (iv) an
17 Associate in Applied Science degree from an Illinois
18 Community College Board approved community college program
19 in renewable energy or a distributed generation
20 technology.

21 For the purposes of this paragraph (1), "directly
22 supervised" means that there is a qualified person who
23 meets the qualifications under clause (A) of this paragraph
24 (1) and who is available for supervision and consultation
25 regarding the work performed by persons under clause (B) of
26 this paragraph (1), including a final inspection of the

1 installation work that has been directly supervised to
2 ensure safety and conformity with applicable codes.

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

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

24 To the extent available, 50% of the renewable energy
25 credits procured from distributed renewable energy
26 generation shall come from devices of less than 25

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

15 In developing the supplemental procurement plan, the
16 Agency shall hold at least one workshop open to the public
17 within 90 days after the effective date of this amendatory
18 Act of the 98th General Assembly and shall consider any
19 comments made by stakeholders or the public. Upon
20 development of the supplemental procurement plan within
21 this 90-day period, copies of the supplemental procurement
22 plan shall be posted and made publicly available on the
23 Agency's and Commission's websites. All interested parties
24 shall have 14 days following the date of posting to provide
25 comment to the Agency on the supplemental procurement plan.
26 All comments submitted to the Agency shall be specific,

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

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

20 (3) The Commission shall approve the supplemental
21 procurement plan of renewable energy credits to be procured
22 from new or existing photovoltaics, including, but not
23 limited to, distributed photovoltaic generation, if the
24 Commission determines that it will ensure adequate,
25 reliable, affordable, efficient, and environmentally
26 sustainable electric service in the form of renewable

1 energy credits at the lowest total cost over time, taking
2 into account any benefits of price stability.

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

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

13 (B) Procurement monitor. The procurement monitor
14 retained by the Commission pursuant to Section
15 16-111.5 of the Public Utilities Act shall:

16 (i) monitor interactions among the procurement
17 administrator and bidders and suppliers;

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

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

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

1 (v) preserve the confidentiality of supplier
2 and bidding information in a manner consistent
3 with all applicable laws, rules, regulations, and
4 tariffs;

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

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

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

18 (C) Solicitation, pre-qualification, and
19 registration of bidders. The procurement administrator
20 shall disseminate information to potential bidders to
21 promote a procurement event, notify potential bidders
22 that the procurement administrator may enter into a
23 post-bid price negotiation with bidders that meet the
24 applicable benchmarks, provide supply requirements,
25 and otherwise explain the competitive procurement
26 process. In addition to such other publication as the

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

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

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

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

26 (F) Benchmarks. Benchmarks for each product to be

1 procured shall be developed by the procurement
2 administrator in consultation with Commission staff,
3 the Agency, and the procurement monitor for use in this
4 supplemental procurement.

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

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

1 (6) Within 3 business days after the Commission
2 decision approving the results of a procurement event, the
3 Agency shall enter into binding contractual arrangements
4 with the winning suppliers using the standard form
5 contracts.

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

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

26 (9) Expenses incurred in connection with the

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

12 (Source: P.A. 98-672, eff. 6-30-14; 99-906, eff. 6-1-17.)

13 (20 ILCS 3855/1-75)

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

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

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

17 Beginning with the plan or plans to be implemented in the
18 2017 delivery year, the Agency shall no longer include the
19 procurement of renewable energy resources in the annual
20 procurement plans required by this subsection (a), except as
21 provided in subsection (q) of Section 16-111.5 of the Public
22 Utilities Act and subsection (j) of this Section, and shall
23 instead develop a long-term renewable resources procurement
24 plan in accordance with subsection (c) of this Section and
25 Section 16-111.5 of the Public Utilities Act.

26 (1) The Agency shall each year, beginning in 2008, as

1 needed, issue a request for qualifications for experts or
2 expert consulting firms to develop the procurement plans 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 assembling
7 large-scale power supply plans or portfolios for
8 end-use customers;

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

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

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

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

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

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

25 (2) The Agency shall each year, as needed, issue a
26 request for qualifications for a procurement administrator

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

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

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

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

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

15 (E) expertise in credit and contract protocols;

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

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

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

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

10 (A) failure to satisfy qualification criteria;

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

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

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

24 (4) The Agency shall issue requests for proposals to
25 the qualified experts or expert consulting firms to develop
26 a procurement plan for the affected utilities and to serve

1 as procurement administrator.

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

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

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

1 100,000 customers in Illinois and (ii) request a procurement
2 plan for their Illinois jurisdictional load.

3 (c) Renewable portfolio standard.

4 (1) (A) The Agency shall develop a long-term renewable
5 resources procurement plan that shall include procurement
6 programs and competitive procurement events necessary to
7 meet the goals set forth in this subsection (c). The
8 initial long-term renewable resources procurement plan
9 shall be released for comment no later than 160 days after
10 June 1, 2017 (the effective date of Public Act 99-906). The
11 Agency shall review, and may revise on an expedited basis,
12 the long-term renewable resources procurement plan at
13 least every 2 years, which shall be conducted in
14 conjunction with the procurement plan under Section
15 16-111.5 of the Public Utilities Act to the extent
16 practicable to minimize administrative expense. The
17 long-term renewable resources procurement plans shall be
18 subject to review and approval by the Commission under
19 Section 16-111.5 of the Public Utilities Act.

20 (B) Subject to subparagraph (F) of this paragraph (1),
21 the long-term renewable resources procurement plan shall
22 include the goals for procurement of renewable energy
23 credits to meet at least the following overall percentages:
24 13% by the 2017 delivery year; increasing by at least 1.5%
25 each delivery year thereafter to at least 25% by the 2025
26 delivery year; increasing by at least 4% each delivery year

1 after the 2025 delivery year to at least 45% by 2030;
2 increasing by at least 3% each delivery year after the 2030
3 delivery year to at least 60% by 2035, 75% by 2040, and 90%
4 by 2045; increasing by at least 2% each delivery year after
5 the 2045 delivery year to 100% by the 2050 delivery year
6 and continuing at 100% ~~no less than 25%~~ for each delivery
7 year thereafter. In the event of a conflict between these
8 goals and the new wind and new photovoltaic procurement
9 requirements described in items (i) through (iii) of
10 subparagraph (C) and items (i) and (ii) of subparagraph (P)
11 of this paragraph (1), the long-term plan shall prioritize
12 compliance with the new wind and new photovoltaic
13 procurement requirements described in items (i) through
14 (iii) of subparagraph (C) and items (i) and (ii) of
15 subparagraph (P) of this paragraph (1) over the annual
16 percentage targets described in this subparagraph (B). The
17 Agency shall not comply with the annual percentage targets
18 described in this subparagraph (B) by procuring renewable
19 energy credits on the spot market that are unlikely to lead
20 to the development of new renewable resources.

21 For the delivery year beginning June 1, 2017, the
22 procurement plan shall include cost-effective renewable
23 energy resources equal to at least 13% of each utility's
24 load for eligible retail customers and 13% of the
25 applicable portion of each utility's load for retail
26 customers who are not eligible retail customers, which

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

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

13 For the delivery year beginning June 1, 2019, and for
14 each year thereafter, the procurement plans shall include
15 cost-effective renewable energy resources equal to a
16 minimum percentage of each utility's load for all retail
17 customers as follows: 16% by June 1, 2019; increasing by
18 1.5% each year thereafter to 25% by June 1, 2025;
19 increasing by at least 4% each year thereafter to at least
20 45% by June 1, 2030; increasing by at least 3% each year
21 thereafter to at least 90% by June 1, 2045; increasing by
22 at least 2% each year thereafter to at least 100% by June
23 1, 2050 ~~and 25% by June 1, 2026~~ and each year thereafter.

24 For each delivery year, the Agency shall first
25 recognize each utility's obligations for that delivery
26 year under existing contracts. Any renewable energy

1 credits under existing contracts, including renewable
2 energy credits as part of renewable energy resources, shall
3 be used to meet the goals set forth in this subsection (c)
4 for the delivery year.

5 (C) Of the renewable energy credits procured under this
6 subsection (c), at least 75% shall come from wind and
7 photovoltaic projects. The long-term renewable resources
8 procurement plan described in subparagraph (A) of this
9 paragraph (1) shall include the procurement of renewable
10 energy credits in amounts equal to at least the following:

11 (i) By the end of the 2020 delivery year:

12 At least 2,000,000 renewable energy credits
13 for each delivery year shall come from new wind
14 projects; and

15 At least 2,000,000 renewable energy credits
16 for each delivery year shall come from new
17 photovoltaic projects; of that amount, to the
18 extent possible, the Agency shall procure: at
19 least 50% from solar photovoltaic projects using
20 the program outlined in subparagraph (K) of this
21 paragraph (1) from distributed renewable energy
22 generation devices or community renewable
23 generation projects; at least 40% from
24 utility-scale solar projects; at least 2% from
25 brownfield site photovoltaic projects that are not
26 community renewable generation projects; and the

1 remainder shall be determined through the
2 long-term planning process described in
3 subparagraph (A) of this paragraph (1).

4 (ii) By the end of the 2025 delivery year:

5 At least 3,000,000 renewable energy credits
6 for each delivery year shall come from new wind
7 projects; and

8 At least 3,000,000 renewable energy credits
9 for each delivery year shall come from new
10 photovoltaic projects; of that amount, to the
11 extent possible, the Agency shall procure: at
12 least 50% from solar photovoltaic projects using
13 the program outlined in subparagraph (K) of this
14 paragraph (1) from distributed renewable energy
15 devices or community renewable generation
16 projects; at least 40% from utility-scale solar
17 projects; at least 2% from brownfield site
18 photovoltaic projects that are not community
19 renewable generation projects; and the remainder
20 shall be determined through the long-term planning
21 process described in subparagraph (A) of this
22 paragraph (1).

23 (iii) By the end of the 2030 delivery year:

24 At least 4,000,000 renewable energy credits
25 for each delivery year shall come from new wind
26 projects; and

1 At least 4,000,000 renewable energy credits
2 for each delivery year shall come from new
3 photovoltaic projects; of that amount, to the
4 extent possible, the Agency shall procure: at
5 least 50% from solar photovoltaic projects using
6 the program outlined in subparagraph (K) of this
7 paragraph (1) from distributed renewable energy
8 devices or community renewable generation
9 projects; at least 40% from utility-scale solar
10 projects; at least 2% from brownfield site
11 photovoltaic projects that are not community
12 renewable generation projects; and the remainder
13 shall be determined through the long-term planning
14 process described in subparagraph (A) of this
15 paragraph (1).

16 For purposes of this Section:

17 "New wind projects" means wind renewable
18 energy facilities that are energized after June 1,
19 2017 for the delivery year commencing June 1, 2017
20 or within 3 years after the date the Commission
21 approves contracts for subsequent delivery years.

22 "New photovoltaic projects" means photovoltaic
23 renewable energy facilities that are energized
24 after June 1, 2017. Photovoltaic projects
25 developed under Section 1-56 of this Act shall not
26 apply towards the new photovoltaic project

1 requirements in this subparagraph (C).

2 (D) Renewable energy credits shall be cost effective.
3 For purposes of this subsection (c), "cost effective" means
4 that the costs of procuring renewable energy resources do
5 not cause the limit stated in subparagraph (E) of this
6 paragraph (1) to be exceeded and, for renewable energy
7 credits procured through a competitive procurement event,
8 do not exceed benchmarks based on market prices for like
9 products in the region. For purposes of this subsection
10 (c), "like products" means contracts for renewable energy
11 credits from the same or substantially similar technology,
12 same or substantially similar vintage (new or existing),
13 the same or substantially similar quantity, and the same or
14 substantially similar contract length and structure.
15 Benchmarks shall be developed by the procurement
16 administrator, in consultation with the Commission staff,
17 Agency staff, and the procurement monitor and shall be
18 subject to Commission review and approval. If price
19 benchmarks for like products in the region are not
20 available, the procurement administrator shall establish
21 price benchmarks based on publicly available data on
22 regional technology costs and expected current and future
23 regional energy prices. The benchmarks in this Section
24 shall not be used to curtail or otherwise reduce
25 contractual obligations entered into by or through the
26 Agency prior to June 1, 2017 (the effective date of Public

1 Act 99-906).

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

23 Notwithstanding the requirements of this subsection
24 (c), the total of renewable energy resources procured under
25 the procurement plan for any single year shall be subject
26 to the limitations of this subparagraph (E). Such

1 procurement shall be reduced for all retail customers based
2 on the amount necessary to limit the annual estimated
3 average net increase due to the costs of these resources
4 included in the amounts paid by eligible retail customers
5 in connection with electric service to no more than the
6 greater of 2.015% of the amount paid per kilowatthour by
7 those customers during the year ending May 31, 2007 or the
8 incremental amount per kilowatthour paid for these
9 resources in 2011. To arrive at a maximum dollar amount of
10 renewable energy resources to be procured for the
11 particular delivery year, the resulting per kilowatthour
12 amount shall be applied to the actual amount of
13 kilowatthours of electricity delivered, or applicable
14 portion of such amount as specified in paragraph (1) of
15 this subsection (c), as applicable, by the electric utility
16 in the delivery year immediately prior to the procurement
17 to all retail customers in its service territory. The
18 calculations required by this subparagraph (E) shall be
19 made only once for each delivery year at the time that the
20 renewable energy resources are procured. Once the
21 determination as to the amount of renewable energy
22 resources to procure is made based on the calculations set
23 forth in this subparagraph (E) and the contracts procuring
24 those amounts are executed, no subsequent rate impact
25 determinations shall be made and no adjustments to those
26 contract amounts shall be allowed. All costs incurred under

1 such contracts shall be fully recoverable by the electric
2 utility as provided in this Section.

3 (F) If the limitation on the amount of renewable energy
4 resources procured in subparagraph (E) of this paragraph
5 (1) prevents the Agency from meeting all of the goals in
6 this subsection (c), the Agency's long-term plan shall
7 prioritize compliance with the requirements of this
8 subsection (c) regarding renewable energy credits in the
9 following order:

10 (i) renewable energy credits under existing
11 contractual obligations;

12 (i-5) funding for the Illinois Solar for All
13 Program, as described in subparagraph (O) of this
14 paragraph (1);

15 (ii) renewable energy credits necessary to comply
16 with the new wind and new photovoltaic procurement
17 requirements described in items (i) through (iii) of
18 subparagraph (C) of this paragraph (1); ~~and~~

19 (ii-5) renewable energy credits necessary to
20 comply with the new wind and new photovoltaic
21 procurement requirements described in subparagraph (P)
22 of this paragraph (1); and

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

25 (G) The following provisions shall apply to the
26 Agency's procurement of renewable energy credits under

1 this subsection (c):

2 (i) Notwithstanding whether a long-term renewable
3 resources procurement plan has been approved, the
4 Agency shall conduct an initial forward procurement
5 for renewable energy credits from new utility-scale
6 wind projects within 160 days after June 1, 2017 (the
7 effective date of Public Act 99-906). For the purposes
8 of this initial forward procurement, the Agency shall
9 solicit 15-year contracts for delivery of 1,000,000
10 renewable energy credits delivered annually from new
11 utility-scale wind projects to begin delivery on June
12 1, 2019, if available, but not later than June 1, 2021.
13 Payments to suppliers of renewable energy credits
14 shall commence upon delivery. Renewable energy credits
15 procured under this initial procurement shall be
16 included in the Agency's long-term plan and shall apply
17 to all renewable energy goals in this subsection (c).

18 (ii) Notwithstanding whether a long-term renewable
19 resources procurement plan has been approved, the
20 Agency shall conduct an initial forward procurement
21 for renewable energy credits from new utility-scale
22 solar projects and brownfield site photovoltaic
23 projects within one year after June 1, 2017 (the
24 effective date of Public Act 99-906). For the purposes
25 of this initial forward procurement, the Agency shall
26 solicit 15-year contracts for delivery of 1,000,000

1 renewable energy credits delivered annually from new
2 utility-scale solar projects and brownfield site
3 photovoltaic projects to begin delivery on June 1,
4 2019, if available, but not later than June 1, 2021.
5 The Agency may structure this initial procurement in
6 one or more discrete procurement events. Payments to
7 suppliers of renewable energy credits shall commence
8 upon delivery. Renewable energy credits procured under
9 this initial procurement shall be included in the
10 Agency's long-term plan and shall apply to all
11 renewable energy goals in this subsection (c).

12 (iii) Subsequent forward procurements for
13 utility-scale wind projects shall solicit at least
14 1,000,000 renewable energy credits delivered annually
15 per procurement event and shall be planned, scheduled,
16 and designed such that the cumulative amount of
17 renewable energy credits delivered from all new wind
18 projects in each delivery year shall not exceed the
19 Agency's projection of the cumulative amount of
20 renewable energy credits that will be delivered from
21 all new photovoltaic projects, including utility-scale
22 and distributed photovoltaic devices, in the same
23 delivery year at the time scheduled for wind contract
24 delivery.

25 (iv) If, at any time after the time set for
26 delivery of renewable energy credits pursuant to the

1 initial procurements in items (i) and (ii) of this
2 subparagraph (G), the cumulative amount of renewable
3 energy credits projected to be delivered from all new
4 wind projects in a given delivery year exceeds the
5 cumulative amount of renewable energy credits
6 projected to be delivered from all new photovoltaic
7 projects in that delivery year by 200,000 or more
8 renewable energy credits, then the Agency shall within
9 60 days adjust the procurement programs in the
10 long-term renewable resources procurement plan to
11 ensure that the projected cumulative amount of
12 renewable energy credits to be delivered from all new
13 wind projects does not exceed the projected cumulative
14 amount of renewable energy credits to be delivered from
15 all new photovoltaic projects by 200,000 or more
16 renewable energy credits, provided that nothing in
17 this Section shall preclude the projected cumulative
18 amount of renewable energy credits to be delivered from
19 all new photovoltaic projects from exceeding the
20 projected cumulative amount of renewable energy
21 credits to be delivered from all new wind projects in
22 each delivery year and provided further that nothing in
23 this item (iv) shall require the curtailment of an
24 executed contract. The Agency shall update, on a
25 quarterly basis, its projection of the renewable
26 energy credits to be delivered from all projects in

1 each delivery year. Notwithstanding anything to the
2 contrary, the Agency may adjust the timing of
3 procurement events conducted under this subparagraph
4 (G). The long-term renewable resources procurement
5 plan shall set forth the process by which the
6 adjustments may be made.

7 (v) All procurements under this subparagraph (G)
8 shall comply with the geographic requirements in
9 subparagraph (I) of this paragraph (1) and shall follow
10 the procurement processes and procedures described in
11 this Section and Section 16-111.5 of the Public
12 Utilities Act to the extent practicable, and these
13 processes and procedures may be expedited to
14 accommodate the schedule established by this
15 subparagraph (G).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 renewable energy credits shall be eligible to be counted
2 toward the renewable energy requirements of this
3 subsection (c) if they are generated from facilities
4 located in this State. The Agency may qualify renewable
5 energy credits from facilities located in states adjacent
6 to Illinois if the generator demonstrates and the Agency
7 determines that the operation of such facility or
8 facilities will help promote the State's interest in the
9 health, safety, and welfare of its residents based on the
10 public interest criteria described above. To ensure that
11 the public interest criteria are applied to the procurement
12 and given full effect, the Agency's long-term procurement
13 plan shall describe in detail how each public interest
14 factor shall be considered and weighted for facilities
15 located in states adjacent to Illinois.

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

1 generating unit supplying the renewable energy credits
2 subsequently begin to be recovered through rates regulated
3 by this State or any other state or states; and each
4 contract shall further provide that, in that event, the
5 supplier of the credits must return 110% of all payments
6 received under the contract. Amounts returned under the
7 requirements of this subparagraph (J) shall be retained by
8 the utility and all of these amounts shall be used for the
9 procurement of additional renewable energy credits from
10 new wind or new photovoltaic resources as defined in this
11 subsection (c). The long-term plan shall provide that these
12 renewable energy credits shall be procured in the next
13 procurement event.

14 Notwithstanding the limitations of this subparagraph
15 (J), renewable energy credits sourced from generating
16 units that are constructed, purchased, owned, or leased by
17 an electric utility as part of an approved project,
18 program, or pilot under Section 1-56 of this Act shall be
19 eligible to be counted toward the renewable energy
20 requirements of this subsection (c), regardless of how the
21 costs of these units are recovered.

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

1 renewable energy generation devices or new photovoltaic
2 community renewable generation projects. The Adjustable
3 Block program shall be designed to provide a transparent
4 schedule of prices and quantities to enable the
5 photovoltaic market to scale up and for renewable energy
6 credit prices to adjust at a predictable rate over time.
7 The prices set by the Adjustable Block program can be
8 reflected as a set value or as the product of a formula.

9 The Adjustable Block program shall include for each
10 category of eligible projects: a schedule of standard block
11 purchase prices to be offered; a series of steps, with
12 associated nameplate capacity and purchase prices that
13 adjust from step to step; and automatic opening of the next
14 step as soon as the nameplate capacity and available
15 purchase prices for an open step are fully committed or
16 reserved. Only projects energized on or after June 1, 2017
17 shall be eligible for the Adjustable Block program. For
18 each block group the Agency shall determine the number of
19 blocks, the amount of generation capacity in each block,
20 and the purchase price for each block, provided that the
21 purchase price provided and the total amount of generation
22 in all blocks for all block groups shall be sufficient to
23 meet the goals in this subsection (c). The Agency may
24 periodically review its prior decisions establishing the
25 number of blocks, the amount of generation capacity in each
26 block, and the purchase price for each block, and may

1 propose, on an expedited basis, changes to these previously
2 set values, including but not limited to redistributing
3 these amounts and the available funds as necessary and
4 appropriate, subject to Commission approval as part of the
5 periodic plan revision process described in Section
6 16-111.5 of the Public Utilities Act. The Agency may define
7 different block sizes, purchase prices, or other distinct
8 terms and conditions for projects located in different
9 utility service territories if the Agency deems it
10 necessary to meet the goals in this subsection (c).

11 The Adjustable Block program shall include at least the
12 following block groups in at least the following amounts,
13 which may be adjusted upon review by the Agency and
14 approval by the Commission as described in this
15 subparagraph (K):

16 (i) At least 25% from distributed renewable energy
17 generation devices with a nameplate capacity of no more
18 than 10 kilowatts.

19 (ii) At least 25% from distributed renewable
20 energy generation devices with a nameplate capacity of
21 more than 10 kilowatts and no more than 2,000
22 kilowatts. The Agency may create sub-categories within
23 this category to account for the differences between
24 projects for small commercial customers, large
25 commercial customers, and public or non-profit
26 customers.

1 (iii) At least 25% from photovoltaic community
2 renewable generation projects.

3 (iv) The remaining 25% shall be allocated as
4 specified by the Agency in the long-term renewable
5 resources procurement plan.

6 The Adjustable Block program shall be designed to
7 ensure that renewable energy credits are procured from
8 photovoltaic distributed renewable energy generation
9 devices and new photovoltaic community renewable energy
10 generation projects in diverse locations, including urban
11 and rural areas, and are not concentrated in a few
12 geographic areas or excluding particular geographic areas.

13 The Adjustable Block Program shall be designed to
14 prioritize the procurement of renewable energy credits
15 from new photovoltaic community renewable energy projects
16 that are organized by local communities, sited in the
17 communities they serve, or are also brownfield site
18 photovoltaic projects, as defined in Section 1-10 of this
19 Act, for a portion of the overall renewable energy credits
20 to be procured from new photovoltaic community renewable
21 energy projects.

22 (L) The procurement of photovoltaic renewable energy
23 credits under items (i) through (iv) of subparagraph (K) of
24 this paragraph (1) shall be subject to the following
25 contract and payment terms:

26 (i) The Agency shall procure contracts of at least

1 15 years in length.

2 (ii) For those renewable energy credits that
3 qualify and are procured under item (i) of subparagraph
4 (K) of this paragraph (1), the renewable energy credit
5 purchase price shall be paid in full by the contracting
6 utilities at the time that the facility producing the
7 renewable energy credits is interconnected at the
8 distribution system level of the utility and
9 energized. The electric utility shall receive and
10 retire all renewable energy credits generated by the
11 project for the first 15 years of operation.

12 (iii) For those renewable energy credits that
13 qualify and are procured under item (ii) and (iii) of
14 subparagraph (K) of this paragraph (1) and any
15 additional categories of distributed generation
16 included in the long-term renewable resources
17 procurement plan and approved by the Commission, 20
18 percent of the renewable energy credit purchase price
19 shall be paid by the contracting utilities at the time
20 that the facility producing the renewable energy
21 credits is interconnected at the distribution system
22 level of the utility and energized. The remaining
23 portion shall be paid ratably over the subsequent
24 4-year period. The electric utility shall receive and
25 retire all renewable energy credits generated by the
26 project for the first 15 years of operation.

1 (iv) Each contract shall include provisions to
2 ensure the delivery of the renewable energy credits for
3 the full term of the contract.

4 (v) The utility shall be the counterparty to the
5 contracts executed under this subparagraph (L) that
6 are approved by the Commission under the process
7 described in Section 16-111.5 of the Public Utilities
8 Act. No contract shall be executed for an amount that
9 is less than one renewable energy credit per year.

10 (vi) If, at any time, approved applications for the
11 Adjustable Block program exceed funds collected by the
12 electric utility or would cause the Agency to exceed
13 the limitation described in subparagraph (E) of this
14 paragraph (1) on the amount of renewable energy
15 resources that may be procured, then the Agency shall
16 consider future uncommitted funds to be reserved for
17 these contracts on a first-come, first-served basis,
18 with the delivery of renewable energy credits required
19 beginning at the time that the reserved funds become
20 available.

21 (vii) Nothing in this Section shall require the
22 utility to advance any payment or pay any amounts that
23 exceed the actual amount of revenues collected by the
24 utility under paragraph (6) of this subsection (c) and
25 subsection (k) of Section 16-108 of the Public
26 Utilities Act, and contracts executed under this

1 Section shall expressly incorporate this limitation.

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

17 The Agency and its consultant or consultants shall
18 monitor block activity, share program activity with
19 stakeholders and conduct regularly scheduled meetings to
20 discuss program activity and market conditions. If
21 necessary, the Agency may make prospective administrative
22 adjustments to the Adjustable Block program design, such as
23 redistributing available funds or making adjustments to
24 purchase prices as necessary to achieve the goals of this
25 subsection (c). Program modifications to any price,
26 capacity block, or other program element that do not

1 deviate from the Commission's approved value by more than
2 25% shall take effect immediately and are not subject to
3 Commission review and approval. Program modifications to
4 any price, capacity block, or other program element that
5 deviate more than 25% from the Commission's approved value
6 must be approved by the Commission as a long-term plan
7 amendment under Section 16-111.5 of the Public Utilities
8 Act. The Agency shall consider stakeholder feedback when
9 making adjustments to the Adjustable Block design and shall
10 notify stakeholders in advance of any planned changes.

11 (N) The long-term renewable resources procurement plan
12 required by this subsection (c) shall include a community
13 renewable generation program. The Agency shall establish
14 the terms, conditions, and program requirements for
15 community renewable generation projects with a goal to
16 expand renewable energy generating facility access to a
17 broader group of energy consumers, to ensure robust
18 participation opportunities for residential and small
19 commercial customers and those who cannot install
20 renewable energy on their own properties. Any plan approved
21 by the Commission shall allow subscriptions to community
22 renewable generation projects to be portable and
23 transferable. For purposes of this subparagraph (N),
24 "portable" means that subscriptions may be retained by the
25 subscriber even if the subscriber relocates or changes its
26 address within the same utility service territory; and

1 "transferable" means that a subscriber may assign or sell
2 subscriptions to another person within the same utility
3 service territory.

4 Electric utilities shall provide a monetary credit to a
5 subscriber's subsequent bill for service for the
6 proportional output of a community renewable generation
7 project attributable to that subscriber as specified in
8 Section 16-107.5 of the Public Utilities Act.

9 The Agency shall purchase renewable energy credits
10 from subscribed shares of photovoltaic community renewable
11 generation projects through the Adjustable Block program
12 described in subparagraph (K) of this paragraph (1) or
13 through the Illinois Solar for All Program described in
14 Section 1-56 of this Act. The electric utility shall
15 purchase any unsubscribed energy from community renewable
16 generation projects that are Qualifying Facilities ("QF")
17 under the electric utility's tariff for purchasing the
18 output from QFs under Public Utilities Regulatory Policies
19 Act of 1978.

20 The owners of and any subscribers to a community
21 renewable generation project shall not be considered
22 public utilities or alternative retail electricity
23 suppliers under the Public Utilities Act solely as a result
24 of their interest in or subscription to a community
25 renewable generation project and shall not be required to
26 become an alternative retail electric supplier by

1 participating in a community renewable generation project
2 with a public utility.

3 (O) For the delivery year beginning June 1, 2018, the
4 long-term renewable resources procurement plan required by
5 this subsection (c) shall provide for the Agency to procure
6 contracts to continue offering the Illinois Solar for All
7 Program described in subsection (b) of Section 1-56 of this
8 Act, and the contracts approved by the Commission shall be
9 executed by the utilities that are subject to this
10 subsection (c). The long-term renewable resources
11 procurement plan shall allocate 5% of the funds available
12 under the plan for the applicable delivery year, or
13 \$10,000,000 per delivery year, whichever is greater, to
14 fund the programs, and the plan shall determine the amount
15 of funding to be apportioned to the programs identified in
16 subsection (b) of Section 1-56 of this Act; provided that
17 for the delivery years beginning June 1, 2017, June 1,
18 2021, and June 1, 2025, the long-term renewable resources
19 procurement plan shall allocate 10% of the funds available
20 under the plan for the applicable delivery year, or
21 \$20,000,000 per delivery year, whichever is greater, and
22 \$10,000,000 of such funds in such year shall be used by an
23 electric utility that serves more than 3,000,000 retail
24 customers in the State to implement a Commission-approved
25 plan under Section 16-108.12 of the Public Utilities Act.
26 In making the determinations required under this

1 subparagraph (O), the Commission shall consider the
2 experience and performance under the programs and any
3 evaluation reports. The Commission shall also provide for
4 an independent evaluation of those programs on a periodic
5 basis that are funded under this subparagraph (O).

6 (P) For the delivery year beginning June 1, 2021, the
7 long-term renewable resources procurement plan required by
8 this subsection (c) shall also include and account for the
9 annual procurement of new long-term contracts, including
10 bundled contracts, as described in subsection (j) of this
11 Section, from new wind projects and new photovoltaic
12 projects such that, by the end of the 2030 delivery year:

13 (i) at least 25,000,000 renewable energy credits
14 for each delivery year shall come from new wind
15 projects; and

16 (ii) at least 25,000,000 renewable energy credits
17 for each delivery year shall come from new photovoltaic
18 projects.

19 The gradual increase in renewable resource procurement
20 discussed in this subparagraph (P) shall involve annual
21 procurements of new wind and new photovoltaic projects and,
22 in the case of the Adjustable Block Program created by
23 subparagraph (K) of this subsection (c), the annual release
24 of new blocks of capacity each year with the goal of
25 encouraging stability and steady growth in the solar market
26 and avoiding boom-bust cycles.

1 In developing the long-term renewable resources
2 procurement plan, the Agency shall develop bidding
3 criteria to account for the ability of new photovoltaic and
4 wind projects to deliver additional benefits for Illinois
5 such as agriculture and pollinator-friendly projects,
6 brownfield redevelopment, water-pollution buffers, and
7 other land-use or environmental benefits.

8 In this Section:

9 "New wind projects" means wind renewable energy
10 facilities that are energized after June 1, 2017 for the
11 delivery year commencing June 1, 2017 or within 3 years
12 after the date the Commission approves contracts for
13 subsequent delivery years.

14 "New photovoltaic projects" means photovoltaic
15 renewable energy facilities that are energized after June
16 1, 2017.

17 (Q) Beginning with the 2019 update to the long-term
18 renewable resources procurement plan required by this
19 subsection (c), the Agency shall evaluate the budget
20 necessary to fund:

21 (i) purchases of renewable energy credits under
22 existing contractual obligations;

23 (ii) the Illinois Solar for All Program, related
24 grassroots education and expansion goals under Section
25 1-56(b) (2-8) of the Illinois Power Agency Act;

26 (iii) purchases of renewable energy credits

1 necessary to comply with the new wind and new
2 photovoltaic project requirements described in items
3 (i) through (iii) of subparagraph (C) of this paragraph
4 (1); and

5 (iv) purchases of renewable energy credits
6 necessary to comply with the new wind project and new
7 photovoltaic project procurement requirements
8 described in subparagraph (P) of this paragraph (1).

9 Following the delivery year 2021, the Agency shall
10 review the budget necessary to fund items (i) through (iv)
11 of this subparagraph (Q) to determine if that budget
12 exceeds the limitation on the amount of renewable energy
13 resources procured in subparagraph (E) of this paragraph
14 (1) when combined with savings achieved by the carbon-free
15 resources procured in subsection (k) of this Section. If
16 so, the Agency shall propose an alternative limitation
17 which the Commission shall review and approve if the
18 Commission finds an alternative limitation is necessary to
19 achieve the requirements of items (i) through (iv) of this
20 subparagraph (Q). The Commission shall find an alternative
21 limitation necessary only if it determines it is a
22 cost-effective way to achieve the goals of subsection (c)
23 and paragraphs (2) through (8) of subsection (b) and as
24 part of the review of the Agency's procurement plan for the
25 delivery year following the year in which the Agency
26 concludes an alternative limitation is necessary as

1 described by the procurement process contained in Section
2 16-111.5 of the Public Utilities Act.

3 (1.5) No later than May 31, 2021, all Illinois electric
4 cooperatives and municipal utilities shall develop a plan
5 to ensure that their members and customers have access to
6 renewable energy on a reasonably equivalent basis to all
7 other residents in the State, including the overall
8 percentage goals listed in subparagraph (A) of paragraph
9 (1) of this Section and the carbon-free resources goals of
10 subsection (k) of this Section 1-75. These plans shall be
11 developed through a public process involving municipal
12 utility and cooperative members, customers, and other
13 members of the public, and shall be filed with the Illinois
14 Commerce Commission at least every 2 years.

15 (2) (Blank).

16 (3) (Blank).

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

19 (5) Beginning with the 2010 delivery year and ending
20 June 1, 2017, an electric utility subject to this
21 subsection (c) shall apply the lesser of the maximum
22 alternative compliance payment rate or the most recent
23 estimated alternative compliance payment rate for its
24 service territory for the corresponding compliance period,
25 established pursuant to subsection (d) of Section 16-115D
26 of the Public Utilities Act to its retail customers that

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

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

1 of Section 16-108 of the Public Utilities Act.

2 (7) Renewable energy credits procured from new
3 photovoltaic projects or new distributed renewable energy
4 generation devices under this Section after June 1, 2017
5 (the effective date of Public Act 99-906) must be procured
6 from devices installed by a qualified person in compliance
7 with the requirements of Section 16-128A of the Public
8 Utilities Act and any rules or regulations adopted
9 thereunder.

10 In meeting the renewable energy requirements of this
11 subsection (c), to the extent feasible and consistent with
12 State and federal law, the renewable energy credit
13 procurements, Adjustable Block solar program, and
14 community renewable generation program shall provide
15 employment opportunities for all segments of the
16 population and workforce, including minority-owned and
17 female-owned business enterprises, and shall not,
18 consistent with State and federal law, discriminate based
19 on race or socioeconomic status. Specifically, as the
20 Agency conducts competitive procurement processes and
21 implements programs to procure renewable energy credits
22 identified in the long-term renewable resources
23 procurement plan, the Agency must preference the
24 procurement of renewable energy credits from those
25 Approved Vendors and companies that meet multiple Equity
26 Actions, including, but not limited to, the following:

1 (A) Hiring Equity Action: 30% of the company's
2 workforce (measured by FTEs) are people of color
3 (members of a racial or ethnic minority group) and
4 receive at or above the prevailing wage.

5 (B) Clean Jobs Workforce Hubs Action: 30% of the
6 workers associated with the project are graduates or
7 trainees from the Clean Jobs Workforce Hubs programs,
8 or equivalent certification, and paid at or above the
9 prevailing wage.

10 (C) Disadvantaged Business Enterprise Action:
11 being an entity defined under Section 2 of the Business
12 Enterprise for Minorities, Women, and Persons with
13 Disabilities Act.

14 (D) Contracting Equity Action: 51% of the
15 company's subcontractors or vendors are entities
16 defined under Section 2 of the Business Enterprise for
17 Minorities, Women, and Persons with Disabilities Act
18 or 30% of the workers associated with the project,
19 including from all subcontractors and vendors, are
20 people of color (members of a racial or ethnic minority
21 group).

22 (E) Community Benefits Action: (i) for projects
23 100kW in size or larger, project has an executed
24 Community Benefits Agreement that could include, but
25 is not limited to, a commitment to hire local workers,
26 union workers, displaced fossil fuel workers

1 transitioning to clean energy work, or Clean Jobs
2 Workforce Hubs graduates, a commitment to pay workers
3 at or above the prevailing wage, and a commitment to
4 give communities ownership opportunities in clean
5 energy projects; and (ii) for projects under 100kW in
6 size, companies pay their workforce at or above the
7 prevailing wage.

8 (F) Small Business Action: company's workforce is
9 comprised of 3 or fewer full-time employees.

10 (d) Clean coal portfolio standard.

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

1 not exceed cost-based benchmarks, which shall be developed
2 to assess all expenditures pursuant to such sourcing
3 agreements covering electricity generated by clean coal
4 facilities, other than the initial clean coal facility, by
5 the procurement administrator, in consultation with the
6 Commission staff, Agency staff, and the procurement
7 monitor and shall be subject to Commission review and
8 approval.

