

AN ACT concerning finance.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Finance Authority Act is amended by changing Sections 801-10, 801-55, 825-12, 825-65, 825-95, 825-110, 830-10, and 830-15 as follows:

(20 ILCS 3501/801-10)

Sec. 801-10. Definitions. The following terms, whenever used or referred to in this Act, shall have the following meanings, except in such instances where the context may clearly indicate otherwise:

(a) The term "Authority" means the Illinois Finance Authority created by this Act.

(b) The term "project" means an industrial project, conservation project, housing project, public purpose project, higher education project, health facility project, cultural institution project, municipal bond program project, agricultural facility or agribusiness, and "project" may include any combination of one or more of the foregoing undertaken jointly by any person with one or more other persons.

(c) The term "public purpose project" means any project or facility including without limitation land, buildings,

structures, machinery, equipment and all other real and personal property, which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government.

(d) The term "industrial project" means the acquisition, construction, refurbishment, creation, development or redevelopment of any facility, equipment, machinery, real property or personal property for use by any instrumentality of the State or its political subdivisions, for use by any person or institution, public or private, for profit or not for profit, or for use in any trade or business including, but not limited to, any industrial, manufacturing or commercial enterprise that is located within or outside the State, provided that, with respect to a project involving property located outside the State, the property must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, and which is (1) a capital project including but not limited to: (i) land and any rights therein, one or more buildings, structures or other improvements, machinery and equipment, whether now existing or hereafter acquired, and whether or not located on the same site or sites; (ii) all appurtenances and facilities incidental to the foregoing, including, but not limited to utilities, access roads, railroad

sidings, track, docking and similar facilities, parking facilities, dockage, wharfage, railroad roadbed, track, trestle, depot, terminal, switching and signaling or related equipment, site preparation and landscaping; and (iii) all non-capital costs and expenses relating thereto or (2) any addition to, renovation, rehabilitation or improvement of a capital project or (3) any activity or undertaking within or outside the State, provided that, with respect to a project involving property located outside the State, the property must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, which the Authority determines will aid, assist or encourage economic growth, development or redevelopment within the State or any area thereof, will promote the expansion, retention or diversification of employment opportunities within the State or any area thereof or will aid in stabilizing or developing any industry or economic sector of the State economy. The term "industrial project" also means the production of motion pictures.

(e) The term "bond" or "bonds" shall include bonds, notes (including bond, grant or revenue anticipation notes), certificates and/or other evidences of indebtedness representing an obligation to pay money, including refunding bonds.

(f) The terms "lease agreement" and "loan agreement" shall mean: (i) an agreement whereby a project acquired by the

Authority by purchase, gift or lease is leased to any person, corporation or unit of local government which will use or cause the project to be used as a project as heretofore defined upon terms providing for lease rental payments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority issued with respect to such project, providing for the maintenance, insuring and operation of the project on terms satisfactory to the Authority, providing for disposition of the project upon termination of the lease term, including purchase options or abandonment of the premises, and such other terms as may be deemed desirable by the Authority, or (ii) any agreement pursuant to which the Authority agrees to loan the proceeds of its bonds issued with respect to a project or other funds of the Authority to any person which will use or cause the project to be used as a project as heretofore defined upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium, if any, on any bonds of the Authority, if any, issued with respect to the project, and providing for maintenance, insurance and other matters as may be deemed desirable by the Authority.

(g) The term "financial aid" means the expenditure of Authority funds or funds provided by the Authority through the issuance of its bonds, notes or other evidences of indebtedness or from other sources for the development, construction, acquisition or improvement of a project.

(h) The term "person" means an individual, corporation, unit of government, business trust, estate, trust, partnership or association, 2 or more persons having a joint or common interest, or any other legal entity.

(i) The term "unit of government" means the federal government, the State or unit of local government, a school district, or any agency or instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(j) The term "health facility" means: (a) any public or private institution, place, building, or agency required to be licensed under the Hospital Licensing Act; (b) any public or private institution, place, building, or agency required to be licensed under the Nursing Home Care Act, the Specialized Mental Health Rehabilitation Act, or the ID/DD Community Care Act; (c) any public or licensed private hospital as defined in the Mental Health and Developmental Disabilities Code; (d) any such facility exempted from such licensure when the Director of Public Health attests that such exempted facility meets the statutory definition of a facility subject to licensure; (e) any other public or private health service institution, place, building, or agency which the Director of Public Health attests is subject to certification by the Secretary, U.S. Department of Health and Human Services under the Social Security Act, as now or hereafter amended, or which the Director of Public Health attests is subject to standard-setting by a recognized

public or voluntary accrediting or standard-setting agency; (f) any public or private institution, place, building or agency engaged in providing one or more supporting services to a health facility; (g) any public or private institution, place, building or agency engaged in providing training in the healing arts, including but not limited to schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy or nursing, schools for the training of x-ray, laboratory or other health care technicians and schools for the training of para-professionals in the health care field; (h) any public or private congregate, life or extended care or elderly housing facility or any public or private home for the aged or infirm, including, without limitation, any Facility as defined in the Life Care Facilities Act; (i) any public or private mental, emotional or physical rehabilitation facility or any public or private educational, counseling, or rehabilitation facility or home, for those persons with a developmental disability, those who are physically ill or disabled, the emotionally disturbed, those persons with a mental illness or persons with learning or similar disabilities or problems; (j) any public or private alcohol, drug or substance abuse diagnosis, counseling treatment or rehabilitation facility, (k) any public or private institution, place, building or agency licensed by the Department of Children and Family Services or which is not so licensed but which the Director of Children and Family Services attests provides child care, child welfare or other services of

the type provided by facilities subject to such licensure; (l) any public or private adoption agency or facility; and (m) any public or private blood bank or blood center. "Health facility" also means a public or private structure or structures suitable primarily for use as a laboratory, laundry, nurses or interns residence or other housing or hotel facility used in whole or in part for staff, employees or students and their families, patients or relatives of patients admitted for treatment or care in a health facility, or persons conducting business with a health facility, physician's facility, surgicenter, administration building, research facility, maintenance, storage or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, including parking or other facilities or other supporting service structures required or useful for the orderly conduct of such health facility. "Health facility" also means, with respect to a project located outside the State, any public or private institution, place, building, or agency which provides services similar to those described above, provided that such project is owned, operated, leased or managed by a participating health institution located within the State, or a participating health institution affiliated with an entity located within the State.

(k) The term "participating health institution" means (i) a private corporation or association or (ii) a public entity of this State, in either case authorized by the laws of this State

or the applicable state to provide or operate a health facility as defined in this Act and which, pursuant to the provisions of this Act, undertakes the financing, construction or acquisition of a project or undertakes the refunding or refinancing of obligations, loans, indebtedness or advances as provided in this Act.

(l) The term "health facility project", means a specific health facility work or improvement to be financed or refinanced (including without limitation through reimbursement of prior expenditures), acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, with funds provided in whole or in part hereunder, any accounts receivable, working capital, liability or insurance cost or operating expense financing or refinancing program of a health facility with or involving funds provided in whole or in part hereunder, or any combination thereof.

(m) The term "bond resolution" means the resolution or resolutions authorizing the issuance of, or providing terms and conditions related to, bonds issued under this Act and includes, where appropriate, any trust agreement, trust indenture, indenture of mortgage or deed of trust providing terms and conditions for such bonds.

(n) The term "property" means any real, personal or mixed property, whether tangible or intangible, or any interest therein, including, without limitation, any real estate, leasehold interests, appurtenances, buildings, easements,

equipment, furnishings, furniture, improvements, machinery, rights of way, structures, accounts, contract rights or any interest therein.

(o) The term "revenues" means, with respect to any project, the rents, fees, charges, interest, principal repayments, collections and other income or profit derived therefrom.

(p) The term "higher education project" means, in the case of a private institution of higher education, an educational facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(q) The term "cultural institution project" means, in the case of a cultural institution, a cultural facility to be acquired, constructed, enlarged, remodeled, renovated, improved, furnished, or equipped, or any combination thereof.

(r) The term "educational facility" means any property located within the State, or any property located outside the State, provided that, if the property is located outside the State, it must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, in each case constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the instruction, feeding, recreation or housing of students, the conducting of research or other work of a private institution of higher education, the use by a private institution of higher

education in connection with any educational, research or related or incidental activities then being or to be conducted by it, or any combination of the foregoing, including, without limitation, any such property suitable for use as or in connection with any one or more of the following: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, fire fighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theatre or utility.

(s) The term "cultural facility" means any property located within the State, or any property located outside the State, provided that, if the property is located outside the State, it must be owned, operated, leased or managed by an entity located within the State or an entity affiliated with an entity located within the State, in each case constructed or acquired before or after the effective date of this Act, which is or will be, in whole or in part, suitable for the particular purposes or needs of a cultural institution, including, without

limitation, any such property suitable for use as or in connection with any one or more of the following: an administrative facility, aquarium, assembly hall, auditorium, botanical garden, exhibition hall, gallery, greenhouse, library, museum, scientific laboratory, theater or zoological facility, and shall also include, without limitation, books, works of art or music, animal, plant or aquatic life or other items for display, exhibition or performance. The term "cultural facility" includes buildings on the National Register of Historic Places which are owned or operated by nonprofit entities.

(t) "Private institution of higher education" means a not-for-profit educational institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which is authorized by law to provide a program of education beyond the high school level and which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) Provides an educational program for which it awards a bachelor's degree, or provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a postgraduate degree, or provides not less than a 2-year program which is acceptable for full credit

toward such a degree, or offers a 2-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(3) Is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited, and holds an unrevoked certificate of approval under the Private College Act from the Board of Higher Education, or is qualified as a "degree granting institution" under the Academic Degree Act; and

(4) Does not discriminate in the admission of students on the basis of race or color. "Private institution of higher education" also includes any "academic institution".

(u) The term "academic institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in, or facilitates academic, scientific, educational or professional

research or learning in a field or fields of study taught at a private institution of higher education. Academic institutions include, without limitation, libraries, archives, academic, scientific, educational or professional societies, institutions, associations or foundations having such purposes.

(v) The term "cultural institution" means any not-for-profit institution which is not owned by the State or any political subdivision, agency, instrumentality, district or municipality thereof, which institution engages in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State. Cultural institutions include, without limitation, aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies and zoological societies.

(w) The term "affiliate" means, with respect to financing of an agricultural facility or an agribusiness, any lender, any person, firm or corporation controlled by, or under common control with, such lender, and any person, firm or corporation controlling such lender.

