

STATE OF ILLINOIS
97th GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

63rd Legislative Day

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PRESIDING OFFICER: (SENATOR SULLIVAN)

The regular Session of the 97th General Assembly will please come to order. Will the Members please be at their desks? Would our guests in the galleries please rise? The invocation today will be given by Dr. Maryam Mostoufi, Islamic Society of Greater Springfield Center, Springfield, Illinois.

DR. MARYAM MOSTOUFI:

(Prayer by Dr. Maryam Mostoufi)

PRESIDING OFFICER: (SENATOR SULLIVAN)

Thank you. Please remain standing for the Pledge of Allegiance. Senator Jacobs.

SENATOR JACOBS:

(Pledge of Allegiance, led by Senator Jacobs)

PRESIDING OFFICER: (SENATOR SULLIVAN)

Madam Secretary, Reading and Approval of the Journal.

SECRETARY ROCK:

Senate Journal of Wednesday, June 22nd; Wednesday, October 12th; and Monday, October 24th, 2011.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Hunter.

SENATOR HUNTER:

Mr. President, I move to postpone the readings {sic} and approval of the Journals just read by the Secretary, pending arrival of the printed transcripts.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Hunter moves to approve the Journal just read by the Secretary. There being no -- Senator Hunter moves to postpone the reading and approval of the Journal, pending arrival of the printed transcripts. There being no objection,

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so ordered. Madam Secretary, Reading and Approval of the Journal.

SECRETARY ROCK:

Senate Journals of February 10th, 15th, 16th, 17th and 23rd, and March 1st, 2nd, 3rd, 8th, 9th, 10th, 14, 15, 16, 17, 23, 29, 30 and 31, 2011.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Hunter.

SENATOR HUNTER:

Mr. President, I move that the Journals just read by the Secretary be approved, unless some -- some Senator has additions or corrections to offer.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Hunter moves to approve the Journals just read by the Secretary. There being no objection, so ordered. Tony Yuscus with Blueroomstream.com seeks -- requests permission to videotape. Seeing no objection, so granted. Madam Secretary, Resolutions.

SECRETARY ROCK:

Senate Resolution 391, offered by Senator Luechtefeld and all Members.

Senate Resolution 392, offered by Senator Harmon and all Members.

Senate Resolution 393, offered by Senator Harmon and all Members.

Senate Resolution 394, offered by Senator Collins and all Members.

Senate Resolution 395, offered by Senator Frerichs and all Members.

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Senate Resolution 396, offered by Senator Raoul and all Members.

Senate Resolution 397, offered by Senator Jacobs and all Members.

They are death resolutions, Mr. President.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Resolutions Consent Calendar.

SECRETARY ROCK:

Senate Resolution 398, offered by Senator Sullivan and all Members {sic}.

It is substantive.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Madam Secretary, Introduction of Bills.

SECRETARY ROCK:

Senate Bill 2510, offered by Senator Dillard.

(Secretary reads title of bill)

Senate Bill 2511, offered by Senator Lauzen.

(Secretary reads title of bill)

Senate Bill 2512, offered by Senator Lauzen.

(Secretary reads title of bill)

1st Reading of these Senate bills.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Madam Secretary, are there any Appointment Messages on file?

SECRETARY ROCK:

Senator Muñoz has filed a motion to compile Appointment Messages on October 19th, 2011.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Please place them on the Calendar. Don Moseley with WMAQ-

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TV requests permission to videotape. And seeing no objection, leave is granted. Jason Wambsgans with the Chicago Tribune requests permission to take still photographs. Seeing no objection, leave is granted. Senator Brady, for what purpose do you rise?

SENATOR BRADY:

Thank you, Mr. President. A point of personal privilege.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Please state your point.

SENATOR BRADY:

I'd like to introduce a political science major at ISU, from Rochester, who's an intern in my office, Matt Butcher.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Welcome to the Illinois State Senate. Great to have you here today. Will our -- give our guest a round of applause. Thank you very much. Senator Noland, for what purpose do you rise?

SENATOR NOLAND:

Thank you, Mr. President. Yesterday, about a thousand parents and students came down to Springfield to -- to state their opposition to a bill that we may be considering later on here in this Veto Session, but, today, I'm very privileged to announce a team that's kind of spearheading efforts down here on behalf of School District 300. That would be Superintendent Michael Bregy, Communications Director Allison Strupeck, and student - very astute student - Kelsey Moss, who've come down here. I ask that the Senate provide them with a warm Senate welcome. Thank you very much.