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

12 Utilities shall maintain adequate records documenting
13 the purchases under the sourcing agreement to comply with
14 this subsection (d) and shall file an accounting with the
15 load forecast that must be filed with the Agency by July 15
16 of each year, in accordance with subsection (d) of Section
17 16-111.5 of the Public Utilities Act.

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

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

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

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

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

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

26 (C) in 2012, the greater of an additional 0.5% of

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

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

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

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

1 Assembly its findings as to whether that limitation unduly
2 constrains the amount of electricity generated by
3 cost-effective clean coal facilities that is covered by
4 sourcing agreements.

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

1 (A) a formula contractual price (the "contract
2 price") approved pursuant to paragraph (4) of this
3 subsection (d), which shall:

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

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

1 natural gas, shall be credited against the revenue
2 requirement for this initial clean coal facility;

3 (B) power purchase provisions, which shall:

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

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

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

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

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

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

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

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

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

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

1 facility;

2 (D) general provisions, which shall:

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

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

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

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

26 (v) require the owner of the initial clean coal

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

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

25 (vi) include limits on, and accordingly
26 provide for modification of, the amount the

1 utility is required to source under the sourcing
2 agreement consistent with paragraph (2) of this
3 subsection (d);

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

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

26 (ix) limit the utility's or alternative retail

1 electric supplier's obligation to incur any
2 liability until such time as the facility is in
3 commercial operation and generating power and
4 energy and such power and energy is being delivered
5 to the facility busbar;

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

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

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

25 (xiii) conform with customary lender
26 requirements in power purchase agreements used as

1 the basis for financing non-utility generators.

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

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

20 (ii) Commission report. Within 6 months following
21 receipt of the facility cost report, the Commission, in
22 consultation with the Agency, shall submit a report to
23 the General Assembly setting forth its analysis of the
24 facility cost report. Such report shall include, but
25 not be limited to, a comparison of the costs associated
26 with electricity generated by the initial clean coal

1 facility to the costs associated with electricity
2 generated by other types of generation facilities, an
3 analysis of the rate impacts on residential and small
4 business customers over the life of the sourcing
5 agreements, and an analysis of the likelihood that the
6 initial clean coal facility will commence commercial
7 operation by and be delivering power to the facility's
8 busbar by 2016. To assist in the preparation of its
9 report, the Commission, in consultation with the
10 Agency, may hire one or more experts or consultants,
11 the costs of which shall be paid for by the owner of
12 the initial clean coal facility. The Commission and
13 Agency may begin the process of selecting such experts
14 or consultants prior to receipt of the facility cost
15 report.

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

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

12 The facility cost report shall be prepared as follows:

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

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

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

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

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

26 (C) The facility cost report shall also include an

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

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

24 (D) The facility cost report shall also include an
25 analysis of the initial clean coal facility's ability
26 to deliver power and energy into the applicable

1 regional transmission organization markets and an
2 analysis of the expected capacity factor for the
3 initial clean coal facility.

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

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

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

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

19 (d-5) Zero emission standard.

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

1 utility to retail customers in the State during calendar
2 year 2014. For an electric utility serving fewer than
3 100,000 retail customers in this State that requested,
4 under Section 16-111.5 of the Public Utilities Act, that
5 the Agency procure power and energy for all or a portion of
6 the utility's Illinois load for the delivery year
7 commencing June 1, 2016, the Agency shall procure contracts
8 with zero emission facilities that are reasonably capable
9 of generating cost-effective zero emission credits in an
10 amount approximately equal to 16% of the portion of power
11 and energy to be procured by the Agency for the utility.
12 The duration of the contracts procured under this
13 subsection (d-5) shall be for a term of 10 years ending May
14 31, 2027. The quantity of zero emission credits to be
15 procured under the contracts shall be all of the zero
16 emission credits generated by the zero emission facility in
17 each delivery year; however, if the zero emission facility
18 is owned by more than one entity, then the quantity of zero
19 emission credits to be procured under the contracts shall
20 be the amount of zero emission credits that are generated
21 from the portion of the zero emission facility that is
22 owned by the winning supplier.

23 The 16% value identified in this paragraph (1) is the
24 average of the percentage targets in subparagraph (B) of
25 paragraph (1) of subsection (c) of this Section ~~1-75 of~~
26 ~~this Act~~ for the 5 delivery years beginning June 1, 2017.

1 The procurement process shall be subject to the
2 following provisions:

3 (A) Those zero emission facilities that intend to
4 participate in the procurement shall submit to the
5 Agency the following eligibility information for each
6 zero emission facility on or before the date
7 established by the Agency:

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

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

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

1 other costs necessary for continued operations,
2 provided that "necessary" means, for purposes of
3 this item (iii), that the costs could reasonably be
4 avoided only by ceasing operations of the zero
5 emission facility; and

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

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

23 (B) The price for each zero emission credit
24 procured under this subsection (d-5) for each delivery
25 year shall be in an amount that equals the Social Cost
26 of Carbon, expressed on a price per megawatthour basis.

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

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

25 (ii) Baseline market price index: The baseline
26 market price index for the consecutive 12-month

1 period ending May 31, 2016 is \$31.40 per
2 megawatthour, which is based on the sum of (aa) the
3 average day-ahead energy price across all hours of
4 such 12-month period at the PJM Interconnection
5 LLC Northern Illinois Hub, (bb) 50% multiplied by
6 the Base Residual Auction, or its successor,
7 capacity price for the rest of the RTO zone group
8 determined by PJM Interconnection LLC, divided by
9 24 hours per day, and (cc) 50% multiplied by the
10 Planning Resource Auction, or its successor,
11 capacity price for Zone 4 determined by the
12 Midcontinent Independent System Operator, Inc.,
13 divided by 24 hours per day.

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

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

1 immediately preceding that delivery year to
2 produce a single energy forward price for the
3 delivery year. The forward market price
4 calculation shall use data published by the
5 Intercontinental Exchange, or its successor.

6 (bb) Projected capacity prices:

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

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

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

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

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

18 "RTO" means regional transmission
19 organization.

20 (C) No later than 45 days after June 1, 2017 (the
21 effective date of Public Act 99-906), the Agency shall
22 publish its proposed zero emission standard
23 procurement plan. The plan shall be consistent with the
24 provisions of this paragraph (1) and shall provide that
25 winning bids shall be selected based on public interest
26 criteria that include, but are not limited to,

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

17 For purposes of developing the plan, the Agency
18 shall consider any reports issued by a State agency,
19 board, or commission under House Resolution 1146 of the
20 98th General Assembly and paragraph (4) of subsection
21 (d) of this Section ~~1-75 of this Act~~, as well as
22 publicly available analyses and studies performed by
23 or for regional transmission organizations that serve
24 the State and their independent market monitors.

25 Upon publishing of the zero emission standard
26 procurement plan, copies of the plan shall be posted

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

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

21 (C-5) As part of the Commission's review and
22 acceptance or rejection of the procurement results,
23 the Commission shall, in its public notice of
24 successful bidders:

25 (i) identify how the winning bids satisfy the
26 public interest criteria described in subparagraph

1 (C) of this paragraph (1) of minimizing carbon
2 dioxide emissions that result from electricity
3 consumed in Illinois and minimizing sulfur
4 dioxide, nitrogen oxide, and particulate matter
5 emissions that adversely affect the citizens of
6 this State;

7 (ii) specifically address how the selection of
8 winning bids takes into account the incremental
9 environmental benefits resulting from the
10 procurement, including any existing environmental
11 benefits that are preserved by the procurements
12 held under Public Act 99-906 and would have ceased
13 to exist if the procurements had not been held,
14 such as the preservation of zero emission
15 facilities;

16 (iii) quantify the environmental benefit of
17 preserving the resources identified in item (ii)
18 of this subparagraph (C-5), including the
19 following:

20 (aa) the value of avoided greenhouse gas
21 emissions measured as the product of the zero
22 emission facilities' output over the contract
23 term multiplied by the U.S. Environmental
24 Protection Agency eGrid subregion carbon
25 dioxide emission rate and the U.S. Interagency
26 Working Group on Social Cost of Carbon's price

1 in the August 2016 Technical Update using a 3%
2 discount rate, adjusted for inflation for each
3 delivery year; and

4 (bb) the costs of replacement with other
5 zero carbon dioxide resources, including wind
6 and photovoltaic, based upon the simple
7 average of the following:

8 (I) the price, or if there is more than
9 one price, the average of the prices, paid
10 for renewable energy credits from new
11 utility-scale wind projects in the
12 procurement events specified in item (i)
13 of subparagraph (G) of paragraph (1) of
14 subsection (c) of this Section ~~1-75 of this~~
15 ~~Act~~; 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 ~~1-75 of~~
24 ~~this Act~~ and, after January 1, 2015,
25 renewable energy credits from photovoltaic
26 distributed generation projects in

1 procurement events held under subsection
2 (c) of this Section ~~1-75 of this Act~~.

3 Each utility shall enter into binding contractual
4 arrangements with the winning suppliers.

5 The procurement described in this subsection
6 (d-5), including, but not limited to, the execution of
7 all contracts procured, shall be completed no later
8 than May 10, 2017. Based on the effective date of
9 Public Act 99-906, the Agency and Commission may, as
10 appropriate, modify the various dates and timelines
11 under this subparagraph and subparagraphs (C) and (D)
12 of this paragraph (1). The procurement and plan
13 approval processes required by this subsection (d-5)
14 shall be conducted in conjunction with the procurement
15 and plan approval processes required by subsection (c)
16 of this Section and Section 16-111.5 of the Public
17 Utilities Act, to the extent practicable.
18 Notwithstanding whether a procurement event is
19 conducted under Section 16-111.5 of the Public
20 Utilities Act, the Agency shall immediately initiate a
21 procurement process on June 1, 2017 (the effective date
22 of Public Act 99-906).

23 (D) Following the procurement event described in
24 this paragraph (1) and consistent with subparagraph
25 (B) of this paragraph (1), the Agency shall calculate
26 the payments to be made under each contract for the

1 next delivery year based on the market price index for
2 that delivery year. The Agency shall publish the
3 payment calculations no later than May 25, 2017 and
4 every May 25 thereafter.

5 (E) Notwithstanding the requirements of this
6 subsection (d-5), the contracts executed under this
7 subsection (d-5) shall provide that the zero emission
8 facility may, as applicable, suspend or terminate
9 performance under the contracts in the following
10 instances:

11 (i) A zero emission facility shall be excused
12 from its performance under the contract for any
13 cause beyond the control of the resource,
14 including, but not restricted to, acts of God,
15 flood, drought, earthquake, storm, fire,
16 lightning, epidemic, war, riot, civil disturbance
17 or disobedience, labor dispute, labor or material
18 shortage, sabotage, acts of public enemy,
19 explosions, orders, regulations or restrictions
20 imposed by governmental, military, or lawfully
21 established civilian authorities, which, in any of
22 the foregoing cases, by exercise of commercially
23 reasonable efforts the zero emission facility
24 could not reasonably have been expected to avoid,
25 and which, by the exercise of commercially
26 reasonable efforts, it has been unable to

1 overcome. In such event, the zero emission
2 facility shall be excused from performance for the
3 duration of the event, including, but not limited
4 to, delivery of zero emission credits, and no
5 payment shall be due to the zero emission facility
6 during the duration of the event.

7 (ii) A zero emission facility shall be
8 permitted to terminate the contract if legislation
9 is enacted into law by the General Assembly that
10 imposes or authorizes a new tax, special
11 assessment, or fee on the generation of
12 electricity, the ownership or leasehold of a
13 generating unit, or the privilege or occupation of
14 such generation, ownership, or leasehold of
15 generation units by a zero emission facility.
16 However, the provisions of this item (ii) do not
17 apply to any generally applicable tax, special
18 assessment or fee, or requirements imposed by
19 federal law.

20 (iii) A zero emission facility shall be
21 permitted to terminate the contract in the event
22 that the resource requires capital expenditures in
23 excess of \$40,000,000 that were neither known nor
24 reasonably foreseeable at the time it executed the
25 contract and that a prudent owner or operator of
26 such resource would not undertake.

1 (iv) A zero emission facility shall be
2 permitted to terminate the contract in the event
3 the Nuclear Regulatory Commission terminates the
4 resource's license.

5 (F) If the zero emission facility elects to
6 terminate a contract under ~~this~~ subparagraph (E)7 of
7 this paragraph (1), then the Commission shall reopen
8 the docket in which the Commission approved the zero
9 emission standard procurement plan under subparagraph
10 (C) of this paragraph (1) and, after notice and
11 hearing, enter an order acknowledging the contract
12 termination election if such termination is consistent
13 with the provisions of this subsection (d-5).

14 (2) For purposes of this subsection (d-5), the amount
15 paid per kilowatthour means the total amount paid for
16 electric service expressed on a per kilowatthour basis. For
17 purposes of this subsection (d-5), the total amount paid
18 for electric service includes, without limitation, amounts
19 paid for supply, transmission, distribution, surcharges,
20 and add-on taxes.

21 Notwithstanding the requirements of this subsection
22 (d-5), the contracts executed under this subsection (d-5)
23 shall provide that the total of zero emission credits
24 procured under a procurement plan shall be subject to the
25 limitations of this paragraph (2). For each delivery year,
26 the contractual volume receiving payments in such year

1 shall be reduced for all retail customers based on the
2 amount necessary to limit the net increase that delivery
3 year to the costs of those credits included in the amounts
4 paid by eligible retail customers in connection with
5 electric service to no more than 1.65% of the amount paid
6 per kilowatthour by eligible retail customers during the
7 year ending May 31, 2009. The result of this computation
8 shall apply to and reduce the procurement for all retail
9 customers, and all those customers shall pay the same
10 single, uniform cents per kilowatthour charge under
11 subsection (k) of Section 16-108 of the Public Utilities
12 Act. To arrive at a maximum dollar amount of zero emission
13 credits to be paid for the particular delivery year, the
14 resulting per kilowatthour amount shall be applied to the
15 actual amount of kilowatthours of electricity delivered by
16 the electric utility in the delivery year immediately prior
17 to the procurement, to all retail customers in its service
18 territory. Unpaid contractual volume for any delivery year
19 shall be paid in any subsequent delivery year in which such
20 payments can be made without exceeding the amount specified
21 in this paragraph (2). The calculations required by this
22 paragraph (2) shall be made only once for each procurement
23 plan year. Once the determination as to the amount of zero
24 emission credits to be paid is made based on the
25 calculations set forth in this paragraph (2), no subsequent
26 rate impact determinations shall be made and no adjustments

1 to those contract amounts shall be allowed. All costs
2 incurred under those contracts and in implementing this
3 subsection (d-5) shall be recovered by the electric utility
4 as provided in this 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 over
21 the term of the contract exceed the Average ZEC Payment,
22 after taking into account any amounts previously credited
23 back to the utility under this paragraph (3). If the Agency
24 determines that the actual zero emission credit payments
25 received by the supplier over the relevant period exceed
26 the Average ZEC Payment, then the supplier shall credit the

1 difference back to the utility. The amount of the credit
2 shall be remitted to the applicable electric utility no
3 later than 120 days after the Agency's determination, which
4 the utility shall reflect as a credit on its retail
5 customer bills as soon as practicable; however, the credit
6 remitted to the utility shall not exceed the total amount
7 of payments received by the facility under its contract.

8 For purposes of this Section, the Average ZEC Payment
9 shall be calculated by multiplying the quantity of zero
10 emission credits delivered under the contract times the
11 average contract price. The average contract price shall be
12 determined by subtracting the amount calculated under
13 subparagraph (B) of this paragraph (3) from the amount
14 calculated under subparagraph (A) of this paragraph (3), as
15 follows:

16 (A) The average of the Social Cost of Carbon, as
17 defined in subparagraph (B) of paragraph (1) of this
18 subsection (d-5), during the term of the contract.

19 (B) The average of the market price indices, as
20 defined in subparagraph (B) of paragraph (1) of this
21 subsection (d-5), during the term of the contract,
22 minus the baseline market price index, as defined in
23 subparagraph (B) of paragraph (1) of this subsection
24 (d-5).

25 If the subtraction yields a negative number, then the
26 Average ZEC Payment shall be zero.

1 (4) Cost-effective zero emission credits procured from
2 zero emission facilities shall satisfy the applicable
3 definitions set forth in Section 1-10 of this Act.

4 (5) The electric utility shall retire all zero emission
5 credits used to comply with the requirements of this
6 subsection (d-5).

7 (6) Electric utilities shall be entitled to recover all
8 of the costs associated with the procurement of zero
9 emission credits through an automatic adjustment clause
10 tariff in accordance with subsection (k) and (m) of Section
11 16-108 of the Public Utilities Act, and the contracts
12 executed under this subsection (d-5) shall provide that the
13 utilities' payment obligations under such contracts shall
14 be reduced if an adjustment is required under subsection
15 (m) of Section 16-108 of the Public Utilities Act.

16 (7) This subsection (d-5) shall become inoperative on
17 January 1, 2028.

18 (e) The draft procurement plans are subject to public
19 comment, as required by Section 16-111.5 of the Public
20 Utilities Act.

21 (f) The Agency shall submit the final procurement plan to
22 the Commission. The Agency shall revise a procurement plan if
23 the Commission determines that it does not meet the standards
24 set forth in Section 16-111.5 of the Public Utilities Act.

25 (g) The Agency shall assess fees to each affected utility
26 to recover the costs incurred in preparation of the annual

1 procurement plan for the utility.

2 (h) The Agency shall assess fees to each bidder to recover
3 the costs incurred in connection with a competitive procurement
4 process.

5 (i) A renewable energy credit, carbon emission credit, or
6 zero emission credit can only be used once to comply with a
7 single portfolio or other standard as set forth in subsection
8 (c), subsection (d), or subsection (d-5) of this Section,
9 respectively. A renewable energy credit, carbon emission
10 credit, or zero emission credit cannot be used to satisfy the
11 requirements of more than one standard. If more than one type
12 of credit is issued for the same megawatt hour of energy, only
13 one credit can be used to satisfy the requirements of a single
14 standard. After such use, the credit must be retired together
15 with any other credits issued for the same megawatt hour of
16 energy.

17 (j) Bundled procurement.

18 (1) Beginning with the energy, capacity and renewable
19 energy credits to be delivered in the delivery year
20 commencing on June 1, 2021, the Agency shall procure
21 cost-effective, long-term bundled contracts for energy
22 supply, renewable energy credits from new renewable energy
23 projects as defined in subparagraph (P) of subsection (c)
24 of this Section, and, subject to the requirements of
25 subsection (k) of this Section, capacity, in accordance
26 with the requirements of Section 16-111.5 of the Public

1 Utilities Act for the eligible retail customers of electric
2 utilities that on December 31, 2005 provided electric
3 service to at least 100,000 customers in Illinois. At a
4 minimum, energy supply procured by the Agency through new
5 long-term bundled contracts shall be:

6 (A) 3,000,000 megawatt-hours and associated
7 renewable energy credits and, subject to the
8 requirements of subsection (k) of this Section,
9 capacity from new wind and solar projects for the
10 delivery year beginning June 1, 2021.

11 (B) 6,000,000 megawatt-hours and associated
12 renewable energy credits and, subject to the
13 requirements of subsection (k) of this Section,
14 capacity from new wind and solar projects for the
15 delivery year beginning June 1, 2022.

16 (C) 9,000,000 megawatt-hours and associated
17 renewable energy credits and, subject to the
18 requirements of subsection (k) of this Section,
19 capacity from new wind and solar projects for the
20 delivery year beginning June 1, 2023.

21 (D) 12,000,000 megawatt-hours and associated
22 renewable energy credits and, subject to the
23 requirements of subsection (k) of this Section,
24 capacity from new wind and solar projects for the
25 delivery year beginning June 1, 2024.

26 (E) 15,000,000 megawatt-hours and associated

1 renewable energy credits and, subject to the
2 requirements of subsection (k) of this Section,
3 capacity from new wind and solar projects for the
4 delivery year beginning June 1, 2025.

5 (F) 18,000,000 megawatt-hours and associated
6 renewable energy credits and, subject to the
7 requirements of subsection (k) of this Section,
8 capacity from new wind and solar projects for the
9 delivery year beginning June 1, 2026.

10 (G) 21,000,000 megawatt-hours and associated
11 renewable energy credits and, subject to the
12 requirements of subsection (k) of this Section,
13 capacity from new wind and solar projects for the
14 delivery year beginning June 1, 2027.

15 (H) 24,000,000 megawatt-hours and associated
16 renewable energy credits and, subject to the
17 requirements of subsection (k) of this Section,
18 capacity from new wind and solar projects for the
19 delivery year beginning June 1, 2028 and thereafter.

20 (2) Long-term bundled contracts as described in this
21 subsection shall refer to contracts that contain no less
22 than a 15-year period.

23 (3) Long-term bundled contracts shall only be awarded
24 for new renewable energy projects as defined in
25 subparagraphs (C) and (P) of subsection (c) of this
26 Section. Nothing in this Section is intended to preclude

1 distributed generation from participating.

2 (4) Long-term bundled contracts as described in this
3 subsection may include procurements that include energy
4 supply plus renewable energy credits, procurements that
5 include capacity, subject to the requirements of
6 subsection (k) of this Section, plus renewable energy
7 credits, or procurements that include energy supply plus
8 capacity plus renewable energy credits.

9 (5) Long-term bundled contracts as described in this
10 subsection shall be procured in a procurement event prior
11 to the scheduled Reliability Pricing Model Auctions of the
12 PJM Interconnection LLC and the Planning Resource Actions
13 of the Midcontinent Independent System Operator.

14 (k) Carbon-free resources.

15 (1) Carbon-free capacity. Beginning with the
16 procurement for the delivery year commencing June 1, 2022,
17 if possible, but no later than for the delivery year
18 commencing June 1, 2023, the Agency shall develop a plan
19 and conduct a procurement of capacity from qualified
20 resources as part of its procurement plan described in
21 Section 16-111.5 of the Public Utilities Act with the goals
22 of reducing pollution from the power sector, lowering
23 consumer costs, and creating investment opportunities for
24 new renewable resources. For the purposes of this
25 subsection, "qualified resources" means (A) energy
26 efficiency measures that are implemented pursuant to plans

1 approved by the Commission under Sections 8-103, 8-103B,
2 and 8-104 of the Public Utilities Act; (B) renewable energy
3 resources; (C) zero emission facilities; and (D) resources
4 as part of a clean peak program under subsection (1) of
5 this Section, subject to the requirements in the open
6 access tariff and manuals of PJM Interconnection and
7 approved by the Federal Energy Regulatory Commission. The
8 capacity portion of qualified resources shall be counted
9 toward fulfillment of capacity obligations within the
10 local delivery area of an electric utility serving more
11 than 3,000,000 retail customers that is a member of PJM
12 Interconnection LLC, as defined in the open access tariff
13 and manuals of PJM Interconnection and approved by the
14 Federal Energy Regulatory Commission, as applicable. The
15 Agency shall calculate the eligible capacity contribution
16 of qualified resources procured, and match it to an
17 equivalent megawatt quantity or portion of capacity
18 obligation of load within the local delivery zone. The
19 resulting capacity and load obligation shall be reported in
20 accordance with the applicable provisions of the Open
21 Access Transmission Tariff and manuals of PJM
22 Interconnection LLC.

23 (2) Carbon-free supply. Beginning with the delivery
24 year commencing June 1, 2021, the Agency shall ensure its
25 procurement of energy supply, in accordance with the
26 requirements of Section 16-111.5 of the Public Utilities

1 Act for the eligible retail customers of electric utilities
2 that on December 31, 2005 provided electric service to at
3 least 100,000 customers in Illinois, achieves a
4 progressive annual ramp down to an emission rate of zero
5 pounds of carbon dioxide emissions per megawatt-hour by May
6 31, 2030. At a minimum, energy supply procured by the
7 Agency through new long-term bundled contracts shall be:

8 (A) 1,000 pounds per megawatt-hour of carbon
9 dioxide emissions per megawatt-hour for the delivery
10 year beginning June 1, 2021.

11 (B) 500 pounds per megawatt-hour of carbon dioxide
12 emissions per megawatt-hour for the delivery year
13 beginning June 1, 2026.

14 (C) zero pounds per megawatt-hour of carbon
15 dioxide emissions per megawatt-hour for the delivery
16 year beginning June 1, 2030 and thereafter.

17 (1) Clean Peak Program.

18 (1) In this subsection:

19 "Energy storage response threshold level" means a
20 level, in megawatts, for the designated locational
21 delivery area system-wide demand at which energy storage
22 resources must begin providing demand reduction at its
23 committed level. The energy storage response threshold
24 level shall be set by the Agency to coincide with the top
25 100 hours of demand in the designated zone, accounting for
26 seasonal variability in capacity needs and any capacity

1 performance requirements included in the Open Access
2 Transmission Tariff and manuals of PJM Interconnection,
3 LLC.

4 "Demand response threshold level" means a level, in
5 megawatts, of the locational delivery area system-wide
6 demand at which demand response resources must begin
7 providing demand reduction at its committed demand
8 response threshold level. The demand response threshold
9 level shall be set by the Agency to coincide with the top
10 100 hours of demand in the designated zone, accounting for
11 seasonal variability in capacity needs and any capacity
12 performance requirements included in the Open Access
13 Transmission Tariff and manuals of PJM Interconnection
14 LLC.

15 (2) The Agency shall develop a Clean Peak Program plan
16 that shall include programs and competitive procurement
17 events necessary to meet the goals set forth in this
18 subsection (1). Within 90 days after the effective date of
19 this amendatory Act of the 101st General Assembly, the
20 Agency shall release for comment an initial Clean Peak
21 Program plan. The Clean Peak Program plan shall be subject
22 to review and approval by the Commission under Section
23 16-111.5 of the Public Utilities Act. The Agency shall
24 review and update on an annual basis a Clean Peak Program
25 plan which shall be reviewed and approved by the Commission
26 in conjunction with the procurement plan under Section

1 16-111.5 of the Public Utilities Act to the extent
2 practicable to minimize administrative expense.

3 (3) The Clean Peak Program shall include progressive
4 annual goals and efforts to achieve a 15% reduction in the
5 Capacity and Network Service Peak Load Contributions in the
6 Commission zone, as determined by PJM Interconnection LLC
7 in its Open Access Transmission Tariff, by the beginning of
8 the delivery year commencing June 1, 2023, and each year
9 thereafter, based on the measured Capacity and Network
10 Service Peak Load Contribution of the designated zone for
11 the delivery year commencing June 1, 2017.

12 (4) The Clean Peak Program shall consist of the
13 following elements:

14 (A) Energy storage resources that commit to
15 achieve a reduction in electricity demand in the
16 designated zone, in megawatts based on seasonal
17 capability, when the electricity demand of the
18 designated zone reaches an energy storage response
19 threshold level, in megawatts.

20 (B) Energy storage resources, co-located with and
21 that are energized primarily from wind and solar
22 projects, that commit to achieve a reduction in
23 electricity demand in the designated zone, in
24 megawatts based on seasonal capability, when the
25 electricity demand of the designated zone reaches an
26 energy storage response threshold level, in megawatts.

1 (C) Demand response resources, not including
2 generators powered by diesel fuel or natural gas, that
3 commit to achieve a reduction in electricity demand in
4 the designated zone, in megawatts based on seasonal
5 capability, when the electricity demand of the
6 designated zone reaches a demand response threshold
7 level, in megawatts.

8 (D) Utility-run demand-response programs,
9 price-responsive demand programs, time-of-use, and
10 hourly rate programs, beneficial electrification
11 programs as described in Section 16-107.8 of the Public
12 Utilities Act, any capacity value developed by the
13 Illinois Commerce Commission as part of the
14 distributed generation rebate described in Section
15 16-106.7 of the Public Utilities Act, or as otherwise
16 provided for by the Commission.

17 (E) Demand response and energy efficiency
18 resources as defined by the Open Access Transmission
19 Tariff and manuals of PJM Interconnection LLC.

20 (5) To the extent practical, the Agency shall procure
21 resources identified in subparagraphs (A) through (C) in
22 paragraph (4) as part of the Carbon-Free Capacity
23 Procurement described in paragraph (1) of subsection (k).

24 (6) The Agency shall calculate the eligible capacity
25 contribution of the items in paragraph (4) of this
26 subsection (1) as part of any resource-specific carve-out

1 in the Open Access Transmission Tariff and manuals of PJM
2 Interconnection LLC.

3 (7) As part of its annual plan, the Agency shall
4 solicit comment on new ways and methods for achieving
5 cost-effective demand reductions to meet the goals of this
6 subsection and, upon review, include new program proposals
7 in its annual plan for review and approval by the
8 Commission.

9 (Source: P.A. 99-536, eff. 7-8-16; 99-906, eff. 6-1-17;
10 100-863, eff. 8-14-18; revised 10-18-18.)

11 Section 90-15. The School Code is amended by adding Section
12 2-3.176 as follows:

13 (105 ILCS 5/2-3.176 new)

14 Sec. 2-3.176. Clean jobs curriculum.

15 (a) The General Assembly recognizes that clean energy is a
16 growing and important sector of the State's economy and that
17 significant job opportunity exists in the sector. Consistent
18 with Section 5-30 of the Clean Jobs Workforce Hubs Act, the
19 Board shall participate in the development of the clean jobs
20 curriculum convened by the Department of Commerce and Economic
21 Opportunity. The Board shall identify and collaboratively with
22 stakeholders identified by the Board develop curriculum based
23 on anticipated clean energy job availability and growth. Clean
24 energy jobs considered shall include, but are not limited to,

1 solar photovoltaic, solar thermal, wind energy, energy
2 efficiency, site assessment, sales, and back office.

3 (b) In the development of the clean jobs curriculum, the
4 Board shall consider broad occupational training applicable to
5 the general construction sector as well as sector-specific
6 skills.

7 (c) Consideration should be given to skills applicable to
8 trainees for whom secondary and higher education has not been
9 available.

10 Section 90-20. The Public Utilities Act is amended by
11 changing Sections 8-103B, 9-220.3, 16-107, 16-107.5, 16-107.6,
12 16-111.5, and 16-128B and by adding Sections 8-104.1, 16-107.7,
13 16-107.8, 16-108.9, 16-108.13, 16-108.17, and 16-115E as
14 follows:

15 (220 ILCS 5/8-103B)

16 Sec. 8-103B. Energy efficiency and demand-response
17 measures.

18 (a) It is the policy of the State that electric utilities
19 are required to use cost-effective energy efficiency and
20 demand-response measures to reduce delivery load. Requiring
21 investment in cost-effective energy efficiency and
22 demand-response measures will reduce direct and indirect costs
23 to consumers by decreasing environmental impacts and by
24 avoiding or delaying the need for new generation, transmission,

1 and distribution infrastructure. It serves the public interest
2 to allow electric utilities to recover costs for reasonably and
3 prudently incurred expenditures for energy efficiency and
4 demand-response measures. As used in this Section,
5 "cost-effective" means that the measures satisfy the total
6 resource cost test. The low-income measures described in
7 subsection (c) of this Section shall not be required to meet
8 the total resource cost test. For purposes of this Section, the
9 terms "energy-efficiency", "demand-response", "electric
10 utility", and "total resource cost test" have the meanings set
11 forth in the Illinois Power Agency Act.

12 (a-5) This Section applies to electric utilities serving
13 more than 500,000 retail customers in the State for those
14 multi-year plans commencing after December 31, 2017.

15 (b) For purposes of this Section, electric utilities
16 subject to this Section that serve more than 3,000,000 retail
17 customers in the State shall be deemed to have achieved a
18 cumulative persisting annual savings of 6.6% from energy
19 efficiency measures and programs implemented during the period
20 beginning January 1, 2012 and ending December 31, 2017, which
21 percent is based on the deemed average weather normalized sales
22 of electric power and energy during calendar years 2014, 2015,
23 and 2016 of 88,000,000 MWhs. ~~For the purposes of this~~
24 ~~subsection (b) and subsection (b-5), the 88,000,000 MWhs of~~
25 ~~deemed electric power and energy sales shall be reduced by the~~
26 ~~number of MWhs equal to the sum of the annual consumption of~~

1 ~~customers that are exempt from subsections (a) through (j) of~~
2 ~~this Section under subsection (1) of this Section, as averaged~~
3 ~~across the calendar years 2014, 2015, and 2016.~~ After 2017, the
4 deemed value of cumulative persisting annual savings from
5 energy efficiency measures and programs implemented during the
6 period beginning January 1, 2012 and ending December 31, 2017,
7 shall be reduced each year, as follows, and the applicable
8 value shall be applied to and count toward the utility's
9 achievement of the cumulative persisting annual savings goals
10 set forth in subsection (b-5):

11 (1) 5.8% deemed cumulative persisting annual savings
12 for the year ending December 31, 2018;

13 (2) 5.2% deemed cumulative persisting annual savings
14 for the year ending December 31, 2019;

15 (3) 4.5% deemed cumulative persisting annual savings
16 for the year ending December 31, 2020;

17 (4) 4.0% deemed cumulative persisting annual savings
18 for the year ending December 31, 2021;

19 (5) 3.5% deemed cumulative persisting annual savings
20 for the year ending December 31, 2022;

21 (6) 3.1% deemed cumulative persisting annual savings
22 for the year ending December 31, 2023;

23 (7) 2.8% deemed cumulative persisting annual savings
24 for the year ending December 31, 2024;

25 (8) 2.5% deemed cumulative persisting annual savings
26 for the year ending December 31, 2025;

1 (9) 2.3% deemed cumulative persisting annual savings
2 for the year ending December 31, 2026;

3 (10) 2.1% deemed cumulative persisting annual savings
4 for the year ending December 31, 2027;

5 (11) 1.8% deemed cumulative persisting annual savings
6 for the year ending December 31, 2028;

7 (12) 1.7% deemed cumulative persisting annual savings
8 for the year ending December 31, 2029; ~~and~~

9 (13) 1.5% deemed cumulative persisting annual savings
10 for the year ending December 31, 2030;~~;~~

11 (14) 1.3% deemed cumulative persisting annual savings
12 for the year ending December 31, 2031;

13 (15) 1.1% deemed cumulative persisting annual savings
14 for the year ending December 31, 2032;

15 (16) 0.9% deemed cumulative persisting annual savings
16 for the year ending December 31, 2033;

17 (17) 0.7% deemed cumulative persisting annual savings
18 for the year ending December 31, 2034;

19 (18) 0.5% deemed cumulative persisting annual savings
20 for the year ending December 31, 2035;

21 (19) 0.4% deemed cumulative persisting annual savings
22 for the year ending December 31, 2036;

23 (20) 0.3% deemed cumulative persisting annual savings
24 for the year ending December 31, 2037;

25 (21) 0.2% deemed cumulative persisting annual savings
26 for the year ending December 31, 2038;

1 (22) 0.1% deemed cumulative persisting annual savings
2 for the year ending December 31, 2039; and

3 (23) 0.0% deemed cumulative persisting annual savings
4 for the year ending December 31, 2040 and all subsequent
5 years.

6 For purposes of this Section, "cumulative persisting
7 annual savings" means the total electric energy savings in a
8 given year from measures installed in that year or in previous
9 years, but no earlier than January 1, 2012, that are still
10 operational and providing savings in that year because the
11 measures have not yet reached the end of their useful lives.

12 (b-5) Beginning in 2018, electric utilities subject to this
13 Section that serve more than 3,000,000 retail customers in the
14 State shall achieve the following cumulative persisting annual
15 savings goals, as modified by subsection (f) of this Section
16 and as compared to the deemed baseline of 88,000,000 MWhs of
17 electric power and energy sales set forth in subsection (b), ~~as~~
18 ~~reduced by the number of MWhs equal to the sum of the annual~~
19 ~~consumption of customers that are exempt from subsections (a)~~
20 ~~through (j) of this Section under subsection (1) of this~~
21 ~~Section as averaged across the calendar years 2014, 2015, and~~
22 ~~2016,~~ through the implementation of energy efficiency measures
23 during the applicable year and in prior years, but no earlier
24 than January 1, 2012:

25 (1) 7.8% cumulative persisting annual savings for the
26 year ending December 31, 2018;

1 (2) 9.1% cumulative persisting annual savings for the
2 year ending December 31, 2019;

3 (3) 10.4% cumulative persisting annual savings for the
4 year ending December 31, 2020;

5 (4) 11.8% cumulative persisting annual savings for the
6 year ending December 31, 2021;

7 (5) 13.1% cumulative persisting annual savings for the
8 year ending December 31, 2022;

9 (6) 14.4% cumulative persisting annual savings for the
10 year ending December 31, 2023;

11 (7) 15.7% cumulative persisting annual savings for the
12 year ending December 31, 2024;

13 (8) 17% cumulative persisting annual savings for the
14 year ending December 31, 2025;

15 (9) 17.9% cumulative persisting annual savings for the
16 year ending December 31, 2026;

17 (10) 18.8% cumulative persisting annual savings for
18 the year ending December 31, 2027;

19 (11) 19.7% cumulative persisting annual savings for
20 the year ending December 31, 2028;

21 (12) 20.6% cumulative persisting annual savings for
22 the year ending December 31, 2029; and

23 (13) 21.5% cumulative persisting annual savings for
24 the year ending December 31, 2030.