(x) The term "agricultural facility" means land, any building or other improvement thereon or thereto, and any personal properties deemed necessary or suitable for use, whether or not now in existence, in farming, ranching, the production of agricultural commodities (including, without

limitation, the products of aquaculture, hydroponics and silviculture) or the treating, processing or storing of such agricultural commodities when such activities are customarily engaged in by farmers as a part of farming and which land, building, improvement or personal property is located within the State, or is located outside the State, provided, that if such property is located outside the State, it must be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State.

(y) The term "lender" with respect to financing of an agricultural facility or an agribusiness, means any federal or State chartered bank, Federal Land Bank, Production Credit Association, Bank for Cooperatives, federal or State chartered savings and loan association or building and loan association, Small Business Investment Company or any other institution qualified within this State to originate and service loans, including, but without limitation to, insurance companies, credit unions and mortgage loan companies. "Lender" also means a wholly owned subsidiary of a manufacturer, seller or distributor of goods or services that makes loans to businesses or individuals, commonly known as a "captive finance company".

(z) The term "agribusiness" means any sole proprietorship, limited partnership, co-partnership, joint venture, corporation or cooperative which operates or will operate a facility located within the State or outside the State,

provided, that if any facility is located outside the State, it must be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State, of Illinois that is related to the processing of agricultural commodities (including, without limitation, the products of aquaculture, hydroponics and silviculture) or the manufacturing, production or construction of agricultural buildings, structures, equipment, implements, and supplies, or any other facilities or processes used in agricultural production. Agribusiness includes but is not limited to the following:

(1) grain handling and processing, including grain storage, drying, treatment, conditioning, mailing and packaging;

(2) seed and feed grain development and processing;

(3) fruit and vegetable processing, including preparation, canning and packaging;

(4) processing of livestock and livestock products, dairy products, poultry and poultry products, fish or apiarian products, including slaughter, shearing, collecting, preparation, canning and packaging;

(5) fertilizer and agricultural chemical manufacturing, processing, application and supplying;

(6) farm machinery, equipment and implement manufacturing and supplying;

(7) manufacturing and supplying of agricultural

commodity processing machinery and equipment, including machinery and equipment used in slaughter, treatment, handling, collecting, preparation, canning or packaging of agricultural commodities;

(8) farm building and farm structure manufacturing, construction and supplying;

(9) construction, manufacturing, implementation, supplying or servicing of irrigation, drainage and soil and water conservation devices or equipment;

(10) fuel processing and development facilities that produce fuel from agricultural commodities or byproducts;

(11) facilities and equipment for processing and packaging agricultural commodities specifically for export;

(12) facilities and equipment for forestry product processing and supplying, including sawmilling operations, wood chip operations, timber harvesting operations, and manufacturing of prefabricated buildings, paper, furniture or other goods from forestry products;

(13) facilities and equipment for research and development of products, processes and equipment for the production, processing, preparation or packaging of agricultural commodities and byproducts.

(aa) The term "asset" with respect to financing of any agricultural facility or any agribusiness, means, but is not limited to the following: cash crops or feed on hand; livestock

held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets.

(bb) The term "liability" with respect to financing of any agricultural facility or any agribusiness shall include, but not be limited to the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(cc) The term "Predecessor Authorities" means those authorities as described in Section 845-75.

(dd) The term "housing project" means a specific work or improvement located within the State or outside the State and undertaken to provide residential dwelling accommodations, including the acquisition, construction or rehabilitation of lands, buildings and community facilities and in connection therewith to provide nonhousing facilities which are part of the housing project, including land, buildings, improvements, equipment and all ancillary facilities for use for offices, stores, retirement homes, hotels, financial institutions, service, health care, education, recreation or research establishments, or any other commercial purpose which are or

are to be related to a housing development, provided that any work or improvement located outside the State is owned, operated, leased or managed by an entity located within the State, or any entity affiliated with an entity located within the State.

(ee) The term "conservation project" means any project including the acquisition, construction, rehabilitation, maintenance, operation, or upgrade that is intended to create or expand open space or to reduce energy usage through efficiency measures. For the purpose of this definition, "open space" has the definition set forth under Section 10 of the Illinois Open Land Trust Act.

(ff) The term "significant presence" means the existence within the State of the national or regional headquarters of an entity or group or such other facility of an entity or group of entities where a significant amount of the business functions are performed for such entity or group of entities.

(gg) The term "municipal bond issuer" means the State or any other state or commonwealth of the United States, or any unit of local government, school district, agency or instrumentality, office, department, division, bureau, commission, college or university thereof located in the State or any other state or commonwealth of the United States.

(hh) The term "municipal bond program project" means a program for the funding of the purchase of bonds, notes or other obligations issued by or on behalf of a municipal bond

issuer.

(Source: P.A. 96-339, eff. 7-1-10; 96-1021, eff. 7-12-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-813, eff. 7-13-12.)

(20 ILCS 3501/801-55)

Sec. 801-55. Required findings for projects located outside the State. The Authority may approve an application to finance or refinance a project located outside of the State other than a municipal bond program project only after it has made the following findings with respect to such financing or refinancing, all of which shall be deemed conclusive:

(a) the entity financing or refinancing a project located outside the State, or an affiliate thereof, is also engaged in the financing or refinancing of a project located within the State or, alternately, the entity seeking the financing or refinancing, or an affiliate thereof, maintains a significant presence within the State;

(b) financing or refinancing the out-of-state project would promote the economy of the State for the benefit of the health, welfare, safety, trade, commerce, industry and economy of the people of the State by creating employment opportunities in the State or lowering the cost of accessing housing, healthcare, private education, or cultural institutions or undertaking industrial projects,

housing projects, higher education projects, health facility projects, cultural institution projects, conservation projects, energy efficiency projects, agricultural facilities or agribusiness in the State by reducing the cost of financing, refinancing or operating projects; and

(c) after giving effect to the financing or refinancing of the out-of-state project, the Authority shall have the ability to issue at least an additional \$1,000,000,000 of bonds under Section 845-5(a) of this Act.

The Authority may approve an application to finance or refinance a municipal bond program project located outside of the State only after it has made the following findings with respect to such financing or refinancing, all of which shall be deemed conclusive:

(1) the municipal bond program project includes the purchase of bonds, notes, or obligations issued by or on behalf of the State or any agency, instrumentality, office, department, division, bureau, or commission thereof, or any unit of local government, school district, college, or university of the State; and

(2) financing or refinancing the municipal bond program project would promote the economy of the State for the benefit of the health, welfare, safety, trade, commerce, industry, and economy of the people of the State by reducing the cost of borrowing to the State or such

agency, instrumentality, office, department, division, bureau, commission, unit of local government, school district, college, or university.

The Authority shall not provide financing or refinancing for any project, or portion thereof, located outside the boundaries of the United States of America.

Notwithstanding any other provision of this Act, the Authority shall not provide financing or refinancing that uses State volume cap under Section 146 of the Internal Revenue Code of 1986, as amended, except as permitted under that Section 146, or constitutes an indebtedness or obligation, general or moral, or a pledge of the full faith or loan of credit of the State for any project, or portion thereof, that is located outside of the State.

(Source: P.A. 96-1021, eff. 7-12-10.)

(20 ILCS 3501/825-12)

Sec. 825-12. Conservation projects.

(a) The Authority may develop a program to provide low-interest loans and other financing to individuals, business entities, private organizations, and units of local government for conservation projects within the United States, provided that, if the conservation project is located outside of the State, it is owned, operated, leased or managed by an entity located within the State or any entity affiliated with an entity located within the State ~~in the State of Illinois.~~

(b) Projects under this Section may include, without limitation, the acquisition of land for open-space projects, preservation or recreation measures for open spaces, and energy conservation or efficiency projects that are intended to reduce energy usage and costs.

(c) The Authority, in cooperation with the Department of Natural Resources and the Department of Commerce and Economic Opportunity, may adopt any rules necessary for the administration of this Section. The Authority must include any information concerning the program under this Section on its Internet website.

(Source: P.A. 95-697, eff. 11-6-07.)

(20 ILCS 3501/825-65)

Sec. 825-65. Clean Coal, Coal, Energy Efficiency, and Renewable Energy Project Financing.

(a) Findings and declaration of policy.

(i) It is hereby found and declared that Illinois has abundant coal resources and, in some areas of Illinois, the demand for power exceeds the generating capacity. Incentives to encourage the construction of coal-fueled electric generating plants in Illinois to ensure power generating capacity into the future and to advance clean coal technology and the use of Illinois coal are in the best interests of all of the citizens of Illinois.

(ii) It is further found and declared that Illinois has

abundant potential and resources to develop renewable energy resource projects and that there are many opportunities to invest in cost-effective energy efficiency projects throughout the State. The development of those projects will create jobs and investment as well as decrease environmental impacts and promote energy independence in Illinois. Accordingly, the development of those projects is in the best interests of all of the citizens of Illinois.

(iii) The Authority is authorized to issue bonds to help finance Clean Coal, Coal, Energy Efficiency, and Renewable Energy projects pursuant to this Section.

(b) Definitions.

(i) "Clean Coal Project" means (A) "clean coal facility", as defined in Section 1-10 of the Illinois Power Agency Act; (B) "clean coal SNG facility", as defined in Section 1-10 of the Illinois Power Agency Act; (C) transmission lines and associated equipment that transfer electricity from points of supply to points of delivery for projects described in this subsection (b); (D) pipelines or other methods to transfer carbon dioxide from the point of production to the point of storage or sequestration for projects described in this subsection (b); or (E) projects to provide carbon abatement technology for existing generating facilities.

(ii) "Coal Project" means new electric generating

facilities or new gasification facilities, as defined in Section 605-332 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, which may include mine-mouth power plants, projects that employ the use of clean coal technology, projects to provide scrubber technology for existing energy generating plants, or projects to provide electric transmission facilities or new gasification facilities.

(iii) "Energy Efficiency Project" means measures that reduce the amount of electricity or natural gas required to achieve a given end use, consistent with Section 1-10 of the Illinois Power Agency Act. "Energy Efficiency Project" also includes measures that reduce the total Btus of electricity and natural gas needed to meet the end use or uses consistent with Section 1-10 of the Illinois Power Agency Act.

(iv) "Renewable Energy Project" means (A) a project that uses renewable energy resources, as defined in Section 1-10 of the Illinois Power Agency Act; (B) a project that uses environmentally preferable technologies and practices that result in improvements to the production of renewable fuels, including but not limited to, cellulosic conversion, water and energy conservation, fractionation, alternative feedstocks, or reduced green house gas emissions; (C) transmission lines and associated equipment that transfer electricity from points of supply to points

of delivery for projects described in this subsection (b); or (D) projects that use technology for the storage of renewable energy, including, without limitation, the use of battery or electrochemical storage technology for mobile or stationary applications.