PRESIDING OFFICER: (SENATOR SULLIVAN)

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Welcome to the Illinois State Senate. The Senate will stand at ease for a few minutes to allow the Committee on Assignments to meet. Will all the members of the Committee on Assignments please come to the President's Anteroom immediately? The Senate will stand at ease for a few moments. (at ease) The Senate will come to order. Madam Secretary, Committee Reports.

SECRETARY ROCK:

Senator Clayborne, Chairman of the Committee on Assignments, reports the following Legislative Measures have been assigned: Refer to the Agriculture and Conservation Committee - House Bill 1602; and Be Approved for Consideration - Senate Bill 1047 and Senate Bill 2022.

Signed by Senator James F. Clayborne, Chairman.

Senator Clayborne, Chairman of the Committee on Assignments, reports the following Legislative Measures have been assigned: Refer to the Criminal Law Committee - Floor Amendment 1 to Senate Bill 1047; refer to the Executive Committee - Floor Amendment 1 to Senate Bill 678; refer to the State Government and Veterans Affairs Committee - Committee Amendment 1 to House Bill 1224; and Be Approved for Consideration - Floor Amendment 2 to House Bill 3036.

Signed by Senator James F. Clayborne, Chairman.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Jordan Steven Guzzardo with WGN-TV requests permission to shoot video. Seeing no objection, leave is granted. Senator Bomke, for what purpose do you rise?

SENATOR BOMKE:

Thank you, Mr. President. Point of personal privilege.

PRESIDING OFFICER: (SENATOR SULLIVAN)

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Please state your point.

SENATOR BOMKE:

With me today is my wife, Sally Jo. I know she's been here on Inauguration Day, but never has she been here on a normal Session day. So I would ask that you help me welcome her to the Illinois State Senate.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Mrs. Bomke, welcome to the Illinois State Senate. We're pleased to have you here today. Ladies and Gentlemen, if I could have your attention, please, for committee announcements. If I could have your attention for committee announcements. The Senate Executive Committee will meet today at 2:55 p.m. in Room 212 to hear Floor amendments released by the Committee on Assignments. All committees, with the exception of the Senate Education Committee, which was -- which was scheduled to meet at 2 p.m. in Room 409; the Senate Executive Committee, which was scheduled to meet at 3 p.m. in Room 212; and the Senate State Government Committee, which is scheduled to meet at 5 p.m. in Room 409, are canceled. These committees will meet upon recess. Again, those committees, the Senate Education, Senate Exec, Senate State Government Committee, that were scheduled at 2, 3 and 5 p.m. are canceled and those committees will meet upon recess, immediately upon recess. Thank you. Ladies and Gentlemen, if I could have your attention, Senator Koehler has a very important announcement. If we could have everybody's attention, listen closely, Senator Koehler has a -- an announcement that he'd like to make. Senator Koehler, for what purpose do you rise?

SENATOR KOEHLER:

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Yes, a point of personal privilege.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Please state your point.

SENATOR KOEHLER:

Thank you, Mr. President.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Koehler, just one second, please. Ladies and Gentlemen, if we could have your complete attention for Senator Koehler, please. He has a -- an announcement that I think everybody will want to hear. So, please, complete quiet -- quiet -- silence, if we could. Senator Koehler.

SENATOR KOEHLER:

Yes, thank you, Mr. President. It's a -- it's a sad day for us in the community around the Peoria area. Marine Lance Corporal Jordan S. Basteen, who knew as a fifteen-year-old freshman in high school that he wanted to be a Marine, was killed Sunday while serving in Afghanistan. Quote, "I'll tell you that I knew him for four years, and he was the son that we all wish we had", said Chief Warrant Officer Jerry Becker, the main instructor for the Pekin Community High School's JROTC program. "He was very mature for his age. He was very responsible and respectful. I give (all) credit to his parents." Basteen, nineteen, was killed Sunday while "conducting combat operations in the Helmand province", which is in the southwestern portion of the country, according to a Department of Defense news release. His family had this to say about him, "Jordan was gentle and humble and eager to dive in and get dirty with whatever life dealt him. His bravery will be remembered, and {sic} (but) so will his honest smile and his