25 No later than December 31, 2020, the Illinois Commerce
26 Commission shall establish additional cumulative persisting

1 annual savings goals for the years 2031 through 2035. The
2 Commission shall also establish additional cumulative
3 persisting annual savings goals every 5 years thereafter to
4 ensure utilities always have goals that extend at least 11
5 years into the future. The cumulative persisting annual savings
6 goals beyond the year 2030 shall increase by 0.9 percentage
7 points per year, absent a Commission decision to initiate a
8 proceeding to consider establishing goals that increase by more
9 or less than that amount. Such a proceeding must be conducted
10 in accordance with the procedures described in subsection (f)
11 of this Section. If such a proceeding is initiated, the
12 cumulative persisting annual savings goals established by the
13 Commission through that proceeding shall reflect the
14 Commission's best estimate of the maximum amount of additional
15 savings that are forecast to be cost-effectively achievable
16 unless such best estimates would result in goals that represent
17 less than 0.5 percentage point annual increases in total
18 cumulative persisting annual savings. The Commission may only
19 establish goals that represent less than 0.5 percentage point
20 annual increases in cumulative persisting annual savings if it
21 can demonstrate, based on clear and convincing evidence, that
22 0.5 percentage point increases are not cost-effectively
23 achievable. The Commission shall inform its decision based on
24 an energy efficiency potential study which conforms to the
25 requirements of subsection (f-5) of this Section.

26 (b-10) For purposes of this Section, electric utilities

1 subject to this Section that serve less than 3,000,000 retail
2 customers but more than 500,000 retail customers in the State
3 shall be deemed to have achieved a cumulative persisting annual
4 savings 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 is based on the deemed average
7 weather normalized sales of electric power and energy during
8 calendar years 2014, 2015, and 2016 of 36,900,000 MWhs. ~~For the~~
9 ~~purposes of this subsection (b-10) and subsection (b-15), the~~
10 ~~36,900,000 MWhs of deemed electric power and energy sales shall~~
11 ~~be reduced by the number of MWhs equal to the sum of the annual~~
12 ~~consumption of customers that are exempt from subsections (a)~~
13 ~~through (j) of this Section under subsection (l) of this~~
14 ~~Section, as averaged across the calendar years 2014, 2015, and~~
15 ~~2016.~~ After 2017, the deemed value of cumulative persisting
16 annual savings from energy efficiency measures and programs
17 implemented during the period beginning January 1, 2012 and
18 ending December 31, 2017, shall be reduced each year, as
19 follows, and the applicable value shall be applied to and count
20 toward the utility's achievement of the cumulative persisting
21 annual savings goals set forth in subsection (b-15):

22 (1) 5.8% deemed cumulative persisting annual savings
23 for the year ending December 31, 2018;

24 (2) 5.2% deemed cumulative persisting annual savings
25 for the year ending December 31, 2019;

26 (3) 4.5% deemed cumulative persisting annual savings

1 for the year ending December 31, 2020;

2 (4) 4.0% deemed cumulative persisting annual savings
3 for the year ending December 31, 2021;

4 (5) 3.5% deemed cumulative persisting annual savings
5 for the year ending December 31, 2022;

6 (6) 3.1% deemed cumulative persisting annual savings
7 for the year ending December 31, 2023;

8 (7) 2.8% deemed cumulative persisting annual savings
9 for the year ending December 31, 2024;

10 (8) 2.5% deemed cumulative persisting annual savings
11 for the year ending December 31, 2025;

12 (9) 2.3% deemed cumulative persisting annual savings
13 for the year ending December 31, 2026;

14 (10) 2.1% deemed cumulative persisting annual savings
15 for the year ending December 31, 2027;

16 (11) 1.8% deemed cumulative persisting annual savings
17 for the year ending December 31, 2028;

18 (12) 1.7% deemed cumulative persisting annual savings
19 for the year ending December 31, 2029; ~~and~~

20 (13) 1.5% deemed cumulative persisting annual savings
21 for the year ending December 31, 2030;~~;~~

22 (14) 1.3% deemed cumulative persisting annual savings
23 for the year ending December 31, 2031;

24 (15) 1.1% deemed cumulative persisting annual savings
25 for the year ending December 31, 2032;

26 (16) 0.9% deemed cumulative persisting annual savings

1 for the year ending December 31, 2033;

2 (17) 0.7% deemed cumulative persisting annual savings
3 for the year ending December 31, 2034;

4 (18) 0.5% deemed cumulative persisting annual savings
5 for the year ending December 31, 2035;

6 (19) 0.4% deemed cumulative persisting annual savings
7 for the year ending December 31, 2036;

8 (20) 0.3% deemed cumulative persisting annual savings
9 for the year ending December 31, 2037;

10 (21) 0.2% deemed cumulative persisting annual savings
11 for the year ending December 31, 2038;

12 (22) 0.1% deemed cumulative persisting annual savings
13 for the year ending December 31, 2039; and

14 (23) 0.0% deemed cumulative persisting annual savings
15 for the year ending December 31, 2040 and all subsequent
16 years.

17 (b-15) Beginning in 2018, electric utilities subject to
18 this Section that serve less than 3,000,000 retail customers
19 but more than 500,000 retail customers in the State shall
20 achieve the following cumulative persisting annual savings
21 goals, ~~as modified by subsection (b-20) and subsection (f) of~~
22 ~~this Section and as compared to the deemed baseline as reduced~~
23 ~~by the number of MWhs equal to the sum of the annual~~
24 ~~consumption of customers that are exempt from subsections (a)~~
25 ~~through (j) of this Section under subsection (l) of this~~
26 ~~Section as averaged across the calendar years 2014, 2015, and~~

1 ~~2016~~, through the implementation of energy efficiency measures
2 during the applicable year and in prior years, but no earlier
3 than January 1, 2012:

4 (1) 7.4% cumulative persisting annual savings for the
5 year ending December 31, 2018;

6 (2) 8.2% cumulative persisting annual savings for the
7 year ending December 31, 2019;

8 (3) 9.0% cumulative persisting annual savings for the
9 year ending December 31, 2020;

10 (4) 9.8% cumulative persisting annual savings for the
11 year ending December 31, 2021;

12 (5) 10.6% cumulative persisting annual savings for the
13 year ending December 31, 2022;

14 (6) 11.4% cumulative persisting annual savings for the
15 year ending December 31, 2023;

16 (7) 12.2% cumulative persisting annual savings for the
17 year ending December 31, 2024;

18 (8) 13% cumulative persisting annual savings for the
19 year ending December 31, 2025;

20 (9) 13.6% cumulative persisting annual savings for the
21 year ending December 31, 2026;

22 (10) 14.2% cumulative persisting annual savings for
23 the year ending December 31, 2027;

24 (11) 14.8% cumulative persisting annual savings for
25 the year ending December 31, 2028;

26 (12) 15.4% cumulative persisting annual savings for

1 the year ending December 31, 2029; and

2 (13) 16% cumulative persisting annual savings for the
3 year ending December 31, 2030.

4 No later than December 31, 2020, the Illinois Commerce
5 Commission shall establish additional cumulative persisting
6 annual savings goals for the years 2031 through 2035. The
7 Commission shall also establish additional cumulative
8 persisting annual savings goals every 5 years thereafter to
9 ensure utilities always have goals that extend at least 11
10 years into the future. The cumulative persisting annual savings
11 goals beyond the year 2030 shall increase by 0.6 percentage
12 points per year, absent a Commission decision to initiate a
13 proceeding to consider establishing goals that increase by more
14 or less than that amount. Such a proceeding must be conducted
15 in accordance with the procedures described in subsection (f) of
16 this Section. If such a proceeding is initiated, the cumulative
17 persisting annual savings goals established by the Commission
18 through that proceeding shall reflect the Commission's best
19 estimate of the maximum amount of additional savings that are
20 forecast to be cost-effectively achievable unless such best
21 estimates would result in goals that represent less than 0.4
22 percentage point annual increases in total cumulative
23 persisting annual savings. The Commission may only establish
24 goals that represent less than 0.4 percentage point annual
25 increases in cumulative persisting annual savings if it can
26 demonstrate, based on clear and convincing evidence, that 0.4

1 percentage point increases are not cost-effectively
2 achievable. The Commission shall inform its decision based on
3 an energy efficiency potential study which conforms to the
4 requirements of subsection (f-5) of this Section.

5 ~~The difference between the cumulative persisting annual~~
6 ~~savings goal for the applicable calendar year and the~~
7 ~~cumulative persisting annual savings goal for the immediately~~
8 ~~preceding calendar year is 0.8% for the period of January 1,~~
9 ~~2018 through December 31, 2025 and 0.6% for the period of~~
10 ~~January 1, 2026 through December 31, 2030.~~

11 (b-20) Each electric utility subject to this Section may
12 include cost-effective voltage optimization measures in its
13 plans submitted under subsections (f) and (g) of this Section,
14 and the costs incurred by a utility to implement the measures
15 under a Commission-approved plan shall be recovered under the
16 provisions of Article IX or Section 16-108.5 of this Act. For
17 purposes of this Section, the measure life of voltage
18 optimization measures shall be 15 years. The measure life
19 period is independent of the depreciation rate of the voltage
20 optimization assets deployed. Utilities may claim savings from
21 voltage optimization on circuits for more than 15 years if they
22 can demonstrate that they have made additional investments
23 necessary to enable voltage optimization savings to continue
24 beyond 15 years. Such demonstrations must be subject to the
25 review of independent evaluation.

26 Within 270 days after June 1, 2017 (the effective date of

1 ~~Public Act 99-906) this amendatory Act of the 99th General~~
2 ~~Assembly,~~ an electric utility that serves less than 3,000,000
3 retail customers but more than 500,000 retail customers in the
4 State shall file a plan with the Commission that identifies the
5 cost-effective voltage optimization investment the electric
6 utility plans to undertake through December 31, 2024. The
7 Commission, after notice and hearing, shall approve or approve
8 with modification the plan within 120 days after the plan's
9 filing and, in the order approving or approving with
10 modification the plan, the Commission shall adjust the
11 applicable cumulative persisting annual savings goals set
12 forth in subsection (b-15) to reflect any amount of
13 cost-effective energy savings approved by the Commission that
14 is greater than or less than the following cumulative
15 persisting annual savings values attributable to voltage
16 optimization for the applicable year:

17 (1) 0.0% of cumulative persisting annual savings for
18 the year ending December 31, 2018;

19 (2) 0.17% of cumulative persisting annual savings for
20 the year ending December 31, 2019;

21 (3) 0.17% of cumulative persisting annual savings for
22 the year ending December 31, 2020;

23 (4) 0.33% of cumulative persisting annual savings for
24 the year ending December 31, 2021;

25 (5) 0.5% of cumulative persisting annual savings for
26 the year ending December 31, 2022;

1 (6) 0.67% of cumulative persisting annual savings for
2 the year ending December 31, 2023;

3 (7) 0.83% of cumulative persisting annual savings for
4 the year ending December 31, 2024; and

5 (8) 1.0% of cumulative persisting annual savings for
6 the year ending December 31, 2025 and all subsequent years.

7 (b-25) In the event an electric utility jointly offers an
8 energy efficiency measure or program with a gas utility under
9 plans approved under this Section and Section 8-104 of this
10 Act, the electric utility may continue offering the program,
11 including the gas energy efficiency measures, in the event the
12 gas utility discontinues funding the program. In that event,
13 the energy savings value associated with such other fuels shall
14 be converted to electric energy savings on an equivalent Btu
15 basis for the premises. However, the electric utility shall
16 prioritize programs for low-income residential customers to
17 the extent practicable. An electric utility may recover the
18 costs of offering the gas energy efficiency measures under this
19 subsection (b-25).

20 For those energy efficiency measures or programs that save
21 both electricity and other fuels but are not jointly offered
22 with a gas utility under plans approved under this Section and
23 Section 8-104 or not offered with an affiliated gas utility
24 under paragraph (6) of subsection (f) of Section 8-104 of this
25 Act, the electric utility may count savings of fuels other than
26 electricity toward the achievement of its annual savings goal,

1 and the energy savings value associated with such other fuels
2 shall be converted to electric energy savings on an equivalent
3 Btu basis at the premises.

4 In no event shall more than 10% of each year's applicable
5 annual total savings requirement ~~incremental goal~~ as defined in
6 paragraph (7) of subsection (g) of this Section be met through
7 savings of fuels other than electricity.

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, ~~and~~ community college districts, and buildings owned
21 by nonprofit organizations,, provided that a minimum
22 percentage of available funds shall be used to procure energy
23 efficiency from public housing, which percentage shall be equal
24 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 \$35,000,000 ~~\$25,000,000~~ per
5 year for electric utilities that serve more than 3,000,000
6 retail customers in the State and no less than \$11,000,000
7 ~~\$8,350,000~~ per year for electric utilities that serve less than
8 3,000,000 retail customers but more than 500,000 retail
9 customers in the State. Spending on efficiency programs
10 targeted at low-income households shall be approximately
11 proportional to the magnitude of cost-effective energy
12 efficiency opportunities in low-income single-family and
13 multi-family buildings.

14 The utilities shall work to bundle low-income energy
15 efficiency offerings with other programs that serve low-income
16 households to maximize the benefits going to these households.
17 The utilities shall market and implement low-income energy
18 efficiency programs in coordination with low-income assistance
19 programs, Solar for All, and weatherization whenever
20 practicable. The program implementer shall walk the customer
21 through the enrollment process for any programs for which the
22 customer is eligible. The utilities shall also pilot targeting
23 customers with high arrearages, high energy intensity (ratio of
24 energy usage divided by home or unit square footage), or energy
25 assistance programs with energy efficiency offerings, and then
26 track reduction in arrearages as a result of the targeting.

1 This targeting and bundling of low-income energy programs shall
2 be offered to both low-income single-family and multi-family
3 customers (owners and residents).

4 The utilities shall also implement a health and safety fund
5 of a minimum of 0.5%, for electric utilities that serve more
6 than 3,000,000 retail customers in the State, and a minimum of
7 0.5%, for electric utilities that serve less than 3,000,000
8 retail customers but more than 500,000 retail customers in the
9 State, of the utility's entire portfolio funding level for a
10 given year, that shall be used for the purpose of making grants
11 for technical assistance, construction, reconstruction,
12 improvement, or repair of buildings to facilitate their
13 participation in the energy efficiency programs targeted at
14 low-income single-family and multi-family households. These
15 funds may also be used for the purpose of making grants for
16 technical assistance, construction, reconstruction,
17 improvement, or repair of the following buildings to facilitate
18 their participation in the energy efficiency programs created
19 by this Section: (1) buildings that are owned or operated by
20 registered 501(c)(3) public charities; and (2) day care
21 centers, day care homes, or group day care homes, as defined
22 under 89 Ill. Adm. Code Part 406, 407, or 408, respectively.

23 Each electric utility shall assess opportunities to
24 implement cost-effective energy efficiency measures and
25 programs through a public housing authority or authorities
26 located in its service territory. If such opportunities are

1 identified, the utility shall propose such measures and
2 programs to address the opportunities. Expenditures to address
3 such opportunities shall be credited toward the minimum
4 procurement and expenditure requirements set forth in this
5 subsection (c).

6 Implementation of energy efficiency measures and programs
7 targeted at low-income households should be contracted, when it
8 is practicable, to independent third parties that have
9 demonstrated capabilities to serve such households, with a
10 preference for not-for-profit entities and government agencies
11 that have existing relationships with or experience serving
12 low-income communities in the State.

13 Each electric utility shall develop and implement
14 reporting procedures that address and assist in determining the
15 amount of energy savings that can be applied to the low-income
16 procurement and expenditure requirements set forth in this
17 subsection (c).

18 The electric utilities participate in ~~shall also convene~~ a
19 low-income energy efficiency advisory committee to allow a
20 variety of stakeholders, especially those living or working in
21 low-communities, to assist in the design and evaluation of the
22 low-income energy efficiency programs. The committee shall be
23 comprised of the electric utilities subject to the requirements
24 of this Section, the gas utilities subject to the requirements
25 of Section 8-104.1 ~~8-104~~ of this Act, the utilities' low-income
26 energy efficiency implementation contractors, nonprofit

1 organizations, community action agencies, advocacy groups,
2 State and local governmental agencies, and representatives of
3 community-based organizations. The committee shall be convened
4 by an independent third-party facilitator and a
5 community-based organization in a low-income community. There
6 shall be a leadership committee comprised of a variety of
7 stakeholders, with at least one community-based organization
8 involved. Meetings shall include concrete opportunities for
9 groups to provide meaningful input into plan design, mid-cycle
10 changes, and evaluation throughout the year to help reduce
11 litigation in future plan filings. All meetings must be
12 accessible, with rotating locations, call-in options, and
13 materials and agendas circulated well in advance. There shall
14 also be opportunities for input outside of meetings from those
15 with limited capacity and ability to attend, via one-on-one
16 meetings, surveys, and calls. Meetings shall also include
17 opportunities to bundle and coordinate low-income energy
18 efficiency with Solar for All and energy assistance programs.
19 Meetings shall include educational opportunities for
20 stakeholders to learn more about these additional offerings,
21 and the committee shall assist in the figuring out the best
22 methods for coordinated delivery and implementation of
23 offerings when serving low-income communities.

24 (d) Notwithstanding any other provision of law to the
25 contrary, a utility providing approved energy efficiency
26 measures and, if applicable, demand-response measures in the

1 State shall be permitted to recover all reasonable and
2 prudently incurred costs of those measures from all retail
3 customers, except as provided in subsection (l) of this
4 Section, as follows, provided that nothing in this subsection
5 (d) permits the double recovery of such costs from customers:

6 (1) The utility may recover its costs through an
7 automatic adjustment clause tariff filed with and approved
8 by the Commission. The tariff shall be established outside
9 the context of a general rate case. Each year the
10 Commission shall initiate a review to reconcile any amounts
11 collected with the actual costs and to determine the
12 required adjustment to the annual tariff factor to match
13 annual expenditures. To enable the financing of the
14 incremental capital expenditures, including regulatory
15 assets, for electric utilities that serve less than
16 3,000,000 retail customers but more than 500,000 retail
17 customers in the State, the utility's actual year-end
18 capital structure that includes a common equity ratio,
19 excluding goodwill, of up to and including 50% of the total
20 capital structure shall be deemed reasonable and used to
21 set rates.

22 (2) A utility may recover its costs through an energy
23 efficiency formula rate approved by the Commission under a
24 filing under subsections (f) and (g) of this Section, which
25 shall specify the cost components that form the basis of
26 the rate charged to customers with sufficient specificity

1 to operate in a standardized manner and be updated annually
2 with transparent information that reflects the utility's
3 actual costs to be recovered during the applicable rate
4 year, which is the period beginning with the first billing
5 day of January and extending through the last billing day
6 of the following December. The energy efficiency formula
7 rate shall be implemented through a tariff filed with the
8 Commission under subsections (f) and (g) of this Section
9 that is consistent with the provisions of this paragraph
10 (2) and that shall be applicable to all delivery services
11 customers. The Commission shall conduct an investigation
12 of the tariff in a manner consistent with the provisions of
13 this paragraph (2), subsections (f) and (g) of this
14 Section, and the provisions of Article IX of this Act to
15 the extent they do not conflict with this paragraph (2).
16 The energy efficiency formula rate approved by the
17 Commission shall remain in effect at the discretion of the
18 utility and shall do the following:

19 (A) Provide for the recovery of the utility's
20 actual costs incurred under this Section that are
21 prudently incurred and reasonable in amount consistent
22 with Commission practice and law. The sole fact that a
23 cost differs from that incurred in a prior calendar
24 year or that an investment is different from that made
25 in a prior calendar year shall not imply the imprudence
26 or unreasonableness of that cost or investment.

1 (B) Reflect the utility's actual year-end capital
2 structure for the applicable calendar year, excluding
3 goodwill, subject to a determination of prudence and
4 reasonableness consistent with Commission practice and
5 law. To enable the financing of the incremental capital
6 expenditures, including regulatory assets, for
7 electric utilities that serve less than 3,000,000
8 retail customers but more than 500,000 retail
9 customers in the State, a participating electric
10 utility's actual year-end capital structure that
11 includes a common equity ratio, excluding goodwill, of
12 up to and including 50% of the total capital structure
13 shall be deemed reasonable and used to set rates.

14 (C) Include a cost of equity, which shall be
15 calculated as the sum of the following:

- 16 (i) the average for the applicable calendar
17 year of the monthly average yields of 30-year U.S.
18 Treasury bonds published by the Board of Governors
19 of the Federal Reserve System in its weekly H.15
20 Statistical Release or successor publication; and
21 (ii) 580 basis points.

22 At such time as the Board of Governors of the
23 Federal Reserve System ceases to include the monthly
24 average yields of 30-year U.S. Treasury bonds in its
25 weekly H.15 Statistical Release or successor
26 publication, the monthly average yields of the U.S.

1 Treasury bonds then having the longest duration
2 published by the Board of Governors in its weekly H.15
3 Statistical Release or successor publication shall
4 instead be used for purposes of this paragraph (2).

5 (D) Permit and set forth protocols, subject to a
6 determination of prudence and reasonableness
7 consistent with Commission practice and law, for the
8 following:

9 (i) recovery of incentive compensation expense
10 that is based on the achievement of operational
11 metrics, including metrics related to budget
12 controls, outage duration and frequency, safety,
13 customer service, efficiency and productivity, and
14 environmental compliance; however, this protocol
15 shall not apply if such expense related to costs
16 incurred under this Section is recovered under
17 Article IX or Section 16-108.5 of this Act;
18 incentive compensation expense that is based on
19 net income or an affiliate's earnings per share
20 shall not be recoverable under the energy
21 efficiency formula rate;

22 (ii) recovery of pension and other
23 post-employment benefits expense, provided that
24 such costs are supported by an actuarial study;
25 however, this protocol shall not apply if such
26 expense related to costs incurred under this

1 Section is recovered under Article IX or Section
2 16-108.5 of this Act;

3 (iii) recovery of existing regulatory assets
4 over the periods previously authorized by the
5 Commission;

6 (iv) as described in subsection (e),
7 amortization of costs incurred under this Section;
8 and

9 (v) projected, weather normalized billing
10 determinants for the applicable rate year.

11 (E) Provide for an annual reconciliation, as
12 described in paragraph (3) of this subsection (d), less
13 any deferred taxes related to the reconciliation, with
14 interest at an annual rate of return equal to the
15 utility's weighted average cost of capital, including
16 a revenue conversion factor calculated to recover or
17 refund all additional income taxes that may be payable
18 or receivable as a result of that return, of the energy
19 efficiency revenue requirement reflected in rates for
20 each calendar year, beginning with the calendar year in
21 which the utility files its energy efficiency formula
22 rate tariff under this paragraph (2), with what the
23 revenue requirement would have been had the actual cost
24 information for the applicable calendar year been
25 available at the filing date.

26 The utility shall file, together with its tariff, the

1 projected costs to be incurred by the utility during the
2 rate year under the utility's multi-year plan approved
3 under subsections (f) and (g) of this Section, including,
4 but not limited to, the projected capital investment costs
5 and projected regulatory asset balances with
6 correspondingly updated depreciation and amortization
7 reserves and expense, that shall populate the energy
8 efficiency formula rate and set the initial rates under the
9 formula.

10 The Commission shall review the proposed tariff in
11 conjunction with its review of a proposed multi-year plan,
12 as specified in paragraph (5) of subsection (g) of this
13 Section. The review shall be based on the same evidentiary
14 standards, including, but not limited to, those concerning
15 the prudence and reasonableness of the costs incurred by
16 the utility, the Commission applies in a hearing to review
17 a filing for a general increase in rates under Article IX
18 of this Act. The initial rates shall take effect beginning
19 with the January monthly billing period following the
20 Commission's approval.

21 The tariff's rate design and cost allocation across
22 customer classes shall be consistent with the utility's
23 automatic adjustment clause tariff in effect on June 1,
24 2017 (the effective date of Public Act 99-906) ~~this~~
25 ~~amendatory Act of the 99th General Assembly~~; however, the
26 Commission may revise the tariff's rate design and cost

1 allocation in subsequent proceedings under paragraph (3)
2 of this subsection (d).

3 If the energy efficiency formula rate is terminated,
4 the then current rates shall remain in effect until such
5 time as the energy efficiency costs are incorporated into
6 new rates that are set under this subsection (d) or Article
7 IX of this Act, subject to retroactive rate adjustment,
8 with interest, to reconcile rates charged with actual
9 costs.

10 (3) The provisions of this paragraph (3) shall only
11 apply to an electric utility that has elected to file an
12 energy efficiency formula rate under paragraph (2) of this
13 subsection (d). Subsequent to the Commission's issuance of
14 an order approving the utility's energy efficiency formula
15 rate structure and protocols, and initial rates under
16 paragraph (2) of this subsection (d), the utility shall
17 file, on or before June 1 of each year, with the Chief
18 Clerk of the Commission its updated cost inputs to the
19 energy efficiency formula rate for the applicable rate year
20 and the corresponding new charges, as well as the
21 information described in paragraph (9) of subsection (g) of
22 this Section. Each such filing shall conform to the
23 following requirements and include the following
24 information:

25 (A) The inputs to the energy efficiency formula
26 rate for the applicable rate year shall be based on the

1 projected costs to be incurred by the utility during
2 the rate year under the utility's multi-year plan
3 approved under subsections (f) and (g) of this Section,
4 including, but not limited to, projected capital
5 investment costs and projected regulatory asset
6 balances with correspondingly updated depreciation and
7 amortization reserves and expense. The filing shall
8 also include a reconciliation of the energy efficiency
9 revenue requirement that was in effect for the prior
10 rate year (as set by the cost inputs for the prior rate
11 year) with the actual revenue requirement for the prior
12 rate year (determined using a year-end rate base) that
13 uses amounts reflected in the applicable FERC Form 1
14 that reports the actual costs for the prior rate year.
15 Any over-collection or under-collection indicated by
16 such reconciliation shall be reflected as a credit
17 against, or recovered as an additional charge to,
18 respectively, with interest calculated at a rate equal
19 to the utility's weighted average cost of capital
20 approved by the Commission for the prior rate year, the
21 charges for the applicable rate year. Such
22 over-collection or under-collection shall be adjusted
23 to remove any deferred taxes related to the
24 reconciliation, for purposes of calculating interest
25 at an annual rate of return equal to the utility's
26 weighted average cost of capital approved by the

1 Commission for the prior rate year, including a revenue
2 conversion factor calculated to recover or refund all
3 additional income taxes that may be payable or
4 receivable as a result of that return. Each
5 reconciliation shall be certified by the participating
6 utility in the same manner that FERC Form 1 is
7 certified. The filing shall also include the charge or
8 credit, if any, resulting from the calculation
9 required by subparagraph (E) of paragraph (2) of this
10 subsection (d).

11 Notwithstanding any other provision of law to the
12 contrary, the intent of the reconciliation is to
13 ultimately reconcile both the revenue requirement
14 reflected in rates for each calendar year, beginning
15 with the calendar year in which the utility files its
16 energy efficiency formula rate tariff under paragraph
17 (2) of this subsection (d), with what the revenue
18 requirement determined using a year-end rate base for
19 the applicable calendar year would have been had the
20 actual cost information for the applicable calendar
21 year been available at the filing date.

22 For purposes of this Section, "FERC Form 1" means
23 the Annual Report of Major Electric Utilities,
24 Licensees and Others that electric utilities are
25 required to file with the Federal Energy Regulatory
26 Commission under the Federal Power Act, Sections 3,

1 4(a), 304 and 209, modified as necessary to be
2 consistent with 83 Ill. Admin. Code Part 415 as of May
3 1, 2011. Nothing in this Section is intended to allow
4 costs that are not otherwise recoverable to be
5 recoverable by virtue of inclusion in FERC Form 1.

6 (B) The new charges shall take effect beginning on
7 the first billing day of the following January billing
8 period and remain in effect through the last billing
9 day of the next December billing period regardless of
10 whether the Commission enters upon a hearing under this
11 paragraph (3).

12 (C) The filing shall include relevant and
13 necessary data and documentation for the applicable
14 rate year. Normalization adjustments shall not be
15 required.

16 Within 45 days after the utility files its annual
17 update of cost inputs to the energy efficiency formula
18 rate, the Commission shall with reasonable notice,
19 initiate a proceeding concerning whether the projected
20 costs to be incurred by the utility and recovered during
21 the applicable rate year, and that are reflected in the
22 inputs to the energy efficiency formula rate, are
23 consistent with the utility's approved multi-year plan
24 under subsections (f) and (g) of this Section and whether
25 the costs incurred by the utility during the prior rate
26 year were prudent and reasonable. The Commission shall also

1 have the authority to investigate the information and data
2 described in paragraph (9) of subsection (g) of this
3 Section, including the proposed adjustment to the
4 utility's return on equity component of its weighted
5 average cost of capital. During the course of the
6 proceeding, each objection shall be stated with
7 particularity and evidence provided in support thereof,
8 after which the utility shall have the opportunity to rebut
9 the evidence. Discovery shall be allowed consistent with
10 the Commission's Rules of Practice, which Rules of Practice
11 shall be enforced by the Commission or the assigned
12 administrative law judge. The Commission shall apply the
13 same evidentiary standards, including, but not limited to,
14 those concerning the prudence and reasonableness of the
15 costs incurred by the utility, during the proceeding as it
16 would apply in a proceeding to review a filing for a
17 general increase in rates under Article IX of this Act. The
18 Commission shall not, however, have the authority in a
19 proceeding under this paragraph (3) to consider or order
20 any changes to the structure or protocols of the energy
21 efficiency formula rate approved under paragraph (2) of
22 this subsection (d). In a proceeding under this paragraph
23 (3), the Commission shall enter its order no later than the
24 earlier of 195 days after the utility's filing of its
25 annual update of cost inputs to the energy efficiency
26 formula rate or December 15. The utility's proposed return

1 on equity calculation, as described in paragraphs (7)
2 through (9) of subsection (g) of this Section, shall be
3 deemed the final, approved calculation on December 15 of
4 the year in which it is filed unless the Commission enters
5 an order on or before December 15, after notice and
6 hearing, that modifies such calculation consistent with
7 this Section. The Commission's determinations of the
8 prudence and reasonableness of the costs incurred, and
9 determination of such return on equity calculation, for the
10 applicable calendar year shall be final upon entry of the
11 Commission's order and shall not be subject to reopening,
12 reexamination, or collateral attack in any other
13 Commission proceeding, case, docket, order, rule, or
14 regulation; however, nothing in this paragraph (3) shall
15 prohibit a party from petitioning the Commission to rehear
16 or appeal to the courts the order under the provisions of
17 this Act.

18 (e) Beginning on June 1, 2017 (the effective date of Public
19 Act 99-906) ~~this amendatory Act of the 99th General Assembly~~, a
20 utility subject to the requirements of this Section may elect
21 to defer, as a regulatory asset, up to the full amount of its
22 expenditures incurred under this Section for each annual
23 period, including, but not limited to, any expenditures
24 incurred above the funding level set by subsection (f) of this
25 Section for a given year. The total expenditures deferred as a
26 regulatory asset in a given year shall be amortized and

1 recovered over a period that is equal to the weighted average
2 of the energy efficiency measure lives implemented for that
3 year that are reflected in the regulatory asset. The
4 unamortized balance shall be recognized as of December 31 for a
5 given year. The utility shall also earn a return on the total
6 of the unamortized balances of all of the energy efficiency
7 regulatory assets, less any deferred taxes related to those
8 unamortized balances, at an annual rate equal to the utility's
9 weighted average cost of capital that includes, based on a
10 year-end capital structure, the utility's actual cost of debt
11 for the applicable calendar year and a cost of equity, which
12 shall be calculated as the sum of the (i) the average for the
13 applicable calendar year of the monthly average yields of
14 30-year U.S. Treasury bonds published by the Board of Governors
15 of the Federal Reserve System in its weekly H.15 Statistical
16 Release or successor publication; and (ii) 580 basis points,
17 including a revenue conversion factor calculated to recover or
18 refund all additional income taxes that may be payable or
19 receivable as a result of that return. Capital investment costs
20 shall be depreciated and recovered over their useful lives
21 consistent with generally accepted accounting principles. The
22 weighted average cost of capital shall be applied to the
23 capital investment cost balance, less any accumulated
24 depreciation and accumulated deferred income taxes, as of
25 December 31 for a given year.

26 When an electric utility creates a regulatory asset under

1 the provisions of this Section, the costs are recovered over a
2 period during which customers also receive a benefit which is
3 in the public interest. Accordingly, it is the intent of the
4 General Assembly that an electric utility that elects to create
5 a regulatory asset under the provisions of this Section shall
6 recover all of the associated costs as set forth in this
7 Section. After the Commission has approved the prudence and
8 reasonableness of the costs that comprise the regulatory asset,
9 the electric utility shall be permitted to recover all such
10 costs, and the value and recoverability through rates of the
11 associated regulatory asset shall not be limited, altered,
12 impaired, or reduced.

13 (f) Beginning in 2017, each electric utility shall file an
14 energy efficiency plan with the Commission to meet the energy
15 efficiency standards for the next applicable multi-year period
16 beginning January 1 of the year following the filing, according
17 to the schedule set forth in paragraphs (1) through (3) of this
18 subsection (f). If a utility does not file such a plan on or
19 before the applicable filing deadline for the plan, it shall
20 face a penalty of \$100,000 per day until the plan is filed.

21 (1) No later than 30 days after June 1, 2017 (the
22 effective date of Public Act 99-906) ~~this amendatory Act of~~
23 ~~the 99th General Assembly or May 1, 2017, whichever is~~
24 ~~later~~, each electric utility shall file a 4-year energy
25 efficiency plan commencing on January 1, 2018 that is
26 designed to achieve the cumulative persisting annual

1 savings goals specified in paragraphs (1) through (4) of
2 subsection (b-5) of this Section or in paragraphs (1)
3 through (4) of subsection (b-15) of this Section, as
4 applicable, through implementation of energy efficiency
5 measures; however, the goals may be reduced if the
6 utility's expenditures are limited pursuant to subsection
7 (m) of this Section or, for a utility that serves less than
8 3,000,000 retail customers, if each of the following
9 conditions are met: (A) the plan's analysis and forecasts
10 of the utility's ability to acquire energy savings
11 demonstrate that achievement of such goals is not cost
12 effective; and (B) the amount of energy savings achieved by
13 the utility as determined by the independent evaluator for
14 the most recent year for which savings have been evaluated
15 preceding the plan filing was less than the average annual
16 amount of savings required to achieve the goals for the
17 applicable 4-year plan period. Except as provided in
18 subsection (m) of this Section, annual increases in
19 cumulative persisting annual savings goals during the
20 applicable 4-year plan period shall not be reduced to
21 amounts that are less than the maximum amount of cumulative
22 persisting annual savings that is forecast to be
23 cost-effectively achievable during the 4-year plan period.
24 The Commission shall review any proposed goal reduction as
25 part of its review and approval of the utility's proposed
26 plan.

1 (2) No later than March 1, 2021, each electric utility
2 shall file a 4-year energy efficiency plan commencing on
3 January 1, 2022 that is designed to achieve the cumulative
4 persisting annual savings goals specified in paragraphs
5 (5) through (8) of subsection (b-5) of this Section or in
6 paragraphs (5) through (8) of subsection (b-15) of this
7 Section, as applicable, through implementation of energy
8 efficiency measures; however, the goals may be reduced if
9 the utility's expenditures are limited pursuant to
10 subsection (m) of this Section or, each of the following
11 conditions are met: (A) the plan's analysis and forecasts
12 of the utility's ability to acquire energy savings
13 demonstrate by clear and convincing evidence that
14 achievement of such goals is not cost effective; and (B)
15 the amount of energy savings achieved by the utility as
16 determined by the independent evaluator for the most recent
17 year for which savings have been evaluated preceding the
18 plan filing was less than the average annual amount of
19 savings required to achieve the goals for the applicable
20 4-year plan period. Except as provided in subsection (m) of
21 this Section, annual increases in cumulative persisting
22 annual savings goals during the applicable 4-year plan
23 period shall not be reduced to amounts that are less than
24 the maximum amount of cumulative persisting annual savings
25 that is forecast to be cost-effectively achievable during
26 the 4-year plan period. The Commission shall review any

1 proposed goal reduction as part of its review and approval
2 of the utility's proposed plan, taking into account the
3 results of the potential study required by subsection
4 (f-5) of this Section.

5 (3) No later than March 1, 2025, each electric utility
6 shall file a 4-year ~~5-year~~ energy efficiency plan
7 commencing on January 1, 2026 that is designed to achieve
8 the cumulative persisting annual savings goals specified
9 in paragraphs (9) through (12) ~~(13)~~ of subsection (b-5) of
10 this Section or in paragraphs (9) through (12) ~~(13)~~ of
11 subsection (b-15) of this Section, as applicable, through
12 implementation of energy efficiency measures; however, the
13 goals may be reduced if the utility's expenditures are
14 limited pursuant to subsection (m) of this Section or, each
15 of the following conditions are met: (A) the plan's
16 analysis and forecasts of the utility's ability to acquire
17 energy savings demonstrate by clear and convincing
18 evidence that achievement of such goals is not cost
19 effective; and (B) the amount of energy savings achieved by
20 the utility as determined by the independent evaluator for
21 the most recent year for which savings have been evaluated
22 preceding the plan filing was less than the average annual
23 amount of savings required to achieve the goals for the
24 applicable 4-year ~~5-year~~ plan period. Except as provided in
25 subsection (m) of this Section, annual increases in
26 cumulative persisting annual savings goals during the

1 applicable 4-year ~~5-year~~ plan period shall not be reduced
2 to amounts that are less than the maximum amount of
3 cumulative persisting annual savings that is forecast to be
4 cost-effectively achievable during the 4-year ~~5-year~~ plan
5 period. The Commission shall review any proposed goal
6 reduction as part of its review and approval of the
7 utility's proposed plan, taking into account the results of
8 the potential study required by subsection (f-5) of this
9 Section.