(c) Creation of reserve funds. The Authority may establish and maintain one or more reserve funds to enhance bonds issued by the Authority for a Clean Coal Project, a Coal Project, an Energy Efficiency Project, or a Renewable Energy Project. There may be one or more accounts in these reserve funds in which there may be deposited:

(1) any proceeds of the bonds issued by the Authority required to be deposited therein by the terms of any contract between the Authority and its bondholders or any resolution of the Authority;

(2) any other moneys or funds of the Authority that it may determine to deposit therein from any other source; and

(3) any other moneys or funds made available to the Authority. Subject to the terms of any pledge to the owners of any bonds, moneys in any reserve fund may be held and applied to the payment of principal, premium, if any, and interest of such bonds.

(d) Powers and duties. The Authority has the power:

(1) To issue bonds in one or more series pursuant to one or more resolutions of the Authority for any Clean Coal Project, Coal Project, Energy Efficiency Project, or

Renewable Energy Project authorized under this Section, within the authorization set forth in subsection (e).

(2) To provide for the funding of any reserves or other funds or accounts deemed necessary by the Authority in connection with any bonds issued by the Authority.

(3) To pledge any funds of the Authority or funds made available to the Authority that may be applied to such purpose as security for any bonds or any guarantees, letters of credit, insurance contracts or similar credit support or liquidity instruments securing the bonds.

(4) To enter into agreements or contracts with third parties, whether public or private, including, without limitation, the United States of America, the State or any department or agency thereof, to obtain any appropriations, grants, loans or guarantees that are deemed necessary or desirable by the Authority. Any such guarantee, agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by the Act.

(5) To exercise such other powers as are necessary or incidental to the foregoing.

(e) Clean Coal Project, Coal Project, Energy Efficiency Project, and Renewable Energy Project bond authorization and financing limits. In addition to any other bonds authorized to be issued under Sections 801-40(w), 825-60, 830-25 and 845-5,

the Authority may have outstanding, at any time, bonds for the purpose enumerated in this Section 825-65 in an aggregate principal amount that shall not exceed \$3,000,000,000, subject to the following limitations: (i) up to \$300,000,000 may be issued to finance projects, as described in clause (C) of subsection (b)(i) and clause (C) of subsection (b)(iv) of this Section 825-65; (ii) up to \$500,000,000 may be issued to finance projects, as described in clauses (D) and (E) of subsection (b)(i) of this Section 825-65; (iii) up to \$2,000,000,000 may be issued to finance Clean Coal Projects, as described in clauses (A) and (B) of subsection (b)(i) of this Section 825-65 and Coal Projects, as described in subsection (b)(ii) of this Section 825-65; and (iv) up to \$2,000,000,000 may be issued to finance Energy Efficiency Projects, as described in subsection (b)(iii) of this Section 825-65 and Renewable Energy Projects, as described in clauses (A), (B), and (D) of subsection (b)(iii) of this Section 825-65. An application for a loan financed from bond proceeds from a borrower or its affiliates for a Clean Coal Project, a Coal Project, Energy Efficiency Project, or a Renewable Energy Project may not be approved by the Authority for an amount in excess of \$450,000,000 for any borrower or its affiliates. A Clean Coal Project or Coal Project must be located within the State. An Energy Efficiency Project may be located within the State or outside the State, provided that, if the Energy Efficiency Project is located outside of the State, it must be

owned, operated, leased, or managed by an entity located within the State or any entity affiliated with an entity located within the State. These bonds shall not constitute an indebtedness or obligation of the State of Illinois and it shall be plainly stated on the face of each bond that it does not constitute an indebtedness or obligation of the State of Illinois, but is payable solely from the revenues, income or other assets of the Authority pledged therefor.

(f) The bonding authority granted under this Section is in addition to and not limited by the provisions of Section 845-5. (Source: P.A. 95-470, eff. 8-27-07; 96-103, eff. 1-1-10; 96-817, eff. 1-1-10.)

(20 ILCS 3501/825-95)

Sec. 825-95. Emerald ash borer revolving loan program.

(a) The Illinois Finance Authority ~~may shall~~ administer an emerald ash borer revolving loan program. The program shall provide low-interest or zero-interest loans to units of local government for the treatment of standing trees and replanting of trees on public lands that are within emerald ash borer quarantine areas as established by the Illinois Department of Agriculture. The Authority ~~may shall~~ make loans based on the recommendation of the Department of Agriculture. For the purposes of this Section, "treatment" means the administration, by environmentally sensitive processes and methods, of products and materials proven by academic research

to protect ash trees from the invasive Emerald Ash Borer in order to prevent or reverse the damage and preserve the trees.

(b) The loan funds, subject to appropriation, must be paid out of the Emerald Ash Borer Revolving Loan Fund, a special fund created in the State treasury. The moneys in the Fund consist of any moneys transferred or appropriated into the Fund as well as all repayments of loans made under this program. Moneys in the Fund may be used only for loans to units of local government for the treatment of standing trees and replanting of trees within emerald ash borer quarantine areas established by the Department of Agriculture and for no other purpose. All interest earned on moneys in the Fund must be deposited into the Fund.

(c) A loan for the treatment of standing trees and replanting of trees on public lands within emerald ash borer quarantine areas established by the Department of Agriculture may not exceed \$5,000,000 to any one unit of local government. The repayment period for the loan may not exceed 20 years. The unit of local government shall repay, each year, at least 5% of the principal amount borrowed or the remaining balance of the loan, whichever is less. All repayments of loans must be deposited into the Emerald Ash Borer Revolving Loan Fund.

(d) Any loan under this Section to a unit of local government may not exceed the moneys that the unit of local government expends or dedicates for the reforestation project for which the loan is made.

(e) The Department of Agriculture may enter into agreements with a unit of local government under which the unit of local government is authorized to assist the Department in carrying out its duties in a quarantined area, including inspection and eradication of any dangerous insect or dangerous plant disease, and including the transportation, processing, and disposal of diseased material. The Department is authorized to provide compensation or financial assistance to the unit of local government for its costs.

(f) The Authority, with the assistance of the Department of Agriculture and the Department of Natural Resources, shall adopt rules to administer the program under this Section.

(Source: P.A. 95-588, eff. 9-4-07; 95-876, eff. 8-21-08.)

(20 ILCS 3501/825-110)

Sec. 825-110. Implementation of ARRA provisions regarding qualified energy conservation bonds.

(a) Definitions.

(i) "Affected local government" means any county or municipality within the State if the county or municipality has a population of 100,000 or more, as defined in Section 54D(e) (2) (C) of the Code.

(ii) "Allocation amount" means the \$133,846,000 amount of qualified energy conservation bonds authorized under ARRA for the financing of qualifying projects located

within the State and the sub-allocation of those amounts among each affected local government.

(iii) "ARRA" means, collectively, the American Recovery and Reinvestment Act of 2009, including, without limitation, Section 54D of the Code; the guidance provided by the Internal Revenue Service applicable to qualified energy conservation bonds; and any legislation subsequently adopted by the United States Congress to extend or expand the economic development bond financing incentives authorized by ARRA.

(iv) "ARRA implementing regulations" means the regulations promulgated by the Authority as further described in subdivision (c)(iv) of this Section to implement the provisions of this Section.

(v) "Code" means the Internal Revenue Code of 1986, as amended.

(vi) "Qualified energy conservation bond" means any qualified energy conservation bond issued pursuant to Section 54D of the Code.

(vii) "Qualified energy conservation bond allocation" means an allocation of authority to issue qualified energy conservation bonds granted pursuant to Section 54D of the Code.

(viii) "Regional authority" means the Central Illinois Economic Development Authority, Eastern Illinois Economic Development Authority, Joliet Arsenal Development

Authority, Quad Cities Regional Economic Development Authority, Riverdale Development Authority, Southeastern Illinois Economic Development Authority, Southern Illinois Development Authority, Southwestern Illinois Development Authority, Tri-County River Valley Development Authority, Upper Illinois River Valley Development Authority, Illinois Urban Development Authority, Western Illinois Economic Development Authority, or Will-Kankakee Regional Development Authority.

(ix) "Sub-allocation" means the portion of the allocation amount allocated to each affected local government.

(x) "Waived qualified energy conservation bond allocation" means the amount of the qualified energy conservation bond allocation that an affected local government elects to reallocate to the State pursuant to Section 54D(e) (2) (B) of the Code.

(xi) "Waiver agreement" means an agreement between the Authority and an affected local government providing for the reallocation, in whole or in part, of that affected local government's sub-allocation to the Authority. The waiver agreement may provide for the payment of an affected local government's reasonable fees and costs as determined by the Authority in connection with the affected local government's reallocation of its sub-allocation.

(b) Findings.

It is found and declared that:

(i) it is in the public interest and for the benefit of the State to maximize the use of economic development incentives authorized by ARRA;

(ii) those incentives include the maximum use of the allocation amount for the issuance of qualified energy conservation bonds to promote energy conservation under the applicable provisions of ARRA; and

(iii) those incentives also include the issuance by the Authority of qualified energy conservation bonds for the purposes of financing qualifying projects to be financed with proceeds of qualified energy conservation bonds.

(c) Powers of Authority.

(i) In order to carry out the provisions of ARRA and further the purposes of this Section, the Authority has:

(A) the power to receive from any affected local government its sub-allocation that it voluntarily waives to the Authority, in whole or in part, for allocation by the Authority to a regional authority specifically designated by that affected local government, and the Authority shall reallocate that waived qualified energy conservation bond allocation to the regional authority specifically designated by that affected local government; provided that (1) the

affected local government must take official action by resolution or ordinance, as applicable, to waive the sub-allocation to the Authority and specifically designate that its waived qualified energy conservation bond allocation should be reallocated to a regional authority; (2) the regional authority must use the sub-allocation to issue qualified energy conservation bonds on or before August 16, 2010 and, if qualified energy conservation bonds are not issued on or before August 16, 2010, the sub-allocation shall be deemed waived to the Authority for reallocation by the Authority to qualifying projects; and (3) the proceeds of the qualified energy conservation bonds must be used for qualified projects within the jurisdiction of the applicable regional authority;

(B) at the Authority's sole discretion, the power to reallocate any sub-allocation deemed waived to the Authority pursuant to subsection (c)(i)(A)(2) back to the Regional Authority that had the sub-allocation;

(C) the power to enter into waiver agreements with affected local governments to provide for the reallocation, in whole or in part, of their sub-allocations, to receive waived qualified energy conservation bond allocations from those affected local governments, and to use those waived qualified energy conservation bond allocations, in whole or in

part, to issue qualified energy conservation bonds of the Authority for qualifying projects or to reallocate those qualified energy conservation bond allocations, in whole or in part, to a county or municipality to issue its own energy conservation bonds for qualifying projects; and

(D) the power to issue qualified energy conservation bonds for any project authorized to be financed with proceeds thereof under the applicable provisions of ARRA.