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keen sense of humor." The 2010 Pekin Community High School graduate was an assaultman with the 3rd Battalion, 7th Marine Regiment, 1st Marine Division, I Marine Expedition {sic} (Expeditionary) Force -- Force, based out of Twentynine Palms, California. I'd like to take a moment to remember this young man - the courage, the sacrifice that he has made for his country - and for a family and a community that is -- is hurting now at his loss.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Will all Members please rise? We'll have a moment of silence. (moment of silence observed) Thank you, Senator Koehler. Ladies and Gentlemen, if you will turn to your printed Calendar, on the bottom of page 3 is House Bills 3rd Reading. On your printed Calendar, at the bottom of page 3, House Bills 3rd Reading, is Senate Bill 3036. Senator Harmon. That's House Bills. House Bills 3rd Reading. House Bill 3036. Senator Harmon. Senator Harmon seeks leave of the Body to return House Bill 3036 to the Order of 2nd Reading. Leave is granted. Now on the Order of 2nd Reading is House Bill 3036. Madam Secretary, are there any Floor amendments approved for consideration?

SECRETARY ROCK:

Floor Amendment 1, offered by Senator Harmon.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon, on your amendment.

SENATOR HARMON:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. The amendment becomes the bill. With leave of the Body, I'd move for its adoption and would look forward to

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debating the entire bill on 3rd Reading.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Is there any discussion? Is there any discussion on the amendment? Seeing none, all those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

SECRETARY ROCK:

Floor Amendment 2, offered by Senator Harmon.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon, on Amendment 2.

SENATOR HARMON:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. The second amendment to the bill corrects some drafting errors and some stylistic matters. I'd move for its adoption and ask to debate the bill in its entirety on 3rd Reading.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Is there any discussion on the amendment, on Amendment 2? Seeing none, all those in favor will say Aye. Opposed, Nay. The Ayes have it, and the amendment is adopted. Are there any further Floor amendments approved for consideration?

SECRETARY ROCK:

No further amendments reported.

PRESIDING OFFICER: (SENATOR SULLIVAN)

3rd Reading. Now on the Order of 3rd Readings is House Bill 3036. Senator Harmon, do you wish to proceed? Indicates that he does. Madam Secretary, please read the bill.

SECRETARY ROCK:

House Bill 3036.

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(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. In the spring of this year, the General Assembly passed Senate Bill 1652, which was referred to by a variety of titles. I would choose to call it the "Smart Grid" bill. I voted against that bill because I thought that there were some defects in it that needed correction in terms of making the appropriate investments and offering the appropriate protection to ratepayers. The Governor vetoed the bill, and I commended him for doing so at the time, for the same reasons I voted against the bill. I was asked, as someone who voted against the bill, whether I might be able to fashion a trailer bill that addressed the concerns that I had and that some of -- of the minority in this Chamber who voted against the bill would have. And I think we've done that with this bill, House Bill 3036. I'd like to outline for you some of the key provisions and I'd be happy to take your questions. The underlying bill provided for investment not only in the new smart grid technology, but also in the existing power distribution infrastructure. In this bill, we would make that more clear and we would equalize the investment in the northern part of the State, in the ComEd territory, so that we would make equal investments in the new smart grid technology and in building up the existing distribution technology, with the marginal increase going primarily to storm hardening measures that would reduce the

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susceptibility of the circuits to storm-related damages and -- and outages. We also, in the underlying bill, had a series of performance metrics that the utilities would have to comply with in terms of limiting the -- the duration and the frequency of outages and other metrics. We are going to, in the trailer bill, expand those metrics to include the northeast region - the west, northwest and north suburbs of Chicago that were so particularly hard-hit this last summer by power outages. There were penalties associated with not meet -- meeting those performance metrics. In the trailer bill, we are going to expand those, and as the reliability of the system improves over time, the utilities will face higher penalties if they fail to comply with those. Another bone of contention was that this -- the underlying bill would guarantee a high rate of return on equity to the utilities. We've addressed that in this bill. In the first year, Senate Bill 1652 would have set the return on equity at 10.4 percent. Pursuant to the terms of the trailer bill, which will follow the formula rate, that return would be reduced to approximately 9.7 percent, a fairly dramatic reduction in the return on equity. In addition, there would be a permanent decrease in the return on equity formula. And based solely on today's Treasury bills, the - the return on equity is calculated as a premium above the Treasury bills - but based on the current projected Treasury bill rates, we would expect returns on equity to be in the high eights to low nines for the ten years of the program. We've also created a rate relief fund for low-income families, for seniors, for active military personnel, and for disabled veterans. We are going to improve the -- the measures in the underlying bill related to job

