



Sen. Robert Peters

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1 AMENDMENT TO SENATE BILL 2123

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2123 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Equitable Energy Financing Act.

6 Section 3. Applicability. This Act shall apply to utilities  
7 as defined in this Act.

8 Section 5. Findings and purpose. The General Assembly finds  
9 that Illinois homes and businesses can contribute to the  
10 creation of a clean energy economy, conservation of natural  
11 resources, and reliability of the electricity grid through the  
12 installation of cost-effective renewable energy generation,  
13 energy efficiency, and energy storage systems. The General  
14 Assembly further finds that a large portion of Illinois  
15 residents and businesses that would benefit from the

1 installation of energy efficiency, energy storage systems, and  
2 renewable energy generation systems are unable to purchase  
3 systems due to capital or credit barriers. The purpose of this  
4 Act is to implement much needed modifications to the State's  
5 regulation of utilities that the General Assembly believes will  
6 enable many more Illinoisans to access the health,  
7 environmental, and financial benefits of new clean energy  
8 technology.

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

10 "Commission" means to the Illinois Commerce Commission.

11 "Energy project" means a renewable energy generation  
12 systems, solar projects, energy efficiency upgrades, energy  
13 storage systems, or any combination thereof.

14 "Program" means the Equitable Energy Financing Program  
15 established under this Act.

16 "Utility" means public utilities providing electric  
17 service to customers as provided under the Public Utilities  
18 Act, including Commonwealth Edison and Ameren.

19 Section 15. Equitable Energy Financing Program.

20 (a) The Illinois Commerce Commission shall establish a  
21 Program for all electric utilities in this State which permits  
22 customers to finance the construction of energy projects  
23 through an optional tariff payable directly through their  
24 utility bill, modeled after the PAYS or Pay as You Save program

1 design. The Program model shall offer to make investments in  
2 energy projects to customer properties with low-cost capital  
3 and use an opt-in tariff to recover the costs. This Program  
4 shall be referred to as the Equitable Energy Financing Program.  
5 The Program shall be designed to provide customers with  
6 financial savings if they choose to participate. The Program  
7 will allow residential electric utility customers that own the  
8 property, or renters that have permission of the owner, for  
9 which they subscribe to utility service, to purchase an energy  
10 project. The Program will ensure the following:

11 (1) eligible projects do not require up-front  
12 payments;

13 (2) eligible projects have an estimated life cycle  
14 savings that exceeds the cost of the project, subject to  
15 PAYS Program requirements;

16 (3) participants will finance the projects by paying  
17 for the project through an optional tariff directly through  
18 the participant's electricity bill, allowing participants  
19 to invest in energy projects without traditional loans;

20 (4) accessibility by lower income residents and  
21 environmental justice community residents; and

22 (5) administration is in coordination with the energy  
23 efficiency on-bill financing program established in the  
24 Public Utilities Act to maximize access and financial  
25 savings by residents.

26 (b) The Program shall be established as follows:

1           (1) The Program shall begin for the first year as a  
2 pilot program. During the first year of operation, each  
3 utility is required to provide financing for energy  
4 projects at a total project cost of \$20,000,000 annually.

5           (2) Beginning in the second year, each utility is  
6 required to provide systems for a total project cost of  
7 \$40,000,000 annually.

8           (3) Beginning in the third year of programming, each  
9 utility shall be required to provide as many systems as  
10 customers demand, subject to available capital provided by  
11 the utility, State, or other lenders.

12           (4) The Commission shall establish Program guidelines  
13 with the anticipated schedule of Program availability.

14           (c) In the design of the Equitable Energy Financing  
15 Program, the Commission shall:

16           (1) Within 90 days after the effective date of this  
17 Act, convene a workshop process during which interested  
18 participants may discuss issues and submit comments  
19 related to the Program.

20           (2) Establish PAYS program guidelines that electric  
21 utilities will abide by when designing their plan to  
22 participate in the Program. Program guidelines established  
23 by the Commission shall include the following elements:

24           (A) Capital funds. The Commission shall establish  
25 conditions under which utilities secure capital to  
26 fund the energy projects. The Commission may allow

1 utilities to raise capital independently, work with  
2 third party lenders to secure the capital for  
3 participants, or a combination thereof. Any process  
4 the Commission approves must use a market mechanism to  
5 identify the least costly sources of capital funds so  
6 as to pass on maximum savings to participants. The  
7 State of Illinois may also choose to provide capital  
8 for this Program.

9 (B) Customer protections. Customer protection  
10 guidelines should be designed based on the principles  
11 established in Section 20, subject to PAYS program  
12 design requirements..

13 (C) Energy project vendors. The Commission shall  
14 establish conditions by which utilities may connect  
15 Program participants to energy project vendors. In  
16 setting conditions for connection, the Commission may  
17 prioritize vendors that have a history of good  
18 relations with the State, including vendors which have  
19 hired participants from State-created job training  
20 programs.

21 (D) Financial savings guarantee. The guidelines  
22 established by the Commission shall include a  
23 reasonable guarantee of anticipated financial savings  
24 by Program participants.