10 (4) No later than March 1, 2029, and every 4 years
11 thereafter, each electric utility shall file a 4-year
12 energy efficiency plan commencing on January 1, 2030, and
13 every 4 years thereafter, respectively, that is designed to
14 achieve the cumulative persisting annual savings goals
15 established by the Illinois Commerce Commission pursuant
16 to direction of subsections (b-5) and (b-15) of this
17 Section, as applicable, through implementation of energy
18 efficiency measures; however, the goals may be reduced if
19 the utility's expenditures are limited pursuant to
20 subsection (m) of this Section or, each of the following
21 conditions are met: (A) the plan's analysis and forecasts
22 of the utility's ability to acquire energy savings
23 demonstrate by clear and convincing evidence that
24 achievement of such goals is not cost effective; and (B)
25 the amount of energy savings achieved by the utility as
26 determined by the independent evaluator for the most recent

1 year for which savings have been evaluated preceding the
2 plan filing was less than the average annual amount of
3 savings required to achieve the goals for the applicable
4 4-year plan period. Except as provided in subsection (m) of
5 this Section, annual increases in cumulative persisting
6 annual savings goals during the applicable 4-year plan
7 period shall not be reduced to amounts that are less than
8 the maximum amount of cumulative persisting annual savings
9 that is forecast to be cost-effectively achievable during
10 the 4-year plan period. The Commission shall review any
11 proposed goal reduction as part of its review and approval
12 of the utility's proposed plan.

13 Each utility's plan shall set forth the utility's proposals
14 to meet the energy efficiency standards identified in
15 subsection (b-5) or (b-15), as applicable and as such standards
16 may have been modified under this subsection (f), taking into
17 account the unique circumstances of the utility's service
18 territory and results of an energy efficiency potential study
19 as described in subsection (f-5) of this Section. For those
20 plans commencing on January 1, 2018, the Commission shall seek
21 public comment on the utility's plan and shall issue an order
22 approving or disapproving each plan no later than ~~August 31,~~
23 ~~2017, or~~ 105 days after June 1, 2017 (the effective date of
24 Public Act 99-906) ~~this amendatory Act of the 99th General~~
25 ~~Assembly, whichever is later.~~ For those plans commencing after
26 December 31, 2021, the Commission shall seek public comment on

1 the utility's plan and shall issue an order approving or
2 disapproving each plan within 6 months after its submission. If
3 the Commission disapproves a plan, the Commission shall, within
4 30 days, describe in detail the reasons for the disapproval and
5 describe a path by which the utility may file a revised draft
6 of the plan to address the Commission's concerns
7 satisfactorily. If the utility does not refile with the
8 Commission within 60 days, the utility shall be subject to
9 penalties at a rate of \$100,000 per day until the plan is
10 filed. This process shall continue, and penalties shall accrue,
11 until the utility has successfully filed a portfolio of energy
12 efficiency and demand-response measures. Penalties shall be
13 deposited into the Energy Efficiency Trust Fund.

14 (f-5) Energy efficiency potential study. An energy
15 efficiency potential study shall be commissioned and overseen
16 by the Illinois Commerce Commission. The potential study shall
17 be reviewed as part of the approval of a utility's plan filed
18 pursuant to subsection (f) of this Section. The potential study
19 shall be designed and conducted with input from a Potential
20 Study Stakeholder Committee established by the Commission.
21 This Committee shall be comprised of representatives from each
22 electric utility, the Illinois Attorney General's office, at
23 least 2 environmental stakeholders, at least one community
24 based organization, and additional parties representing
25 consumers. The Committee shall provide input, at a minimum,
26 into the scope of work for the studies, the selection of

1 vendors to perform the studies in accordance with appropriate
2 confidentiality and conflict of interest provisions, and draft
3 work products. The Committee shall make best efforts to achieve
4 consensus on the key elements of the potential study,
5 including:

6 (i) savings potential from efficiency measures and
7 program concepts that are known at the time of the study;

8 (ii) likely emergence of new technology or new program
9 concepts that could emerge;

10 (iii) likely savings potential from efficiency
11 measures that may be unique to individual industries or
12 individual facilities; and

13 (iv) the experience of other similar utilities, areas
14 and jurisdictions in maximizing achievement of
15 cost-effective savings.

16 When the Committee is not able to reach consensus, the
17 Commission shall make the final decision.

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) of this Section, as
21 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) of this Section,
25 as modified by subsection (f) of this Section.

26 (2) Present specific proposals to implement new

1 building and appliance standards that have been placed into
2 effect.

3 (3) Demonstrate that its overall portfolio of
4 measures, not including low-income programs described in
5 subsection (c) of this Section, is cost-effective using the
6 total resource cost test or complies with paragraphs (1)
7 through (3) of subsection (f) of this Section and
8 represents a diverse cross-section of opportunities for
9 customers of all rate classes, other than those customers
10 described in subsection (1) of this Section, to participate
11 in the programs. Individual measures need not be cost
12 effective.

13 (3.5) Demonstrate that the utility's plan integrates
14 the delivery of energy efficiency programs with natural gas
15 efficiency programs, programs promoting distributed solar,
16 programs promoting demand response and other efforts to
17 address bill payment issues, including, but not limited to,
18 LIHEAP and the Percent Income Payment Plan, to the extent
19 such integration is practical and has the potential to
20 enhance customer engagement, minimize market confusion, or
21 reduce administrative costs.

22 (4) Present a third-party energy efficiency
23 implementation program subject to the following
24 requirements:

25 (A) beginning with the year commencing January 1,
26 2019, electric utilities that serve more than

1 3,000,000 retail customers in the State shall fund
2 third-party energy efficiency programs in an amount
3 that is no less than \$25,000,000 per year, and electric
4 utilities that serve less than 3,000,000 retail
5 customers but more than 500,000 retail customers in the
6 State shall fund third-party energy efficiency
7 programs in an amount that is no less than \$8,350,000
8 per year;

9 (B) during 2018, the utility shall conduct a
10 solicitation process for purposes of requesting
11 proposals from third-party vendors for those
12 third-party energy efficiency programs to be offered
13 during one or more of the years commencing January 1,
14 2019, January 1, 2020, and January 1, 2021; for those
15 multi-year plans commencing on January 1, 2022 and
16 January 1, 2026, the utility shall conduct a
17 solicitation process during 2021 and 2025,
18 respectively, for purposes of requesting proposals
19 from third-party vendors for those third-party energy
20 efficiency programs to be offered during one or more
21 years of the respective multi-year plan period; for
22 each solicitation process, the utility shall identify
23 the sector, technology, or geographical area for which
24 it is seeking requests for proposals; the solicitation
25 process must be either for programs that fill gaps in
26 the utility's program portfolio or for programs that

1 target business sectors, building types, geographies,
2 or other specific parts of its customer base with
3 initiatives that would be more effective at reaching
4 these customer segments than the utilities' programs
5 filed in its energy efficiency plans.

6 (C) the utility shall propose the bidder
7 qualifications, performance measurement process, and
8 contract structure, which must include a performance
9 payment mechanism and general terms and conditions;
10 the proposed qualifications, process, and structure
11 shall be subject to Commission approval; and

12 (D) the utility shall retain an independent third
13 party to score the proposals received through the
14 solicitation process described in this paragraph (4),
15 rank them according to their cost per lifetime
16 kilowatt-hours saved, and assemble the portfolio of
17 third-party programs.

18 The electric utility shall recover all costs
19 associated with Commission-approved, third-party
20 administered programs regardless of the success of those
21 programs.

22 (4.5) Implement cost-effective demand-response
23 measures to reduce peak demand by 0.1% over the prior year
24 for eligible retail customers, as defined in Section
25 16-111.5 of this Act, and for customers that elect hourly
26 service from the utility pursuant to Section 16-107 of this

1 Act, provided those customers have not been declared
2 competitive. This requirement continues until December 31,
3 2026.

4 (5) Include a proposed or revised cost-recovery tariff
5 mechanism, as provided for under subsection (d) of this
6 Section, to fund the proposed energy efficiency and
7 demand-response measures and to ensure the recovery of the
8 prudently and reasonably incurred costs of
9 Commission-approved programs.

10 (6) Provide for an annual independent evaluation of the
11 performance of the cost-effectiveness of the utility's
12 portfolio of measures, as well as a full review of the
13 multi-year plan results of the broader net program impacts
14 and, to the extent practical, for adjustment of the
15 measures on a going-forward basis as a result of the
16 evaluations. The resources dedicated to evaluation shall
17 not exceed 3% of portfolio resources in any given year.

18 (7) For electric utilities that serve more than
19 3,000,000 retail customers in the State:

20 (A) Through December 31, 2025, provide for an
21 adjustment to the return on equity component of the
22 utility's weighted average cost of capital calculated
23 under subsection (d) of this Section:

24 (i) If the independent evaluator determines
25 that the utility achieved a cumulative persisting
26 annual savings that is less than the applicable

1 annual incremental goal, then the return on equity
2 component shall be reduced by a maximum of 200
3 basis points in the event that the utility achieved
4 no more than 75% of such goal. If the utility
5 achieved more than 75% of the applicable annual
6 incremental goal but less than 100% of such goal,
7 then the return on equity component shall be
8 reduced by 8 basis points for each percent by which
9 the utility failed to achieve the goal.

10 (ii) If the independent evaluator determines
11 that the utility achieved a cumulative persisting
12 annual savings that is more than the applicable
13 annual incremental goal, then the return on equity
14 component shall be increased by a maximum of 200
15 basis points in the event that the utility achieved
16 at least 125% of such goal. If the utility achieved
17 more than 100% of the applicable annual
18 incremental goal but less than 125% of such goal,
19 then the return on equity component shall be
20 increased by 8 basis points for each percent by
21 which the utility achieved above the goal. If the
22 applicable annual incremental goal was reduced
23 under paragraphs (1) or (2) of subsection (f) of
24 this Section, then the following adjustments shall
25 be made to the calculations described in this item
26 (ii):

1 (aa) the calculation for determining
2 achievement that is at least 125% of the
3 applicable annual incremental goal shall use
4 the unreduced applicable annual incremental
5 goal to set the value; and

6 (bb) the calculation for determining
7 achievement that is less than 125% but more
8 than 100% of the applicable annual incremental
9 goal shall use the reduced applicable annual
10 incremental goal to set the value for 100%
11 achievement of the goal and shall use the
12 unreduced goal to set the value for 125%
13 achievement. The 8 basis point value shall also
14 be modified, as necessary, so that the 200
15 basis points are evenly apportioned among each
16 percentage point value between 100% and 125%
17 achievement.

18 (B) For the period January 1, 2026 through December
19 31, 2029 and in all subsequent 4-year periods 2030,
20 provide for an adjustment to the return on equity
21 component of the utility's weighted average cost of
22 capital calculated under subsection (d) of this
23 Section:

24 (i) If the independent evaluator determines
25 that the utility achieved a cumulative persisting
26 annual savings that is less than the applicable

1 annual incremental goal, then the return on equity
2 component shall be reduced by a maximum of 200
3 basis points in the event that the utility achieved
4 no more than 66% of such goal. If the utility
5 achieved more than 66% of the applicable annual
6 incremental goal but less than 100% of such goal,
7 then the return on equity component shall be
8 reduced by 6 basis points for each percent by which
9 the utility failed to achieve the goal.

10 (ii) If the independent evaluator determines
11 that the utility achieved a cumulative persisting
12 annual savings that is more than the applicable
13 annual incremental goal, then the return on equity
14 component shall be increased by a maximum of 200
15 basis points in the event that the utility achieved
16 at least 134% of such goal. If the utility achieved
17 more than 100% of the applicable annual
18 incremental goal but less than 134% of such goal,
19 then the return on equity component shall be
20 increased by 6 basis points for each percent by
21 which the utility achieved above the goal. If the
22 applicable annual incremental goal was reduced
23 under paragraph (3) of subsection (f) of this
24 Section, then the following adjustments shall be
25 made to the calculations described in this item
26 (ii):

1 (aa) the calculation for determining
2 achievement that is at least 134% of the
3 applicable annual incremental goal shall use
4 the unreduced applicable annual incremental
5 goal to set the value; and

6 (bb) the calculation for determining
7 achievement that is less than 134% but more
8 than 100% of the applicable annual incremental
9 goal shall use the reduced applicable annual
10 incremental goal to set the value for 100%
11 achievement of the goal and shall use the
12 unreduced goal to set the value for 134%
13 achievement. The 6 basis point value shall also
14 be modified, as necessary, so that the 200
15 basis points are evenly apportioned among each
16 percentage point value between 100% and 134%
17 achievement.

18 (C) Notwithstanding the provisions of
19 subparagraphs (A) and (B) of this paragraph (7), if the
20 applicable annual incremental goal for an electric
21 utility is ever less than 0.6% of deemed average
22 weather normalized sales of electric power and energy
23 during calendar years 2014, 2015, and 2016, an
24 adjustment to the return on equity component of the
25 utility's weighted average cost of capital calculated
26 under subsection (d) of this Section shall be made as

1 follows:

2 (i) If the independent evaluator determines
3 that the utility achieved a cumulative persisting
4 annual savings that is less than would have been
5 achieved had the applicable annual incremental
6 goal been achieved, then the return on equity
7 component shall be reduced by a maximum of 200
8 basis points if the utility achieved no more than
9 75% of its applicable annual total savings
10 requirement as defined in paragraph (7.5) of this
11 subsection. If the utility achieved more than 75%
12 of the applicable annual total savings requirement
13 but less than 100% of such goal, then the return on
14 equity component shall be reduced by 8 basis points
15 for each percent by which the utility failed to
16 achieve the goal.

17 (ii) If the independent evaluator determines
18 that the utility achieved a cumulative persisting
19 annual savings that is more than would have been
20 achieved had the applicable annual incremental
21 goal been achieved, then the return on equity
22 component shall be increased by a maximum of 200
23 basis points if the utility achieved at least 125%
24 of its applicable annual total savings
25 requirement. If the utility achieved more than
26 100% of the applicable annual total savings

1 requirement but less than 125% of such goal, then
2 the return on equity component shall be increased
3 by 8 basis points for each percent by which the
4 utility achieved above the applicable annual total
5 savings requirement. If the applicable annual
6 incremental goal was reduced under paragraphs (1)
7 or (2) of subsection (f) of this Section, then the
8 following adjustments shall be made to the
9 calculations described in this item (ii):

10 (aa) the calculation for determining
11 achievement that is at least 125% of the
12 applicable annual total savings requirement
13 shall use the unreduced applicable annual
14 incremental goal to set the value; and

15 (bb) the calculation for determining
16 achievement that is less than 125% but more
17 than 100% of the Applicable Annual Total
18 Savings Requirement shall use the reduced
19 applicable annual incremental goal to set the
20 value for 100% achievement of the goal and
21 shall use the unreduced goal to set the value
22 for 125% achievement. The 8 basis point value
23 shall also be modified, as necessary, so that
24 the 200 basis points are evenly apportioned
25 among each percentage point value between 100%
26 and 125% achievement.

1 (7.5) For purposes of this Section, the term
2 "applicable annual incremental goal" means the difference
3 between the cumulative persisting annual savings goal for
4 the calendar year that is the subject of the independent
5 evaluator's determination and the cumulative persisting
6 annual savings goal for the immediately preceding calendar
7 year, as such goals are defined in subsections (b-5) and
8 (b-15) of this Section and as these goals may have been
9 modified as provided for under subsection (b-20) and
10 paragraphs (1) through (3) of subsection (f) of this
11 Section. Under subsections (b), (b-5), (b-10), and (b-15)
12 of this Section, a utility must first replace energy
13 savings from measures that have reached the end of their
14 measure lives and would otherwise have to be replaced to
15 meet the applicable savings goals identified in subsection
16 (b-5) or (b-15) of this Section before any progress towards
17 achievement of its applicable annual incremental goal may
18 be counted. Notwithstanding anything else set forth in this
19 Section, the difference between the actual annual
20 incremental savings achieved in any given year, including
21 the replacement of energy savings from measures that have
22 expired, and the applicable annual incremental goal shall
23 not affect adjustments to the return on equity for
24 subsequent calendar years under this subsection (g).

25 As used in this Section, "applicable annual total
26 savings requirement" means the sum of (i) the applicable

1 annual savings goal; plus (ii) the amount of new annual
2 savings required to replace savings from efficiency
3 measures that provided cumulative persisting annual
4 savings in the previous year, including savings from
5 programs in 2012 through 2017 for which savings are deemed
6 in subsections (b) and (b-10), but which reached the end of
7 their measure lives by the end of the previous year.

8 (8) For electric utilities that serve less than
9 3,000,000 retail customers but more than 500,000 retail
10 customers in the State:

11 (A) Through December 31, 2025, the applicable
12 annual incremental goal shall be compared to the annual
13 incremental savings as determined by the independent
14 evaluator.

15 (i) The return on equity component shall be
16 reduced by 8 basis points for each percent by which
17 the utility did not achieve 84.4% of the applicable
18 annual incremental goal.

19 (ii) The return on equity component shall be
20 increased by 8 basis points for each percent by
21 which the utility exceeded 100% of the applicable
22 annual incremental goal.

23 (iii) The return on equity component shall not
24 be increased or decreased if the annual
25 incremental savings as determined by the
26 independent evaluator is greater than 84.4% of the

1 applicable annual incremental goal and less than
2 100% of the applicable annual incremental goal.

3 (iv) The return on equity component shall not
4 be increased or decreased by an amount greater than
5 200 basis points pursuant to this subparagraph
6 (A).

7 (B) For the period of January 1, 2026 through
8 December 31, 2029 and in all subsequent 4-year periods
9 ~~2030~~, the applicable annual incremental goal shall be
10 compared to the annual incremental savings as
11 determined by the independent evaluator.

12 (i) The return on equity component shall be
13 reduced by 6 basis points for each percent by which
14 the utility did not achieve 100% of the applicable
15 annual incremental goal.

16 (ii) The return on equity component shall be
17 increased by 6 basis points for each percent by
18 which the utility exceeded 100% of the applicable
19 annual incremental goal.

20 (iii) The return on equity component shall not
21 be increased or decreased by an amount greater than
22 200 basis points pursuant to this subparagraph
23 (B).

24 (C) Notwithstanding provisions in subparagraphs
25 (A) and (B) of paragraph (7) of this subsection, if the
26 applicable annual incremental goal for an electric

1 utility is ever less than 0.6% of deemed average
2 weather normalized sales of electric power and energy
3 during calendar years 2014, 2015 and 2016, an
4 adjustment to the return on equity component of the
5 utility's weighted average cost of capital calculated
6 under subsection (d) of this Section shall be made as
7 follows:

8 (i) The return on equity component shall be
9 reduced by 8 basis points for each percent by which
10 the utility did not achieve 100% of the applicable
11 annual total savings requirement.

12 (ii) The return on equity component shall be
13 increased by 8 basis points for each percent by
14 which the utility exceeded 100% of the applicable
15 annual total savings requirement.

16 (iii) The return on equity component shall not
17 be increased or decreased by an amount greater than
18 200 basis points pursuant to this subparagraph
19 (C).

20 (D) ~~(C)~~ If the applicable annual incremental goal
21 was reduced under paragraphs (1), (2), ~~or~~ (3), or (4)
22 of subsection (f) of this Section, then the following
23 adjustments shall be made to the calculations
24 described in subparagraphs (A), ~~and~~ (B), and (C) of
25 this paragraph (8):

26 (i) The calculation for determining

1 achievement that is at least 125% or 134%, as
2 applicable, of the applicable annual incremental
3 goal or the applicable annual total savings
4 requirement, as applicable, shall use the
5 unreduced applicable annual incremental goal to
6 set the value.

7 (ii) For the period through December 31, 2025,
8 the calculation for determining achievement that
9 is less than 125% but more than 100% of the
10 applicable annual incremental goal or the
11 applicable annual total savings requirement, as
12 applicable, shall use the reduced applicable
13 annual incremental goal to set the value for 100%
14 achievement of the goal and shall use the unreduced
15 goal to set the value for 125% achievement. The 8
16 basis point value shall also be modified, as
17 necessary, so that the 200 basis points are evenly
18 apportioned among each percentage point value
19 between 100% and 125% achievement.

20 (iii) For the period of January 1, 2026 through
21 December 31, 2029 and all subsequent 4-year
22 periods, the calculation for determining
23 achievement that is less than 125% or 134%, as
24 applicable, but more than 100% of the applicable
25 annual incremental goal or the applicable annual
26 total savings requirement, as applicable, shall

1 use the reduced applicable annual incremental goal
2 to set the value for 100% achievement of the goal
3 and shall use the unreduced goal to set the value
4 for 125% achievement. The 6 or 8 basis point
5 values, as applicable, shall also be modified, as
6 necessary, so that the 200 basis points are evenly
7 apportioned among each percentage point value
8 between 100% and 125% or between 100% and 134%
9 achievement, as applicable. ~~2030, the calculation~~
10 ~~for determining achievement that is less than 134%~~
11 ~~but more than 100% of the applicable annual~~
12 ~~incremental goal shall use the reduced applicable~~
13 ~~annual incremental goal to set the value for 100%~~
14 ~~achievement of the goal and shall use the unreduced~~
15 ~~goal to set the value for 125% achievement. The 6~~
16 ~~basis point value shall also be modified, as~~
17 ~~necessary, so that the 200 basis points are evenly~~
18 ~~apportioned among each percentage point value~~
19 ~~between 100% and 134% achievement.~~

20 (9) The utility shall submit the energy savings data to
21 the independent evaluator no later than 30 days after the
22 close of the plan year. The independent evaluator shall
23 determine the cumulative persisting annual savings for a
24 given plan year, as well as an estimate of job impacts and
25 other macroeconomic impacts of the efficiency programs for
26 that year, no later than 120 days after the close of the

1 plan year. The utility shall submit an informational filing
2 to the Commission no later than 160 days after the close of
3 the plan year that attaches the independent evaluator's
4 final report identifying the cumulative persisting annual
5 savings for the year and calculates, under paragraph (7) or
6 (8) of this subsection (g), as applicable, any resulting
7 change to the utility's return on equity component of the
8 weighted average cost of capital applicable to the next
9 plan year beginning with the January monthly billing period
10 and extending through the December monthly billing period.
11 However, if the utility recovers the costs incurred under
12 this Section under paragraphs (2) and (3) of subsection (d)
13 of this Section, then the utility shall not be required to
14 submit such informational filing, and shall instead submit
15 the information that would otherwise be included in the
16 informational filing as part of its filing under paragraph
17 (3) of such subsection (d) that is due on or before June 1
18 of each year.

19 For those utilities that must submit the informational
20 filing, the Commission may, on its own motion or by
21 petition, initiate an investigation of such filing,
22 provided, however, that the utility's proposed return on
23 equity calculation shall be deemed the final, approved
24 calculation on December 15 of the year in which it is filed
25 unless the Commission enters an order on or before December
26 15, after notice and hearing, that modifies such

1 calculation consistent with this Section.

2 The adjustments to the return on equity component
3 described in paragraphs (7) and (8) of this subsection (g)
4 shall be applied as described in such paragraphs through a
5 separate tariff mechanism, which shall be filed by the
6 utility under subsections (f) and (g) of this Section.

7 (10) Electric utilities required to implement
8 efficiency programs under subsections (b-5) and (b-15)
9 shall report annually to the Illinois Commerce Commission
10 and the General Assembly on how hiring, contracting, job
11 training, and other practices related to its energy
12 efficiency programs enhance the diversity of vendors
13 working on such programs. These reports must include data
14 on vendor and employee diversity.

15 (h) No more than 6% of energy efficiency and
16 demand-response program revenue may be allocated for research,
17 development, or pilot deployment of new equipment or measures.

18 (i) When practicable, electric utilities shall incorporate
19 advanced metering infrastructure data into the planning,
20 implementation, and evaluation of energy efficiency measures
21 and programs, subject to the data privacy and confidentiality
22 protections of applicable law.

23 (j) The independent evaluator shall follow the guidelines
24 and use the savings set forth in Commission-approved energy
25 efficiency policy manuals and technical reference manuals, as
26 each may be updated from time to time. Until such time as

1 measure life values for energy efficiency measures implemented
2 for low-income households under subsection (c) of this Section
3 are incorporated into such Commission-approved manuals, the
4 low-income measures shall have the same measure life values
5 that are established for same measures implemented in
6 households that are not low-income households.

7 (k) Notwithstanding any provision of law to the contrary,
8 an electric utility subject to the requirements of this Section
9 may file a tariff cancelling an automatic adjustment clause
10 tariff in effect under this Section or Section 8-103, which
11 shall take effect no later than one business day after the date
12 such tariff is filed. Thereafter, the utility shall be
13 authorized to defer and recover its expenditures incurred under
14 this Section through a new tariff authorized under subsection
15 (d) of this Section or in the utility's next rate case under
16 Article IX or Section 16-108.5 of this Act, with interest at an
17 annual rate equal to the utility's weighted average cost of
18 capital as approved by the Commission in such case. If the
19 utility elects to file a new tariff under subsection (d) of
20 this Section, the utility may file the tariff within 10 days
21 after June 1, 2017 (the effective date of Public Act 99-906)
22 ~~this amendatory Act of the 99th General Assembly~~, and the cost
23 inputs to such tariff shall be based on the projected costs to
24 be incurred by the utility during the calendar year in which
25 the new tariff is filed and that were not recovered under the
26 tariff that was cancelled as provided for in this subsection.

1 Such costs shall include those incurred or to be incurred by
2 the utility under its multi-year plan approved under
3 subsections (f) and (g) of this Section, including, but not
4 limited to, projected capital investment costs and projected
5 regulatory asset balances with correspondingly updated
6 depreciation and amortization reserves and expense. The
7 Commission shall, after notice and hearing, approve, or approve
8 with modification, such tariff and cost inputs no later than 75
9 days after the utility filed the tariff, provided that such
10 approval, or approval with modification, shall be consistent
11 with the provisions of this Section to the extent they do not
12 conflict with this subsection (k). The tariff approved by the
13 Commission shall take effect no later than 5 days after the
14 Commission enters its order approving the tariff.

15 No later than 60 days after the effective date of the
16 tariff cancelling the utility's automatic adjustment clause
17 tariff, the utility shall file a reconciliation that reconciles
18 the moneys collected under its automatic adjustment clause
19 tariff with the costs incurred during the period beginning June
20 1, 2016 and ending on the date that the electric utility's
21 automatic adjustment clause tariff was cancelled. In the event
22 the reconciliation reflects an under-collection, the utility
23 shall recover the costs as specified in this subsection (k). If
24 the reconciliation reflects an over-collection, the utility
25 shall apply the amount of such over-collection as a one-time
26 credit to retail customers' bills.

1 (1) (Blank). ~~For the calendar years covered by a multi-year~~
2 ~~plan commencing after December 31, 2017, subsections (a)~~
3 ~~through (j) of this Section do not apply to any retail~~
4 ~~customers of an electric utility that serves more than~~
5 ~~3,000,000 retail customers in the State and whose total highest~~
6 ~~30 minute demand was more than 10,000 kilowatts, or any retail~~
7 ~~customers of an electric utility that serves less than~~
8 ~~3,000,000 retail customers but more than 500,000 retail~~
9 ~~customers in the State and whose total highest 15 minute demand~~
10 ~~was more than 10,000 kilowatts. For purposes of this subsection~~
11 ~~(1), "retail customer" has the meaning set forth in Section~~
12 ~~16-102 of this Act. A determination of whether this subsection~~
13 ~~is applicable to a customer shall be made for each multi-year~~
14 ~~plan beginning after December 31, 2017. The criteria for~~
15 ~~determining whether this subsection (1) is applicable to a~~
16 ~~retail customer shall be based on the 12 consecutive billing~~
17 ~~periods prior to the start of the first year of each such~~
18 ~~multi-year plan.~~

19 (m) Notwithstanding the requirements of this Section, as
20 part of a proceeding to approve a multi-year plan under
21 subsections (f) and (g) of this Section if the multi-year plan
22 has been designed to maximize savings, but does not meet the
23 cost cap limitations of this subsection, the Commission shall
24 reduce the amount of energy efficiency measures implemented for
25 any single year, and whose costs are recovered under subsection
26 (d) of this Section, by an amount necessary to limit the

1 estimated average net increase due to the cost of the measures
2 to no more than

3 (1) 3.5% for the each of the 4 years beginning January
4 1, 2018,

5 (2) 3.75% for each of the 4 years beginning January 1,
6 2022, ~~and~~

7 (3) 4% for each of the 5 years beginning January 1,
8 2026,

9 (4) 4.25% for the 5 years beginning January 1, 2031,
10 and

11 (5) 4.25% plus a 0.25% increase for every subsequent
12 5-year period,

13 of the average amount paid per kilowatthour by residential
14 eligible retail customers during calendar year 2015. An
15 electric utility may spend up to 10% more in any year during an
16 applicable multi-year plan period to cost-effectively achieve
17 additional savings so long as the average over the applicable
18 multi-year plan period does not exceed the percentages defined
19 in items (1) through (5). To determine the total amount that
20 may be spent by an electric utility in any single year, the
21 applicable percentage of the average amount paid per
22 kilowatthour shall be multiplied by the total amount of energy
23 delivered by such electric utility in the calendar year 2015,
24 ~~adjusted to reflect the proportion of the utility's load~~
25 ~~attributable to customers who are exempt from subsections (a)~~
26 ~~through (j) of this Section under subsection (1) of this~~

1 ~~Section~~. For purposes of this subsection (m), the amount paid
2 per kilowatthour includes, without limitation, estimated
3 amounts paid for supply, transmission, distribution,
4 surcharges, and add-on taxes. For purposes of this Section,
5 "eligible retail customers" shall have the meaning set forth in
6 Section 16-111.5 of this Act. Once the Commission has approved
7 a plan under subsections (f) and (g) of this Section, no
8 subsequent rate impact determinations shall be made.

9 (Source: P.A. 99-906, eff. 6-1-17; 100-840, eff. 8-13-18;
10 revised 10-19-18.)

11 (220 ILCS 5/8-104.1 new)

12 Sec. 8-104.1. Gas utilities; annual savings goals.

13 (a) It is the policy of the State that gas utilities are
14 required to use cost-effective energy efficiency to reduce
15 delivery load. Requiring investment in cost-effective energy
16 efficiency will reduce direct and indirect costs to consumers
17 by decreasing environmental impacts and by reducing the amount
18 of natural gas that needs to be purchased and avoiding or
19 delaying the need for new transmission, distribution, storage
20 and other related infrastructure. It serves the public interest
21 to allow gas utilities to recover costs for reasonably and
22 prudently incurred expenditures for energy efficiency
23 measures.

24 (b) In this Section:

25 "Energy efficiency" means measures that reduce the amount

1 of energy required to achieve a given end use. "Energy
2 efficiency" also includes measures that reduce the total Btus
3 of electricity and natural gas needed to meet the end use or
4 uses.

5 "Cost-effective" means that the measures satisfy the total
6 resource cost test which, for purposes of this Section, means a
7 standard that is met if, for an investment in energy
8 efficiency, the benefit-cost ratio is greater than one. The
9 benefit-cost ratio is the ratio of the net present value of the
10 total benefits of the measures to the net present value of the
11 total costs as calculated over the lifetime of the measures.
12 The total resource cost test compares the sum of avoided
13 natural gas utility costs, representing the benefits that
14 accrue to the natural gas system and the participant in the
15 delivery of those efficiency measures and including avoided
16 costs associated with the use of electricity or other fuels,
17 avoided cost associated with reduced water consumption, and
18 avoided costs associated with reduced operation and
19 maintenance costs, as well as other quantifiable societal
20 benefits, to the sum of all incremental costs of end use
21 measures (including both utility and participant
22 contributions), plus costs to administer, deliver, and
23 evaluate each demand-side measure, to quantify the net savings
24 obtained by substituting demand-side measures for supply
25 resources. In calculating avoided costs, reasonable estimates
26 shall be included for financial costs likely to be imposed by

1 future regulation of emissions of greenhouse gases. In
2 discounting future societal costs and benefits for the purpose
3 of calculating net present values, a societal discount rate
4 based on actual, long-term Treasury bond yields shall be used.
5 The low-income measures described in subsection (f) of this
6 Section shall not be required to meet the total resource cost
7 test.

8 "Cumulative persisting annual savings" means the total gas
9 energy savings in a given year from measures installed in that
10 year or in previous years, but no earlier than January 1, 2020,
11 that are still operational and providing savings in that year
12 because the measures have not yet reached the end of their
13 useful lives.

14 (c) This Section applies to all gas distribution utilities
15 in the State for those multi-year plans that include energy
16 efficiency programs commencing after December 31, 2019.

17 (d) Beginning in 2020, gas utilities subject to this
18 Section shall achieve the following cumulative persisting
19 annual savings goals, as compared to a deemed baseline
20 equivalent to the utility's average annual therm sales in 2016
21 through 2018 through the implementation of energy efficiency
22 measures during the applicable year and in prior years, but no
23 earlier than January 1, 2020:

24 (1) 1.2% cumulative persisting annual savings for the
25 year ending December 31, 2020;

26 (2) 2.1% cumulative persisting annual savings for the

1 year ending December 31, 2021;

2 (3) 3.0% cumulative persisting annual savings for the
3 year ending December 31, 2022;

4 (4) 3.9% cumulative persisting annual savings for the
5 year ending December 31, 2023;

6 (5) 4.8% cumulative persisting annual savings for the
7 year ending December 31, 2024;

8 (6) 5.7% cumulative persisting annual savings for the
9 year ending December 31, 2025;

10 (7) 6.6% cumulative persisting annual savings for the
11 year ending December 31, 2026;

12 (8) 7.4% cumulative persisting annual savings for the
13 year ending December 31, 2027;

14 (9) 8.2% cumulative persisting annual savings for the
15 year ending December 31, 2028;

16 (10) 9.0% cumulative persisting annual savings for the
17 year ending December 31, 2029;

18 (11) 9.8% cumulative persisting annual savings for the
19 year ending December 31, 2030;

20 (12) 10.6% cumulative persisting annual savings for
21 the year ending December 31, 2031;

22 (13) 11.4% cumulative persisting annual savings for
23 the year ending December 31, 2032;

24 (14) 12.1% cumulative persisting annual savings for
25 the year ending December 31, 2033;

26 (15) 12.8% cumulative persisting annual savings for

1 the year ending December 31, 2034; and

2 (16) 13.5% cumulative persisting annual savings for
3 the year ending December 31, 2035.

4 No later than December 31, 2025, the Illinois Commerce
5 Commission shall establish additional cumulative persisting
6 annual savings goals for the years 2036 through 2040. The
7 Commission shall also establish additional cumulative
8 persisting annual savings goals every 5 years thereafter to
9 ensure utilities always have goals that extend at least 11
10 years into the future. The cumulative persisting annual savings
11 goals beyond the year 2035 shall increase by 0.6 percentage
12 points per year absent a Commission decision to initiate a
13 proceeding to consider establishing goals that increase by more
14 or less than that amount. Such a proceeding must be conducted
15 in accordance with the procedures described in subsection (f)
16 of this Section. If such a proceeding is initiated, the
17 cumulative persisting annual savings goals established by the
18 Commission through that proceeding shall reflect the
19 Commission's best estimate of the maximum amount of additional
20 gas savings that are forecast to be cost-effectively achievable
21 unless such best estimates would result in goals that represent
22 less than 0.4 percentage point annual increases in total
23 cumulative persisting annual savings. The Commission may only
24 establish goals that represent less than 0.4 percentage point
25 annual increases in cumulative persisting annual savings if it
26 can demonstrate, based on clear and convincing evidence, that

1 0.4 percentage point increases are not cost-effectively
2 achievable. The Commission shall inform its decision based on
3 an energy efficiency potential study which conforms to the
4 requirements of subsection (j-5) of this Section.

5 (e) If a gas utility jointly offers an energy efficiency
6 measure or program with an electric utility under plans
7 approved under this Section and Section 8-103B of this Act, the
8 gas utility may continue offering the program, including the
9 electric energy efficiency measures, if the electric utility
10 discontinues funding the program. In that event, the energy
11 savings value associated with such other fuels shall be
12 converted to gas energy savings on an equivalent Btu basis for
13 the premises. However, the gas utility shall prioritize
14 programs for low-income residential customers to the extent
15 practicable. A gas utility may recover the costs of offering
16 the gas energy efficiency measures under this subsection (e).

17 For those energy efficiency measures or programs that save
18 both gas and other fuels but are not jointly offered with an
19 electric utility under plans approved under this Section and
20 Section 8-103B, the gas utility may count savings of fuels
21 other than gas toward the achievement of its annual savings
22 goal, and the energy savings value associated with such other
23 fuels shall be converted to gas energy savings on an equivalent
24 Btu basis at the premises.

25 In no event shall more than 10% of each year's applicable
26 annual total savings requirement as defined in paragraph (8) of

1 subsection (j) of this Section be met through savings of fuels
2 other than gas.

3 (f) Gas utilities are responsible for overseeing the
4 design, development, and filing of energy efficiency plans with
5 the Commission and may, as part of that implementation,
6 outsource various aspects of program development and
7 implementation. A minimum of 10% of the utility's entire
8 portfolio funding level for a given year shall be used to
9 procure cost-effective energy efficiency measures from units
10 of local government, municipal corporations, school districts,
11 public housing, community college districts, and
12 nonprofit-owned buildings provided that a minimum percentage
13 of available funds shall be used to procure energy efficiency
14 from public housing, which percentage shall be equal to public
15 housing's share of public building energy consumption.