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creation. One of the most important elements of this bill is its capacity to create jobs. We are demanding that, in the Ameren territory, four hundred and fifty jobs be created and that ComEd create two thousand jobs. We're going to clarify the language in this trailer bill to ensure that there's no double-counting, that the utilities are not given credit for jobs they have already promised to create in other circumstances. We're also doubling the penalties for failure to create those jobs. We are cleaning up some of the language regarding net metering and energy efficiency. That was identified by the Environmental Law and Policy Center and other groups. We are going to incorporate, by reference, an independent engineering study that determined that the -- the savings that could be realized by consumers as a result of this bill would exceed the cost of the -- of the -- the infrastructure improvements. Those are the main items in the bill. I would be happy to take any questions and try to explain any further elements that Members have.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Thank you, Senator Harmon. Is there any discussion? Senator Haine, for what purpose do you rise?

SENATOR HAINE:

Would the sponsor yield for a question, Mr. President?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Indicates he will yield. Senator Haine.

SENATOR HAINE:

Before I ask my question, I want to congratulate President Pro Tem Harmon for the work on this trailer bill. He clarifies the ability of a consumer to reduce power usage and, therefore, costs, with an independent group to -- to report on it. This is

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an important measure for consumers. My question goes to the -- to the second part of my concern about consumers. After we voted on this bill in the spring, Ameren, inexplicably, came before the ICC and asked for a multimillion-dollar rate increase. At the same time we're asking the consumers to pay, although admittedly, a small amount to improve the reliability to the grid, they asked for a multimillion-dollar rate increase on top of everything else. Is this off the table?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank -- thank you, Mr. President. Thank you, Senator Haine. The bill itself provides for the dismissal of that -- that rate increase that was sought by Ameren. And so, yes, it -- they would have to follow the new rules.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Further discussion? Senator Garrett, for what purpose do you rise?

SENATOR GARRETT:

I'd like to ask the sponsor some questions.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Indicates he will yield. Senator Garrett.

SENATOR GARRETT:

Yes, Senator Harmon, first of all, I didn't vote No last time. I actually voted Present. I voted Present because I actually was hoping that we would be negotiating in good faith and that we would have a solution that everybody could be behind a hundred percent. After that vote, in my area, the collar counties, we had storms and power outages for days and days, and

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sometimes weeks. Sometimes those power outages occurred when there were real windstorms and rainstorms, but, unfortunately, they also occurred when the skies were blue. We have met with the mayors and municipal leaders of the Northwest Municipal Conference and they came up with a white paper on how to -- and because -- they came up with a white paper because, in fact, they were the first responders. When the residents of -- of the communities had nowhere to go, because ComEd was not available, in most cases, they came to the mayors, they came to their State Reps and they came to their State Senators. So, the Northwest Municipal Conference, in collaboration with mayors in the -- in the collar counties, came up with a white paper to ensure that we had accountability and oversight and a real communication program in place. We submitted that white paper to LRB and turned it into legislation that, unfortunately, has not been accepted. So, it is with great disappointment that I have realized that maybe the intent of oversight and accountability, when it comes to the locals, is now going to be removed from the bill. But I do have a question; I -- I'm just a little confused on the numbers. So, Senator Harmon, the way I understand the bill, our rates will go up two and a half percent. No. Explain to me how that works.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you. Thank you, Mr. President. Senator, I want to address a couple of issues. First of all, with respect to the ideas forwarded by the Northwest Municipal Conference, they appear to be very good ideas. They brought that to me on

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Thursday of last week. I've had a chance to look at it. In my opinion, it is not an issue to be legislated. It is probably an -- an issue that can be agreed upon between ComEd and the municipalities with respect to communications. That said, we clearly had a miscommunication. I thought that you were going to introduce whatever product that was in the form of legislation. I agreed that we would try to incorporate things if we could, but I don't think that we can. On -- on the rate issue, the -- the -- the -- there's a new way to calculate the rates, no doubt. And it could result in an increase in -- on the transmission portion of the bill. That is capped at two and a half percent. It doesn't need to be two and a half percent, but there's a cap. So we know, for the first three years, it will not -- there will be no rate increase in excess of two and a half percent on your bill.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Garrett.