(ii) In addition to the powers set forth in item (i), the Authority shall be the sole recipient, on behalf of the State, of any waived qualified energy conservation bond allocations. Qualified energy conservation bond allocations can be reallocated to the Authority only by voluntary waiver as provided in this Section.

(iii) In addition to the powers set forth in items (i) and (ii), the Authority has any powers otherwise enjoyed by the Authority in connection with the issuance of its bonds if those powers are not in conflict with any provisions with respect to qualified energy conservation bonds set forth in ARRA.

(iv) The Authority has the power to adopt regulations providing for the implementation of any of the provisions contained in this Section, including the provisions regarding waiver agreements and reallocation of all or any

portion of the allocation amount and sub-allocations and the issuance of qualified energy conservation bonds; except that those regulations shall not (1) provide any waiver or reallocation of an affected local government's sub-allocation other than a voluntary waiver as described in subsection (c) or (2) be inconsistent with the provisions of subsection (c)(i). Regulations adopted by the Authority for determining reallocation of all or any portion of a waived qualified energy conservation allocation may include, but are not limited to, (1) the ability of the county or municipality to issue qualified energy conservation bonds by the end of a given calendar year, (2) the amount of jobs that will be retained or created, or both, by the qualifying project to be financed by qualified energy conservation bonds, and (3) the geographical proximity of the qualifying project to be financed by qualified energy conservation bonds to a municipality or county that reallocated its sub-allocation to the Authority.

(d) Established dates for notice.

Any affected local government or regional authority that has issued qualified energy conservation bonds on or before the effective date of this Section must report its issuance of qualified energy conservation bonds to the Authority within 30 days after the effective date of this Section. After the

effective date of this Section, any affected local government or any regional authority must report its issuance of qualified energy conservation bonds to the Authority not less than 30 days after those bonds are issued.

(e) Reports to the General Assembly.

Starting 60 days after the effective date of this Section and ending when there is no longer any allocation amount, the Authority shall file a report before the end ~~15th day~~ of each fiscal year ~~month~~ with the General Assembly detailing its implementation of this Section, including but not limited to the dollar amount of the allocation amount that has been reallocated by the Authority pursuant to this Section, the qualified energy conservation bonds issued in the State as of the date of the report, and descriptions of the qualifying projects financed by those qualified energy conservation bonds.

(Source: P.A. 96-1020, eff. 7-12-10.)

(20 ILCS 3501/830-10)

Sec. 830-10. (a) The Authority may ~~shall~~ establish a Farm Debt Relief Program to help provide eligible Illinois farmers with State assistance in meeting their farming-related debts.

(b) To be eligible for the program, a person must (1) be actively engaged in farming in this State, (2) have farming-related debts in an amount equal to at least 55% of the

person's total assets, and (3) demonstrate that he can secure credit from a conventional lender for the 1986 crop year.

(c) An eligible person may apply to the Authority, in such manner as the Authority may specify, for a one-time farm debt relief payment of up to 2% of the person's outstanding farming-related debt. If the Authority determines that the applicant is eligible for a payment under this Section, it may then approve a payment to the applicant. Such payment shall consist of a payment made by the Authority directly to one or more of the applicant's farming-related creditors, to be applied to the reduction of the applicant's farming-related debt. The applicant shall be entitled to select the creditor or creditors to receive the payment, unless the applicant is subject to the jurisdiction of a bankruptcy court, in which case the selection of the court shall control.

(d) Payments shall be made from the Farm Emergency Assistance Fund, which is hereby established as a special fund in the State treasury, from funds appropriated to the Authority for that purpose. No grant may exceed the lesser of (1) 2% of the applicant's outstanding farm-related debt, or (2) \$2000. Not more than one grant under this Section may be made to any one person, or to any one household, or to any single farming operation.

(e) Payments to applicants having farming-related debts in an amount equal to at least 55% of the person's total assets, but less than 70%, shall be repaid by the applicant to the

Authority for deposit into the Farm Emergency Assistance Fund within five years from the date the payment was made. Repayment shall be made in equal installments during the five-year period with no additional interest charge and may be prepaid in whole or in part at any time. Applicants having farming-related debts in an amount equal to at least 70% of the person's total assets shall not be required to make any repayment. Assets shall include, but not be limited to, the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests in trusts; government payments or grants; and any other assets. Debts shall include, but not be limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and any other liability.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3501/830-15)

Sec. 830-15. Interest-buy-back program.

(a) The Authority may ~~shall~~ establish an interest-buy-back program to subsidize the interest cost on certain loans to

Illinois farmers.

(b) To be eligible an applicant must (i) be a resident of Illinois; (ii) be a principal operator of a farm or land; (iii) derive at least 50% of annual gross income from farming; and (iv) have a net worth of at least \$10,000. The Authority shall establish minimum and maximum financial requirements, maximum payment amounts, starting and ending dates for the program, and other criteria.

(c) Lenders may apply on behalf of eligible applicants on forms provided by the Authority. Lenders may submit requests for payment on forms provided by the Authority. Lenders and applicants shall be responsible for any fees or charges the Authority may require.

(d) The Authority shall make payments to lenders from available appropriations from the General Revenue Fund.

(Source: P.A. 93-205, eff. 1-1-04.)

Section 10. The Illinois Environmental Facilities Financing Act is amended by changing Sections 2 and 3 and by adding Section 7.5 as follows:

(20 ILCS 3515/2) (from Ch. 127, par. 722)

Sec. 2. Declaration of necessity and purpose - Liberal construction. (a) The General Assembly finds:

(i) that environmental damage seriously endangers the public health and welfare;

(ii) that such environmental damage results from air, water, and other resource pollution and from public water supply, solid waste disposal, noise, surface mining and other environmental problems;

(iii) that to reduce, control and prevent such pollution and problems, quality and land reclamation standards have been established necessitating the employment of anti-pollution and reclamation devices, equipment and facilities and stringent time schedules have been and will be imposed for compliance with such standards;

(iv) that it is desirable to provide additional and alternative methods of financing the costs of the acquisition and installation of the devices, equipment and facilities required to comply with the quality and land reclamation standards;

(v) that the alternative method of financing provided in this Act is therefore in the public interest and serves a public purpose in protecting and promoting the health and welfare of the citizens of this state by reducing, controlling and preventing environmental damage;

(vi) that it is desirable to promote the use of Illinois coal in a manner that is consistent with air quality and land reclamation standards; ~~and~~

(vii) that it is desirable to promote the use of alternative methods for managing hazardous wastes and to provide additional and alternative methods of financing the

costs of establishing the recycling, incineration, physical, chemical and biological treatment, and other facilities necessary to meet the requirements of the Environmental Protection Act; and

(viii) that the environmental damage and pollution that occurs within this State often results from sources in other states, and that providing financing alternatives for environmental facilities that are located outside the State that are owned, operated, leased, managed by, or otherwise affiliated with, institutions located within the State can reduce, control, or prevent environmental damage and pollution within this State.

(b) It is the purpose of this Act, as more specifically described in later sections, to authorize the State authority to acquire, construct, reconstruct, repair, alter, improve, extend, own, finance, lease, sell and otherwise dispose of pollution control and surface mined land reclamation facilities to the end that the State authority may be able to promote the health and welfare of the people of this State and to vest such State authority with all powers to enable such State authority to accomplish such purpose; it is not intended by this Act that the State authority shall itself be authorized to operate any such pollution control, hazardous waste treatment or surface mined land reclamation facilities; nor shall any such facilities be geographically located outside the State of Illinois, except as otherwise provided in this Act. It

is the intent of the General Assembly that access to the benefits of the financing herein provided for shall be equally available to all persons.

(c) It is the intent of the General Assembly that the State authority shall give special consideration to small businesses as defined in paragraph (i) of Section 3 of this Act in authorizing the issuance of bonds for the financing of pollution control or hazardous waste treatment facilities in order to assist small businesses in surviving the economic burdens imposed by the required financing of such facilities.

(d) Notwithstanding paragraph (b) of this Section, it is the intent of the General Assembly that with respect to applications involving environmental facilities for new coal-fired electric steam generating plants and new coal-fired industrial boilers as defined in paragraph (j) of Section 3 of this Act, the State authority shall only finance such facilities where Illinois coal will be used as the primary source of fuel. The Authority shall impose appropriate financial penalties on any person who receives financing from the State Authority for environmental facilities based on a commitment to use Illinois coal as the primary source of fuel at a new coal-fired electric utility steam generating plant or new coal-fired industrial boiler and later uses a non-Illinois coal as the primary source of fuel.

(e) It is the intent of the General Assembly that the Authority give special consideration to projects which involve

a reduction in volume of hazardous waste products generated, or the recycling, re-use, reclamation, or treatment of hazardous waste.

(f) This Act shall be liberally construed to accomplish the intentions expressed herein.

(Source: P.A. 83-1362; 83-1442.)

(20 ILCS 3515/3) (from Ch. 127, par. 723)

Sec. 3. Definitions. In this Act, unless the context otherwise clearly requires, the terms used herein shall have the meanings ascribed to them as follows:

(a) "Bonds" means any bonds, notes, debentures, temporary, interim or permanent certificates of indebtedness or other obligations evidencing indebtedness.

(b) "Directing body" means the members of the State authority.

(c) "Environmental facility" or "facilities" means any land, interest in land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment or any combination thereof, and all real and personal property deemed necessary therewith, having to do with or the primary purpose of which is, reducing, controlling or preventing pollution, or reclaiming surface mined land. Environmental facilities may be located anywhere in this State and may include those facilities or processes used to (i) remove potential pollutants from coal prior to combustion, (ii) reduce

the volume or composition of hazardous waste by changing or replacing manufacturing equipment or processes, (iii) recycle hazardous waste, or (iv) recover resources from hazardous waste. Environmental facilities may also include (i) solar collectors, solar storage mechanisms and solar energy systems, as defined in Section 10-5 of the Property Tax Code; (ii) facilities designed to collect, store, transfer, or distribute, for residential, commercial or industrial use, heat energy which is a by-product of industrial or energy generation processes and which would otherwise be wasted; (iii) facilities designed to remove pollutants from emissions that result from the combustion of coal; and (iv) facilities for the combustion of coal in a fluidized bed boiler. Environmental facilities may be located outside of the State, provided that the environmental facility must either (i) be owned, operated, leased, or managed by an entity located within the State or an entity affiliated with an entity located within the State or (ii) substantially reduce, control, and prevent the environmental damage and pollution within the State. Environmental facilities include landfill gas recovery facilities, as defined in the Illinois Environmental Protection Act.

Environmental facilities do not include any land, interest in land, buildings, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment or any combination thereof, and all real and personal property deemed

necessary therewith, having to do with a hazardous waste disposal site, except where such land, interest in land, buildings, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, real or personal property are used for the management or recovery of gas generated by a hazardous waste disposal site or are used for recycling, reclamation, tank storage or treatment in tanks which occurs on the same site as a hazardous waste disposal site.