16 The utilities shall also implement energy efficiency
17 measures targeted at low-income single-family and multi-family
18 households, which, for purposes of this Section, shall be
19 defined as households at or below 80% of area median income,
20 and expenditures to implement the measures shall be no less
21 than 20% of the utility's total efficiency portfolio budget.

22 At least 70% of spending on measures in programs targeted
23 at low-income households shall go toward measures that reduce
24 space heating needs through improvements to the building
25 envelope or heating distribution systems. Programs targeted at
26 low-income households, which address single-family and

1 multi-family buildings shall be treated such that savings
2 opportunities in each building type are approximately in
3 proportional to the magnitude of cost-effective energy
4 efficiency opportunities in these respective building types.

5 Each gas utility shall assess opportunities to implement
6 cost-effective energy efficiency measures and programs through
7 a public housing authority or authorities located in its
8 service territory. If such opportunities are identified, the
9 utility shall propose such measures and programs to address the
10 opportunities. Expenditures to address such opportunities
11 shall be credited toward the minimum procurement and
12 expenditure requirements set forth in this subsection (f).

13 Implementation of energy efficiency measures and programs
14 targeted at low-income households shall be contracted, when it
15 is practical, 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 gas utility shall develop and implement reporting
21 procedures that address and assist in determining the amount of
22 energy savings that can be applied to the low-income
23 procurement and expenditure requirements set forth in this
24 subsection (f).

25 The gas utilities shall participate in a low-income energy
26 efficiency advisory committee designed to allow a variety of

1 stakeholders, especially those living or working in low-income
2 communities, to assist in the design and evaluation of the
3 low-income energy efficiency programs. The committee shall be
4 comprised of the electric utilities subject to the requirements
5 of Section 8-103B of this Act, the gas utilities subject to the
6 requirements of this Section, the utilities' low-income energy
7 efficiency implementation contractors, nonprofit
8 organizations, community action agencies, advocacy groups,
9 State and local governmental agencies, and representatives of
10 community-based organizations. The committee shall be convened
11 by an independent third-party facilitator and a
12 community-based organization in a low-income community. There
13 shall be a leadership committee comprised of a variety of
14 stakeholders, with at least one community-based organization
15 involved. Meetings shall include concrete opportunities for
16 groups to provide meaningful input into plan design, mid-cycle
17 changes, and evaluation throughout the year to help reduce
18 litigation in future plan filings. All meetings must be
19 accessible, with rotating locations, call-in options, and
20 materials and agendas circulated well in advance. There shall
21 also be opportunities for input outside of meetings from those
22 with limited capacity and ability to attend, via one-on-one
23 meetings, surveys, and calls. Meetings shall also include
24 opportunities to bundle and coordinate low-income energy
25 efficiency with Solar for All and energy assistance programs.
26 Meetings shall include educational opportunities for

1 stakeholders to learn more about these additional offerings,
2 and the committee shall assist in the figuring out the best
3 methods for coordinated delivery and implementation of
4 offerings when serving low-income communities.

5 (g) At least 50% of the entire efficiency program portfolio
6 budget shall be spent on efficiency measures that reduce the
7 amount of space heating needs through improvements to the
8 efficiency of building envelopes (including, but not limited
9 to, insulation measures, efficient windows and air leakage
10 reduction) or through improvements to systems for distributing
11 heat (including, but not limited to, duct leakage reduction,
12 duct insulation or pipe insulation) in buildings. Spending on
13 efficient furnaces, efficient boilers, or other efficient
14 heating systems is permitted within the efficiency program
15 portfolio, but does not count toward this minimum requirement
16 for spending on building envelope and heating distribution
17 efficiencies. Spending on low-income building envelope
18 measures or heating distribution system measures does count
19 toward this requirement. The portion of portfolio spending on
20 program marketing, training of installers, audits of
21 buildings, inspections of work performed, and other
22 administrative and technical expenses that are clearly tied to
23 promotion or installation of building envelope or heating
24 distribution system measures shall count toward this
25 requirement. If this minimum requirement is not met, any
26 performance incentive earned under paragraph (7) of subsection

1 (j) should be reduced by the percentage point level of
2 shortfall in meeting this requirement; if the utility is
3 subject to a performance penalty, then the magnitude of the
4 penalty shall be increased by the percentage point shortfall in
5 meeting this requirement.

6 (h) Notwithstanding any other provision of law to the
7 contrary, a utility providing approved energy efficiency
8 measures in the State shall be permitted to recover all
9 reasonable and prudently incurred costs of those measures from
10 all retail customers, provided that nothing in this subsection
11 (h) permits the double recovery of such costs from customers.

12 (i) Beginning in 2019, each gas utility shall file an
13 energy efficiency plan with the Commission to meet the energy
14 efficiency standards for the next applicable multi-year period
15 beginning January 1 of the year following the filing, according
16 to the schedule set forth in paragraphs (1) through (5) of this
17 subsection (i). If a utility does not file such a plan on or
18 before the applicable filing deadline for the plan, it shall
19 face a penalty of \$100,000 per day until the plan is filed.

20 (1) No later than 120 days after the effective date of
21 this amendatory Act of the 101st General Assembly, each gas
22 utility shall file an energy efficiency plan to supersede
23 its previously filed energy efficiency plan for the year
24 beginning January 1, 2020 that is designed to achieve the
25 cumulative persisting annual savings goals specified in
26 paragraphs (1) and (2) of subsection (d) of this Section

1 through implementation of energy efficiency measures.

2 (2) No later March 1, 2021, each gas utility shall file
3 a 4-year energy efficiency plan commencing on January 1,
4 2022 that is designed to achieve the cumulative persisting
5 annual savings goals specified in paragraphs (3) through
6 (6) of subsection (d) of this Section through
7 implementation of energy efficiency measures; however, the
8 goals may be reduced if each of the following conditions
9 are met: (A) the plan's analysis and forecasts of the
10 utility's ability to acquire energy savings demonstrate
11 beyond a reasonable doubt that achievement of such goals is
12 not cost-effective; and (B) the amount of energy savings
13 planned to be achieved by the utility in 2021, as
14 documented pursuant to paragraph (1) of this subsection (i)
15 and approved by the Illinois Commerce Commission, was less
16 than the average annual amount of savings required to
17 achieve the goals for the applicable 4-year plan period.
18 Annual increases in cumulative persisting annual savings
19 goals during the applicable 4-year plan period shall not be
20 reduced to amounts that are less than the maximum amount of
21 cumulative persisting annual savings that is forecast to be
22 cost-effectively achievable during the 4-year plan period.
23 The Commission shall review any proposed goal reduction as
24 part of its review and approval of the utility's proposed
25 plan, taking into account the results of the potential
26 study required by subsection (j-5) of this Section.

1 (3) No later than March 1, 2025, each gas utility shall
2 file a 4-year energy efficiency plan commencing on January
3 1, 2026 that is designed to achieve the cumulative
4 persisting annual savings goals specified in paragraphs
5 (7) through (10) of subsection (d) of this Section through
6 implementation of energy efficiency measures; however, the
7 goals may be reduced if each of the following conditions
8 are met: (A) the plan's analysis and forecasts of the
9 utility's ability to acquire energy savings demonstrate
10 beyond a reasonable doubt that achievement of such goals is
11 not 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. Annual
17 increases in cumulative persisting annual savings goals
18 during the applicable 4-year plan period shall not be
19 reduced to amounts that are less than the maximum amount of
20 cumulative persisting annual savings that is forecast to be
21 cost-effectively achievable during the 4-year plan period.
22 The Commission shall review any proposed goal reduction as
23 part of its review and approval of the utility's proposed
24 plan, taking into account the results of the potential
25 study required by subsection (j-5) of this Section.

26 (4) No later than March 1, 2029, each gas utility shall

1 file a 4-year energy efficiency plan commencing on January
2 1, 2030 that is designed to achieve the cumulative
3 persisting annual savings goals specified in paragraphs
4 (11) through (14) of subsection (d) of this Section through
5 implementation of energy efficiency measures; however, the
6 goals may be reduced if each of the following conditions
7 are met: (A) the plan's analysis and forecasts of the
8 utility's ability to acquire energy savings demonstrate
9 beyond a reasonable doubt that achievement of such goals is
10 not cost-effective; and (B) the amount of energy savings
11 achieved by the utility as determined by the independent
12 evaluator for the most recent year for which savings have
13 been evaluated preceding the plan filing was less than the
14 average annual amount of savings required to achieve the
15 goals for the applicable 4-year plan period. Annual
16 increases in cumulative persisting annual savings goals
17 during the applicable 4-year plan period shall not be
18 reduced to amounts that are less than the maximum amount of
19 cumulative persisting annual savings that is forecast to be
20 cost-effectively achievable during the 4-year plan period.
21 The Commission shall review any proposed goal reduction as
22 part of its review and approval of the utility's proposed
23 plan, taking into account the results of the potential
24 study required by subsection (j-5) of this Section.

25 (5) No later than March 1, beginning in 2033 and each 4
26 years afterwards, each gas utility shall file a 4-year

1 energy efficiency plan commencing on January 1, beginning
2 in 2034 and each 4-year period afterwards, that is designed
3 to achieve the cumulative persisting annual savings goals
4 established by the Illinois Commerce Commission pursuant
5 to direction of subsection (d) of this Section, through
6 implementation of energy efficiency measures; however, the
7 goals may be reduced if each of the following conditions
8 are met: (A) the plan's analysis and forecasts of the
9 utility's ability to acquire energy savings demonstrate
10 beyond a reasonable doubt that achievement of such goals is
11 not 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. Annual
17 increases in cumulative persisting annual savings goals
18 during the applicable 4-year plan period shall not be
19 reduced to amounts that are less than the maximum amount of
20 cumulative persisting annual savings that is forecast to be
21 cost-effectively achievable during the 4-year plan period.
22 The Commission shall review any proposed goal reduction as
23 part of its review and approval of the utility's proposed
24 plan, taking into account the results of the potential
25 study required by subsection (j-5) of this Section.
26 Each utility's plan shall set forth the utility's proposals

1 to meet the energy efficiency standards identified in
2 subsection (d). For those plans commencing on January 1, 2021,
3 the Commission shall seek public comment on the utility's plan
4 and shall issue an order approving or disapproving each plan no
5 later than August 31, 2020, or 105 days after the effective
6 date of this amendatory Act of the 101st General Assembly,
7 whichever is later. For those plans commencing after December
8 31, 2022, the Commission shall seek public comment on the
9 utility's plan and shall issue an order approving or
10 disapproving each plan within 6 months after its submission. If
11 the Commission disapproves a plan, the Commission shall, within
12 30 days, describe in detail the reasons for the disapproval and
13 describe a path by which the utility may file a revised draft
14 of the plan to address the Commission's concerns
15 satisfactorily. If the utility does not refile with the
16 Commission within 60 days, the utility shall be subject to
17 penalties at a rate of \$100,000 per day until the plan is
18 filed. This process shall continue, and penalties shall accrue,
19 until the utility has successfully filed a portfolio of energy
20 efficiency measures. Penalties shall be deposited into the
21 Energy Efficiency Trust Fund.

22 (j) In submitting proposed plans and funding levels under
23 subsection (i) of this Section to meet the savings goals
24 identified in subsection (d), the utility shall:

25 (1) Demonstrate that its proposed energy efficiency
26 measures will achieve the applicable requirements that are

1 identified in subsection (d) of this Section.

2 (2) Present specific proposals to implement new
3 building and appliance standards that have been placed into
4 effect.

5 (3) Demonstrate that its overall portfolio of
6 measures, not including low-income programs described in
7 subsection (f) of this Section, is cost-effective using the
8 total resource cost test, complies with subsection (i) of
9 this Section and represents a diverse cross-section of
10 opportunities for customers of all rate classes, to
11 participate in the programs. Individual measures need not
12 be cost effective.

13 (3.5) Demonstrate that the utility's plan integrates
14 the delivery of energy efficiency programs with electric
15 efficiency programs and other efforts to address bill
16 payment issues, including, but not limited to, LIHEAP and
17 the Percent Income Payment Plan, to the extent such
18 integration is practical and has the potential to enhance
19 customer engagement, minimize market confusion, or reduce
20 administrative costs.

21 (4) Present a third-party energy efficiency
22 implementation program subject to the following
23 requirements:

24 (A) Beginning with the year commencing January 1,
25 2021, gas utilities shall fund third-party energy
26 efficiency programs in an amount that is no less than

1 10% of total efficiency portfolio budgets per year.

2 (B) For multi-year plans commencing on January 1,
3 2022, January 1, 2026, January 1, 2030, and every 4
4 years thereafter, the utility shall conduct a
5 solicitation process during 2021, 2025, 2029, and
6 every 4 years thereafter, respectively, for purposes
7 of requesting proposals from third-party vendors for
8 those third-party energy efficiency programs to be
9 offered during one or more years of the respective
10 multi-year plan period; for each solicitation process,
11 the utility shall identify the sector, technology, or
12 geographical area for which it is seeking requests for
13 proposals; the solicitation process must be for
14 programs that fill gaps in the utility's program
15 portfolio or targets business sectors, building types,
16 geographies or other specific parts of its customer
17 base with initiatives that would be more effective at
18 reaching these customer segments than the utilities'
19 programs filed in its energy efficiency plans.

20 (C) The utility shall propose the bidder
21 qualifications, performance measurement process, and
22 contract structure, which must include a performance
23 payment mechanism and general terms and conditions;
24 the proposed qualifications, process, and structure
25 shall be subject to Commission approval.

26 (D) The utility shall retain an independent third

1 party to score the proposals received through the
2 solicitation process described in this paragraph (4),
3 rank them according to their cost per lifetime
4 kilowatt-hours saved, and assemble the portfolio of
5 third-party programs.

6 The gas utility shall recover all costs associated with
7 Commission-approved, third-party administered programs
8 regardless of the success of those programs.

9 (5) Include a proposed or revised cost-recovery
10 mechanism, as provided for under subsection (h) of this
11 Section, to fund the proposed energy efficiency measures
12 and to ensure the recovery of the prudently and reasonably
13 incurred costs of Commission-approved programs.

14 (6) Provide for an annual independent evaluation of the
15 performance of the cost-effectiveness of the utility's
16 portfolio of measures, as well as a full review of the
17 multi-year plan results of the broader net program impacts
18 and, to the extent practical, for adjustment of the
19 measures on a going-forward basis as a result of the
20 evaluations. The resources dedicated to evaluation shall
21 not exceed 3% of portfolio resources in any given year.

22 (7) Each gas utility shall be eligible to earn a
23 shareholder incentive for effective implementation of its
24 efficiency programs. The incentive shall be tied to each
25 utility's annual energy efficiency spending and its
26 savings relative to its applicable annual total savings

1 requirement as defined in paragraph (8) of this subsection
2 (j). There shall be no incentive if the independent
3 evaluator determines the utility failed to achieve savings
4 equal to at least 75% of its applicable annual total
5 savings requirement and an incentive equal 0.3% of total
6 annual efficiency spending in the year being evaluated for
7 every one percentage point above 75% of its applicable
8 annual total savings requirement that the utility achieved
9 in that year, with a maximum incentive of 15% for achieving
10 125% of its applicable annual total savings requirement.

11 (7.5) In this Section, "applicable annual incremental
12 goal" means the difference between the cumulative
13 persisting annual savings goal for the calendar year that
14 is the subject of the independent evaluator's
15 determination and the cumulative persisting annual savings
16 goal for the immediately preceding calendar year, as such
17 goals are defined in subsection (d) of this Section. Under
18 subsection (d) of this Section, a utility must first
19 replace energy savings from measures that have reached the
20 end of their measure lives and would otherwise have to be
21 replaced to meet the applicable savings goals identified in
22 subsection (d) of this Section before any progress toward
23 achievement of its applicable annual incremental goal may
24 be counted. Notwithstanding anything else set forth in this
25 Section, the difference between the actual annual
26 incremental savings achieved in any given year, including

1 the replacement of energy savings from measures that have
2 expired, and the applicable annual incremental goal shall
3 not affect adjustments to the return on equity for
4 subsequent calendar years under this subsection (j).

5 (8) In this Section, "Applicable Annual Total Savings
6 Requirement" means the total amount of new annual savings
7 that the utility must achieve in any given year to achieve
8 the Applicable Annual Incremental Goal. This shall be equal
9 to the Applicable Annual Incremental Savings Goal plus the
10 total new annual savings that are required to replace
11 savings from efficiency measures that provided cumulative
12 persistent annual savings in the previous year but expired
13 in or at the end of the previous year and are therefore no
14 longer producing savings.

15 (9) The utility shall submit the energy savings data to
16 the independent evaluator no later than 30 days after the
17 close of the plan year. The independent evaluator shall
18 determine the cumulative persisting annual savings and the
19 utility's performance relative to its Applicable Annual
20 Total Savings Requirement for a given plan year no later
21 than 120 days after the close of the plan year. The
22 independent evaluator must also estimate the job impacts
23 and other macroeconomic impacts of the utility's
24 efficiency programs. The utility shall submit an
25 informational filing to the Commission no later than 160
26 days after the close of the plan year that attaches the

1 independent evaluator's final report identifying the
2 cumulative persisting annual savings for the year and
3 calculates, under paragraph (7) of this subsection (j), as
4 applicable, the magnitude of any shareholder incentive
5 which the utility has earned.

6 (10) Gas utilities shall report annually to the
7 Illinois Commerce Commission and General Assembly on how
8 hiring, contracting, job training, and other practices
9 related to its energy efficiency programs enhance the
10 diversity of vendors working on such programs. These
11 reports must include data on vendor and employee diversity.

12 (j-5) Energy efficiency potential study. An energy
13 efficiency potential study shall be commissioned and overseen
14 by the Illinois Commerce Commission. The potential study shall
15 be reviewed as part of the approval of a utility's plan filed
16 pursuant to subsection (f) of this Section. The potential study
17 shall be designed and conducted with input from a Potential
18 Study Stakeholder Committee established by the Commission.
19 This Committee shall be comprised of representatives from each
20 electric utility, the Illinois Attorney General's office, at
21 least 2 environmental stakeholders, at least one
22 community-based organization, and additional parties
23 representing consumers. The Committee shall provide input, at a
24 minimum, into the scope of work for the studies, the selection
25 of vendors to perform the studies in accordance with
26 appropriate confidentiality and conflict of interest

1 provisions, and draft work products. The Committee shall make
2 best efforts to achieve consensus on the key elements of the
3 potential study, including:

4 (i) savings potential from efficiency measures and
5 program concepts that are known at the time of the study;

6 (ii) likely emergence of new technology or new program
7 concepts that could emerge;

8 (iii) likely savings potential from efficiency
9 measures that may be unique to individual industries or
10 individual facilities; and

11 (iv) the experience of other similar utilities, areas
12 and jurisdictions in maximizing achievement of
13 cost-effective savings.

14 When the committee is not able to reach consensus, the
15 Commission shall make the final decision.

16 (k) No more than 6% of energy efficiency and
17 demand-response program revenue may be allocated for research,
18 development, or pilot deployment of new equipment or measures.

19 (l) When practical, gas utilities shall incorporate
20 advanced metering infrastructure data into the planning,
21 implementation, and evaluation of energy efficiency measures
22 and programs, subject to the data privacy and confidentiality
23 protections of applicable law.

24 (m) The independent evaluator shall follow the guidelines
25 and use the savings set forth in Commission-approved energy
26 efficiency policy manuals and technical reference manuals, as

1 each may be updated from time to time. Until measure life
2 values for energy efficiency measures implemented for
3 low-income households under subsection (f) of this Section are
4 incorporated into such Commission-approved manuals, the
5 low-income measures shall have the same measure life values
6 that are established for same measures implemented in
7 households that are not low-income households.

8 (220 ILCS 5/9-220.3)

9 (Section scheduled to be repealed on December 31, 2023)

10 Sec. 9-220.3. Natural gas surcharges authorized.

11 (a) Tariff.

12 (1) Pursuant to Section 9-201 of this Act, a natural
13 gas utility serving more than 700,000 customers may file a
14 tariff for a surcharge which adjusts rates and charges to
15 provide for recovery of costs associated with investments
16 in qualifying infrastructure plant, independent of any
17 other matters related to the utility's revenue
18 requirement.

19 (2) Within 30 days after the effective date of this
20 amendatory Act of the 98th General Assembly, the Commission
21 shall adopt emergency rules to implement the provisions of
22 this amendatory Act of the 98th General Assembly. The
23 utility may file with the Commission tariffs implementing
24 the provisions of this amendatory Act of the 98th General
25 Assembly after the effective date of the emergency rules

1 authorized by subsection (i).

2 (3) The Commission shall issue an order approving, or
3 approving with modification to ensure compliance with this
4 Section, the tariff no later than 120 days after such
5 filing of the tariffs filed pursuant to this Section. The
6 utility shall have 7 days following the date of service of
7 the order to notify the Commission in writing whether it
8 will accept any modifications so identified in the order or
9 whether it has elected not to proceed with the tariff. If
10 the order includes no modifications or if the utility
11 notifies the Commission that it will accept such
12 modifications, the tariff shall take effect on the first
13 day of the calendar year in which the Commission issues the
14 order, subject to petitions for rehearing and appellate
15 procedures. After the tariff takes effect, the utility may,
16 upon 10 days' notice to the Commission, file to withdraw
17 the tariff at any time, and the Commission shall approve
18 such filing without suspension or hearing, subject to a
19 final reconciliation as provided in subsection (e) of this
20 Section.

21 (4) When a natural gas utility withdraws the surcharge
22 tariff, the utility shall not recover any additional
23 charges through the surcharge approved pursuant to this
24 Section, subject to the resolution of the final
25 reconciliation pursuant to subsection (e) of this Section.
26 The utility's qualifying infrastructure investment net of

1 accumulated depreciation may be transferred to the natural
2 gas utility's rate base in the utility's next general rate
3 case. The utility's delivery base rates in effect upon
4 withdrawal of the surcharge tariff shall not be adjusted at
5 the time the surcharge tariff is withdrawn.

6 (5) A natural gas utility that is subject to its
7 delivery base rates being fixed at their current rates
8 pursuant to a Commission order entered in Docket No.
9 11-0046, notwithstanding the effective date of its tariff
10 authorized pursuant to this Section, shall reflect in a
11 tariff surcharge only those projects placed in service
12 after the fixed rate period of the merger agreement has
13 expired by its terms.

14 (b) For purposes of this Section, "qualifying
15 infrastructure plant" includes only plant additions placed in
16 service not reflected in the rate base used to establish the
17 utility's delivery base rates. "Costs associated with
18 investments in qualifying infrastructure plant" shall include
19 a return on qualifying infrastructure plant and recovery of
20 depreciation and amortization expense on qualifying
21 infrastructure plant, net of the depreciation included in the
22 utility's base rates on any plant retired in conjunction with
23 the installation of the qualifying infrastructure plant.
24 Collectively the "qualifying infrastructure plant" and "costs
25 associated with investments in qualifying infrastructure
26 plant" are referred to as the "qualifying infrastructure

1 investment" and that are related to one or more of the
2 following:

3 (1) the installation of facilities to retire and
4 replace underground natural gas facilities, including
5 facilities appurtenant to facilities constructed of those
6 materials such as meters, regulators, and services, and
7 that are constructed of cast iron, wrought iron, ductile
8 iron, unprotected coated steel, unprotected bare steel,
9 mechanically coupled steel, copper, Cellulose Acetate
10 Butyrate (CAB) plastic, pre-1973 DuPont Aldyl "A"
11 polyethylene, PVC, or other types of materials identified
12 by a State or federal governmental agency as being prone to
13 leakage;

14 (2) the relocation of meters from inside customers'
15 facilities to outside;

16 (3) the upgrading of the gas distribution system from a
17 low pressure to a medium pressure system, including
18 installation of high-pressure facilities to support the
19 upgrade;

20 (4) modernization investments by a combination
21 utility, as defined in subsection (b) of Section 16-108.5
22 of this Act, to install:

23 (A) advanced gas meters in connection with the
24 installation of advanced electric meters pursuant to
25 Sections 16-108.5 and 16-108.6 of this Act; and

26 (B) the communications hardware and software and

1 associated system software that creates a network
2 between advanced gas meters and utility business
3 systems and allows the collection and distribution of
4 gas-related information to customers and other parties
5 in addition to providing information to the utility
6 itself;

7 (5) replacing high-pressure transmission pipelines and
8 associated facilities identified as having a higher risk of
9 leakage or failure or installing or replacing
10 high-pressure transmission pipelines and associated
11 facilities to establish records and maximum allowable
12 operating pressures;

13 (6) replacing difficult to locate mains and service
14 pipes and associated facilities; and

15 (7) replacing or installing transmission and
16 distribution regulator stations, regulators, valves, and
17 associated facilities to establish over-pressure
18 protection.

19 With respect to the installation of the facilities
20 identified in paragraph (1) of subsection (b) of this Section,
21 the natural gas utility shall determine priorities for such
22 installation with consideration of projects either: (i)
23 integral to a general government public facilities improvement
24 program or (ii) ranked in the highest risk categories in the
25 utility's most recent Distribution Integrity Management Plan
26 where removal or replacement is the remedial measure.

1 (c) Qualifying infrastructure investment, defined in
2 subsection (b) of this Section, recoverable through a tariff
3 authorized by subsection (a) of this Section, shall not include
4 costs or expenses incurred in the ordinary course of business
5 for the ongoing or routine operations of the utility,
6 including, but not limited to:

7 (1) operating and maintenance costs; and

8 (2) costs of facilities that are revenue-producing,
9 which means facilities that are constructed or installed
10 for the purpose of serving new customers.

11 (d) Gas utility commitments. A natural gas utility that has
12 in effect a natural gas surcharge tariff pursuant to this
13 Section shall:

14 (1) recognize that the General Assembly identifies
15 improved public safety and reliability of natural gas
16 facilities as the cornerstone upon which this Section is
17 designed, and qualifying projects should be encouraged,
18 selected, and prioritized based on these factors; and

19 (2) provide information to the Commission as requested
20 to demonstrate that (i) the projects included in the tariff
21 are indeed qualifying projects and (ii) the projects are
22 selected and prioritized taking into account improved
23 public safety and reliability.

24 (3) The amount of qualifying infrastructure investment
25 eligible for recovery under the tariff in the applicable
26 calendar year is limited to the lesser of (i) the actual

1 qualifying infrastructure plant placed in service in the
2 applicable calendar year and (ii) the difference by which
3 total plant additions in the applicable calendar year
4 exceed the baseline amount, and subject to the limitation
5 in subsection (g) of this Section. A natural gas utility
6 can recover the costs of qualifying infrastructure
7 investments through an approved surcharge tariff from the
8 beginning of each calendar year subject to the
9 reconciliation initiated under paragraph (2) of subsection
10 (e) of this Section, during which the Commission may make
11 adjustments to ensure that the limits defined in this
12 paragraph are not exceeded. Further, if total plant
13 additions in a calendar year do not exceed the baseline
14 amount in the applicable calendar year, the Commission,
15 during the reconciliation initiated under paragraph (2) of
16 subsection (e) of this Section for the applicable calendar
17 year, shall adjust the amount of qualifying infrastructure
18 investment eligible for recovery under the tariff to zero.

19 (4) For purposes of this Section, "baseline amount"
20 means an amount equal to the utility's average of total
21 depreciation expense, as reported on page 336, column (b)
22 of the utility's ILCC Form 21, for the calendar years 2006
23 through 2010.

24 (e) Review of investment.

25 (1) The amount of qualifying infrastructure investment
26 shall be shown on an Information Sheet supplemental to the

1 surcharge tariff and filed with the Commission monthly or
2 some other time period at the option of the utility. The
3 Information Sheet shall be accompanied by data showing the
4 calculation of the qualifying infrastructure investment
5 adjustment. Unless otherwise ordered by the Commission,
6 each qualifying infrastructure investment adjustment shown
7 on an Information Sheet shall become effective pursuant to
8 the utility's approved tariffs.

9 (2) For each calendar year in which a surcharge tariff
10 is in effect, the natural gas utility shall file a petition
11 with the Commission to initiate hearings to reconcile
12 amounts billed under each surcharge authorized pursuant to
13 this Section with the actual prudently incurred costs
14 recoverable under this tariff in the preceding year. The
15 petition filed by the natural gas utility shall include
16 testimony and schedules that support the accuracy and the
17 prudence of the qualifying infrastructure investment for
18 the calendar year being reconciled. The petition filed
19 shall also include the number of jobs attributable to the
20 natural gas surcharge tariff as required by rule. The
21 review of the utility's investment shall include
22 identification and review of all plant that was ranked
23 within the highest risk categories in that utility's most
24 recent Distribution Integrity Management Plan.

25 (f) The rate of return applied shall be the overall rate of
26 return authorized by the Commission in the utility's last gas

1 rate case.

2 (g) The cumulative amount of increases billed under the
3 surcharge, since the utility's most recent delivery service
4 rate order, shall not exceed an annual average 4% of the
5 utility's delivery base rate revenues, but shall not exceed
6 5.5% in any given year. On the effective date of new delivery
7 base rates, the surcharge shall be reduced to zero with respect
8 to qualifying infrastructure investment that is transferred to
9 the rate base used to establish the utility's delivery base
10 rates, provided that the utility may continue to charge or
11 refund any reconciliation adjustment determined pursuant to
12 subsection (e) of this Section.

13 (h) If a gas utility obtains a surcharge tariff under this
14 Section 9-220.3, then it and its affiliates are excused from
15 the rate case filing requirements contained in Sections
16 9-220(h) and 9-220(h-1). In the event a natural gas utility,
17 prior to the effective date of this amendatory Act of the 98th
18 General Assembly, made a rate case filing that is still pending
19 on the effective date of this amendatory Act of the 98th
20 General Assembly, the natural gas utility may, at the time it
21 files its surcharge tariff with the Commission, also file a
22 notice with the Commission to withdraw its rate case filing.
23 Any affiliate of such natural gas utility may also file to
24 withdraw its rate case filing. Upon receipt of such notice, the
25 Commission shall dismiss the rate case filing with prejudice
26 and such tariffs and the record related thereto shall not be

1 the subject of any further hearing, investigation, or
2 proceeding of any kind related to rates for gas delivery
3 services. Notwithstanding the foregoing, a natural gas utility
4 shall not be permitted to withdraw a rate case filing for which
5 a proposed order recommending a rate reduction is pending. A
6 natural gas utility shall not be permitted to withdraw the gas
7 delivery services tariffs that are the subject of Commission
8 Docket Nos. 12-0511/12-0512 (cons.). None of the costs incurred
9 for the withdrawn rate case are recoverable from ratepayers.

10 (i) The Commission shall promulgate rules and regulations
11 to carry out the provisions of this Section under the emergency
12 rulemaking provisions set forth in Section 5-45 of the Illinois
13 Administrative Procedure Act, and such emergency rules shall be
14 effective no later than 30 days after the effective date of
15 this amendatory Act of the 98th General Assembly.

16 (j) Utilities that have elected to recover qualifying
17 infrastructure investment costs pursuant to this Section shall
18 file annually their Distribution Integrity Management Plan
19 (DIMP) with the Commission no later than June 1 of each year
20 the utility has said tariff in effect. The DIMP shall include
21 the following information:

22 (1) Baseline Distribution System Data: Information
23 such as demand, system pressures and flows, and metering
24 infrastructure.

25 (2) Financial Data: historical and projected spending
26 on distribution system infrastructure.

1 (3) Scenario Analysis: Discussion of projected changes
2 in usage over time.

3 (4) Descriptions of all qualifying infrastructure
4 investment proposed for the coming year.

5 (k) Within 45 days after filing, the Commission shall, with
6 reasonable notice, open an investigation to consider whether
7 the Plan meets the objectives set forth in this subsection and
8 contains the information required by subsection (j). The
9 Commission shall issue a final order approving the Plan, with
10 any modifications the Commission deems reasonable and
11 appropriate to achieve the goals of this Section, within 270
12 days of the Plan filing. The investigation will assess whether
13 the DIMP:

14 (1) ensures optimized utilization of utility
15 infrastructure assets and resources to minimize total
16 system costs;

17 (2) enables greater customer engagement, empowerment,
18 and options for services;

19 (3) to the maximum extent possible, achieves and or
20 supports the achievement of greenhouse gas emissions
21 reductions as described by Section 9.10 of the
22 Environmental Protection Act; and

23 (4) supports existing Illinois policy goals promoting
24 energy efficiency.

25 The Commission process shall maximize the sharing of
26 information, ensure robust stakeholder participation, and

1 recognize the responsibility of the utility to ultimately
2 manage the grid in a safe, reliable manner.

3 (1) ~~(j)~~ This Section is repealed December 31, 2023.

4 (Source: P.A. 98-57, eff. 7-5-13.)

5 (220 ILCS 5/16-107)

6 Sec. 16-107. Real-time pricing.

7 (a) Each electric utility shall file, on or before May 1,
8 1998, a tariff or tariffs which allow nonresidential retail
9 customers in the electric utility's service area to elect
10 real-time pricing beginning October 1, 1998.

11 (b) Each electric utility shall file, on or before May 1,
12 2000, a tariff or tariffs which allow residential retail
13 customers in the electric utility's service area to elect
14 real-time pricing beginning October 1, 2000.

15 (b-5) Each electric utility shall file a tariff or tariffs
16 allowing residential retail customers in the electric
17 utility's service area to elect real-time pricing beginning
18 January 2, 2007. The Commission may, after notice and hearing,
19 approve the tariff or tariffs. A tariff or tariffs approved

20 pursuant to this subsection (b-5) shall, at a minimum, describe

21 (i) the methodology for determining the market price of energy
22 to be reflected in the real-time rate and (ii) the manner in
23 which customers who elect real-time pricing will be provided
24 with ready access to hourly market prices, including, but not
25 limited to, day-ahead hourly energy prices. A customer who

1 elects real-time pricing under a tariff approved under this
2 subsection (b-5) and thereafter terminates the election shall
3 not return to taking service under the tariff for a period of
4 12 months following the date on which the customer terminated
5 real-time pricing. However, this limitation shall cease to
6 apply on such date that the provision of electric power and
7 energy is declared competitive under Section 16-113 of this Act
8 for the customer group or groups to which this subsection (b-5)
9 applies.

10 A proceeding under this subsection (b-5) may not exceed 120
11 days in length.

12 (b-10) Each electric utility providing real-time pricing
13 pursuant to subsection (b-5) shall install a meter capable of
14 recording hourly interval energy use at the service location of
15 each customer that elects real-time pricing pursuant to this
16 subsection.

17 (b-15) If the Commission issues an order pursuant to
18 subsection (b-5), the affected electric utility shall contract
19 with an entity not affiliated with the electric utility to
20 serve as a program administrator to develop and implement a
21 program to provide consumer outreach, enrollment, and
22 education concerning real-time pricing and to establish and
23 administer an information system and technical and other
24 customer assistance that is necessary to enable customers to
25 manage electricity use. The program administrator: (i) shall be
26 selected and compensated by the electric utility, subject to

1 Commission approval; (ii) shall have demonstrated technical
2 and managerial competence in the development and
3 administration of demand management programs; and (iii) may
4 develop and implement risk management, energy efficiency, and
5 other services related to energy use management for which the
6 program administrator shall be compensated by participants in
7 the program receiving such services. The electric utility shall
8 provide the program administrator with all information and
9 assistance necessary to perform the program administrator's
10 duties, including, but not limited to, customer, account, and
11 energy use data. The electric utility shall permit the program
12 administrator to include inserts in residential customer bills
13 2 times per year to assist with customer outreach and
14 enrollment.

15 The program administrator shall submit an annual report to
16 the electric utility no later than April 1 of each year
17 describing the operation and results of the program, including
18 information concerning the number and types of customers using
19 real-time pricing, changes in customers' energy use patterns,
20 an assessment of the value of the program to both participants
21 and non-participants, and recommendations concerning
22 modification of the program and the tariff or tariffs filed
23 under subsection (b-5). This report shall be filed by the
24 electric utility with the Commission within 30 days of receipt
25 and shall be available to the public on the Commission's web
26 site.

1 (b-20) The Commission shall monitor the performance of
2 programs established pursuant to subsection (b-15) and shall
3 order the termination or modification of a program if it
4 determines that the program is not, after a reasonable period
5 of time for development not to exceed 4 years, resulting in net
6 benefits to the residential customers of the electric utility.

7 (b-25) An electric utility shall be entitled to recover
8 reasonable costs incurred in complying with this Section,
9 provided that recovery of the costs is fairly apportioned among
10 its residential customers as provided in this subsection
11 (b-25). The electric utility may apportion costs on the
12 residential customers who elect real-time pricing, but may also
13 impose some of the costs of real-time pricing on customers who
14 do not elect real-time pricing.

15 (c) The electric utility's tariff or tariffs filed pursuant
16 to this Section shall be subject to Article IX.

17 (d) This Section does not apply to any electric utility
18 providing service to 100,000 or fewer customers.

19 (e) Eligible customers shall include, but are not limited
20 to, customers participating in net electricity metering under
21 the terms of Section 16-107.5 of this Act.

22 (Source: P.A. 99-906, eff. 6-1-17.)