SENATOR GARRETT:

And -- and to that point: The two and a -- let's say the cap is reached of two and a half percent rate increase, what is the anticipated revenue that will be realized by ComEd from that two and a half - approximate - rate increase, either on a yearly basis or a five-year basis?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you, Mr. President. Well, Senator, first of all, this is -- you're talking about the underlying bill. That's not addressed in the trailer bill. I just -- I -- I -- I understand

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you and let me give you -- try to answer it, notwithstanding the fact that it's not in this bill. It's a cap, but you have to remember it's not -- it's not net revenue to -- to the utility. They are recovering costs that they have already incurred. So, if they're going to make a massive investment in modernizing the infrastructure, in -- in upgrading the grid, they have to spend money to do so. We're saying that your total bill can't go up more than two and a half percent as a result of any increase you would see in the transmission portion as a result of the costs being incurred.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Garrett.

SENATOR GARRETT:

I -- I appreciate that. I understand that. What I'm saying is, additional dollars are going to be brought in and those additional dollars are going to be reinvested. 1.3 billion in the trailer bill will be reinvested in the smart grid and 1.3 billion dollars will be reinvested in upgrades, I guess. So, I hope this question makes sense to you. Would the additional revenue coming in from the rate increase and the dollars that are going to be spent out, I'm trying to understand, if we are going to be receiving approximately three billion dollars in, because of this two and a half percent rate increase, over a period of time, that covers the cost of this three-billion-dollar investment. Are we going to -- or, are we going to be receiving a lot more revenue coming in on an annual basis that there will be beyond what the needs -- or what the requirements are for ComEd to invest in the infrastructure and -
- and upgrades?

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PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you. I -- I think I understand your question, Senator. The way the underlying bill and the trailer bill are set up, we are demanding that the utilities spend nearly -- or, a little over three billion statewide on modernizing the infrastructure. Those are the costs. If they spend them, they will be able to recover them with this -- this -- the statutory return on equity. So there's no additional windfall. You have to incur the costs, bring your case to the ICC, plug in the -- the values in the formula, and -- and -- and -- and then they can recover those costs that they've actually incurred.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Garrett.

SENATOR GARRETT:

The -- the one point -- the 2.6-billion-dollar improvements that we're going to see, over what time period are those improvements going to be made?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

That's a -- the -- the 2.6 billion figure is in the ComEd territory and the program is a ten-year program.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Garrett.

SENATOR GARRETT:

So what I'm really trying to understand is, over ten years, 2.6 billion dollars' worth of improvements are going to be made,

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and certainly the northeast area of Illinois has been targeted, for -- for understandable reasons. What my concern is, is that the rates that are capped at two and a half percent, will they exceed the dollars that are going to be reinvested in this infrastructure and upgrades over a period of ten years? And I understand the ROE factor in that. So, I'm just trying to simplify it and understand that.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Yes, Senator, I -- I think we're talking the same language now. If ComEd spends a dollar and they go to the Commission and they run through the process and the Commission says you may now recover your dollar plus nine cents in -- in return on equity, that's all they're going to be able to recover. They're going to be able -- able to recover the dollars they actually spend plus the return on equity. No different than they do today, except the return on equity is going to be much lower than has traditionally been granted by the ICC.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Garrett.

SENATOR GARRETT:

Yes, to the bill: So, you know, I -- I'm not faulting Senator Harmon. He's done a really good job in trying to be -- bring the different factions together and come up with a bill that may be acceptable to everybody in this -- in this Chamber. I guess it's not -- it's -- it's hard to understand -- this bill has a lot of complicated components to it. And the fact that we got the bill, actually, last night and we're trying to debate it

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and understand the trailer bill now becomes problematic for me. It is even more problematic that the accountability measures, that I think are critical to our constituents and ComEd's customers, have for whatever reason not been included. I will be voting No. I hope for a different outcome for me and certainly for my area of this State, but I think we have a long way to go and I -- I hope that we have more improvements as we move forward to the House.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Thank you. Further discussion? Senator McCarter, for what purpose do you rise?

SENATOR McCARTER:

A few questions of the sponsor.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Indicates he will yield. Senator McCarter.