(d) "Finance" or "financing" means the issuing of revenue bonds pursuant to Section 9 of this Act by the State authority for the purpose of using the proceeds to pay project costs for an environmental or hazardous waste treatment facility including one in or to which title at all times remains in a person other than the State authority, in which case the bonds of the Authority are secured by a pledge of one or more notes, debentures, bonds or other obligations, secured or unsecured, of any person.

(e) "Person" means any individual, partnership, copartnership, firm, company, corporation (including public utilities), association, joint stock company, trust, estate, political subdivision, state agency, or any other legal entity, or their legal representative, agent or assigns.

(f) "Pollution" means any form of environmental pollution including, but not limited to, water pollution, air pollution, land pollution, solid waste pollution, thermal pollution, radiation contamination, or noise pollution as determined by

the various standards prescribed by this state or the federal government and including but not limited to, anything which is considered as pollution or environmental damage in the Environmental Protection Act, approved June 29, 1970, as now or hereafter amended.

(g) "Project costs" as applied to environmental or hazardous waste treatment facilities financed under this Act means and includes the sum total of all reasonable or necessary costs incidental to the acquisition, construction, reconstruction, repair, alteration, improvement and extension of such environmental or hazardous waste treatment facilities including without limitation the cost of studies and surveys; plans, specifications, architectural and engineering services; legal, organization, marketing or other special services; financing, acquisition, demolition, construction, equipment and site development of new and rehabilitated buildings; rehabilitation, reconstruction, repair or remodeling of existing buildings and all other necessary and incidental expenses including an initial bond and interest reserve together with interest on bonds issued to finance such environmental or hazardous waste treatment facilities to a date 6 months subsequent to the estimated date of completion.

(h) "State authority" or "authority" means the Illinois Finance Authority created by the Illinois Finance Authority Act.

(i) "Small business" or "small businesses" means those

commercial and manufacturing entities which at the time of their application to the authority meet those criteria, as interpreted and applied by the State authority, for definition as a "small business" established for the Small Business Administration and set forth as Section 121.3-10 of Part 121 of Title 13 of the Code of Federal Regulations as such Section is in effect on the effective date of this amendatory Act of 1975.

(j) "New coal-fired electric utility steam generating plants" and "new coal-fired industrial boilers" means those plants and boilers on which construction begins after the effective date of this amendatory Act of 1981.

(k) "Hazardous waste treatment facility" means any land, interest in land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any combination thereof, and all real and personal property deemed necessary therewith, the primary purpose of which is to recycle, incinerate, or physically, chemically, biologically or otherwise treat hazardous wastes, or to reduce the production of hazardous wastes by changing or replacing manufacturing equipment or processes, and which meets the requirements of the Environmental Protection Act and all regulations adopted thereunder.

(l) The term "significant presence" means the existence within the State of the national or regional headquarters of an entity or group or such other facility of an entity or group of entities where a significant amount of the business functions

are performed for such entity or group of entities.

(Source: P.A. 93-205, eff. 1-1-04.)

(20 ILCS 3515/7.5 new)

Sec. 7.5. Required findings for environmental facilities located outside the State. The State authority may approve an application to finance or refinance environmental facilities located outside of the State only after it has made either of the following findings with respect to such financing or refinancing, all of which shall be deemed conclusive:

(1) that all of the following conditions exist:

(A) the entity financing or refinancing an environmental facility located outside the State, or an affiliate thereof, is also engaged in the financing or refinancing of an environmental facility located within the State or, alternately, the entity seeking the financing or refinancing, or an affiliate thereof, maintains a significant presence within the State;

(B) financing or refinancing the out-of-state environmental facility would promote the interests of the State for the benefit of the health, welfare, safety, trade, commerce, industry, and economy of the people of the State by reducing, controlling, or preventing environmental damage and pollution within the State or lowering the cost of environmental facilities within the State by reducing the cost of

financing, refinancing, or operating environmental facilities; and

(C) after giving effect to the financing or refinancing of the out-of-state environmental facility, the State authority shall have the ability to issue at least an additional \$250,000,000 in bonds under Section 9 of this Act; or

(2) that financing or refinancing the out-of-state environmental facility will substantially reduce, control, or prevent environmental damage within the State.

The State authority shall not provide financing or refinancing for any project, or portion thereof, located outside the boundaries of the United States of America.

Notwithstanding any other provision of this Act, the Authority shall not provide financing or refinancing that uses State volume cap under Section 146 of the Internal Revenue Code of 1986, as amended, except as permitted under said Section 146, or constitutes an indebtedness or obligation, general or moral, or a pledge of the full faith or loan of credit of the State for any project, or portion thereof, that is located outside of the State.

Section 13. The Illinois Power Agency Act is amended by changing Section 1-10 as follows:

(20 ILCS 3855/1-10)

Sec. 1-10. Definitions.

"Agency" means the Illinois Power Agency.

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

"Authority" means the Illinois Finance Authority.

"Clean coal facility" means an electric generating facility that uses primarily coal as a feedstock and that captures and sequesters carbon dioxide emissions at the following levels: at least 50% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation before 2016, at least 70% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation during 2016 or 2017, and at least 90% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation after 2017. The power block of the clean coal facility shall not exceed allowable emission rates for sulfur dioxide,

nitrogen oxides, carbon monoxide, particulates and mercury for a natural gas-fired combined-cycle facility the same size as and in the same location as the clean coal facility at the time the clean coal facility obtains an approved air permit. All coal used by a clean coal facility shall have high volatile bituminous rank and greater than 1.7 pounds of sulfur per million btu content, unless the clean coal facility does not use gasification technology and was operating as a conventional coal-fired electric generating facility on June 1, 2009 (the effective date of Public Act 95-1027).

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

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

"Commission" means the Illinois Commerce Commission.

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

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

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

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

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

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

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

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

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

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

(1) powered by wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, and hydropower that does not involve new

construction or significant expansion of hydropower dams;

(2) interconnected at the distribution system level of either an electric utility as defined in this Section, an alternative retail electric supplier as defined in Section 16-102 of the Public Utilities Act, a municipal utility as defined in Section 3-105 of the Public Utilities Act, or a rural electric cooperative as defined in Section 3-119 of the Public Utilities Act;

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

(4) limited in nameplate capacity to no more than 2,000 kilowatts.

"Energy efficiency" means measures that reduce the amount of electricity or natural gas required to achieve a given end use. "Energy efficiency" also includes measures that reduce the total Btus of electricity and natural gas needed to meet the end use or uses.

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

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

"Governmental aggregator" means one or more units of local government that individually or collectively procure

electricity to serve residential retail electrical loads located within its or their jurisdiction.

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

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

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

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

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

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

"Renewable energy credit" means a tradable credit that represents the environmental attributes of a certain amount of energy produced from a renewable energy resource.

"Renewable energy resources" includes energy and its

associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. "Renewable energy resources" does not include the incineration or burning of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste other than tree waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood.

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

"Sequester" means permanent storage of carbon dioxide by injecting it into a saline aquifer, a depleted gas reservoir, or an oil reservoir, directly or through an enhanced oil recovery process that may involve intermediate storage, regardless of whether these activities are conducted by a clean coal facility, a clean coal SNG facility, a clean coal SNG brownfield facility, or a party with which a clean coal

facility, clean coal SNG facility, or clean coal SNG brownfield facility has contracted for such purposes.

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

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

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the

lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases.

(Source: P.A. 96-33, eff. 7-10-09; 96-159, eff. 8-10-09; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10; 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-491, eff. 8-22-11; 97-616, eff. 10-26-11; 97-813, eff. 7-13-12.)

Section 15. The Illinois Procurement Code is amended by changing Sections 1-10 and 53-25 as follows:

(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which

contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies except as specifically provided in this Code.

(2) Grants, except for the filing requirements of Section 20-80.

(3) Purchase of care.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this

type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 7 days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) Contracts for services to Northern Illinois University by a person, acting as an independent contractor, who is qualified by education, experience, and technical ability and is selected by negotiation for the purpose of providing non-credit educational service activities or products by means of specialized programs offered by the university.

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) Procurement expenditures by the Illinois Health Information Exchange Authority involving private funds

from the Health Information Exchange Fund. "Private funds" means gifts, donations, and private grants.

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(12) Contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Illinois Finance Authority in which the State of Illinois is not obligated. Such contracts shall be awarded through a competitive process authorized by the Board of the Illinois Finance Authority and are subject to Sections 5-30, 20-160, 50-13, 50-20, 50-35, and 50-37 of this Code, as well as the final approval by the Board of the Illinois Finance Authority of the terms of the contract.

Notwithstanding any other provision of law, contracts entered into under item (12) of this subsection (b) shall be published in the Procurement Bulletin within 14 days after contract execution. The chief procurement officer shall prescribe the form and content of the notice. The Illinois Finance Authority shall provide the chief procurement officer, on a monthly basis, in the form and content prescribed by the chief procurement officer, a report of contracts that are

related to the procurement of goods and services identified in item (12) of this subsection (b). At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of each of these contracts shall be made available to the chief procurement officer immediately upon request. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power

Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) This Code does not apply to the process used by the Illinois Power Agency to retain a mediator to mediate sourcing agreement disputes between gas utilities and the clean coal SNG brownfield facility, as defined in Section 1-10 of the Illinois Power Agency Act, as required under subsection (h-1) of Section 9-220 of the Public Utilities Act.

(g) This Code does not apply to the processes used by the Illinois Power Agency to retain a mediator to mediate contract disputes between gas utilities and the clean coal SNG facility and to retain an expert to assist in the review of contracts under subsection (h) of Section 9-220 of the Public Utilities Act. This Code does not apply to the process used by the Illinois Commerce Commission to retain an expert to assist in determining the actual incurred costs of the clean coal SNG facility and the reasonableness of those costs as required under subsection (h) of Section 9-220 of the Public Utilities Act.

(h) This Code does not apply to the process to procure or contracts entered into in accordance with Sections 11-5.2 and 11-5.3 of the Illinois Public Aid Code.

(i) ~~(h)~~ Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(Source: P.A. 96-840, eff. 12-23-09; 96-1331, eff. 7-27-10; 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-502, eff. 8-23-11; 97-689, eff. 6-14-12; 97-813, eff. 7-13-12; 97-895, eff. 8-3-12; revised 8-23-12.)

(30 ILCS 500/53-25)

Sec. 53-25. Public institutions of higher education.