23 (220 ILCS 5/16-107.5)

24 Sec. 16-107.5. Net electricity metering.

25 (a) The General Assembly ~~Legislature~~ finds and declares

1 that a program to provide net electricity metering, as defined
2 in this Section, for eligible customers can encourage private
3 investment in renewable energy resources, stimulate economic
4 growth, enhance the continued diversification of Illinois'
5 energy resource mix, and protect the Illinois environment. The
6 General Assembly further finds and declares that ensuring a
7 smooth, predictable transition from full net metering of the
8 retail electricity rate to the distributed generation rebate
9 described in Section 16-107.6 of this Act is important to
10 achieve these legislative goals. In implementing this
11 transition, the Commission shall ensure that distributed
12 generation customers are fairly compensated for the benefits
13 and services that customer-sited distributed generation
14 provides and that the distributed generation market in Illinois
15 continues to experience stable growth for both small and large
16 customers.

17 (b) As used in this Section, (i) "community renewable
18 generation project" shall have the meaning set forth in Section
19 1-10 of the Illinois Power Agency Act; (ii) "eligible customer"
20 means a retail customer that owns or operates a solar, wind, or
21 other eligible renewable electrical generating facility with a
22 rated capacity of not more than 2,000 kilowatts that is located
23 on the customer's premises and is intended primarily to offset
24 the customer's own electrical requirements; (iii) "electricity
25 provider" means an electric utility or alternative retail
26 electric supplier; (iv) "eligible renewable electrical

1 generating facility" means a generator that is interconnected
2 under rules adopted by the Commission and is powered by solar
3 electric energy, wind, dedicated crops grown for electricity
4 generation, agricultural residues, untreated and unadulterated
5 wood waste, landscape trimmings, livestock manure, anaerobic
6 digestion of livestock or food processing waste, fuel cells or
7 microturbines powered by renewable fuels, or hydroelectric
8 energy; (v) "net electricity metering" (or "net metering")
9 means the measurement, during the billing period applicable to
10 an eligible customer, of the net amount of electricity supplied
11 by an electricity provider to the customer's premises or
12 provided to the electricity provider by the customer or
13 subscriber; (vi) "subscriber" shall have the meaning as set
14 forth in Section 1-10 of the Illinois Power Agency Act; and
15 (vii) "subscription" shall have the meaning set forth in
16 Section 1-10 of the Illinois Power Agency Act.

17 (c) A net metering facility shall be equipped with metering
18 equipment that can measure the flow of electricity in both
19 directions at the same rate.

20 (1) For 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
23 service is provided and measured on a kilowatt-hour basis
24 and electric supply service is not provided based on hourly
25 pricing, this shall typically be accomplished through use
26 of a single, bi-directional meter. If the eligible

1 customer's existing electric revenue meter does not meet
2 this requirement, the electricity provider shall arrange
3 for the local electric utility or a meter service provider
4 to install and maintain a new revenue meter at the
5 electricity provider's expense, which may be the smart
6 meter described by subsection (b) of Section 16-108.5 of
7 this Act.

8 (2) For eligible customers whose electric service has
9 not been declared competitive pursuant to Section 16-113 of
10 this Act as of July 1, 2011 and whose electric delivery
11 service is provided and measured on a kilowatt demand basis
12 and electric supply service is not provided based on hourly
13 pricing, this shall typically be accomplished through use
14 of a dual channel meter capable of measuring the flow of
15 electricity both into and out of the customer's facility at
16 the same rate and ratio. If such customer's existing
17 electric revenue meter does not meet this requirement, then
18 the electricity provider shall arrange for the local
19 electric utility or a meter service provider to install and
20 maintain a new revenue meter at the electricity provider's
21 expense, which may be the smart meter described by
22 subsection (b) of Section 16-108.5 of this Act.

23 (3) For all other eligible customers, until such time
24 as the local electric utility installs a smart meter, as
25 described by subsection (b) of Section 16-108.5 of this
26 Act, the electricity provider may arrange for the local

1 electric utility or a meter service provider to install and
2 maintain metering equipment capable of measuring the flow
3 of electricity both into and out of the customer's facility
4 at the same rate and ratio, typically through the use of a
5 dual channel meter. If the eligible customer's existing
6 electric revenue meter does not meet this requirement, then
7 the costs of installing such equipment shall be paid for by
8 the customer.

9 (d) An electricity provider shall measure and charge or
10 credit for the net electricity supplied to eligible customers
11 or provided by eligible customers whose electric service has
12 not been declared competitive pursuant to Section 16-113 of
13 this Act as of July 1, 2011 and whose electric delivery service
14 is provided and measured on a kilowatt-hour basis and electric
15 supply service is not provided based on hourly pricing in the
16 following manner:

17 (1) If the amount of electricity used by the customer
18 during the billing period exceeds the amount of electricity
19 produced by the customer, the electricity provider shall
20 charge the customer for the net electricity supplied to and
21 used by the customer as provided in subsection (e-5) of
22 this Section.

23 (2) If the amount of electricity produced by a customer
24 during the billing period exceeds the amount of electricity
25 used by the customer during that billing period, the
26 electricity provider supplying that customer shall apply a

1 1:1 kilowatt-hour credit to a subsequent bill for service
2 to the customer for the net electricity supplied to the
3 electricity provider. The electricity provider shall
4 continue to carry over any excess kilowatt-hour credits
5 earned and apply those credits to subsequent billing
6 periods to offset any customer-generator consumption in
7 those billing periods until all credits are used or until
8 the end of the annualized period.

9 (3) At the end of the year or annualized over the
10 period that service is supplied by means of net metering,
11 or in the event that the retail customer terminates service
12 with the electricity provider prior to the end of the year
13 or the annualized period, any remaining credits in the
14 customer's account shall expire.

15 (d-5) An electricity provider shall measure and charge or
16 credit for the net electricity supplied to eligible customers
17 or provided by eligible customers whose electric service has
18 not been declared competitive pursuant to Section 16-113 of
19 this Act as of July 1, 2011 and whose electric delivery service
20 is provided and measured on a kilowatt-hour basis and electric
21 supply service is provided based on hourly pricing in the
22 following manner:

23 (1) If the amount of electricity used by the customer
24 during any hourly period exceeds the amount of electricity
25 produced by the customer, the electricity provider shall
26 charge the customer for the net electricity supplied to and

1 used by the customer according to the terms of the contract
2 or tariff to which the same customer would be assigned to
3 or be eligible for if the customer was not a net metering
4 customer.

5 (2) If the amount of electricity produced by a customer
6 during any hourly period exceeds the amount of electricity
7 used by the customer during that hourly period, the energy
8 provider shall apply a credit for the net kilowatt-hours
9 produced in such period. The credit shall consist of an
10 energy credit and a delivery service credit. The energy
11 credit shall be valued at the same price per kilowatt-hour
12 as the electric service provider would charge for
13 kilowatt-hour energy sales during that same hourly period.
14 The delivery credit shall be equal to the net
15 kilowatt-hours produced in such hourly period times a
16 credit that reflects all kilowatt-hour based charges in the
17 customer's electric service rate, excluding energy
18 charges.

19 (e) An electricity provider shall measure and charge or
20 credit for the net electricity supplied to eligible customers
21 whose electric service has not been declared competitive
22 pursuant to Section 16-113 of this Act as of July 1, 2011 and
23 whose electric delivery service is provided and measured on a
24 kilowatt demand basis and electric supply service is not
25 provided based on hourly pricing in the following manner:

26 (1) If the amount of electricity used by the customer

1 during the billing period exceeds the amount of electricity
2 produced by the customer, then the electricity provider
3 shall charge the customer for the net electricity supplied
4 to and used by the customer as provided in subsection (e-5)
5 of this Section. The customer shall remain responsible for
6 all taxes, fees, and utility delivery charges that would
7 otherwise be applicable to the net amount of electricity
8 used by the customer.

9 (2) If the amount of electricity produced by a customer
10 during the billing period exceeds the amount of electricity
11 used by the customer during that billing period, then the
12 electricity provider supplying that customer shall apply a
13 1:1 kilowatt-hour credit that reflects the kilowatt-hour
14 based charges in the customer's electric service rate to a
15 subsequent bill for service to the customer for the net
16 electricity supplied to the electricity provider. The
17 electricity provider shall continue to carry over any
18 excess kilowatt-hour credits earned and apply those
19 credits to subsequent billing periods to offset any
20 customer-generator consumption in those billing periods
21 until all credits are used or until the end of the
22 annualized period.

23 (3) At the end of the year or annualized over the
24 period that service is supplied by means of net metering,
25 or in the event that the retail customer terminates service
26 with the electricity provider prior to the end of the year

1 or the annualized period, any remaining credits in the
2 customer's account shall expire.

3 (e-5) 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 to
6 rate structure, retail rate components, and any monthly
7 charges, to the rates that the customer would be charged if not
8 a net metering customer. An electricity provider shall not
9 charge net metering customers any fee or charge or require
10 additional equipment, insurance, or any other requirements not
11 specifically authorized by interconnection standards
12 authorized by the Commission, unless the fee, charge, or other
13 requirement would apply to other similarly situated customers
14 who are not net metering customers. The customer will remain
15 responsible for all taxes, fees, and utility delivery charges
16 that would otherwise be applicable to the net amount of
17 electricity used by the customer. Subsections (c) through (e)
18 of this Section shall not be construed to prevent an
19 arms-length agreement between an electricity provider and an
20 eligible customer that sets forth different prices, terms, and
21 conditions for the provision of net metering service,
22 including, but not limited to, the provision of the appropriate
23 metering equipment for non-residential customers.

24 (f) Notwithstanding the requirements of subsections (c)
25 through (e-5) of this Section, an electricity provider must
26 require dual-channel metering for customers operating eligible

1 renewable electrical generating facilities with a nameplate
2 rating up to 2,000 kilowatts and to whom the provisions of
3 neither subsection (d), (d-5), nor (e) of this Section apply.
4 In such cases, electricity charges and credits shall be
5 determined as follows:

6 (1) The electricity provider shall assess and the
7 customer remains responsible for all taxes, fees, and
8 utility delivery charges that would otherwise be
9 applicable to the gross amount of kilowatt-hours supplied
10 to the eligible customer by the electricity provider.

11 (2) Each month that service is supplied by means of
12 dual-channel metering, the electricity provider shall
13 compensate the eligible customer for any excess
14 kilowatt-hour credits at the electricity provider's
15 avoided cost of electricity supply over the monthly period
16 or as otherwise specified by the terms of a power-purchase
17 agreement negotiated between the customer and electricity
18 provider.

19 (3) For all eligible net metering customers taking
20 service from an electricity provider under contracts or
21 tariffs employing hourly or time of use rates, any monthly
22 consumption of electricity shall be calculated according
23 to the terms of the contract or tariff to which the same
24 customer would be assigned to or be eligible for if the
25 customer was not a net metering customer. When those same
26 customer-generators are net generators during any discrete

1 hourly or time of use period, the net kilowatt-hours
2 produced shall be valued at the same price per
3 kilowatt-hour as the electric service provider would
4 charge for retail kilowatt-hour sales during that same time
5 of use period.

6 (g) For purposes of federal and State laws providing
7 renewable energy credits or greenhouse gas credits, the
8 eligible customer shall be treated as owning and having title
9 to the renewable energy attributes, renewable energy credits,
10 and greenhouse gas emission credits related to any electricity
11 produced by the qualified generating unit. The electricity
12 provider may not condition participation in a net metering
13 program on the signing over of a customer's renewable energy
14 credits; provided, however, this subsection (g) shall not be
15 construed to prevent an arms-length agreement between an
16 electricity provider and an eligible customer that sets forth
17 the ownership or title of the credits.

18 (h) Within 120 days after the effective date of this
19 amendatory Act of the 95th General Assembly, the Commission
20 shall establish standards for net metering and, if the
21 Commission has not already acted on its own initiative,
22 standards for the interconnection of eligible renewable
23 generating equipment to the utility system. The
24 interconnection standards shall address any procedural
25 barriers, delays, and administrative costs associated with the
26 interconnection of customer-generation while ensuring the

1 safety and reliability of the units and the electric utility
2 system. The Commission shall consider the Institute of
3 Electrical and Electronics Engineers (IEEE) Standard 1547 and
4 the issues of (i) reasonable and fair fees and costs, (ii)
5 clear timelines for major milestones in the interconnection
6 process, (iii) nondiscriminatory terms of agreement, and (iv)
7 any best practices for interconnection of distributed
8 generation.

9 (i) All electricity providers shall begin to offer net
10 metering no later than April 1, 2008.

11 (j) An electricity provider shall provide net metering to
12 eligible customers until the load of its net metering customers
13 equals 5% of the total peak demand supplied by that electricity
14 provider during the previous year. After such time as the load
15 of the electricity provider's net metering customers equals 5%
16 of the total peak demand supplied by that electricity provider
17 during the previous year and after the effective date of the
18 distributed generation rebate tariffs prescribed by subsection
19 (e) of Section 16-107.6 of this Act, eligible customers that
20 begin taking net metering shall only be eligible for netting of
21 energy.

22 (k) Each electricity provider shall maintain records and
23 report annually to the Commission the total number of net
24 metering customers served by the provider, as well as the type,
25 capacity, and energy sources of the generating systems used by
26 the net metering customers. Nothing in this Section shall limit

1 the ability of an electricity provider to request the redaction
2 of information deemed by the Commission to be confidential
3 business information.

4 (1)(1) Notwithstanding the definition of "eligible
5 customer" in item (ii) of subsection (b) of this Section,
6 each electricity provider shall allow net metering as set
7 forth in this subsection (1) and for the following
8 projects:

9 (A) properties owned or leased by multiple
10 customers that contribute to the operation of an
11 eligible renewable electrical generating facility
12 through an ownership or leasehold interest of at least
13 200 watts in such facility, such as a community-owned
14 wind project, a community-owned biomass project, a
15 community-owned solar project, or a community methane
16 digester processing livestock waste from multiple
17 sources, provided that the facility is also located
18 within the utility's service territory;

19 (B) individual units, apartments, or properties
20 located in a single building that are owned or leased
21 by multiple customers and collectively served by a
22 common eligible renewable electrical generating
23 facility, such as an office or apartment building, a
24 shopping center or strip mall served by photovoltaic
25 panels on the roof; and

26 (C) subscriptions to community renewable

1 generation projects.

2 In addition, the nameplate capacity of the eligible
3 renewable electric generating facility that serves the
4 demand of the properties, units, or apartments identified
5 in paragraphs (1) and (2) of this subsection (1) shall not
6 exceed 2,000 kilowatts in nameplate capacity in total. Any
7 eligible renewable electrical generating facility or
8 community renewable generation project that is powered by
9 photovoltaic electric energy and installed after the
10 effective date of this amendatory Act of the 99th General
11 Assembly must be installed by a qualified person in
12 compliance with the requirements of Section 16-128A of the
13 Public Utilities Act and any rules or regulations adopted
14 thereunder.

15 (2) Notwithstanding anything to the contrary, an
16 electricity provider shall provide credits for the
17 electricity produced by the projects described in
18 paragraph (1) of this subsection (1). The electricity
19 provider shall provide credits at the subscriber's energy
20 supply rate on the subscriber's monthly bill equal to the
21 subscriber's share of the production of electricity from
22 the project, as determined by paragraph (3) of this
23 subsection (1).

24 (3) For the purposes of facilitating net metering, the
25 owner or operator of the eligible renewable electrical
26 generating facility or community renewable generation

1 project shall be responsible for determining the amount of
2 the credit that each customer or subscriber participating
3 in a project under this subsection (1) is to receive in the
4 following manner:

5 (A) The owner or operator shall, on a monthly
6 basis, provide to the electric utility the
7 kilowatthours of generation attributable to each of
8 the utility's retail customers and subscribers
9 participating in projects under this subsection (1) in
10 accordance with the customer's or subscriber's share
11 of the eligible renewable electric generating
12 facility's or community renewable generation project's
13 output of power and energy for such month. The owner or
14 operator shall electronically transmit such
15 calculations and associated documentation to the
16 electric utility, in a format or method set forth in
17 the applicable tariff, on a monthly basis so that the
18 electric utility can reflect the monetary credits on
19 customers' and subscribers' electric utility bills.
20 The electric utility shall be permitted to revise its
21 tariffs to implement the provisions of this amendatory
22 Act of the 99th General Assembly. The owner or operator
23 shall separately provide the electric utility with the
24 documentation detailing the calculations supporting
25 the credit in the manner set forth in the applicable
26 tariff.

1 (B) For those participating customers and
2 subscribers who receive their energy supply from an
3 alternative retail electric supplier, the electric
4 utility shall remit to the applicable alternative
5 retail electric supplier the information provided
6 under subparagraph (A) of this paragraph (3) for such
7 customers and subscribers in a manner set forth in such
8 alternative retail electric supplier's net metering
9 program, or as otherwise agreed between the utility and
10 the alternative retail electric supplier. The
11 alternative retail electric supplier shall then submit
12 to the utility the amount of the charges for power and
13 energy to be applied to such customers and subscribers,
14 including the amount of the credit associated with net
15 metering.

16 (C) A participating customer or subscriber may
17 provide authorization as required by applicable law
18 that directs the electric utility to submit
19 information to the owner or operator of the eligible
20 renewable electrical generating facility or community
21 renewable generation project to which the customer or
22 subscriber has an ownership or leasehold interest or a
23 subscription. Such information shall be limited to the
24 components of the net metering credit calculated under
25 this subsection (1), including the bill credit rate,
26 total kilowatthours, and total monetary credit value

1 applied to the customer's or subscriber's bill for the
2 monthly billing period.

3 (1-5) Within 90 days after the effective date of this
4 amendatory Act of the 99th General Assembly, each electric
5 utility subject to this Section shall file a tariff to
6 implement the provisions of subsection (1) of this Section,
7 which shall, consistent with the provisions of subsection (1),
8 describe the terms and conditions under which owners or
9 operators of qualifying properties, units, or apartments may
10 participate in net metering. The Commission shall approve, or
11 approve with modification, the tariff within 120 days after the
12 effective date of this amendatory Act of the 99th General
13 Assembly.

14 (m) Nothing in this Section shall affect the right of an
15 electricity provider to continue to provide, or the right of a
16 retail customer to continue to receive service pursuant to a
17 contract for electric service between the electricity provider
18 and the retail customer in accordance with the prices, terms,
19 and conditions provided for in that contract. Either the
20 electricity provider or the customer may require compliance
21 with the prices, terms, and conditions of the contract.

22 (n) At such time, if any, that the load of the electricity
23 provider's net metering customers equals 5% of the total peak
24 demand supplied by that electricity provider during the
25 previous year, as specified in subsection (j) of this Section,
26 the net metering services described in subsections (d), (d-5),

1 (e), (e-5), and (f) of this Section shall no longer be offered,
2 except as to those retail customers that are receiving net
3 metering service under these subsections at the time the net
4 metering services under those subsections are no longer
5 offered. Those retail customers that begin taking net metering
6 service after the date that net metering services are no longer
7 offered under such subsections shall be subject to the
8 provisions set forth in the following paragraphs (1) through
9 (3) of this subsection (n):

10 (1) An electricity provider shall charge or credit for
11 the net electricity supplied to eligible customers or
12 provided by eligible customers whose electric supply
13 service is not provided based on hourly pricing in the
14 following manner:

15 (A) If the amount of electricity used by the
16 customer during the billing period exceeds the amount
17 of electricity produced by the customer, then the
18 electricity provider shall charge the customer for the
19 net kilowatt-hour based electricity charges reflected
20 in the customer's electric service rate supplied to and
21 used by the customer as provided in paragraph (3) of
22 this subsection (n).

23 (B) If the amount of electricity produced by a
24 customer during the billing period exceeds the amount
25 of electricity used by the customer during that billing
26 period, then the electricity provider supplying that

1 customer shall apply a 1:1 kilowatt-hour energy credit
2 that reflects the kilowatt-hour based energy charges
3 in the customer's electric service rate to a subsequent
4 bill for service to the customer for the net
5 electricity supplied to the electricity provider. The
6 electricity provider shall continue to carry over any
7 excess kilowatt-hour energy credits earned and apply
8 those credits to subsequent billing periods to offset
9 any customer-generator consumption in those billing
10 periods until all credits are used or until the end of
11 the annualized period.

12 (C) At the end of the year or annualized over the
13 period that service is supplied by means of net
14 metering, or in the event that the retail customer
15 terminates service with the electricity provider prior
16 to the end of the year or the annualized period, any
17 remaining credits in the customer's account shall
18 expire.

19 (2) An electricity provider shall charge or credit for
20 the net electricity supplied to eligible customers or
21 provided by eligible customers whose electric supply
22 service is provided based on hourly pricing in the
23 following manner:

24 (A) If the amount of electricity used by the
25 customer during any hourly period exceeds the amount of
26 electricity produced by the customer, then the

1 electricity provider shall charge the customer for the
2 net electricity supplied to and used by the customer as
3 provided in paragraph (3) of this subsection (n).

4 (B) If the amount of electricity produced by a
5 customer during any hourly period exceeds the amount of
6 electricity used by the customer during that hourly
7 period, the energy provider shall calculate an energy
8 credit for the net kilowatt-hours produced in such
9 period. The value of the energy credit shall be
10 calculated using the same price per kilowatt-hour as
11 the electric service provider would charge for
12 kilowatt-hour energy sales during that same hourly
13 period.

14 (3) 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
17 to rate structure, retail rate components, and any monthly
18 charges, to the rates that the customer would be charged if
19 not a net metering customer. An electricity provider shall
20 charge the customer for the net electricity supplied to and
21 used by the customer according to the terms of the contract
22 or tariff to which the same customer would be assigned or
23 be eligible for if the customer was not a net metering
24 customer. An electricity provider shall not charge net
25 metering customers any fee or charge or require additional
26 equipment, insurance, or any other requirements not

1 specifically authorized by interconnection standards
2 authorized by the Commission, unless the fee, charge, or
3 other requirement would apply to other similarly situated
4 customers who are not net metering customers. The charge or
5 credit that the customer receives for net electricity shall
6 be at a rate equal to the customer's energy supply rate.
7 The customer remains responsible for the gross amount of
8 delivery services charges, supply-related charges that are
9 kilowatt based, and all taxes and fees related to such
10 charges. The customer also remains responsible for all
11 taxes and fees that would otherwise be applicable to the
12 net amount of electricity used by the customer. Paragraphs
13 (1) and (2) of this subsection (n) shall not be construed
14 to prevent an arms-length agreement between an electricity
15 provider and an eligible customer that sets forth different
16 prices, terms, and conditions for the provision of net
17 metering service, including, but not limited to, the
18 provision of the appropriate metering equipment for
19 non-residential customers. Nothing in this paragraph (3)
20 shall be interpreted to mandate that a utility that is only
21 required to provide delivery services to a given customer
22 must also sell electricity to such customer.

23 (Source: P.A. 99-906, eff. 6-1-17.)

24 (220 ILCS 5/16-107.6)

25 Sec. 16-107.6. Distributed generation rebate.

1 (a) In this Section:

2 "Smart inverter" means a device that converts direct
3 current into alternating current and can autonomously
4 contribute to grid support during excursions from normal
5 operating voltage and frequency conditions by providing each of
6 the following: dynamic reactive and real power support, voltage
7 and frequency ride-through, ramp rate controls, communication
8 systems with ability to accept external commands, and other
9 functions from the electric utility.

10 "Distribution system reliability event" means when, for
11 standard service voltage, voltage variations are measured at
12 any customer's point of delivery above a maximum of 127 volts
13 or below a minimum of 113 volts for periods longer than 2
14 minutes in each instance.

15 "Subscriber" has the meaning set forth in Section 1-10 of
16 the Illinois Power Agency Act.

17 "Subscription" has the meaning set forth in Section 1-10 of
18 the Illinois Power Agency Act.

19 "Threshold date" means the date on which the load of an
20 electricity provider's net metering customers equals 5% of the
21 total peak demand supplied by that electricity provider during
22 the previous year, as specified under subsection (j) of Section
23 16-107.5 of this Act.

24 (b) An electric utility that serves more than 200,000
25 customers in the State shall file a petition with the
26 Commission requesting approval of the utility's tariff to

1 provide a rebate to a retail customer who owns or operates
2 distributed generation that meets the following criteria:

3 (1) has a nameplate generating capacity no greater than
4 2,000 kilowatts and is primarily used to offset that
5 customer's electricity load;

6 (2) is located on the customer's premises, for the
7 customer's own use, and not for commercial use or sales,
8 including, but not limited to, wholesale sales of electric
9 power and energy;

10 (3) is located in the electric utility's service
11 territory; and

12 (4) is interconnected under rules adopted by the
13 Commission by means of the inverter or smart inverter
14 required by this Section, as applicable.

15 For purposes of this Section, "distributed generation"
16 shall satisfy the definition of distributed renewable energy
17 generation device set forth in Section 1-10 of the Illinois
18 Power Agency Act to the extent such definition is consistent
19 with the requirements of this Section.

20 In addition, any new photovoltaic distributed generation
21 that is installed after the effective date of this amendatory
22 Act of the 99th General Assembly must be installed by a
23 qualified person, as defined by subsection (i) of Section 1-56
24 of the Illinois Power Agency Act.

25 The tariff shall provide that the utility shall be
26 permitted to operate and control the smart inverter associated

1 with the distributed generation that is the subject of the
2 rebate for the purpose of preserving reliability during
3 distribution system reliability events and shall address the
4 terms and conditions of the operation and the compensation
5 associated with the operation. Nothing in this Section shall
6 negate or supersede Institute of Electrical and Electronics
7 Engineers interconnection requirements or standards or other
8 similar standards or requirements. The tariff shall also
9 provide for additional uses of the smart inverter that shall be
10 separately compensated and which may include, but are not
11 limited to, voltage and VAR support, regulation, and other grid
12 services. As part of the proceeding described in subsection (e)
13 of this Section, the Commission shall review and determine
14 whether smart inverters can provide any additional uses or
15 services. If the Commission determines that an additional use
16 or service would be beneficial, the Commission shall determine
17 the terms and conditions of the operation and how the use or
18 service should be separately compensated.

19 (c) The proposed tariff authorized by subsection (b) of
20 this Section shall include the following participation terms
21 and formulae to calculate the value of the rebates to be
22 applied under this Section for distributed generation that
23 satisfies the criteria set forth in subsection (b) of this
24 Section:

25 (1) Until the utility files its tariff or tariffs to
26 place into effect the rebate values established by the

1 Commission under subsection (e) of this Section,
2 non-residential customers that are taking service under a
3 net metering program offered by an electricity provider
4 under the terms of Section 16-107.5 of this Act may apply
5 for a rebate as provided for in this Section. The value of
6 the rebate shall be \$250 per kilowatt of nameplate
7 generating capacity, measured as nominal DC power output,
8 of a non-residential customer's distributed generation.

9 (2) After the utility's tariff or tariffs setting the
10 new rebate values established under subsection (d) of this
11 Section take effect, retail customers may, as applicable,
12 make the following elections:

13 (A) Residential customers that are taking service
14 under a net metering program offered by an electricity
15 provider under the terms of Section 16-107.5 of this
16 Act on the threshold date may elect to either continue
17 to take such service under the terms of such program as
18 in effect on such threshold date for the useful life of
19 the customer's eligible renewable electric generating
20 facility as defined in such Section, or file an
21 application to receive a rebate under the terms of this
22 Section, provided that such application must be
23 submitted within 6 months after the effective date of
24 the tariff approved under subsection (d) of this
25 Section. The value of the rebate shall be the amount
26 established by the Commission and reflected in the

1 utility's tariff pursuant to subsection (e) of this
2 Section.

3 (B) Non-residential customers that are taking
4 service under a net metering program offered by an
5 electricity provider under the terms of Section
6 16-107.5 of this Act on the threshold date may apply
7 for a rebate as provided for in this Section. The value
8 of the rebate shall be the amount established by the
9 Commission and reflected in the utility's tariff
10 pursuant to subsection (e) of this Section.

11 (3) Upon approval of a rebate application submitted
12 under this subsection (c), the retail customer shall no
13 longer be entitled to receive any delivery service credits
14 for the excess electricity generated by its facility and
15 shall be subject to the provisions of subsection (n) of
16 Section 16-107.5 of this Act.

17 (4) To be eligible for a rebate described in this
18 subsection (c), customers who begin taking service after
19 the effective date of this amendatory Act of the 99th
20 General Assembly under a net metering program offered by an
21 electricity provider under the terms of Section 16-107.5 of
22 this Act must have a smart inverter associated with the
23 customer's distributed generation.

24 (d) The Commission shall review the proposed tariff
25 submitted under subsections (b) and (c) of this Section and may
26 make changes to the tariff that are consistent with this

1 Section and with the Commission's authority under Article IX of
2 this Act, subject to notice and hearing. Following notice and
3 hearing, the Commission shall issue an order approving, or
4 approving with modification, such tariff no later than 240 days
5 after the utility files its tariff.

6 (e) When the total generating capacity of the electricity
7 provider's net metering customers is equal to 3%, the
8 Commission shall open an investigation into an annual process
9 and formula for calculating the value of rebates for the retail
10 customers described in subsections (b) and (f) of this Section
11 that submit rebate applications after the threshold date for an
12 electric utility that elected to file a tariff pursuant to this
13 Section. The investigation shall include diverse sets of
14 stakeholders, calculations for valuing distributed energy
15 resource benefits to the grid based on best practices, and
16 assessments of present and future technological capabilities
17 of distributed energy resources. The value of such rebates
18 shall reflect the value of the distributed generation to the
19 distribution system at the location at which it is
20 interconnected, taking into account the geographic,
21 time-based, and performance-based benefits, as well as
22 technological capabilities and present and future grid needs.
23 The approved tariff shall provide for volumetric-based cost
24 recovery. The Commission shall assign a higher value for
25 rebates for distributed generation co-located with
26 appropriately-sized energy storage systems that reflect the

1 additional values that energy storage can provide to the energy
2 system. The Commission shall assign an additional value for
3 distributed generation that is co-located or in close proximity
4 to electric vehicle charging infrastructure that is part of a
5 managed charging or time-of-use program, or other beneficial
6 electrification program, as described in Section 16-107.8 of
7 this Act, reflecting the value of the additional benefits
8 created by locating the project near and supporting the
9 adoption of electric vehicle infrastructure that is helping
10 reduce pollution from the transportation sector. No later than
11 10 days after the Commission enters its final order under this
12 subsection (e), the utility shall file its tariff or tariffs in
13 compliance with the order, and the Commission shall approve, or
14 approve with modification, the tariff or tariffs within 45 days
15 after the utility's filing. For those rebate applications filed
16 after the threshold date but before the utility's tariff or
17 tariffs filed pursuant to this subsection (e) take effect, the
18 value of the rebate shall remain at the value established in
19 subsection (c) of this Section until the tariff is approved. As
20 part of the annual process, the Commission shall ensure that
21 the distributed generation rebate results in stable growth for
22 both small and large distributed generation customers in
23 Illinois as provided in subsection (j) of Section 16-107.5 of
24 this Act, with particular attention to impacts for residential
25 customers.

26 (f) Notwithstanding any provision of this Act to the

1 contrary, the owner, developer, or subscriber of a generation
2 facility that is part of a net metering program provided under
3 subsection (1) of Section 16-107.5 shall also be eligible to
4 apply for the rebate described in this Section. A subscriber to
5 the generation facility may apply for a rebate in the amount of
6 the subscriber's subscription only if the owner, developer, or
7 previous subscriber to the same panel or panels has not already
8 submitted an application, and, regardless of whether the
9 subscriber is a residential or non-residential customer, may be
10 allowed the amount identified in paragraph (1) of subsection
11 (c) or in subsection (e) of this Section applicable to such
12 customer on the date that the application is submitted. An
13 application for a rebate for a portion of a project described
14 in this subsection (f) may be submitted at or after the time
15 that a related request for net metering is made.

16 (g) No later than 60 days after the utility receives an
17 application for a rebate under its tariff approved under
18 subsection (d) or (e) of this Section, the utility shall issue
19 a rebate to the applicant under the terms of the tariff. In the
20 event the application is incomplete or the utility is otherwise
21 unable to calculate the payment based on the information
22 provided by the owner, the utility shall issue the payment no
23 later than 60 days after the application is complete or all
24 requested information is received.

25 (h) An electric utility shall recover from its retail
26 customers all of the costs of the rebates made under a tariff

1 or tariffs placed into effect under this Section, including,
2 but not limited to, the value of the rebates and all costs
3 incurred by the utility to comply with and implement this
4 Section, consistent with the following provisions:

5 (1) The utility shall defer the full amount of its
6 costs incurred under this Section as a regulatory asset.
7 The total costs deferred as a regulatory asset shall be
8 amortized over a 15-year period. The unamortized balance
9 shall be recognized as of December 31 for a given year. The
10 utility shall also earn a return on the total of the
11 unamortized balance of the regulatory assets, less any
12 deferred taxes related to the unamortized balance, at an
13 annual rate equal to the utility's weighted average cost of
14 capital that includes, based on a year-end capital
15 structure, the utility's actual cost of debt for the
16 applicable calendar year and a cost of equity, which shall
17 be calculated as the sum of (i) the average for the
18 applicable calendar year of the monthly average yields of
19 30-year U.S. Treasury bonds published by the Board of
20 Governors of the Federal Reserve System in its weekly H.15
21 Statistical Release or successor publication; and (ii) 580
22 basis points, including a revenue conversion factor
23 calculated to recover or refund all additional income taxes
24 that may be payable or receivable as a result of that
25 return.

26 When an electric utility creates a regulatory asset

1 under the provisions of this Section, the costs are
2 recovered over a period during which customers also receive
3 a benefit, which is in the public interest. Accordingly, it
4 is the intent of the General Assembly that an electric
5 utility that elects to create a regulatory asset under the
6 provisions of this Section shall recover all of the
7 associated costs, including, but not limited to, its cost
8 of capital as set forth in this Section. After the
9 Commission has approved the prudence and reasonableness of
10 the costs that comprise the regulatory asset, the electric
11 utility shall be permitted to recover all such costs, and
12 the value and recoverability through rates of the
13 associated regulatory asset shall not be limited, altered,
14 impaired, or reduced. To enable the financing of the
15 incremental capital expenditures, including regulatory
16 assets, for electric utilities that serve less than
17 3,000,000 retail customers but more than 500,000 retail
18 customers in the State, the utility's actual year-end
19 capital structure that includes a common equity ratio,
20 excluding goodwill, of up to and including 50% of the total
21 capital structure shall be deemed reasonable and used to
22 set rates.

23 (2) The utility, at its election, may recover all of
24 the costs it incurs under this Section as part of a filing
25 for a general increase in rates under Article IX of this
26 Act, as part of an annual filing to update a

1 performance-based formula rate under subsection (d) of
2 Section 16-108.5 of this Act, or through an automatic
3 adjustment clause tariff, provided that nothing in this
4 paragraph (2) permits the double recovery of such costs
5 from customers. If the utility elects to recover the costs
6 it incurs under this Section through an automatic
7 adjustment clause tariff, the utility may file its proposed
8 tariff together with the tariff it files under subsection
9 (b) of this Section or at a later time. The proposed tariff
10 shall provide for an annual reconciliation, less any
11 deferred taxes related to the reconciliation, with
12 interest at an annual rate of return equal to the utility's
13 weighted average cost of capital as calculated under
14 paragraph (1) of this subsection (h), including a revenue
15 conversion factor calculated to recover or refund all
16 additional income taxes that may be payable or receivable
17 as a result of that return, of the revenue requirement
18 reflected in rates for each calendar year, beginning with
19 the calendar year in which the utility files its automatic
20 adjustment clause tariff under this subsection (h), with
21 what the revenue requirement would have been had the actual
22 cost information for the applicable calendar year been
23 available at the filing date. The Commission shall review
24 the proposed tariff and may make changes to the tariff that
25 are consistent with this Section and with the Commission's
26 authority under Article IX of this Act, subject to notice

1 and hearing. Following notice and hearing, the Commission
2 shall issue an order approving, or approving with
3 modification, such tariff no later than 240 days after the
4 utility files its tariff.

5 (i) No later than 90 days after the Commission enters an
6 order, or order on rehearing, whichever is later, approving an
7 electric utility's proposed tariff under subsection (d) of this
8 Section, the electric utility shall provide notice of the
9 availability of rebates under this Section. Subsequent to the
10 utility's notice, any entity that offers in the State, for sale
11 or lease, distributed generation and estimates the dollar
12 saving attributable to such distributed generation shall
13 provide estimates based on both delivery service credits and
14 the rebates available under this Section.

15 (Source: P.A. 99-906, eff. 6-1-17.)

16 (220 ILCS 5/16-107.7 new)

17 Sec. 16-107.7. Residential time-of-use pricing.

18 (a) The General Assembly finds and declares that a time of
19 use pricing plan can reduce costs to the grid, create jobs,
20 lower energy costs for customers, and help Illinois achieve its
21 energy policy goals by improving load shape, encouraging energy
22 conservation, and shifting usage away from periods where fossil
23 fuels are used to meet peak demand. Further, by providing to
24 consumers information that ties the cost of service to the
25 timing of energy use, time-of-use rates give customers the

1 opportunity to reduce their energy bills by using electricity
2 when it is less costly. Time-of-use rates can help allocate
3 electricity system costs more accurately and thus equitably to
4 those who cause costs. Such rates can also reduce the need for
5 ramping resources and, therefore, increase the grid's ability
6 to integrate greater quantities of variable renewable energy
7 and distributed energy resources.