SENATOR McCARTER:

First of all, I hope -- I hope my questions don't turn into as much as an eventful event as last time. But, Senator Harmon, is it -- I'm -- I'm just learning about this bill too. And -- and I guess therein was part of my problem - still part of my problem. I think it's a big bill. It's important to this State. It's important to all of the ratepayers. It's important for us, 'cause we want to make good decisions for our businesses and -- and for our constituents. But, was there a -- in this trailer, was there any promise of new employees for the ICC?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you, Mr. President. Thank you, Senator, for your --

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your question. Let me frame it just a little bit and -- and respond to the last speaker as well. There's nothing that complicated about the trailer bill. And I understand it's interrelationship with the underlying bill can be complicated, but there's very little complicated about the trailer bill. And there's very little in the trailer bill that couldn't be characterized as a good thing. It's one of the -- the joys of sponsoring a trailer bill, is you can only make it better. Whether you thought the underlying bill was good or bad, the trailer bill only makes it better. To answer your direct question, no, there is no promise in the bill for more employees for the ICC.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator McCarter.

SENATOR McCARTER:

You know -- you know, the smart grid -- I understand a little bit about smart grid and it does have a lot of benefits, and I -- and I -- and I've listen to ComEd and Ameren talk about the benefits. But the big question is how we pay for this. Have -- have there been any other ways of paying for this other than an -- an increase for everyone as options?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you, Mr. President. This is one of those things that is difficult to explain to folks back home, and I understand that. Folks look at a regulated utility as if it were just a private business, selling a product that it manufactures and getting the best price that it can. It's not that at all. It's

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a regulated utility. Its costs are expended. It comes and it recovers those costs from the ratepayers. We all want reliable power delivered to our homes and businesses. The only way that's going to happen is if the ratepayers pay for it. So, no, I don't know of any other creative option. I would tell you, in response to concerns in the ComEd area, this -- the -- this is likely to increase the transmission portion of someone's bill by about three dollars a month. And if you listened to Senator Jacobs talk about the underlying bill, it offers residential ratepayers the opportunity to save some multiple of that by reducing their use of power. In the Ameren territory - I confirmed it this morning - in the first year, this will have the effect of increasing bills by three dollars and forty cents a year. It will increase over time, getting closer to the numbers that we'll see in the ComEd territory. But it's an increase of three dollars and forty cents a year in the Ameren territory. It's a fairly modest investment to ensure that power is delivered reliably to our homes and businesses.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator McCarter.

SENATOR McCARTER:

To the bill: You know, there are other ways to pay for this. Other states have chosen other ways to pay for this. Smart grid is centered around a smart meter. Behind the smart meter is an infrastructure that costs money to install. I understand that. The average cost of a smart meter across the United States is two hundred and twenty dollars. The meter itself is only thirty-five dollars. So I'm talking about everything that it costs to build the infrastructure behind it.

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The -- the highest smart meter price that has been approved in any state is five hundred and fifty dollars - in Texas. Now, why put a -- why -- why do you put a number on that? You put a number on that so you can responsibly pay back these people for the investment that they make, plus a portion of profit. So, what I'm suggesting is, don't -- don't increase rates on everyone in this State, like we're doing today. Let's come up with a reasonable cost of a meter, even if it's more than two hundred and twenty dollars. Let's just say the cost of doing business is higher in this State. Let's approve three hundred, three-fifty, whatever -- whatever's reasonable. And if this smart grid is so wonderful, like we're being told it is, surely everyone will voluntarily -- will -- will ask to have a smart meter and be part of the smart grid. I know we're dealing with a monopoly. I know we're dealing with regulated power. But why not inject just a few market principles here when you get the chance? You know, we talk about the cost of doing business in this State. We raise taxes - some of us think you should keep taxes low - our regulation is higher than most, and we fail to do everything we could have, and still can, on workers' comp. But the one thing we've got going well in this State is the -- is a low cost of power. And it -- in many cases, it's the second-largest cost of goods sold in products generated in this State. Talk to those who process grain, like in my -- in my district - ADM, Tate & Lyle, even in my own business. We have to be sensitive to the last thing we've got going in this State. We need a policy on power that pays for reasonable increases in capital in a fair way. This is not a fair way. I urge you to vote No.

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PRESIDING OFFICER: (SENATOR SULLIVAN)

Thank you. Before we continue further debate, Terry Martin with the Illinois Channel and Edward Marshall with WBBM-TV, both request permission to videotape. Seeing no objection, leave is granted. Further discussion? Senator Schoenberg, for what purpose do you rise?