(a) Each public institution of higher education may enter into concessions, including the assignment, license, sale, or transfer of interests in or rights to discoveries, inventions, patents, or copyrightable works, for property, whether tangible or intangible, over which it has jurisdiction. Concessions shall be reduced to writing and shall be awarded at the discretion of the institution with jurisdiction over the property. ~~The duration and terms of concessions and leases shall be at the discretion of the institution with jurisdiction over the property.~~ Notice of the award of a concession shall be published in the higher education volume of the Illinois Procurement Bulletin.

(b) The duration and terms of concessions and leases for personal property shall be at the discretion of the institution

with jurisdiction over the property.

(c) Notwithstanding any other provision of law, if the Illinois Finance Authority issues bonds for the financing of buildings, structures, or facilities that are determined by the governing board of a public institution of higher education to be either required by or necessary for the use or benefit of that public institution of higher education, then the duration of any lease for real property entered into by that public institution of higher education, as lessee or lessor, in connection with the issuance of those bonds shall be at the discretion of that public institution of higher education.

(Source: P.A. 90-572, eff. date - See Sec. 99-5.)

Section 20. The Illinois Municipal Code is amended by changing Section 11-20-12 as follows:

(65 ILCS 5/11-20-12) (from Ch. 24, par. 11-20-12)

Sec. 11-20-12. Removal of infected trees.

(a) The corporate authorities of each municipality may provide for the treatment or removal of elm trees infected with Dutch elm disease or ash trees infected with the emerald ash borer (*Agrilus planipennis* Fairmaire) from any parcel of private property within the municipality if the owners of that parcel, after reasonable notice, refuse or neglect to treat or remove the infected trees. The municipality may collect, from the owners of the parcel, the reasonable removal cost.

(b) The municipality's removal cost under this Section is a lien upon the underlying parcel in accordance with Section 11-20-15.

(c) For the purpose of this Section, "removal cost" means the total cost of the removal of the infected trees. "Treatment" means the administration, by environmentally sensitive processes and methods, of products and materials proven by academic research to protect elm and ash trees from an invasive disease in order to prevent or reverse the damage and preserve the trees.

(d) In the case of an abandoned residential property as defined in Section 11-20-15.1, the municipality may elect to obtain a lien for the removal cost pursuant to Section 11-20-15.1, in which case the provisions of Section 11-20-15.1 shall be the exclusive remedy for the removal cost.

The provisions of this subsection (d), other than this sentence, are inoperative upon certification by the Secretary of the Illinois Department of Financial and Professional Regulation, after consultation with the United States Department of Housing and Urban Development, that the Mortgage Electronic Registration System program is effectively registering substantially all mortgaged residential properties located in the State of Illinois, is available for access by all municipalities located in the State of Illinois without charge to them, and such registration includes the telephone number for the mortgage servicer.

(Source: P.A. 95-183, eff. 8-14-07; 96-462, eff. 8-14-09; 96-856, eff. 3-1-10.)

Section 25. The Public Utilities Act is amended by changing Sections 8-103 and 8-104 as follows:

(220 ILCS 5/8-103)

Sec. 8-103. Energy efficiency and demand-response measures.

(a) It is the policy of the State that electric utilities are required to use cost-effective energy efficiency and demand-response measures to reduce delivery load. Requiring investment in cost-effective energy efficiency and demand-response measures will reduce direct and indirect costs to consumers by decreasing environmental impacts and by avoiding or delaying the need for new generation, transmission, and distribution infrastructure. It serves the public interest to allow electric utilities to recover costs for reasonably and prudently incurred expenses for energy efficiency and demand-response measures. As used in this Section, "cost-effective" means that the measures satisfy the total resource cost test. The low-income measures described in subsection (f) (4) of this Section shall not be required to meet the total resource cost test. For purposes of this Section, the terms "energy-efficiency", "demand-response", "electric utility", and "total resource cost test" shall have the

meanings set forth in the Illinois Power Agency Act. For purposes of this Section, the amount per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this Section, the total amount paid for electric service includes without limitation estimated amounts paid for supply, transmission, distribution, surcharges, and add-on-taxes.

(b) Electric utilities shall implement cost-effective energy efficiency measures to meet the following incremental annual energy savings goals:

(1) 0.2% of energy delivered in the year commencing June 1, 2008;

(2) 0.4% of energy delivered in the year commencing June 1, 2009;

(3) 0.6% of energy delivered in the year commencing June 1, 2010;

(4) 0.8% of energy delivered in the year commencing June 1, 2011;

(5) 1% of energy delivered in the year commencing June 1, 2012;

(6) 1.4% of energy delivered in the year commencing June 1, 2013;

(7) 1.8% of energy delivered in the year commencing June 1, 2014; and

(8) 2% of energy delivered in the year commencing June 1, 2015 and each year thereafter.

Electric utilities may comply with this subsection (b) by meeting the annual incremental savings goal in the applicable year or by showing that the total cumulative annual savings within a 3-year planning period associated with measures implemented after May 31, 2014 was equal to the sum of each annual incremental savings requirement from May 31, 2014 through the end of the applicable year.

(c) Electric utilities shall implement cost-effective demand-response measures to reduce peak demand by 0.1% over the prior year for eligible retail customers, as defined in Section 16-111.5 of this Act, and for customers that elect hourly service from the utility pursuant to Section 16-107 of this Act, provided those customers have not been declared competitive. This requirement commences June 1, 2008 and continues for 10 years.

(d) Notwithstanding the requirements of subsections (b) and (c) of this Section, an electric utility shall reduce the amount of energy efficiency and demand-response measures implemented over a 3-year planning period ~~in any single year~~ by an amount necessary to limit the estimated average annual increase in the amounts paid by retail customers in connection with electric service due to the cost of those measures to:

(1) in 2008, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(2) in 2009, the greater of an additional 0.5% of the

amount paid per kilowatthour by those customers during the year ending May 31, 2008 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(3) in 2010, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(4) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007; and

(5) thereafter, the amount of energy efficiency and demand-response measures implemented for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these measures included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these measures in 2011.

No later than June 30, 2011, the Commission shall review the limitation on the amount of energy efficiency and

demand-response measures implemented pursuant to this Section and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of energy efficiency and demand-response measures.

(e) Electric utilities shall be responsible for overseeing the design, development, and filing of energy efficiency and demand-response plans with the Commission. Electric utilities shall implement 100% of the demand-response measures in the plans. Electric utilities shall implement 75% of the energy efficiency measures approved by the Commission, and may, as part of that implementation, outsource various aspects of program development and implementation. The remaining 25% of those energy efficiency measures approved by the Commission shall be implemented by the Department of Commerce and Economic Opportunity, and must be designed in conjunction with the utility and the filing process. The Department may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from units of local government, municipal corporations, school districts, and community college districts. The Department shall coordinate the implementation of these measures.

The apportionment of the dollars to cover the costs to implement the Department's share of the portfolio of energy efficiency measures shall be made to the Department once the Department has executed rebate agreements, grants, or

contracts for energy efficiency measures and provided supporting documentation for those rebate agreements, grants, and contracts to the utility. The Department is authorized to adopt any rules necessary and prescribe procedures in order to ensure compliance by applicants in carrying out the purposes of rebate agreements for energy efficiency measures implemented by the Department made under this Section.

The details of the measures implemented by the Department shall be submitted by the Department to the Commission in connection with the utility's filing regarding the energy efficiency and demand-response measures that the utility implements.

A utility providing approved energy efficiency and demand-response measures in the State shall be permitted to recover costs of those measures through an automatic adjustment clause tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case. Each year the Commission shall initiate a review to reconcile any amounts collected with the actual costs and to determine the required adjustment to the annual tariff factor to match annual expenditures.

Each utility shall include, in its recovery of costs, the costs estimated for both the utility's and the Department's implementation of energy efficiency and demand-response measures. Costs collected by the utility for measures implemented by the Department shall be submitted to the

Department pursuant to Section 605-323 of the Civil Administrative Code of Illinois, shall be deposited into the Energy Efficiency Portfolio Standards Fund, and shall be used by the Department solely for the purpose of implementing these measures. A utility shall not be required to advance any moneys to the Department but only to forward such funds as it has collected. The Department shall report to the Commission on an annual basis regarding the costs actually incurred by the Department in the implementation of the measures. Any changes to the costs of energy efficiency measures as a result of plan modifications shall be appropriately reflected in amounts recovered by the utility and turned over to the Department.

The portfolio of measures, administered by both the utilities and the Department, shall, in combination, be designed to achieve the annual savings targets described in subsections (b) and (c) of this Section, as modified by subsection (d) of this Section.

The utility and the Department shall agree upon a reasonable portfolio of measures and determine the measurable corresponding percentage of the savings goals associated with measures implemented by the utility or Department.

No utility shall be assessed a penalty under subsection (f) of this Section for failure to make a timely filing if that failure is the result of a lack of agreement with the Department with respect to the allocation of responsibilities or related costs or target assignments. In that case, the

Department and the utility shall file their respective plans with the Commission and the Commission shall determine an appropriate division of measures and programs that meets the requirements of this Section.

If the Department is unable to meet incremental annual performance goals for the portion of the portfolio implemented by the Department, then the utility and the Department shall jointly submit a modified filing to the Commission explaining the performance shortfall and recommending an appropriate course going forward, including any program modifications that may be appropriate in light of the evaluations conducted under item (7) of subsection (f) of this Section. In this case, the utility obligation to collect the Department's costs and turn over those funds to the Department under this subsection (e) shall continue only if the Commission approves the modifications to the plan proposed by the Department.

(f) No later than November 15, 2007, each electric utility shall file an energy efficiency and demand-response plan with the Commission to meet the energy efficiency and demand-response standards for 2008 through 2010. No later than October 1, 2010, each electric utility shall file an energy efficiency and demand-response plan with the Commission to meet the energy efficiency and demand-response standards for 2011 through 2013. Every 3 years thereafter, each electric utility shall file, no later than September 1, an energy efficiency and demand-response plan with the Commission. If a utility does not

file such a plan by September 1 of an applicable year, it shall face a penalty of \$100,000 per day until the plan is filed. Each utility's plan shall set forth the utility's proposals to meet the utility's portion of the energy efficiency standards identified in subsection (b) and the demand-response standards identified in subsection (c) of this Section as modified by subsections (d) and (e), taking into account the unique circumstances of the utility's service territory. The Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan within 5 months after its submission. If the Commission disapproves a plan, the Commission shall, within 30 days, describe in detail the reasons for the disapproval and describe a path by which the utility may file a revised draft of the plan to address the Commission's concerns satisfactorily. If the utility does not refile with the Commission within 60 days, the utility shall be subject to penalties at a rate of \$100,000 per day until the plan is filed. This process shall continue, and penalties shall accrue, until the utility has successfully filed a portfolio of energy efficiency and demand-response measures. Penalties shall be deposited into the Energy Efficiency Trust Fund. In submitting proposed energy efficiency and demand-response plans and funding levels to meet the savings goals adopted by this Act the utility shall:

- (1) Demonstrate that its proposed energy efficiency and demand-response measures will achieve the requirements

that are identified in subsections (b) and (c) of this Section, as modified by subsections (d) and (e).