8 (b) An electric utility that has a tariff in effect under
9 Section 16-108.5 as of the effective date of this amendatory
10 Act of the 101st General Assembly shall also offer a
11 market-based, time-of-use rate for eligible retail customers
12 that choose to take power and energy supply service from the
13 utility. The utility shall file its time-of-use rate tariff no
14 later than 120 days after the effective date of this amendatory
15 Act of the 101st General Assembly. The utility shall implement
16 the requirements of this paragraph by filing a tariff with the
17 Commission, which shall be subject to the following provisions:

18 (1) The tariff shall include 3 time blocks: a peak time
19 block defined as 3 p.m. to 7 p.m. on non-holiday weekdays,
20 an off-peak time block defined as 10 a.m. to 3 p.m. and 7
21 p.m. to 10 p.m. on non-holiday weekdays, and a
22 super-off-peak time block defined as all other hours.

23 (2) The tariff shall create price ratios between the
24 blocks as follows: the super-off-peak time block price
25 shall be no less than zero but no greater than one-half of
26 the price of the off-peak time block price, and the

1 off-peak time block price shall be no greater than one-half
2 of the price of the peak time block price.

3 (3) Notwithstanding the requirements of Section
4 16-103.3 of this Act, the time-of-use rate shall include
5 the costs of electric capacity, costs of transmission
6 services, and charges for network integration transmission
7 service, transmission enhancement, and locational
8 reliability, as these terms are defined in the PJM
9 Interconnection Open Access Transmission Tariff on January
10 1, 2019, within the prices for each time block and seasonal
11 block in which the associated costs generally are incurred.
12 If the Open Access Transmission Tariff subsequently
13 renames those terms, the services reflected under those
14 terms shall continue to be included in the time-of-use rate
15 described in this paragraph (2).

16 (4) Adjustments to the charges set by the tariff may be
17 made on a semi-annual basis, as follows: each May and
18 November, the utility shall submit to the Commission,
19 through an informational filing, its updated charges, and
20 such charges shall take effect beginning with the June
21 monthly billing period and December monthly billing
22 period, respectively.

23 (5) The tariff shall include a purchased energy
24 adjustment to fully recover the supply costs for the
25 customers taking service under this tariff.

26 "Eligible customers" includes, but is not limited to,

1 customers participating in net electricity metering under the
2 terms of Section 16-107.5 of this Act.

3 (c) The Commission shall, after notice and hearing, approve
4 the tariff or tariffs with modifications the Commission finds
5 necessary to improve the program design, customer
6 participation in the program, or coordination with existing
7 utility pricing programs, energy efficiency programs, demand
8 response programs, and any other programs supporting Illinois
9 energy policy goals and the integration of distributed energy
10 resources. A proceeding under this subsection may not exceed
11 120 days in length.

12 (d) If the Commission issues an order pursuant to this
13 subsection, the affected electric utility shall contract with
14 an entity not affiliated with the electric utility to serve as
15 a program administrator to develop and implement a program to
16 provide consumer outreach, enrollment, and education
17 concerning time-of-use pricing and to establish and administer
18 an information system and technical and other customer
19 assistance that is necessary to enable customers to manage
20 electricity use. The program administrator: (i) shall be
21 selected and compensated by the electric utility, subject to
22 Commission approval; (ii) shall have demonstrated technical
23 and managerial competence in the development and
24 administration of demand management programs; and (iii) may
25 develop and implement risk management, energy efficiency, and
26 other services related to energy use management for which the

1 program administrator shall be compensated by participants in
2 the program receiving such services. The electric utility shall
3 provide the program administrator with all information and
4 assistance necessary to perform the program administrator's
5 duties, including, but not limited to, customer, account, and
6 energy use data. The electric utility shall permit the program
7 administrator to include inserts in residential customer bills
8 2 times per year to assist with customer outreach and
9 enrollment.

10 The program administrator shall submit an annual report to
11 the electric utility no later than April 1 of each year
12 describing the operation and results of the program, including
13 information concerning the number and types of customers using
14 the program, changes in customers' energy use patterns, an
15 assessment of the value of the program to both participants and
16 non-participants, and recommendations concerning modification
17 of the program and the tariff or tariffs filed under this
18 Section. This report shall be filed by the electric utility
19 with the Commission within 30 days of receipt and shall be
20 available to the public on the Commission's website.

21 (e) Once the tariff or tariffs has been in effect for 24
22 months, the Commission may, upon complaint, petition, or its
23 own initiative, open a proceeding to investigate whether
24 changes or modifications to the tariff or tariffs, program
25 administration and any other program design element is
26 necessary to achieve the goals described in subsection (a) of

1 this Section. Such a proceeding may not last more than 120 days
2 from the date upon which the investigation is opened by
3 Commission order.

4 (f) An electric utility shall be entitled to recover
5 reasonable costs incurred in complying with this Section,
6 provided that recovery of the costs is fairly apportioned among
7 its residential customers.

8 (g) The electric utility's tariff or tariffs filed pursuant
9 to this Section shall be subject to Article IX.

10 (h) This Section does not apply to any electric utility
11 providing service to 100,000 or fewer customers.

12 (220 ILCS 5/16-107.8 new)

13 Sec. 16-107.8. Beneficial electrification.

14 (a) The purpose of this Section is to decrease reliance on
15 fossil fuels and to ensure that electric vehicle adoption and
16 increased electricity usage demand do not place significant
17 additional burdens on the electric distribution system.

18 (b) In this Section, "managed charging program" means a
19 program whereby owners of electric vehicles connect their
20 charging infrastructure to a network or software that has the
21 ability to manage the time and level of charge based on the
22 electric distribution grid's current demand, market rates, or
23 availability of clean energy generation. "Managed charging
24 program" includes a program under which owners of electric
25 vehicles participate in a dynamic rate program, such as a

1 time-of-use, hourly or other program under which rates vary
2 based on time, which is designed to incent vehicle charging at
3 times of lower demand, increased clean energy generation, or
4 efficient use of the electric distribution grid.

5 (c) Within 120 days after the effective date of this
6 amendatory Act of the 101st General Assembly, the Illinois
7 Commerce Commission shall initiate a process whereby the
8 Commission shall develop a forward-looking plan for
9 strategically increasing transportation electrification in the
10 State. The process shall be open and transparent with inclusion
11 of stakeholder interests, including stakeholders representing
12 environmental justice interests. This process shall conclude
13 within 270 days of opening. The plan shall incentivize
14 transportation electrification through beneficial
15 electrification programs, as described in subsection (d),
16 taking into consideration incentives available through the
17 Department of Commerce and Economic Opportunity and other
18 sources. The plan may include specific directives for public
19 utilities in the State that enable transportation
20 electrification or beneficial electrification. The plan should
21 specifically address environmental justice interests and
22 should provide opportunities for residents and businesses in
23 environmental justice communities to directly benefit from
24 transportation electrification.

25 (d) Beneficial electrification programs, as described
26 elsewhere in this Act and in the Electric Vehicle Act, shall be

1 defined as programs which replace fossil fuel use and improve
2 electric grid operation. Programs should provide for
3 incentives such that customers are encouraged to use
4 electricity at times of low overall system usage or at times
5 when generation from renewable energy sources is high. Programs
6 that qualify as "beneficial electrification programs" include:

7 (1) time-of-use rates under Section 16-107.7;

8 (2) hourly pricing rates;

9 (3) managed charging programs;

10 (4) electric vehicle-to-grid;

11 (5) demand response;

12 (6) renewable energy generation located in close
13 proximity to the intended energy user; and

14 (7) other such programs as defined by the Commission in
15 the stakeholder process described in subsection (b).

16 (220 ILCS 5/16-108.9 new)

17 Sec. 16-108.9. Clean Energy Empowerment Zone pilot
18 projects.

19 (a) The General Assembly finds that it is important to
20 support the rapid transition in the energy sector to put
21 Illinois on a path to 100% renewable energy. This will require
22 leveraging new technologies and solutions to support grid
23 reliability to address issues such as the shift from large,
24 centralized, fossil generation to wind, solar, and distributed
25 energy resources. To that end, the General Assembly sees the

1 need for developing pilot projects in Clean Energy Empowerment
2 Zones that enhance reliability while facilitating the
3 transition towards clean energy.

4 (b) An electric utility serving more than 100,000 retail
5 customers may propose one or more Clean Energy Empowerment Zone
6 pilot projects to the Illinois Commerce Commission to conduct a
7 competitive procurement for independently-owned energy storage
8 systems to be located in Clean Energy Empowerment Zones. The
9 Commission shall evaluate the projects based on their ability
10 to address present and future reliability needs identified by
11 the Midcontinent Independent System Operator, PJM
12 Interconnection, electric utilities, or independent analysts.
13 In addition to supporting reliability, a qualifying project
14 must support the transition towards or development of clean
15 energy.

16 (c) The Clean Energy Empowerment Zones described in this
17 Section shall be the same as defined by the Department of
18 Commerce and Economic Opportunity in the Clean Energy
19 Empowerment Zones Act.

20 (d) The Clean Energy Empowerment Zone pilot projects shall
21 closely coordinate with actual and expected development of new
22 wind projects and new solar projects as described in Section
23 1-75 of the Illinois Power Agency Act, electric vehicle
24 adopted, and Community Energy and Climate Plans as defined in
25 the Community Energy and Climate Planning Act.

26 (e) Upon approval of a Clean Energy Empowerment Zone pilot

1 project by the Illinois Commerce Commission, an electric
2 utility is authorized to enter into a distribution services
3 contract with new energy storage system projects in accordance
4 with the approved project. Nothing in this Section or in the
5 distribution services contract shall preclude the energy
6 storage project from providing additional wholesale market
7 services.

8 (f) An electric utility that elects to undertake the
9 investment described in subsection (b) of this Section may, at
10 its election, recover the costs of such investment through an
11 automatic adjustment clause tariff or through a delivery
12 services charge regardless of how the costs are classified on
13 the utility's books and records of account.

14 (g) To the extent feasible and consistent with State and
15 federal law, the investments made pursuant to this Section
16 shall provide employment opportunities for former workers in
17 fossil fuel industries and participants in the Clean Jobs
18 Workforce Hubs as defined in the Clean Jobs Workforce Hubs Act.

19 (h) Nothing in this Section is intended to limit the
20 ability of any other entity to develop, construct, or install
21 an energy storage system. In addition, nothing in this Section
22 is intended to limit or alter otherwise applicable
23 interconnection requirements.

24 (220 ILCS 5/16-108.13 new)

25 Sec. 16-108.13. Clean Jobs Workforce Hubs.

1 (a) An electric utility that serves more than 3,000,000
2 customers in the State shall spend \$25,000,000 per year
3 beginning January 1, 2020 to fund the programs across the State
4 associated with Clean Jobs Workforce Hubs as described in the
5 Clean Jobs Workforce Hubs Act and in this Section. The utility
6 shall invest in a network of frontline organizations that
7 provide direct and sustained support for members of
8 economically disadvantaged communities, environmental justice
9 communities, communities of color, returning citizens, foster
10 care communities, and displaced fossil fuel workers to enter
11 and complete the pipeline for clean energy jobs in solar
12 energy, wind energy, energy efficiency, electric vehicles, and
13 related industries.

14 (b) Within 60 days after the effective date of this
15 amendatory Act of the 101st General Assembly, and after a
16 comprehensive stakeholder process that includes
17 representatives from frontline communities, the Illinois
18 Commerce Commission shall select an individual or an
19 organization to be the program administrator to coordinate the
20 work of all or a portion of the work of the Clean Jobs
21 Workforce Hubs.

22 (c) Within 120 Days after the effective date of this
23 amendatory Act of the 101st General Assembly, and after a
24 comprehensive stakeholder process led by the program
25 administrator that includes representatives from frontline
26 communities, an electric utility that serves more than

1 3,000,000 customers in the State shall file with the Commission
2 a plan developed by the program administrator to implement this
3 Section. Within 60 days after the plan is filed, the Commission
4 shall enter an order approving the plan if it is consistent
5 with this Section or, if the plan is not consistent with this
6 Section, the Commission shall explain the deficiencies, after
7 which time the utility shall file a new plan developed by the
8 program administrator to address the deficiencies.

9 (220 ILCS 5/16-108.17 new)

10 Sec. 16-108.17. Distribution system planning.

11 (a) It is the policy of the State of Illinois to promote
12 cost-effective distribution system planning that minimizes
13 long-term costs for Illinois customers and supports the
14 achievement of State carbon reduction and energy policy goals.

15 The General Assembly makes the following findings:

16 (1) Investment in infrastructure to support existing
17 and new distributed energy resources creates significant
18 economic development, environmental and public health
19 benefits in the State of Illinois.

20 (2) Distribution system planning is an important tool
21 for the Commission, electric utilities, and stakeholders
22 to identify and support opportunities to maintain and
23 enhance the safety, security, reliability, and resilience
24 of the electricity grid, at fair and reasonable costs,
25 consistent with the state's energy policies.

1 (3) A distribution system planning process can
2 minimize distribution system costs to consumers while
3 advancing other Illinois energy policy goals by supporting
4 integration of distributed energy resources and the
5 procurement of non-wires alternatives to capital
6 investments.

7 (4) The planning process should maximize the sharing of
8 information, minimize overlap with existing filing
9 requirements to ensure robust stakeholder participation,
10 and recognize the responsibility of the utility to
11 ultimately manage the grid in a safe, reliable manner.

12 (b) Terms used in this Section shall have the same meanings
13 as defined in Sections 16-102, 16-107.6, and 16-108.

14 (c) An electric utility serving more than 100,000 customers
15 on January 1, 2009 shall prepare and file a distribution system
16 investment plan no later than June 1, 2020. Within 45 days
17 after the filing, the Commission shall, with reasonable notice,
18 open an investigation to consider whether the plan meets the
19 objectives defined in subsection (d) and contains the
20 information required by subsection (e). The Commission shall
21 issue a final order approving the plan, with any modifications
22 the Commission deems reasonable and appropriate to achieve the
23 goals of this Section, within 270 days of the plan filing. The
24 final approved plan shall be part of the record used in the
25 Commission proceeding referenced in subsection (e) of Section
26 16-107.6, provided that investigation has not been completed

1 prior to the initial filing date referenced in this subsection
2 (c).

3 (d) The plan shall be designed to:

4 (1) ensure optimized utilization of electricity grid
5 assets and resources to minimize total system costs;

6 (2) enable greater customer engagement, empowerment,
7 and options for energy services;

8 (3) move toward the creation of efficient,
9 cost-effective, accessible grid platforms for new
10 products, new services, and opportunities for adoption of
11 new distributed technologies;

12 (4) bring the benefits of grid modernization and the
13 deployment of distributed energy resources to all
14 communities, including economically disadvantaged
15 communities, throughout Illinois;

16 (5) reduce grid congestion to facilitate availability
17 and development of distributed energy resources;

18 (6) provide for the analysis of the cost-effectiveness
19 of proposed system investments;

20 (7) to the maximum extent possible, achieve or support
21 the achievement of greenhouse gas emissions as defined in
22 Section 9.10 of the Environmental Protection Act; and

23 (8) support existing Illinois policy goals promoting
24 the steady long-term growth of energy efficiency, demand
25 response and investments in renewable energy resources.

26 (e) The plan shall contain the following information:

1 (1) Distribution system planning processes: A
2 description of the utility's distribution system planning
3 process, including:

4 (A) the overview of the process, including
5 frequency and duration of the process, roles and
6 responsibilities of individuals and organizations
7 involved;

8 (B) the description of internal organizational
9 alignment of the process with other internal planning
10 processes; and

11 (C) the description of process alignment with any
12 other external planning process, such as those
13 required by a regional transmission operator.

14 (2) Baseline distribution system data: A discussion
15 detailing the current operating conditions for the
16 distribution utility system, including a detailed
17 description, with supporting data, of system conditions,
18 including asset age and useful life, ratings, loadings, and
19 other characteristics, as well as:

20 (A) distribution system annual loss percentage for
21 the prior year (average of 12 monthly loss
22 percentages);

23 (B) the maximum hourly coincident load (kW) for the
24 distribution system as measured at the interface
25 between the transmission and distribution system;

26 (C) total distribution substation capacity in kVA;

1 (D) total distribution transformer capacity in
2 kVA;

3 (E) total miles of overhead distribution wire;

4 (F) total miles of underground distribution wire;

5 (G) a list of all high-voltage and low-voltage
6 substations, or circuits, along with the following for
7 each substation: nameplate rating; firm capacity (or
8 max desired peak demand given contingency or
9 redundancies desired); maximum historic peak demand,
10 including specific day and hours of the day which peak
11 load was experienced; average annual peak load growth
12 over the previous 5 years; forecast annual peak load
13 growth over the next 10 years; types of monitoring and
14 control capabilities, or planned additions of such; a
15 summary of existing system visibility and measurement
16 (feeder-level and time) interval and planned
17 visibility improvements; include information on
18 percentage of the system with each level of visibility
19 (such as max/min, daytime/nighttime, monthly/daily
20 reads, automated/manual); and number of customer
21 meters with advanced metering infrastructure/smart
22 meters and those without, planned advanced metering
23 infrastructure investments, and overview of
24 functionality available; and

25 (H) discussion of how IEEE Std. 1547-2018 impacts
26 distribution system planning considerations (e.g.

1 opportunities and constraints related to
2 interoperability).

3 (3) Financial data.

4 (A) historical distribution system spending for
5 the past 5 years, in each category: age-related
6 replacements and asset renewal; system expansion or
7 upgrades for capacity; system expansion or upgrades
8 for reliability and power quality; and

9 (B) projected distribution system spending for 10
10 years into the future for the categories listed in
11 paragraph (1), itemizing any non-traditional
12 distribution projects, including: planned distribution
13 capital projects, including drivers for the project,
14 and summary of anticipated changes in historic
15 spending; and provide any available cost-benefit
16 analysis in which the company evaluated a
17 non-traditional distribution system solution to either
18 a capital or operating upgrade or replacement.

19 (4) Distributed energy resource deployment.

20 (A) Discussion of how the impacts of the utility's
21 energy efficiency program impacts are factored into
22 load forecasts at the substation or circuit level.

23 (B) Discussion of how other distributed energy
24 resources are considered in load forecasting and any
25 expected changes in load forecasting methodology.

26 (C) Total costs spent on distributed energy

1 resource generation installation in the prior year
2 (including application review, responding to
3 inquiries, metering, testing, and make ready costs.

4 (D) Total charges to customers/member installers
5 for distributed energy resource generation
6 installations, in the prior year (including
7 application, metering, and make ready fees.

8 (E) Total nameplate kW of distributed energy
9 resource generation systems that completed
10 interconnection to the system in the prior year.

11 (F) Total number of distributed energy resource
12 generation systems that completed interconnection to
13 the system in the prior year.

14 (G) Current distributed energy resource deployment
15 by type, size, and geographic dispersion (as useful for
16 planning purposes; such as, by planning areas,
17 service/work center areas, and cities.

18 (H) Information on areas of existing or forecasted
19 low, moderate, and high distributed energy resource
20 penetration.

21 (I) List of areas with existing or forecasted
22 abnormal voltage or frequency issues that may benefit
23 from the utilization of advanced inverter technology.

24 (5) Hosting capacity and interconnection requirements:
25 A hosting capacity analysis, made available to the public
26 on a website with mapping and GIS capability, and with

1 detail at the block level, that includes a detailed and
2 current analysis of how much capacity is available on each
3 substation, circuit, and node for integrating new
4 distributed energy resource as allowed by thermal ratings,
5 protection system limits, power quality standards, and
6 safety standards. The analysis must also include:

7 (A) circuit level maps and downloadable data sets
8 for public use;

9 (B) an assessment of how utility planned
10 investments over the next 5 years will impact the
11 analysis; and

12 (C) a narrative discussion on how the hosting
13 capacity analysis advances customer-sited distributed
14 energy resource (in particular PV and electric storage
15 systems) and how the utility anticipates the analysis
16 identifying interconnection points on the distribution
17 system and necessary distribution upgrades to support
18 the continued development of distributed generation
19 resources.

20 (6) Scenario analysis and forecasting: The plan shall
21 include load forecasts over the next 10 years at the
22 substation and circuit level using dynamic load
23 forecasting utilizing multiple scenarios and probabilistic
24 planning. In particular, the plan shall include the
25 following:

26 (A) Definitions and a discussion of the

1 development of base-case, medium, and high scenarios
2 regarding increased distributed energy resource
3 deployment. Scenarios shall reflect a reasonable mix
4 of individual distributed energy resource adoption and
5 aggregated or bundled distributed energy resource
6 service types, and shall include the projected load
7 forecast impacts of distributed energy resource
8 investments, including investments in energy
9 efficiency, demand response. The scenario analysis
10 shall include information on the methodologies used to
11 develop the low, medium, and high scenarios, including
12 the distributed energy resource adoption rates,
13 geographic deployment assumptions, expected
14 distributed energy resource load profiles, and any
15 other relevant assumptions factored into the scenario
16 discussion.

17 (B) A discussion of the processes and tools that
18 would be necessary to accommodate the specified levels
19 of distributed energy resource adoption, including
20 whether existing processes and tools would be
21 sufficient. Provide a discussion of the system impacts
22 that may arise from increased distributed energy
23 resource adoption, potential barriers to distributed
24 energy resource integration, and the types of system
25 upgrades that may be necessary to accommodate the
26 distributed energy resource at the listed penetration

1 levels.

2 (C) A discussion of how present and projected
3 reductions in the demand for energy may result from
4 measures to improve energy efficiency in the
5 industrial, commercial, residential, and energy
6 producing sectors of the utility service territory.

7 (D) Information on anticipated impacts from FERC
8 Order 841 (Electric Storage Participation in Markets
9 Operated by Regional Transmission Organizations and
10 Independent System Operators) and a discussion of
11 potential impacts from the related FERC Docket No.
12 RM18-9-000 (Participation of Distributed Energy
13 Resource Aggregations in Markets Operated by Regional
14 Transmission Organizations and Independent System
15 Operators).

16 (E) Discussion of how the distribution system
17 planning is coordinated with Commission orders
18 regarding the procurement of renewable resources as
19 discussed in Section 16-111.5, energy efficiency plans
20 as discussed in Section 8-103B, distributed generation
21 rebates as discussed in Section 16-107.6, and any other
22 order affecting the goals described in subsection (d)
23 of this Section.

24 (7) Non-wires alternatives analysis:

25 (A) Detailed discussion of all distribution system
26 projects in the coming 10 years that are anticipated to

1 have a total cost of greater than \$1,000,000. For these
2 projects, an analysis of how non-wires alternatives,
3 including increased local energy efficiency beyond
4 what will occur through system-wide programs, demand
5 response, distributed generation, and storage, compare
6 in terms of viability, price, and long-term value shall
7 be included. Such comparisons must include
8 consideration of the benefits of distributed energy
9 resources beyond meeting local reliability needs (for
10 example, avoided energy costs, avoided system capacity
11 costs, avoided transmission costs, and reduced
12 exposure to future environmental regulations).

13 (B) Identification of the project types that would
14 lend themselves to non-traditional solutions (i.e.
15 load relief or reliability).

16 (C) Timelines needed to consider alternatives to
17 any project types that would lend themselves to
18 non-traditional solutions (allowing time for potential
19 request for proposal, response, review, contracting
20 and implementation).

21 (D) The cost threshold of any project type that
22 would need to be met to have a non-traditional solution
23 reviewed.

24 (8) Proposed distribution system investments: The plan
25 shall identify proposed investments, including the reason
26 for investment, projected costs, scope of work,

1 prioritization, sequencing of investments, and
2 explanations of how planned investments will support the
3 goals described in subsection (d) of this Section.

4 (f) The Commission shall approve, approve with
5 modifications, or reject the plan within 180 days. The
6 Commission may approve the plan if it finds that the plan will
7 achieve the goals described in subsection (d) of this Section.
8 Proceedings under this Section shall proceed according to the
9 rules provided by Article IX of this Act (9-201). Information
10 contained in the approved plan shall be considered part of the
11 record in any Commission proceeding under subsection (e) of
12 Section 16-107.6 of this Act.

13 (g) Plan updates: Subsequent to the initial plan approval,
14 the utility shall file an update to the plan on June 1, 2022,
15 and every 24 months thereafter. This update shall describe the
16 distribution system investments made during the prior plan
17 period, the investments planned to be made in the following 24
18 months, and updates to the information required by subsection
19 (e) of this Section. Within 35 days after the utility files its
20 annual report, the Commission shall, upon complaint, petition,
21 or its own initiative, but with reasonable notice, enter upon
22 an investigation regarding the utility's plan update to ensure
23 that the objectives described in subsection (d) of this Section
24 are being achieved. If the Commission finds, after notice and
25 hearing, that the utility's Plan is materially deficient in any
26 way, the Commission shall issue an order requiring the

1 participating utility to devise a corrective action plan,
2 subject to Commission approval and oversight, to bring the plan
3 into alignment with the goals of this Section. The Commission's
4 order must be entered within 180 days after the utility files
5 its annual report. The Commission shall have the authority to
6 modify the information required by subsection (e) of this
7 Section provided that modification does not impair the
8 achievement of the goals described in subsection (d) of this
9 Section.

10 (220 ILCS 5/16-111.5)

11 Sec. 16-111.5. Provisions relating to procurement.

12 (a) An electric utility that on December 31, 2005 served at
13 least 100,000 customers in Illinois shall procure power and
14 energy for its eligible retail customers in accordance with the
15 applicable provisions set forth in Section 1-75 of the Illinois
16 Power Agency Act and this Section. Beginning with the delivery
17 year commencing on June 1, 2017, such electric utility shall
18 also procure zero emission credits from zero emission
19 facilities in accordance with the applicable provisions set
20 forth in Section 1-75 of the Illinois Power Agency Act, and,
21 for years beginning on or after June 1, 2017, the utility shall
22 procure renewable energy resources in accordance with the
23 applicable provisions set forth in Section 1-75 of the Illinois
24 Power Agency Act and this Section. Beginning with the delivery
25 year commencing on June 1, 2022, if possible, but no later than

1 for the delivery year commencing June 1, 2023, an electric
2 utility that on December 31, 2005 served at least 3,000,000
3 customers in Illinois shall procure capacity for its retail
4 customers in accordance with the applicable provisions set for
5 in Section 1-75 of the Illinois Power Agency Act and this
6 Section. A small multi-jurisdictional electric utility that on
7 December 31, 2005 served less than 100,000 customers in
8 Illinois may elect to procure power and energy for all or a
9 portion of its eligible Illinois retail customers in accordance
10 with the applicable provisions set forth in this Section and
11 Section 1-75 of the Illinois Power Agency Act. This Section
12 shall not apply to a small multi-jurisdictional utility until
13 such time as a small multi-jurisdictional utility requests the
14 Illinois Power Agency to prepare a procurement plan for its
15 eligible retail customers. "Eligible retail customers" for the
16 purposes of this Section means those retail customers that
17 purchase power and energy from the electric utility under
18 fixed-price bundled service tariffs, other than those retail
19 customers whose service is declared or deemed competitive under
20 Section 16-113 and those other customer groups specified in
21 this Section, including self-generating customers, customers
22 electing hourly pricing, or those customers who are otherwise
23 ineligible for fixed-price bundled tariff service. For those
24 customers that are excluded from the procurement plan's
25 electric supply service requirements, and the utility shall
26 procure any supply requirements, including capacity, ancillary

1 services, and hourly priced energy, in the applicable markets
2 as needed to serve those customers, provided that the utility
3 may include in its procurement plan load requirements for the
4 load that is associated with those retail customers whose
5 service has been declared or deemed competitive pursuant to
6 Section 16-113 of this Act to the extent that those customers
7 are purchasing power and energy during one of the transition
8 periods identified in subsection (b) of Section 16-113 of this
9 Act.

10 (b) A procurement plan shall be prepared for each electric
11 utility consistent with the applicable requirements of the
12 Illinois Power Agency Act and this Section. For purposes of
13 this Section, Illinois electric utilities that are affiliated
14 by virtue of a common parent company are considered to be a
15 single electric utility. Small multi-jurisdictional utilities
16 may request a procurement plan for a portion of or all of its
17 Illinois load. Each procurement plan shall analyze the
18 projected balance of supply and demand for those retail
19 customers to be included in the plan's electric supply service
20 requirements over a 5-year period, with the first planning year
21 beginning on June 1 of the year following the year in which the
22 plan is filed. The plan shall specifically identify the
23 long-term bundled contracts to be procured, as described in
24 Section 1-75 of the Illinois Power Agency Act, the carbon-free
25 capacity and supply to be procured, as described in Section
26 1-75 of the Illinois Power Agency Act, and the wholesale

1 products to be procured following plan approval⁷ and shall
2 follow all the requirements set forth in the Public Utilities
3 Act and all applicable State and federal laws, statutes, rules,
4 or regulations, as well as Commission orders. Nothing in this
5 Section precludes consideration of contracts longer than 5
6 years and related forecast data. Unless specified otherwise in
7 this Section, in the procurement plan or in the implementing
8 tariff, any procurement occurring in accordance with this plan
9 shall be competitively bid through a request for proposals
10 process. Approval and implementation of the procurement plan
11 shall be subject to review and approval by the Commission
12 according to the provisions set forth in this Section. A
13 procurement plan shall include each of the following
14 components:

15 (1) Hourly load analysis. This analysis shall include:

16 (i) multi-year historical analysis of hourly
17 loads;

18 (ii) switching trends and competitive retail
19 market analysis;

20 (iii) known or projected changes to future loads;

21 and

22 (iv) growth forecasts by customer class.

23 (2) Analysis of the impact of any demand side and
24 renewable energy initiatives. This analysis shall include:

25 (i) the impact of demand response programs and
26 energy efficiency programs, both current and

1 projected; for small multi-jurisdictional utilities,
2 the impact of demand response and energy efficiency
3 programs approved pursuant to Section 8-408 of this
4 Act, both current and projected; and

5 (ii) supply side needs that are projected to be
6 offset by purchases of renewable energy resources, if
7 any.

8 (3) A plan for meeting the expected load requirements
9 that will not be met through preexisting contracts. This
10 plan shall include:

11 (i) definitions of the different Illinois retail
12 customer classes for which supply is being purchased;

13 (ii) the proposed mix of demand-response products
14 for which contracts will be executed during the next
15 year. For small multi-jurisdictional electric
16 utilities that on December 31, 2005 served fewer than
17 100,000 customers in Illinois, these shall be defined
18 as demand-response products offered in an energy
19 efficiency plan approved pursuant to Section 8-408 of
20 this Act. The cost-effective demand-response measures
21 shall be procured whenever the cost is lower than
22 procuring comparable capacity products, provided that
23 such products shall:

24 (A) be procured by a demand-response provider
25 from those retail customers included in the plan's
26 electric supply service requirements;

1 (B) at least satisfy the demand-response
2 requirements of the regional transmission
3 organization market in which the utility's service
4 territory is located, including, but not limited
5 to, any applicable capacity or dispatch
6 requirements;

7 (C) provide for customers' participation in
8 the stream of benefits produced by the
9 demand-response products;

10 (D) provide for reimbursement by the
11 demand-response provider of the utility for any
12 costs incurred as a result of the failure of the
13 supplier of such products to perform its
14 obligations thereunder; and

15 (E) meet the same credit requirements as apply
16 to suppliers of capacity, in the applicable
17 regional transmission organization market;

18 (iii) monthly forecasted system supply
19 requirements, including expected minimum, maximum, and
20 average values for the planning period;

21 (iv) the proposed mix and selection of standard
22 wholesale products for which contracts will be
23 executed during the next year, separately or in
24 combination, to meet that portion of its load
25 requirements not met through pre-existing contracts or
26 new bundled contracts, as described in Section 1-75 of

1 the Illinois Power Agency Act, including, but not
2 limited to, monthly 5 x 16 peak period block energy,
3 monthly off-peak wrap energy, monthly 7 x 24 energy,
4 annual 5 x 16 energy, annual off-peak wrap energy,
5 annual 7 x 24 energy, monthly capacity, annual
6 capacity, peak load capacity obligations, capacity
7 purchase plan, and ancillary services;

8 (v) proposed term structures for each wholesale
9 product type included in the proposed procurement plan
10 portfolio of products; and

11 (vi) an assessment of the price risk, load
12 uncertainty, and other factors that are associated
13 with the proposed procurement plan; this assessment,
14 to the extent possible, shall include an analysis of
15 the following factors: contract terms, time frames for
16 securing products or services, fuel costs, weather
17 patterns, transmission costs, market conditions, and
18 the governmental regulatory environment; the proposed
19 procurement plan shall also identify alternatives for
20 those portfolio measures that are identified as having
21 significant price risk.

22 (vii) the amount of supply procured from bundled
23 contracts, as described in Section 1-75 of the Illinois
24 Power Agency Act, and the amount of supply expected to
25 be procured during the next year from new bundled
26 contracts;

1 (viii) the amount of capacity procured from
2 bundled contracts, as described in Section 1-75 of the
3 Illinois Power Agency Act, and the amount of capacity
4 to be procured during the next year from new bundled
5 contracts.

6 (ix) the amount of capacity procured from
7 carbon-free capacity pursuant to Section 1-75 of the
8 Illinois Power Agency Act and this Section, and the
9 amount of capacity to be procured during the next year
10 from eligible carbon-free resources.

11 (4) Proposed procedures for balancing loads. The
12 procurement plan shall include, for load requirements
13 included in the procurement plan, the process for (i)
14 hourly balancing of supply and demand and (ii) the criteria
15 for portfolio re-balancing in the event of significant
16 shifts in load.

17 (5) Long-Term Renewable Resources Procurement Plan.
18 The Agency shall prepare a long-term renewable resources
19 procurement plan for the procurement of renewable energy
20 credits under Sections 1-56 and 1-75 of the Illinois Power
21 Agency Act for delivery beginning in the 2017 delivery
22 year.

23 (i) The initial long-term renewable resources
24 procurement plan and all subsequent revisions shall be
25 subject to review and approval by the Commission. For
26 the purposes of this Section, "delivery year" has the

1 same meaning as in Section 1-10 of the Illinois Power
2 Agency Act. For purposes of this Section, "Agency"
3 shall mean the Illinois Power Agency.

4 (ii) The long-term renewable resources planning
5 process shall be conducted as follows:

6 (A) Electric utilities shall provide a range
7 of load forecasts to the Illinois Power Agency
8 within 45 days of the Agency's request for
9 forecasts, which request shall specify the length
10 and conditions for the forecasts including, but
11 not limited to, the quantity of distributed
12 generation expected to be interconnected for each
13 year.

14 (B) The Agency shall publish for comment the
15 initial long-term renewable resources procurement
16 plan no later than 120 days after the effective
17 date of this amendatory Act of the 99th General
18 Assembly and shall review, and may revise, the plan
19 at least every 2 years thereafter. To the extent
20 practicable, the Agency shall review and propose
21 any revisions to the long-term renewable energy
22 resources procurement plan in conjunction with the
23 Agency's other planning and approval processes
24 conducted under this Section. The initial
25 long-term renewable resources procurement plan
26 shall:

1 (aa) Identify the procurement programs and
2 competitive procurement events consistent with
3 the applicable requirements of the Illinois
4 Power Agency Act and shall be designed to
5 achieve the goals set forth in subsection (c)
6 of Section 1-75 of that Act.

7 (bb) Include a schedule for procurements
8 for renewable energy credits from
9 utility-scale wind projects, utility-scale
10 solar projects, and brownfield site
11 photovoltaic projects consistent with
12 subparagraph (G) of paragraph (1) of
13 subsection (c) of Section 1-75 of the Illinois
14 Power Agency Act.

15 (cc) Identify the process whereby the
16 Agency will submit to the Commission for review
17 and approval the proposed contracts to
18 implement the programs required by such plan.

19 Copies of the initial long-term renewable
20 resources procurement plan and all subsequent
21 revisions shall be posted and made publicly
22 available on the Agency's and Commission's
23 websites, and copies shall also be provided to each
24 affected electric utility. An affected utility and
25 other interested parties shall have 45 days
26 following the date of posting to provide comment to

1 the Agency on the initial long-term renewable
2 resources procurement plan and all subsequent
3 revisions. All comments submitted to the Agency
4 shall be specific, supported by data or other
5 detailed analyses, and, if objecting to all or a
6 portion of the procurement plan, accompanied by
7 specific alternative wording or proposals. All
8 comments shall be posted on the Agency's and
9 Commission's websites. During this 45-day comment
10 period, the Agency shall hold at least one public
11 hearing within each utility's service area that is
12 subject to the requirements of this paragraph (5)
13 for the purpose of receiving public comment.
14 Within 21 days following the end of the 45-day
15 review period, the Agency may revise the long-term
16 renewable resources procurement plan based on the
17 comments received and shall file the plan with the
18 Commission for review and approval.

19 (C) Within 14 days after the filing of the
20 initial long-term renewable resources procurement
21 plan or any subsequent revisions, any person
22 objecting to the plan may file an objection with
23 the Commission. Within 21 days after the filing of
24 the plan, the Commission shall determine whether a
25 hearing is necessary. The Commission shall enter
26 its order confirming or modifying the initial

1 long-term renewable resources procurement plan or
2 any subsequent revisions within 120 days after the
3 filing of the plan by the Illinois Power Agency.

4 (D) The Commission shall approve the initial
5 long-term renewable resources procurement plan and
6 any subsequent revisions, including expressly the
7 forecast used in the plan and taking into account
8 that funding will be limited to the amount of
9 revenues actually collected by the utilities, if
10 the Commission determines that the plan will
11 reasonably and prudently accomplish the
12 requirements of Section 1-56 and subsection (c) of
13 Section 1-75 of the Illinois Power Agency Act. The
14 Commission shall also approve the process for the
15 submission, review, and approval of the proposed
16 contracts to procure renewable energy credits or
17 implement the programs authorized by the
18 Commission pursuant to a long-term renewable
19 resources procurement plan approved under this
20 Section.