SENATOR SCHOENBERG:

Questions for the sponsor.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Indicates he will yield. Senator Schoenberg.

SENATOR SCHOENBERG:

First of all, before I ask my -- ask my question, I want to preface my remarks by saying that I think that the sponsor has done an exceptional job at moving the overall issue forward. But I have a couple of specific areas of interest that I'd like to ask about, and the first is, in terms of the regulatory process, being able to determine whether -- being able to determine whether or not the utility is indeed meeting its terms on achieving benchmarks, whether they're the -- the rate -- the rate of -- the rate on -- the return on equity or any of the other conditions that are placed upon them recovering the cost of their investment, have the dynamics and mechanics of regulating that changed? Because, yesterday in the Executive Committee, a representation was made by the Executive Director of the Commerce Commission that not only did the burden of proof change in a way that was less favorable for the Commerce Commission to sort through the necessary data in order to determine -- to make a particular determination, but that the time frame by which they had to do it was also shorter. So

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could you address that, please?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you, Mr. President. Thank you, Senator, for your questions. There -- there have been fundamental changes in Senator Jacobs' bill that are not addressed in the trailer bill. And -- and I don't want to -- to speak to his bill for too long, but just for context here. As I understand it, today, a utility brings a rate case, it -- it lasts eleven months or more, the -- the utility needs to prove up its costs, and the -- the ICC has very broad discretion to rule that some costs were imprudently incurred or that some paperwork was not in order or that this or that was not a hundred percent completed. And that has led to criticism that the ICC can be arbitrary and capricious in its determinations. Understandably, if we're going to ask utilities to invest billions and billions of dollars in new infrastructure that's desperately needed, the utilities would like some reassurances that they are -- they will be able to recover those costs more quickly. So the -- the -- the underlying bill of Senator Jacobs does streamline the process. It will take eight months instead of eleven months. I -- I suppose that's an improvement, but eight months is still a long time to wait for your money. It -- it is modeled on the federal FERC Form 1, which has been used successfully at the federal level for recovery of transmission costs. As I understand it, the ICC would still have the authority to disallow costs that were imprudently incurred. What I've heard from the ICC is it may be more difficult. So the question I think we have to ask

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ourselves as a policy matter is, what is the appropriate level of difficulty? The utilities would tell you that the current levels are way too lenient -- or, way too in favor of the ICC. The ICC might tell you that these are coming back in favor of the utilities. I'm sure the truth is somewhere in the middle, but I don't think an eight-month process, based on a federal template, is necessarily a bad thing.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Schoenberg.

SENATOR SCHOENBERG:

Thank you. So, the second area that I wanted to address with you, which I didn't raise at the Executive Committee yesterday, has to do with the mechanisms for determining where the investments are, both in systems upgrade as well as in the smart grid technology. Is there any methodology -- is there any methodology in the trailer bill that would provide -- that would be -- would provide a -- an assurance to communities that are -- are impacted by service outages on a disproportionately high level, because they had older infrastructure, that they would be addressed initially so as to reduce the overall number of outages that existed?

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Harmon.

SENATOR HARMON:

Thank you, Mr. President. Thank you, Senator, for your question. There are no specific communities or regions called out in the bill for the investment. Instead, this is one area where I think the -- the market principles that a former speaker mentioned might actually apply in the context of a regulated

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utility. We have created a system of performance metrics so that the utility has to achieve certain goals. Those are on a system-wide basis, as well as on some subregions where there have been historic problems. The fact of the matter is, for communities like the ones you represent and the ones I represent, that are very dense, that have to serve a lot of people and have old infrastructure, the utilities will get the most bang for their buck by making the investments there. They will be able to improve the performance for the greatest number of people with the lowest investment and comply with their performance metrics. So, even though those communities aren't named in the bill, I think that you and I and folks who represent similar communities should see significant investment. It makes sense economically for the utilities.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Senator Schoenberg.