(2) Present specific proposals to implement new building and appliance standards that have been placed into effect.

(3) Present estimates of the total amount paid for electric service expressed on a per kilowatthour basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsections (b) and (c) of this Section, as modified by subsections (d) and (e).

(4) Coordinate with the Department to present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level. The energy efficiency programs shall be targeted to households with incomes at or below 80% of area median income.

(5) Demonstrate that its overall portfolio of energy efficiency and demand-response measures, not including programs covered by item (4) of this subsection (f), are cost-effective using the total resource cost test and represent a diverse cross-section of opportunities for customers of all rate classes to participate in the programs.

(6) Include a proposed cost-recovery tariff mechanism to fund the proposed energy efficiency and demand-response

measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs.

(7) Provide for an annual independent evaluation of the performance of the cost-effectiveness of the utility's portfolio of measures and the Department's portfolio of measures, as well as a full review of the 3-year results of the broader net program impacts and, to the extent practical, for adjustment of the measures on a going-forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given year.

(g) No more than 3% of energy efficiency and demand-response program revenue may be allocated for demonstration of breakthrough equipment and devices.

(h) This Section does not apply to an electric utility that on December 31, 2005 provided electric service to fewer than 100,000 customers in Illinois.

(i) If, after 2 years, an electric utility fails to meet the efficiency standard specified in subsection (b) of this Section, as modified by subsections (d) and (e), it shall make a contribution to the Low-Income Home Energy Assistance Program. The combined total liability for failure to meet the goal shall be \$1,000,000, which shall be assessed as follows: a large electric utility shall pay \$665,000, and a medium electric utility shall pay \$335,000. If, after 3 years, an electric utility fails to meet the efficiency standard

specified in subsection (b) of this Section, as modified by subsections (d) and (e), it shall make a contribution to the Low-Income Home Energy Assistance Program. The combined total liability for failure to meet the goal shall be \$1,000,000, which shall be assessed as follows: a large electric utility shall pay \$665,000, and a medium electric utility shall pay \$335,000. In addition, the responsibility for implementing the energy efficiency measures of the utility making the payment shall be transferred to the Illinois Power Agency if, after 3 years, or in any subsequent 3-year period, the utility fails to meet the efficiency standard specified in subsection (b) of this Section, as modified by subsections (d) and (e). The Agency shall implement a competitive procurement program to procure resources necessary to meet the standards specified in this Section as modified by subsections (d) and (e), with costs for those resources to be recovered in the same manner as products purchased through the procurement plan as provided in Section 16-111.5. The Director shall implement this requirement in connection with the procurement plan as provided in Section 16-111.5.

For purposes of this Section, (i) a "large electric utility" is an electric utility that, on December 31, 2005, served more than 2,000,000 electric customers in Illinois; (ii) a "medium electric utility" is an electric utility that, on December 31, 2005, served 2,000,000 or fewer but more than 100,000 electric customers in Illinois; and (iii) Illinois

electric utilities that are affiliated by virtue of a common parent company are considered a single electric utility.

(j) If, after 3 years, or any subsequent 3-year period, the Department fails to implement the Department's share of energy efficiency measures required by the standards in subsection (b), then the Illinois Power Agency may assume responsibility for and control of the Department's share of the required energy efficiency measures. The Agency shall implement a competitive procurement program to procure resources necessary to meet the standards specified in this Section, with the costs of these resources to be recovered in the same manner as provided for the Department in this Section.

(k) No electric utility shall be deemed to have failed to meet the energy efficiency standards to the extent any such failure is due to a failure of the Department or the Agency.

(Source: P.A. 96-33, eff. 7-10-09; 96-159, eff. 8-10-09; 96-1000, eff. 7-2-10; 97-616, eff. 10-26-11; 97-841, eff. 7-20-12.)

(220 ILCS 5/8-104)

Sec. 8-104. Natural gas energy efficiency programs.

(a) It is the policy of the State that natural gas utilities and the Department of Commerce and Economic Opportunity are required to use cost-effective energy efficiency to reduce direct and indirect costs to consumers. It serves the public interest to allow natural gas utilities to

recover costs for reasonably and prudently incurred expenses for cost-effective energy efficiency measures.

(b) For purposes of this Section, "energy efficiency" means measures that reduce the amount of energy required to achieve a given end use. "Energy efficiency" also includes measures that reduce the total Btus of electricity and natural gas needed to meet the end use or uses. ~~"Cost-effective" and "cost-effective"~~ means that the measures satisfy the total resource cost test which, for purposes of this Section, means a standard that is met if, for an investment in energy efficiency, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the measures to the net present value of the total costs as calculated over the lifetime of the measures. The total resource cost test compares the sum of avoided natural gas utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided electric utility costs, to the sum of all incremental costs of end use measures (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side measure, to quantify the net savings obtained by substituting demand-side measures for supply resources. In calculating avoided costs, reasonable estimates shall be included for financial costs likely to be imposed by future regulation of emissions of greenhouse gases.

The low-income programs described in item (4) of subsection (f) of this Section shall not be required to meet the total resource cost test.

(c) Natural gas utilities shall implement cost-effective energy efficiency measures to meet at least the following natural gas savings requirements, which shall be based upon the total amount of gas delivered to retail customers, other than the customers described in subsection (m) of this Section, during calendar year 2009 multiplied by the applicable percentage. Natural gas utilities may comply with this Section by meeting the annual incremental savings goal in the applicable year or by showing that total cumulative annual savings within a 3-year planning period associated with measures implemented after May 31, 2011 were equal to the sum of each annual incremental savings requirement from May 31, 2011 through the end of the applicable year:

(1) 0.2% by May 31, 2012;

(2) an additional 0.4% by May 31, 2013, increasing total savings to .6%;

(3) an additional 0.6% by May 31, 2014, increasing total savings to 1.2%;

(4) an additional 0.8% by May 31, 2015, increasing total savings to 2.0%;

(5) an additional 1% by May 31, 2016, increasing total savings to 3.0%;

(6) an additional 1.2% by May 31, 2017, increasing

total savings to 4.2%;

(7) an additional 1.4% by May 31, 2018, increasing total savings to 5.6%;

(8) an additional 1.5% by May 31, 2019, increasing total savings to 7.1%; and

(9) an additional 1.5% in each 12-month period thereafter.

(d) Notwithstanding the requirements of subsection (c) of this Section, a natural gas utility shall limit the amount of energy efficiency implemented in any 3-year reporting period established by subsection (f) of Section 8-104 of this Act, by an amount necessary to limit the estimated average increase in the amounts paid by retail customers in connection with natural gas service to no more than 2% in the applicable 3-year reporting period. The energy savings requirements in subsection (c) of this Section may be reduced by the Commission for the subject plan, if the utility demonstrates by substantial evidence that it is highly unlikely that the requirements could be achieved without exceeding the applicable spending limits in any 3-year reporting period. No later than September 1, 2013, the Commission shall review the limitation on the amount of energy efficiency measures implemented pursuant to this Section and report to the General Assembly, in the report required by subsection (k) of this Section, its findings as to whether that limitation unduly constrains the procurement of energy efficiency measures.

(e) Natural gas utilities shall be responsible for overseeing the design, development, and filing of their efficiency plans with the Commission. The utility shall utilize 75% of the available funding associated with energy efficiency programs approved by the Commission, and may outsource various aspects of program development and implementation. The remaining 25% of available funding shall be used by the Department of Commerce and Economic Opportunity to implement energy efficiency measures that achieve no less than 20% of the requirements of subsection (c) of this Section. Such measures shall be designed in conjunction with the utility and approved by the Commission. The Department may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from local government, municipal corporations, school districts, and community college districts. Five percent of the entire portfolio of cost-effective energy efficiency measures may be granted to local government and municipal corporations for market transformation initiatives. The Department shall coordinate the implementation of these measures and shall integrate delivery of natural gas efficiency programs with electric efficiency programs delivered pursuant to Section 8-103 of this Act, unless the Department can show that integration is not feasible.

The apportionment of the dollars to cover the costs to

implement the Department's share of the portfolio of energy efficiency measures shall be made to the Department once the Department has executed rebate agreements, grants, or contracts for energy efficiency measures and provided supporting documentation for those rebate agreements, grants, and contracts to the utility. The Department is authorized to adopt any rules necessary and prescribe procedures in order to ensure compliance by applicants in carrying out the purposes of rebate agreements for energy efficiency measures implemented by the Department made under this Section.

The details of the measures implemented by the Department shall be submitted by the Department to the Commission in connection with the utility's filing regarding the energy efficiency measures that the utility implements.

A utility providing approved energy efficiency measures in this State shall be permitted to recover costs of those measures through an automatic adjustment clause tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case and shall be applicable to the utility's customers other than the customers described in subsection (m) of this Section. Each year the Commission shall initiate a review to reconcile any amounts collected with the actual costs and to determine the required adjustment to the annual tariff factor to match annual expenditures.

Each utility shall include, in its recovery of costs, the

costs estimated for both the utility's and the Department's implementation of energy efficiency measures. Costs collected by the utility for measures implemented by the Department shall be submitted to the Department pursuant to Section 605-323 of the Civil Administrative Code of Illinois, shall be deposited into the Energy Efficiency Portfolio Standards Fund, and shall be used by the Department solely for the purpose of implementing these measures. A utility shall not be required to advance any moneys to the Department but only to forward such funds as it has collected. The Department shall report to the Commission on an annual basis regarding the costs actually incurred by the Department in the implementation of the measures. Any changes to the costs of energy efficiency measures as a result of plan modifications shall be appropriately reflected in amounts recovered by the utility and turned over to the Department.

The portfolio of measures, administered by both the utilities and the Department, shall, in combination, be designed to achieve the annual energy savings requirements set forth in subsection (c) of this Section, as modified by subsection (d) of this Section.

The utility and the Department shall agree upon a reasonable portfolio of measures and determine the measurable corresponding percentage of the savings goals associated with measures implemented by the Department.

No utility shall be assessed a penalty under subsection (f)

of this Section for failure to make a timely filing if that failure is the result of a lack of agreement with the Department with respect to the allocation of responsibilities or related costs or target assignments. In that case, the Department and the utility shall file their respective plans with the Commission and the Commission shall determine an appropriate division of measures and programs that meets the requirements of this Section.

If the Department is unable to meet performance requirements for the portion of the portfolio implemented by the Department, then the utility and the Department shall jointly submit a modified filing to the Commission explaining the performance shortfall and recommending an appropriate course going forward, including any program modifications that may be appropriate in light of the evaluations conducted under item (8) of subsection (f) of this Section. In this case, the utility obligation to collect the Department's costs and turn over those funds to the Department under this subsection (e) shall continue only if the Commission approves the modifications to the plan proposed by the Department.