21 (iii) The Agency or third parties contracted by the
22 Agency shall implement all programs authorized by the
23 Commission in an approved long-term renewable
24 resources procurement plan without further review and
25 approval by the Commission. Third parties shall not
26 begin implementing any programs or receive any payment

1 under this Section until the Commission has approved
2 the contract or contracts under the process authorized
3 by the Commission in item (D) of subparagraph (ii) of
4 paragraph (5) of this subsection (b) and the third
5 party and the Agency or utility, as applicable, have
6 executed the contract. For those renewable energy
7 credits subject to procurement through a competitive
8 bid process under the plan or under the initial forward
9 procurements for wind and solar resources described in
10 subparagraph (G) of paragraph (1) of subsection (c) of
11 Section 1-75 of the Illinois Power Agency Act, the
12 Agency shall follow the procurement process specified
13 in the provisions relating to electricity procurement
14 in subsections (e) through (i) of this Section.

15 (iv) An electric utility shall recover its costs
16 associated with the procurement of renewable energy
17 credits under this Section through an automatic
18 adjustment clause tariff under subsection (k) of
19 Section 16-108 of this Act. A utility shall not be
20 required to advance any payment or pay any amounts
21 under this Section that exceed the actual amount of
22 revenues collected by the utility under paragraph (6)
23 of subsection (c) of Section 1-75 of the Illinois Power
24 Agency Act and subsection (k) of Section 16-108 of this
25 Act, and contracts executed under this Section shall
26 expressly incorporate this limitation.

1 (v) For the public interest, safety, and welfare,
2 the Agency and the Commission may adopt rules to carry
3 out the provisions of this Section on an emergency
4 basis immediately following the effective date of this
5 amendatory Act of the 99th General Assembly.

6 (vi) On or before July 1 of each year, the
7 Commission shall hold an informal hearing for the
8 purpose of receiving comments on the prior year's
9 procurement process and any recommendations for
10 change.

11 (c) The procurement process set forth in Section 1-75 of
12 the Illinois Power Agency Act and subsection (e) of this
13 Section shall be administered by a procurement administrator
14 and monitored by a procurement monitor.

15 (1) The procurement administrator shall:

16 (i) design the final procurement process in
17 accordance with Section 1-75 of the Illinois Power
18 Agency Act and subsection (e) of this Section following
19 Commission approval of the procurement plan;

20 (ii) develop benchmarks in accordance with
21 subsection (e)(3) to be used to evaluate bids; these
22 benchmarks shall be submitted to the Commission for
23 review and approval on a confidential basis prior to
24 the procurement event;

25 (iii) serve as the interface between the electric
26 utility and suppliers;

1 (iv) manage the bidder pre-qualification and
2 registration process;

3 (v) obtain the electric utilities' agreement to
4 the final form of all supply contracts and credit
5 collateral agreements;

6 (vi) administer the request for proposals process;

7 (vii) have the discretion to negotiate to
8 determine whether bidders are willing to lower the
9 price of bids that meet the benchmarks approved by the
10 Commission; any post-bid negotiations with bidders
11 shall be limited to price only and shall be completed
12 within 24 hours after opening the sealed bids and shall
13 be conducted in a fair and unbiased manner; in
14 conducting the negotiations, there shall be no
15 disclosure of any information derived from proposals
16 submitted by competing bidders; if information is
17 disclosed to any bidder, it shall be provided to all
18 competing bidders;

19 (viii) maintain confidentiality of supplier and
20 bidding information in a manner consistent with all
21 applicable laws, rules, regulations, and tariffs;

22 (ix) submit a confidential report to the
23 Commission recommending acceptance or rejection of
24 bids;

25 (x) notify the utility of contract counterparties
26 and contract specifics; and

1 (xi) administer related contingency procurement
2 events.

3 (2) The procurement monitor, who shall be retained by
4 the Commission, shall:

5 (i) monitor interactions among the procurement
6 administrator, suppliers, and utility;

7 (ii) monitor and report to the Commission on the
8 progress of the procurement process;

9 (iii) provide an independent confidential report
10 to the Commission regarding the results of the
11 procurement event;

12 (iv) assess compliance with the procurement plans
13 approved by the Commission for each utility that on
14 December 31, 2005 provided electric service to at least
15 100,000 customers in Illinois and for each small
16 multi-jurisdictional utility that on December 31, 2005
17 served less than 100,000 customers in Illinois;

18 (v) preserve the confidentiality of supplier and
19 bidding information in a manner consistent with all
20 applicable laws, rules, regulations, and tariffs;

21 (vi) provide expert advice to the Commission and
22 consult with the procurement administrator regarding
23 issues related to procurement process design, rules,
24 protocols, and policy-related matters; and

25 (vii) consult with the procurement administrator
26 regarding the development and use of benchmark

1 criteria, standard form contracts, credit policies,
2 and bid documents.

3 (d) Except as provided in subsection (j), the planning
4 process shall be conducted as follows:

5 (1) Beginning in 2008, each Illinois utility procuring
6 power pursuant to this Section shall annually provide a
7 range of load forecasts to the Illinois Power Agency by
8 July 15 of each year, or such other date as may be required
9 by the Commission or Agency. The load forecasts shall cover
10 the 5-year procurement planning period for the next
11 procurement plan and shall include hourly data
12 representing a high-load, low-load, and expected-load
13 scenario for the load of those retail customers included in
14 the plan's electric supply service requirements. The
15 utility shall provide supporting data and assumptions for
16 each of the scenarios.

17 (2) Beginning in 2008, the Illinois Power Agency shall
18 prepare a procurement plan by August 15th of each year, or
19 such other date as may be required by the Commission. The
20 procurement plan shall identify the portfolio of
21 demand-response and power and energy products to be
22 procured. Cost-effective demand-response measures shall be
23 procured as set forth in item (iii) of subsection (b) of
24 this Section. Copies of the procurement plan shall be
25 posted and made publicly available on the Agency's and
26 Commission's websites, and copies shall also be provided to

1 each affected electric utility. An affected utility shall
2 have 30 days following the date of posting to provide
3 comment to the Agency on the procurement plan. Other
4 interested entities also may comment on the procurement
5 plan. All comments submitted to the Agency shall be
6 specific, supported by data or other detailed analyses,
7 and, if objecting to all or a portion of the procurement
8 plan, accompanied by specific alternative wording or
9 proposals. All comments shall be posted on the Agency's and
10 Commission's websites. During this 30-day comment period,
11 the Agency shall hold at least one public hearing within
12 each utility's service area for the purpose of receiving
13 public comment on the procurement plan. Within 14 days
14 following the end of the 30-day review period, the Agency
15 shall revise the procurement plan as necessary based on the
16 comments received and file the procurement plan with the
17 Commission and post the procurement plan on the websites.

18 (3) Within 5 days after the filing of the procurement
19 plan, any person objecting to the procurement plan shall
20 file an objection with the Commission. Within 10 days after
21 the filing, the Commission shall determine whether a
22 hearing is necessary. The Commission shall enter its order
23 confirming or modifying the procurement plan within 90 days
24 after the filing of the procurement plan by the Illinois
25 Power Agency.

26 (4) The Commission shall approve the procurement plan,

1 including expressly the forecast used in the procurement
2 plan, if the Commission determines that it will ensure
3 adequate, reliable, affordable, efficient, and
4 environmentally sustainable electric service at the lowest
5 total cost over time, taking into account any benefits of
6 price stability.

7 (e) The procurement process shall include each of the
8 following components:

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

1 procurement event.

2 (2) Standard contract forms and credit terms and
3 instruments. The procurement administrator, in
4 consultation with the utilities, the Commission, and other
5 interested parties and subject to Commission oversight,
6 shall develop and provide standard contract forms for the
7 supplier contracts that meet generally accepted industry
8 practices. Standard credit terms and instruments that meet
9 generally accepted industry practices shall be similarly
10 developed. The procurement administrator shall make
11 available to the Commission all written comments it
12 receives on the contract forms, credit terms, or
13 instruments. If the procurement administrator cannot reach
14 agreement with the applicable electric utility as to the
15 contract terms and conditions, the procurement
16 administrator must notify the Commission of any disputed
17 terms and the Commission shall resolve the dispute. The
18 terms of the contracts shall not be subject to negotiation
19 by winning bidders, and the bidders must agree to the terms
20 of the contract in advance so that winning bids are
21 selected solely on the basis of price.

22 (3) Establishment of a market-based price benchmark.
23 As part of the development of the procurement process, the
24 procurement administrator, in consultation with the
25 Commission staff, Agency staff, and the procurement
26 monitor, shall establish benchmarks for evaluating the

1 final prices in the contracts for each of the products that
2 will be procured through the procurement process. The
3 benchmarks shall be based on price data for similar
4 products for the same delivery period and same delivery
5 hub, or other delivery hubs after adjusting for that
6 difference. The price benchmarks may also be adjusted to
7 take into account differences between the information
8 reflected in the underlying data sources and the specific
9 products and procurement process being used to procure
10 power for the Illinois utilities. The benchmarks shall be
11 confidential but shall be provided to, and will be subject
12 to Commission review and approval, prior to a procurement
13 event.

14 (4) Request for proposals competitive procurement
15 process. The procurement administrator shall design and
16 issue a request for proposals to supply electricity in
17 accordance with each utility's procurement plan, as
18 approved by the Commission. The request for proposals shall
19 set forth a procedure for sealed, binding commitment
20 bidding with pay-as-bid settlement, and provision for
21 selection of bids on the basis of price.

22 (5) A plan for implementing contingencies in the event
23 of supplier default or failure of the procurement process
24 to fully meet the expected load requirement due to
25 insufficient supplier participation, Commission rejection
26 of results, or any other cause.

1 (i) Event of supplier default: In the event of
2 supplier default, the utility shall review the
3 contract of the defaulting supplier to determine if the
4 amount of supply is 200 megawatts or greater, and if
5 there are more than 60 days remaining of the contract
6 term. If both of these conditions are met, and the
7 default results in termination of the contract, the
8 utility shall immediately notify the Illinois Power
9 Agency that a request for proposals must be issued to
10 procure replacement power, and the procurement
11 administrator shall run an additional procurement
12 event. If the contracted supply of the defaulting
13 supplier is less than 200 megawatts or there are less
14 than 60 days remaining of the contract term, the
15 utility shall procure power and energy from the
16 applicable regional transmission organization market,
17 including ancillary services, capacity, and day-ahead
18 or real time energy, or both, for the duration of the
19 contract term to replace the contracted supply;
20 provided, however, that if a needed product is not
21 available through the regional transmission
22 organization market it shall be purchased from the
23 wholesale market.

24 (ii) Failure of the procurement process to fully
25 meet the expected load requirement: If the procurement
26 process fails to fully meet the expected load

1 requirement due to insufficient supplier participation
2 or due to a Commission rejection of the procurement
3 results, the procurement administrator, the
4 procurement monitor, and the Commission staff shall
5 meet within 10 days to analyze potential causes of low
6 supplier interest or causes for the Commission
7 decision. If changes are identified that would likely
8 result in increased supplier participation, or that
9 would address concerns causing the Commission to
10 reject the results of the prior procurement event, the
11 procurement administrator may implement those changes
12 and rerun the request for proposals process according
13 to a schedule determined by those parties and
14 consistent with Section 1-75 of the Illinois Power
15 Agency Act and this subsection. In any event, a new
16 request for proposals process shall be implemented by
17 the procurement administrator within 90 days after the
18 determination that the procurement process has failed
19 to fully meet the expected load requirement.

20 (iii) In all cases where there is insufficient
21 supply provided under contracts awarded through the
22 procurement process to fully meet the electric
23 utility's load requirement, the utility shall meet the
24 load requirement by procuring power and energy from the
25 applicable regional transmission organization market,
26 including ancillary services, capacity, and day-ahead

1 or real time energy, or both; provided, however, that
2 if a needed product is not available through the
3 regional transmission organization market it shall be
4 purchased from the wholesale market.

5 (6) The procurement process described in this
6 subsection is exempt from the requirements of the Illinois
7 Procurement Code, pursuant to Section 20-10 of that Code.

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

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

1 enter into binding contractual arrangements with the winning
2 suppliers using the standard form contracts; except that the
3 utility shall not be required either directly or indirectly to
4 execute the contracts if a tariff that is consistent with
5 subsection (1) of this Section has not been approved and placed
6 into effect for that utility.

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

24 (i) Within 2 business days after a Commission decision
25 approving the results of a procurement event or such other date
26 as may be required by the Commission from time to time, the

1 utility shall file for informational purposes with the
2 Commission its actual or estimated retail supply charges, as
3 applicable, by customer supply group reflecting the costs
4 associated with the procurement and computed in accordance with
5 the tariffs filed pursuant to subsection (l) of this Section
6 and approved by the Commission.

7 (j) Within 60 days following August 28, 2007 (the effective
8 date of Public Act 95-481), each electric utility that on
9 December 31, 2005 provided electric service to at least 100,000
10 customers in Illinois shall prepare and file with the
11 Commission an initial procurement plan, which shall conform in
12 all material respects to the requirements of the procurement
13 plan set forth in subsection (b); provided, however, that the
14 Illinois Power Agency Act shall not apply to the initial
15 procurement plan prepared pursuant to this subsection. The
16 initial procurement plan shall identify the portfolio of power
17 and energy products to be procured and delivered for the period
18 June 2008 through May 2009, and shall identify the proposed
19 procurement administrator, who shall have the same experience
20 and expertise as is required of a procurement administrator
21 hired pursuant to Section 1-75 of the Illinois Power Agency
22 Act. Copies of the procurement plan shall be posted and made
23 publicly available on the Commission's website. The initial
24 procurement plan may include contracts for renewable resources
25 that extend beyond May 2009.

26 (i) Within 14 days following filing of the initial

1 procurement plan, any person may file a detailed objection
2 with the Commission contesting the procurement plan
3 submitted by the electric utility. All objections to the
4 electric utility's plan shall be specific, supported by
5 data or other detailed analyses. The electric utility may
6 file a response to any objections to its procurement plan
7 within 7 days after the date objections are due to be
8 filed. Within 7 days after the date the utility's response
9 is due, the Commission shall determine whether a hearing is
10 necessary. If it determines that a hearing is necessary, it
11 shall require the hearing to be completed and issue an
12 order on the procurement plan within 60 days after the
13 filing of the procurement plan by the electric utility.

14 (ii) The order shall approve or modify the procurement
15 plan, approve an independent procurement administrator,
16 and approve or modify the electric utility's tariffs that
17 are proposed with the initial procurement plan. The
18 Commission shall approve the procurement plan if the
19 Commission determines that it will ensure adequate,
20 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.

23 (k) (Blank).

24 (k-5) (Blank).

25 (l) An electric utility shall recover its costs incurred
26 under this Section, including, but not limited to, the costs of

1 procuring power and energy demand-response resources under
2 this Section. The utility shall file with the initial
3 procurement plan its proposed tariffs through which its costs
4 of procuring power that are incurred pursuant to a
5 Commission-approved procurement plan and those other costs
6 identified in this subsection (1), will be recovered. The
7 tariffs shall include a formula rate or charge designed to pass
8 through both the costs incurred by the utility in procuring a
9 supply of electric power and energy for the applicable customer
10 classes with no mark-up or return on the price paid by the
11 utility for that supply, plus any just and reasonable costs
12 that the utility incurs in arranging and providing for the
13 supply of electric power and energy. The formula rate or charge
14 shall also contain provisions that ensure that its application
15 does not result in over or under recovery due to changes in
16 customer usage and demand patterns, and that provide for the
17 correction, on at least an annual basis, of any accounting
18 errors that may occur. A utility shall recover through the
19 tariff all reasonable costs incurred to implement or comply
20 with any procurement plan that is developed and put into effect
21 pursuant to Section 1-75 of the Illinois Power Agency Act and
22 this Section, including any fees assessed by the Illinois Power
23 Agency, costs associated with load balancing, and contingency
24 plan costs. The electric utility shall also recover its full
25 costs of procuring electric supply for which it contracted
26 before the effective date of this Section in conjunction with

1 the provision of full requirements service under fixed-price
2 bundled service tariffs subsequent to December 31, 2006. All
3 such costs shall be deemed to have been prudently incurred. The
4 pass-through tariffs that are filed and approved pursuant to
5 this Section shall not be subject to review under, or in any
6 way limited by, Section 16-111(i) of this Act. All of the costs
7 incurred by the electric utility associated with the purchase
8 of zero emission credits in accordance with subsection (d-5) of
9 Section 1-75 of the Illinois Power Agency Act and, beginning
10 June 1, 2017, all of the costs incurred by the electric utility
11 associated with the purchase of renewable energy resources in
12 accordance with Sections 1-56 and 1-75 of the Illinois Power
13 Agency Act, shall be recovered through the electric utility's
14 tariffed charges applicable to all of its retail customers, as
15 specified in subsection (k) of Section 16-108 of this Act, and
16 shall not be recovered through the electric utility's tariffed
17 charges for electric power and energy supply to its eligible
18 retail customers.

19 (m) The Commission has the authority to adopt rules to
20 carry out the provisions of this Section. For the public
21 interest, safety, and welfare, the Commission also has
22 authority to adopt rules to carry out the provisions of this
23 Section on an emergency basis immediately following August 28,
24 2007 (the effective date of Public Act 95-481).

25 (n) Notwithstanding any other provision of this Act, any
26 affiliated electric utilities that submit a single procurement

1 plan covering their combined needs may procure for those
2 combined needs in conjunction with that plan, and may enter
3 jointly into power supply contracts, purchases, and other
4 procurement arrangements, and allocate capacity and energy and
5 cost responsibility therefor among themselves in proportion to
6 their requirements.

7 (o) On or before June 1 of each year, the Commission shall
8 hold an informal hearing for the purpose of receiving comments
9 on the prior year's procurement process and any recommendations
10 for change.

11 (p) An electric utility subject to this Section may propose
12 to invest, lease, own, or operate an electric generation
13 facility as part of its procurement plan, provided the utility
14 demonstrates that such facility is the least-cost option to
15 provide electric service to those retail customers included in
16 the plan's electric supply service requirements. If the
17 facility is shown to be the least-cost option and is included
18 in a procurement plan prepared in accordance with Section 1-75
19 of the Illinois Power Agency Act and this Section, then the
20 electric utility shall make a filing pursuant to Section 8-406
21 of this Act, and may request of the Commission any statutory
22 relief required thereunder. If the Commission grants all of the
23 necessary approvals for the proposed facility, such supply
24 shall thereafter be considered as a pre-existing contract under
25 subsection (b) of this Section. The Commission shall in any
26 order approving a proposal under this subsection specify how

1 the utility will recover the prudently incurred costs of
2 investing in, leasing, owning, or operating such generation
3 facility through just and reasonable rates charged to those
4 retail customers included in the plan's electric supply service
5 requirements. Cost recovery for facilities included in the
6 utility's procurement plan pursuant to this subsection shall
7 not be subject to review under or in any way limited by the
8 provisions of Section 16-111(i) of this Act. Nothing in this
9 Section is intended to prohibit a utility from filing for a
10 fuel adjustment clause as is otherwise permitted under Section
11 9-220 of this Act.

12 (q) If the Illinois Power Agency filed with the Commission,
13 under Section 16-111.5 of this Act, its proposed procurement
14 plan for the period commencing June 1, 2017, and the Commission
15 has not yet entered its final order approving the plan on or
16 before the effective date of this amendatory Act of the 99th
17 General Assembly, then the Illinois Power Agency shall file a
18 notice of withdrawal with the Commission, after the effective
19 date of this amendatory Act of the 99th General Assembly, to
20 withdraw the proposed procurement of renewable energy
21 resources to be approved under the plan, other than the
22 procurement of renewable energy credits from distributed
23 renewable energy generation devices using funds previously
24 collected from electric utilities' retail customers that take
25 service pursuant to electric utilities' hourly pricing tariff
26 or tariffs and, for an electric utility that serves less than

1 100,000 retail customers in the State, other than the
2 procurement of renewable energy credits from distributed
3 renewable energy generation devices. Upon receipt of the
4 notice, the Commission shall enter an order that approves the
5 withdrawal of the proposed procurement of renewable energy
6 resources from the plan. The initially proposed procurement of
7 renewable energy resources shall not be approved or be the
8 subject of any further hearing, investigation, proceeding, or
9 order of any kind.

10 This amendatory Act of the 99th General Assembly preempts
11 and supersedes any order entered by the Commission that
12 approved the Illinois Power Agency's procurement plan for the
13 period commencing June 1, 2017, to the extent it is
14 inconsistent with the provisions of this amendatory Act of the
15 99th General Assembly. To the extent any previously entered
16 order approved the procurement of renewable energy resources,
17 the portion of that order approving the procurement shall be
18 void, other than the procurement of renewable energy credits
19 from distributed renewable energy generation devices using
20 funds previously collected from electric utilities' retail
21 customers that take service under electric utilities' hourly
22 pricing tariff or tariffs and, for an electric utility that
23 serves less than 100,000 retail customers in the State, other
24 than the procurement of renewable energy credits for
25 distributed renewable energy generation devices.

26 (Source: P.A. 99-906, eff. 6-1-17.)

1 (220 ILCS 5/16-115E new)

2 Sec. 16-115E. Carbon-free supply for alternative retail
3 electric suppliers and electric utilities operating outside
4 their service territories.

5 (a) Beginning in the delivery year that commences on June
6 1, 2021, an alternative retail electric supplier shall be
7 responsible for procuring cost-effective electricity that has
8 an annual carbon dioxide emissions rate, in pounds of CO2
9 emissions per megawatt-hour, no greater than the annual targets
10 in subsection (k) of Section 1-75 of the Illinois Power Agency
11 Act.

12 (b) Each alternative retail electric supplier shall, by
13 September 1, 2021 and by September 1 of each year thereafter,
14 prepare and submit to the Commission a public report, in a
15 format to be specified by the Commission, that provides
16 information certifying compliance by the alternative retail
17 electric supplier with this Section, including the source,
18 quantity and hourly CO₂ emissions of supplied electricity, and
19 any other information that the Commission determines necessary
20 to ensure compliance with this Section.

21 (220 ILCS 5/16-128B)

22 Sec. 16-128B. Qualified energy efficiency installers.

23 (a) Within 18 months after the effective date of this
24 amendatory Act of the 99th General Assembly, the Commission

1 shall adopt rules, including emergency rules, establishing a
2 process for entities installing energy efficiency measures to
3 certify compliance with the requirements of this Section.

4 The process shall include an option to complete the
5 certification electronically by completing forms on-line. An
6 entity installing energy efficiency measures shall be
7 permitted to complete the certification after the subject work
8 has been completed.

9 The Commission shall maintain on its website a list of
10 entities installing energy efficiency measures that have
11 successfully completed the certification process.

12 (b) In addition to any authority granted to the Commission
13 under this Act, the Commission may:

14 (1) determine which entities are subject to
15 certification under this Section;

16 (2) impose reasonable certification fees and
17 penalties;

18 (3) adopt disciplinary procedures;

19 (4) investigate any and all activities subject to this
20 Section, including violations thereof;

21 (5) adopt procedures to issue or renew, or to refuse to
22 issue or renew, a certification or to revoke, suspend,
23 place on probation, reprimand, or otherwise discipline a
24 certified entity under this Act or take other enforcement
25 action against an entity subject to this Section; and

26 (6) prescribe forms to be issued for the administration

1 and enforcement of this Section.

2 (c) An electric utility may not provide a retail customer
3 with a rebate or other energy efficiency incentive for a
4 measure that exceeds a minimal amount determined by the
5 Commission unless the customer provides the electric utility
6 with (1) a certification that the person installing the energy
7 efficiency measure was a self-installer; or (2) evidence that
8 the energy efficiency measure was installed by an entity
9 certified under this Section that is also in good standing with
10 the Commission.

11 (d) The Commission shall:

12 (1) require entities installing energy efficiency
13 measures to be certified to do business and to be bonded in
14 this State;

15 (2) ensure that entities installing energy efficiency
16 measures have the requisite knowledge, skill, training,
17 experience, and competence to perform functions in a safe
18 and reliable manner as required under subsection (a) of
19 Section 16-128 of this Act;

20 (3) ensure that entities installing energy efficiency
21 measures conform to applicable building and electrical
22 codes;

23 (4) ensure that all entities installing energy
24 efficiency measures meet recognized industry standards as
25 the Commission deems appropriate;

26 (5) include any additional requirements that the

1 Commission deems reasonable to ensure that entities
2 installing energy efficiency measures meet adequate
3 training, financial, and competency requirements;

4 (6) ensure that all entities installing energy
5 efficiency measures obtain certificates of insurance in
6 sufficient amounts and coverages that the Commission so
7 determines; and

8 (7) identify and determine the training or other
9 programs by which persons or entities may obtain the
10 requisite training, skill, or experience necessary to
11 achieve and maintain compliance with the requirements of
12 this Section.

13 (e) Fees and penalties collected under this Section shall
14 be deposited into the Public Utility Fund and used to fund the
15 Commission's compliance with the obligations imposed by this
16 Section.

17 (f) The rules adopted under this Section shall specify the
18 initial dates for compliance with the rules.

19 (g) For purposes of this Section, entities installing
20 energy efficiency measures shall endeavor to support the
21 diversity goals of this State by attracting, developing,
22 retaining, and providing opportunities to employees of all
23 backgrounds and by supporting female-owned, minority-owned,
24 veteran-owned, and small businesses. Specifically, the
25 Commission shall require that preference must be given to those
26 certified energy efficiency installers who meet multiple

1 workforce equity building actions, including, but not limited
2 to, the following:

3 (A) Hiring equity action: 30% of the entity's
4 workforce (measured by FTEs) are people of color
5 (members of a racial or ethnic minority group) and
6 receive at or above the prevailing wage.

7 (B) Clean Jobs Workforce Hubs action: 30% of the
8 workers associated with the project are graduates or
9 trainees from the Clean Jobs Workforce Hubs programs,
10 or equivalent certification, and paid at or above the
11 prevailing wage.

12 (C) Disadvantaged Business Enterprise Action:
13 being an entity defined under Section 2 of the Business
14 Enterprise for Minorities, Women, and Persons with
15 Disabilities Act.

16 (D) Contracting Equity Action: 51% of the entity's
17 subcontractors or vendors are entities defined under
18 Section 2 of the Business Enterprise for Minorities,
19 Women, and Persons with Disabilities Act or 30% of the
20 workers associated with the project, including from
21 all subcontractors and vendors, are people of color
22 (members of a racial or ethnic minority group).

23 (E) Small business action: entity's workforce is
24 comprised of 3 or fewer full-time employees.

25 (Source: P.A. 99-906, eff. 6-1-17.)

1 Section 90-25. The Environmental Protection Act is amended
2 by changing Section 9.10 and by adding Sections 4.2 and 13.9 as
3 follows:

4 (415 ILCS 5/4.2 new)

5 Sec. 4.2. Renewable energy benefits. The Illinois
6 Environmental Protection Agency shall conduct a study
7 regarding the ability of solar and wind projects to deliver
8 additional benefits for Illinois such as agriculture and
9 pollinator-friendly projects, brownfield redevelopment,
10 water-pollution buffers, and other land-use or environmental
11 benefits. On or before July 1, 2020, the Agency shall report
12 its findings and recommendations to the General Assembly and to
13 the Governor.

14 (415 ILCS 5/9.10)

15 Sec. 9.10. Fossil fuel-fired electric generating plants.

16 (a) The General Assembly finds and declares that:

17 (1) fossil fuel-fired electric generating plants are a
18 significant source of air emissions in this State and have
19 become the subject of a number of important new studies of
20 their effects on the public health;

21 (2) existing state and federal policies, that allow
22 older plants that meet federal standards to operate without
23 meeting the more stringent requirements applicable to new
24 plants, are being questioned on the basis of their

1 environmental impacts and the economic distortions such
2 policies cause in a deregulated energy market;

3 (3) fossil fuel-fired electric generating plants are,
4 or may be, affected by a number of regulatory programs,
5 some of which are under review or development on the state
6 and national levels, and to a certain extent the
7 international level, including the federal acid rain
8 program, tropospheric ozone, mercury and other hazardous
9 pollutant control requirements, regional haze, and global
10 warming;

11 (4) scientific uncertainty regarding the formation of
12 certain components of regional haze and the air quality
13 modeling that predict impacts of control measures requires
14 careful consideration of the timing of the control of some
15 of the pollutants from these facilities, particularly
16 sulfur dioxides and nitrogen oxides that each interact with
17 ammonia and other substances in the atmosphere;

18 (5) the development of energy policies to promote a
19 safe, sufficient, reliable, and affordable energy supply
20 on the state and national levels is being affected by the
21 on-going deregulation of the power generation industry and
22 the evolving energy markets;

23 (6) the Governor's formation of an Energy Cabinet and
24 the development of a State energy policy calls for actions
25 by the Agency and the Board that are in harmony with the
26 energy needs and policy of the State, while protecting the

1 public health and the environment;

2 (7) reducing greenhouse gas emissions and other air
3 pollutants such as particulate matter, sulfur dioxide, and
4 nitrogen oxide is critical to improving the health and
5 welfare of Illinois residents by decreasing respiratory
6 diseases, cardiovascular diseases, and related
7 mortalities; lowering customers' energy costs; and
8 responding to the growing impacts of climate change from
9 fossil-fuel generation;

10 (8) through reductions in harmful emissions and
11 strategic planning for Illinois citizens currently
12 employed by and communities reliant on fossil-fuel
13 electricity generation units, eliminating greenhouse gas
14 emissions from the electricity generation sector is a
15 priority for the State;

16 (9) The 100th General Assembly recognized this problem
17 and, in passing House Resolution 490 on June 26, 2017, it
18 supported the Paris Climate Agreement and urged the State
19 of Illinois join the United States Climate Alliance and
20 develop a plan to achieve 100% clean energy by 2045;

21 ~~(7) Illinois coal is an abundant resource and an~~
22 ~~important component of Illinois' economy whose use should~~
23 ~~be encouraged to the greatest extent possible consistent~~
24 ~~with protecting the public health and the environment;~~

25 ~~(8) renewable forms of energy should be promoted as an~~
26 ~~important element of the energy and environmental policies~~

1 ~~of the State and that it is a goal of the State that at~~
2 ~~least 5% of the State's energy production and use be~~
3 ~~derived from renewable forms of energy by 2010 and at least~~
4 ~~15% from renewable forms of energy by 2020;~~

5 (10) ~~(9)~~ efforts on the state and federal levels are
6 underway to consider the multiple environmental
7 regulations affecting electric generating plants in order
8 to improve the ability of government and the affected
9 industry to engage in effective planning through the use of
10 multi-pollutant strategies; and

11 (11) ~~(10)~~ these issues, taken together, call for a
12 comprehensive review of the impact of these facilities on
13 the public health, considering also the energy supply,
14 reliability, and costs, the role of renewable forms of
15 energy, and the developments in federal law and regulations
16 that may affect any state actions, prior to making final
17 decisions in Illinois.

18 (b) Taking into account the findings and declarations of
19 the General Assembly contained in subsection (a) of this
20 Section, the Agency shall, within 180 days after the effective
21 date of this amendatory Act of the 101st General Assembly,
22 initiate a rulemaking to amend Title 35 of the Illinois
23 Administrative Code to establish annual greenhouse gas
24 pollution caps and further co-pollutant reductions beginning
25 in 2020 from electric generating units (including, but not
26 limited to, coal-fired, coal-derived, oil-fired, combustion

1 turbine, integrated gasification combined cycle, and
2 cogeneration facilities above or below 25 MW) and progressively
3 eliminate all emissions of greenhouse gases, particulate
4 matter, mercury, nitrogen oxides, and sulfur dioxide from
5 Illinois' electric sector by the year 2030. As part of this
6 rulemaking, the Agency shall:

7 (1) ensure that environmental justice communities are
8 protected and develop an environmental justice analysis in
9 partnership with the Illinois Commission on Environmental
10 Justice that includes a cumulative impacts assessment and
11 proposed definition of environmental justice communities
12 based on existing methodologies and findings used by the
13 Illinois Power Agency and its Administrator in its Illinois
14 Solar for All Program;

15 (2) identify electric generating units located in or
16 near environmental justice communities and require more
17 rapid greenhouse gas and co-pollutant emissions reductions
18 of those facilities

19 (3) conduct a robust and inclusive stakeholder process
20 prior to issuing a draft rule to the Illinois Pollution
21 Control Board that includes a formal public comment period
22 with public hearings accessible to working residents;

23 (4) participate in strategic planning efforts with the
24 Department of Commerce and Economic Opportunity to
25 identify needs and initiatives for communities and workers
26 economically impacted by the decline in fossil fuel

1 generation.

2 ~~before September 30, 2004, but not before September 30, 2003,~~
3 ~~issue to the House and Senate Committees on Environment and~~
4 ~~Energy findings that address the potential need for the control~~
5 ~~or reduction of emissions from fossil fuel fired electric~~
6 ~~generating plants, including the following provisions:~~

7 ~~(1) reduction of nitrogen oxide emissions, as~~
8 ~~appropriate, with consideration of maximum annual~~
9 ~~emissions rate limits or establishment of an emissions~~
10 ~~trading program and with consideration of the developments~~
11 ~~in federal law and regulations that may affect any State~~
12 ~~action, prior to making final decisions in Illinois;~~

13 ~~(2) reduction of sulfur dioxide emissions, as~~
14 ~~appropriate, with consideration of maximum annual~~
15 ~~emissions rate limits or establishment of an emissions~~
16 ~~trading program and with consideration of the developments~~
17 ~~in federal law and regulations that may affect any State~~
18 ~~action, prior to making final decisions in Illinois;~~

19 ~~(3) incentives to promote renewable sources of energy~~
20 ~~consistent with item (8) of subsection (a) of this Section;~~

21 ~~(4) reduction of mercury as appropriate, consideration~~
22 ~~of the availability of control technology, industry~~
23 ~~practice requirements, or incentive programs, or some~~
24 ~~combination of these approaches that are sufficient to~~
25 ~~prevent unacceptable local impacts from individual~~
26 ~~facilities and with consideration of the developments in~~

1 ~~federal law and regulations that may affect any state~~
2 ~~action, prior to making final decisions in Illinois; and~~

3 ~~(5) establishment of a banking system, consistent with~~
4 ~~the United States Department of Energy's voluntary~~
5 ~~reporting system, for certifying credits for voluntary~~
6 ~~offsets of emissions of greenhouse gases, as identified by~~
7 ~~the United States Environmental Protection Agency, or~~
8 ~~other voluntary reductions of greenhouse gases. Such~~
9 ~~reduction efforts may include, but are not limited to,~~
10 ~~carbon sequestration, technology based control measures,~~
11 ~~energy efficiency measures, and the use of renewable energy~~
12 ~~sources.~~

13 The Agency shall consider the impact on the public health,
14 considering also energy supply, reliability and costs, the role
15 of renewable forms of energy, and developments in federal law
16 and regulations that may affect any state actions, prior to
17 making final decisions in Illinois.

18 (c) Nothing in this Section is intended to or should be
19 interpreted in a manner to limit or restrict the authority of
20 the Illinois Environmental Protection Agency to propose, or the
21 Illinois Pollution Control Board to adopt, any regulations
22 applicable or that may become applicable to the facilities
23 covered by this Section that are required by federal law.

24 (d) The Agency may file proposed rules with the Board to
25 effectuate the goals set forth in subsection (b). ~~its findings~~
26 ~~provided to the Senate Committee on Environment and Energy and~~

1 ~~the House Committee on Environment and Energy in accordance~~
2 ~~with subsection (b) of this Section. Any such proposal shall~~
3 ~~not be submitted sooner than 90 days after the issuance of the~~
4 ~~findings provided for in subsection (b) of this Section. The~~
5 Board shall take action on any such proposal within one year of
6 the Agency's filing of the proposed rules.

7 ~~(c) This Section shall apply only to those electrical~~
8 ~~generating units that are subject to the provisions of Subpart~~
9 ~~W of Part 217 of Title 35 of the Illinois Administrative Code,~~
10 ~~as promulgated by the Illinois Pollution Control Board on~~
11 ~~December 21, 2000.~~

12 (Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

13 (415 ILCS 5/13.9 new)

14 Sec. 13.9. Coal ash regulation.

15 (a) In this Section, "coal ash" means coal combustion waste
16 as defined in Section 3.140.

17 (b) Within 180 days after the effective date of this
18 amendatory Act of the 101st General Assembly, the Agency shall
19 initiate a rulemaking to amend 35 Ill. Adm. Code Part 620 to
20 establish and enforce limits on annual coal ash disposal in the
21 State. This rule must include specific enforcement measures
22 that are available to the public if the Agency or a regulated
23 party fails to meet these requirements. Also as part of this
24 rule, the Agency shall set forth a procedure by which owners or
25 operators, or both, of both active and inactive coal ash

1 impoundments shall identify and eliminate all sources of
2 contamination from the storage of coal combustion residual
3 waste in Illinois, by December 31, 2030.

4 (415 ILCS 5/9.15 rep.)

5 Section 90-30. The Environmental Protection Act is amended
6 by repealing Section 9.15.

7 (415 ILCS 140/Act rep.)

8 Section 90-35. The Kyoto Protocol Act of 1998 is repealed.

9 Article 99.

10 Effective Date

11 Section 999. Effective date. This Act takes effect upon
12 becoming law."