25 (d) Within 120 days after the Commission releases the  
26 Program conditions established under this Section, each

1 utility subject to the requirements of this Section shall  
2 submit an informational filing to the Commission that describes  
3 its plan for implementing the provisions of this Act. If the  
4 Commission finds that the submission does not properly comply  
5 with the statutory or regulatory requirements of the Program,  
6 the Commission may require that the utility make modifications  
7 to their filing.

8 (e) An independent evaluation of the Program shall be  
9 conducted after 2 years of the Program's operation. The  
10 Illinois Commerce Commission shall convene an advisory council  
11 of stakeholders, including representation of low income and  
12 environment justice Community members, to make recommendations  
13 in response to the findings of the independent evaluation.

14 (f) Participation in the Program by utilities shall be  
15 mandatory from Program launch through January 1, 2031. After  
16 January 1, 2031, participation in the Program by utilities is  
17 voluntary.

18 Section 20. Customer protections; cost-effectiveness.

19 (a) The Equitable Energy Financing Program shall be  
20 designed using PAYS program guidelines to be cost-effective for  
21 customers. Only projects that are deemed to be cost-effective  
22 and can be reasonably expected to ensure customer savings are  
23 eligible for funding through the Program.

24 (b) Eligible customers must be: (1) property renters with  
25 permission of the property owner; or (2) property owners.

1           (c) The calculation of cost-effectiveness must be  
2 conducted by an objective process established by the Illinois  
3 Commerce Commission. Except as otherwise provided under this  
4 subsection (c), the calculation of cost-effectiveness shall be  
5 based upon PAYS program requirements.

6           Calculations of cost effectiveness based upon utility  
7 provider shall be as follows:

8           (1) For Commonwealth Edison, the cost-effectiveness  
9 calculation is not required to include financial savings  
10 from sources other than electricity. However, if projects  
11 provide a financial benefit beyond electricity savings,  
12 such as an expected natural gas use reduction, utilities  
13 and vendors are permitted to include this in the  
14 cost-benefit calculation.

15           (2) For Ameren, the cost-effectiveness calculation  
16 must include financial savings from both electricity and  
17 natural gas reduction.

18           A project shall be considered cost-effective only if the  
19 projected customer reduces his or her payment amount by at  
20 least 5% over his or her projected costs without the energy  
21 project. The Commission may establish guidelines by which this  
22 required savings is measured.

23           (d) The Equitable Energy Financing Program should be  
24 modeled after the PAYS, or Pay As You Save, style system by  
25 which Program participants finance energy projects using the  
26 savings that the energy project creates with an on-bill

1 financing program. Eligible projects shall not:

2 (1) create personal debt for the customer;

3 (2) result in a lien in the event of nonpayment by  
4 customers; or

5 (3) require customers to pay for defective energy  
6 projects.

7 (e) Any energy project that is defective or damaged due to  
8 no fault of the participant must be either replaced or repaired  
9 with parts that meet industry standards. The Commission may  
10 establish, increase, or replace the requirements imposed by  
11 this subsection (e). The Illinois Commerce Commission may  
12 determine that this responsibility is best handled by  
13 participating project vendors in the form of insurance,  
14 contractual guarantees, or other mechanisms, and issue rules  
15 detailing this requirement.

16 (f) In the event of nonpayment, the remaining balance due  
17 to pay off the system shall remain with the utility meter. The  
18 Commission shall otherwise establish conditions in the event of  
19 nonpayment by customers, subject to the requirements of this  
20 subsection (f).

21 Section 25. Utility participation in the Program.

22 (a) All electric utilities in this State shall be required  
23 to participate in the Program established under this Act.  
24 Utilities shall not discriminate against customers on the basis  
25 of their energy supplier.



1 (b) If the demand by utility customers exceeds the Program  
2 capital supply in a given year, utilities shall ensure 50% of  
3 participants are:

4 (1) members of households that make 150% or less of  
5 area median income; or

6 (2) residents of environmental justice communities.

7 (c) Utilities shall endeavor to inform customers about the  
8 availability of the Program, their potential eligibility for  
9 participation in the Program, as well as to whether they are  
10 likely to save money on the basis of an estimate conducted  
11 using variables consistent with the Program that the utility  
12 has at its disposal. The Commission may establish guidelines by  
13 which utilities must abide by this directive.

14 (d) Subject to Commission specifications established in  
15 Section 15, each utility shall work with certified project  
16 vendors selected under a request for proposal process to  
17 establish the terms and processes under which a participant can  
18 purchase eligible renewable energy generation and energy  
19 storage systems using the financing obtained from the lender  
20 through a program designed to fit the Equitable Energy  
21 Financing Program model. The certified project vendor shall  
22 explain and offer the approved financing packaging to customers  
23 and shall assist customers in applying for financing through  
24 the Equitable Energy Financing Program. As part of the process,  
25 vendors shall also provide participants with information about  
26 any other relevant incentives that may be available.

1           (e) An electric utility shall recover all of the prudently  
2 incurred costs of offering a program approved by the Commission  
3 under this Section.

4           (f) The Illinois Commerce Commission shall adopt all rules  
5 necessary for the administration of this Section.

6           Section 99. Effective date. This Act takes effect upon  
7 becoming law.".