(f) No later than October 1, 2010, each gas utility shall file an energy efficiency plan with the Commission to meet the energy efficiency standards through May 31, 2014. Every 3 years thereafter, each utility shall file, no later than October 1, an energy efficiency plan with the Commission. If a utility does not file such a plan by October 1 of the applicable year,

then it shall face a penalty of \$100,000 per day until the plan is filed. Each utility's plan shall set forth the utility's proposals to meet the utility's portion of the energy efficiency standards identified in subsection (c) of this Section, as modified by subsection (d) of this Section, taking into account the unique circumstances of the utility's service territory. The Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan. If the Commission disapproves a plan, the Commission shall, within 30 days, describe in detail the reasons for the disapproval and describe a path by which the utility may file a revised draft of the plan to address the Commission's concerns satisfactorily. If the utility does not refile with the Commission within 60 days after the disapproval, the utility shall be subject to penalties at a rate of \$100,000 per day until the plan is filed. This process shall continue, and penalties shall accrue, until the utility has successfully filed a portfolio of energy efficiency measures. Penalties shall be deposited into the Energy Efficiency Trust Fund and the cost of any such penalties may not be recovered from ratepayers. In submitting proposed energy efficiency plans and funding levels to meet the savings goals adopted by this Act the utility shall:

- (1) Demonstrate that its proposed energy efficiency measures will achieve the requirements that are identified in subsection (c) of this Section, as modified by

subsection (d) of this Section.

(2) Present specific proposals to implement new building and appliance standards that have been placed into effect.

(3) Present estimates of the total amount paid for gas service expressed on a per therm basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsection (c) of this Section, as modified by subsection (d) of this Section.

(4) Coordinate with the Department to present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level. Such programs shall be targeted to households with incomes at or below 80% of area median income.

(5) Demonstrate that its overall portfolio of energy efficiency measures, not including programs covered by item (4) of this subsection (f), are cost-effective using the total resource cost test and represent a diverse cross section of opportunities for customers of all rate classes to participate in the programs.

(6) Demonstrate that a gas utility affiliated with an electric utility that is required to comply with Section 8-103 of this Act has integrated gas and electric efficiency measures into a single program that reduces program or participant costs and appropriately allocates

costs to gas and electric ratepayers. The Department shall integrate all gas and electric programs it delivers in any such utilities' service territories, unless the Department can show that integration is not feasible or appropriate.

(7) Include a proposed cost recovery tariff mechanism to fund the proposed energy efficiency measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs.

(8) Provide for quarterly status reports tracking implementation of and expenditures for the utility's portfolio of measures and the Department's portfolio of measures, an annual independent review, and a full independent evaluation of the 3-year results of the performance and the cost-effectiveness of the utility's and Department's portfolios of measures and broader net program impacts and, to the extent practical, for adjustment of the measures on a going forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given 3-year period.

(g) No more than 3% of expenditures on energy efficiency measures may be allocated for demonstration of breakthrough equipment and devices.

(h) Illinois natural gas utilities that are affiliated by virtue of a common parent company may, at the utilities' request, be considered a single natural gas utility for

purposes of complying with this Section.

(i) If, after 3 years, a gas utility fails to meet the efficiency standard specified in subsection (c) of this Section as modified by subsection (d), then it shall make a contribution to the Low-Income Home Energy Assistance Program. The total liability for failure to meet the goal shall be assessed as follows:

- (1) a large gas utility shall pay \$600,000;
- (2) a medium gas utility shall pay \$400,000; and
- (3) a small gas utility shall pay \$200,000.

For purposes of this Section, (i) a "large gas utility" is a gas utility that on December 31, 2008, served more than 1,500,000 gas customers in Illinois; (ii) a "medium gas utility" is a gas utility that on December 31, 2008, served fewer than 1,500,000, but more than 500,000 gas customers in Illinois; and (iii) a "small gas utility" is a gas utility that on December 31, 2008, served fewer than 500,000 and more than 100,000 gas customers in Illinois. The costs of this contribution may not be recovered from ratepayers.

If a gas utility fails to meet the efficiency standard specified in subsection (c) of this Section, as modified by subsection (d) of this Section, in any 2 consecutive 3-year planning periods, then the responsibility for implementing the utility's energy efficiency measures shall be transferred to an independent program administrator selected by the Commission. Reasonable and prudent costs incurred by the independent

program administrator to meet the efficiency standard specified in subsection (c) of this Section, as modified by subsection (d) of this Section, may be recovered from the customers of the affected gas utilities, other than customers described in subsection (m) of this Section. The utility shall provide the independent program administrator with all information and assistance necessary to perform the program administrator's duties including but not limited to customer, account, and energy usage data, and shall allow the program administrator to include inserts in customer bills. The utility may recover reasonable costs associated with any such assistance.

(j) No utility shall be deemed to have failed to meet the energy efficiency standards to the extent any such failure is due to a failure of the Department.

(k) Not later than January 1, 2012, the Commission shall develop and solicit public comment on a plan to foster statewide coordination and consistency between statutorily mandated natural gas and electric energy efficiency programs to reduce program or participant costs or to improve program performance. Not later than September 1, 2013, the Commission shall issue a report to the General Assembly containing its findings and recommendations.

(l) This Section does not apply to a gas utility that on January 1, 2009, provided gas service to fewer than 100,000 customers in Illinois.

(m) Subsections (a) through (k) of this Section do not apply to customers of a natural gas utility that have a North American Industry Classification System code number that is 22111 or any such code number beginning with the digits 31, 32, or 33 and (i) annual usage in the aggregate of 4 million therms or more within the service territory of the affected gas utility or with aggregate usage of 8 million therms or more in this State and complying with the provisions of item (1) of this subsection (m); or (ii) using natural gas as feedstock and meeting the usage requirements described in item (i) of this subsection (m), to the extent such annual feedstock usage is greater than 60% of the customer's total annual usage of natural gas.

(1) Customers described in this subsection (m) of this Section shall apply, on a form approved on or before October 1, 2009 by the Department, to the Department to be designated as a self-directing customer ("SDC") or as an exempt customer using natural gas as a feedstock from which other products are made, including, but not limited to, feedstock for a hydrogen plant, on or before the 1st day of February, 2010. Thereafter, application may be made not less than 6 months before the filing date of the gas utility energy efficiency plan described in subsection (f) of this Section; however, a new customer that commences taking service from a natural gas utility after February 1, 2010 may apply to become a SDC or exempt customer up to 30

days after beginning service. Such application shall contain the following:

(A) the customer's certification that, at the time of its application, it qualifies to be a SDC or exempt customer described in this subsection (m) of this Section;

(B) in the case of a SDC, the customer's certification that it has established or will establish by the beginning of the utility's 3-year planning period commencing subsequent to the application, and will maintain for accounting purposes, an energy efficiency reserve account and that the customer will accrue funds in said account to be held for the purpose of funding, in whole or in part, energy efficiency measures of the customer's choosing, which may include, but are not limited to, projects involving combined heat and power systems that use the same energy source both for the generation of electrical or mechanical power and the production of steam or another form of useful thermal energy or the use of combustible gas produced from biomass, or both;

(C) in the case of a SDC, the customer's certification that annual funding levels for the energy efficiency reserve account will be equal to 2% of the customer's cost of natural gas, composed of the customer's commodity cost and the delivery service

charges paid to the gas utility, or \$150,000, whichever is less;

(D) in the case of a SDC, the customer's certification that the required reserve account balance will be capped at 3 years' worth of accruals and that the customer may, at its option, make further deposits to the account to the extent such deposit would increase the reserve account balance above the designated cap level;

(E) in the case of a SDC, the customer's certification that by October 1 of each year, beginning no sooner than October 1, 2012, the customer will report to the Department information, for the 12-month period ending May 31 of the same year, on all deposits and reductions, if any, to the reserve account during the reporting year, and to the extent deposits to the reserve account in any year are in an amount less than \$150,000, the basis for such reduced deposits; reserve account balances by month; a description of energy efficiency measures undertaken by the customer and paid for in whole or in part with funds from the reserve account; an estimate of the energy saved, or to be saved, by the measure; and that the report shall include a verification by an officer or plant manager of the customer or by a registered professional engineer or certified energy efficiency trade

professional that the funds withdrawn from the reserve account were used for the energy efficiency measures;

(F) in the case of an exempt customer, the customer's certification of the level of gas usage as feedstock in the customer's operation in a typical year and that it will provide information establishing this level, upon request of the Department;

(G) in the case of either an exempt customer or a SDC, the customer's certification that it has provided the gas utility or utilities serving the customer with a copy of the application as filed with the Department;

(H) in the case of either an exempt customer or a SDC, certification of the natural gas utility or utilities serving the customer in Illinois including the natural gas utility accounts that are the subject of the application; and

(I) in the case of either an exempt customer or a SDC, a verification signed by a plant manager or an authorized corporate officer attesting to the truthfulness and accuracy of the information contained in the application.

(2) The Department shall review the application to determine that it contains the information described in provisions (A) through (I) of item (1) of this subsection (m), as applicable. The review shall be completed within 30 days after the date the application is filed with the

Department. Absent a determination by the Department within the 30-day period, the applicant shall be considered to be a SDC or exempt customer, as applicable, for all subsequent 3-year planning periods, as of the date of filing the application described in this subsection (m). If the Department determines that the application does not contain the applicable information described in provisions (A) through (I) of item (1) of this subsection (m), it shall notify the customer, in writing, of its determination that the application does not contain the required information and identify the information that is missing, and the customer shall provide the missing information within 15 working days after the date of receipt of the Department's notification.

(3) The Department shall have the right to audit the information provided in the customer's application and annual reports to ensure continued compliance with the requirements of this subsection. Based on the audit, if the Department determines the customer is no longer in compliance with the requirements of items (A) through (I) of item (1) of this subsection (m), as applicable, the Department shall notify the customer in writing of the noncompliance. The customer shall have 30 days to establish its compliance, and failing to do so, may have its status as a SDC or exempt customer revoked by the Department. The Department shall treat all information provided by any

customer seeking SDC status or exemption from the provisions of this Section as strictly confidential.

(4) Upon request, or on its own motion, the Commission may open an investigation, no more than once every 3 years and not before October 1, 2014, to evaluate the effectiveness of the self-directing program described in this subsection (m).

(n) The applicability of this Section to customers described in subsection (m) of this Section is conditioned on the existence of the SDC program. In no event will any provision of this Section apply to such customers after January 1, 2020.

(Source: P.A. 96-33, eff. 7-10-09; 97-813, eff. 7-13-12; 97-841, eff. 7-20-12.)

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