SENATOR SCHOENBERG:

Just to comment on that later point, I understand that economics might -- economics might drive a particular outcome, but, you know, this is essentially like a public-private partnership. We've talked about establishing frameworks for public-private partnerships in other infrastructure, namely transportation infrastructure. We've talked about it, over the years, in the context of airports and toll roads. I think public utilities certainly fall into the same category. And in my exhaustive experience on this issue, I -- I think you need to specify out a -- a formula, no matter how technical it is, so that you're determining how the -- where the needs are the greatest in a way that's entirely consistent and that those

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needs do, indeed, get addressed. And I'm going to -- while I do commend the sponsor for his efforts, I'm going to oppose the bill. And I just want to say in closing that I think that the suburban mayors have dropped the ball on this issue. The suburban mayor -- I'm a suburbanite and I know a number of you on both sides of the aisle are suburbanites as well. I think that suburban mayors have been contacting us about not taking a share of their revenues to pay for the regional offices of education. We've heard a lot more from suburban mayors on that issue than we have from suburban mayors who represent communities that have had chronic power outages. They've been missing in action on this issue. Here was their point to hold a -- a major utility accountable and to specify in the bill, that's legally binding, what had to be done to remediate the situation, and that is a missed opportunity that's only going to be that much harder to recapture. And -- and I have that disappointment and I hope that those of you who are also suburbanites will share it as well. Thank you.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Thank you, Senator Schoenberg. Further discussion?
Senator Jacobs, for what purpose do you rise?

SENATOR JACOBS:

I have some questions of the sponsor.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Indicates he will yield. Senator Jacobs.

SENATOR JACOBS:

Before I begin, Senator, I would just like all the people in the yellow vests that are here today representing Ameren to stand up for a moment, if you would, please. I want everybody

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to get a real good look at what people who work for a living look like. These aren't lobbyists; these are workers. And that's what this -- this bill's all about. It's about jobs. Thank you very much. Senator, I just want to say how pleased I am that you were able to find a compromise. I think the one thing that we've lost the art around here is finding different sides and finding middle ground. And ComEd doesn't like everything in this bill. I don't like everything in your bill. But it makes sense. It's a good bill, and I'm going to support it. I think you're making a good bill better, and I salute you for that. You know, you have to insulate your home with insulation if you want it to stay warm, and we're doing the same thing in the State here. And it seems to me we need to get Illinois moving. We need to make sure that we're benefiting the consumers and that we're protecting the consumers, and, Senator, you've done that. And if there's folks on the other side of the aisle that think that we should come up with smart meters that could be more cost-efficient, I might suggest that you use your own personal company to build some smart meters and sell 'em.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Further discussion? Is there any further discussion? Seeing none, Senator Harmon, to close.

SENATOR HARMON:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I have thoroughly enjoyed debating Senator Jacobs' Senate Bill 1652 today. I hope we've left something for you to debate, Senator, if and when you choose to take up a motion. I wish that we had spent more time on some of the substantial elements of the trailer bill. I know that folks are not happy

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with the underlying bill, and you may choose to vote one way or another if Senator Jacobs presents a motion with respect to that veto. I would tell you there's nothing in the trailer bill itself that is controversial or bad for consumers. Even if you think Senator Jacobs' bill is a bad bill, this would make it better. So, I can understand why you might not vote one way or another on the override motion, but I don't know why you wouldn't vote Yes for the trailer bill. And I ask you all to do so.

PRESIDING OFFICER: (SENATOR SULLIVAN)

Thank you, Senator Harmon. As the bill has an immediate effective date, it is the ruling of the Chair that, pursuant to Section 10 of Article IV of the Illinois Constitution, the passage of this measure will require a three-fifths majority. Ladies and Gentlemen, the question is, shall House Bill 3036 pass. All those in favor will vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Madam Secretary, take the record. On that question, there are 37 voting Aye, 20 voting Nay, 0 voting Present. Senate {sic} Bill 3036, having received the required constitutional majority, is declared passed. Ladies and Gentlemen, just as a clarification on the committee meetings, the Senate Education Committee, which was scheduled to meet at 2 p.m. in Room 409, will meet immediately upon recess; the Senate Executive Committee will meet today at 2:55 in Room 212 to hear Floor amendments released by the Committee on Assignments and to take up other bills on the 3 p.m. posting; the Senate State Government Committee will meet at 5 p.m. in Room 409 as previously posted. All other committees scheduled

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for today are canceled. Ladies and Gentlemen, the Senate will stand in recess till the call of the Chair. After committee meetings, the Senate will reconvene to receive committee reports. The Senate stands in recess.

(SENATE STANDS IN RECESS/SENATE RECONVENES)

PRESIDING OFFICER: (SENATOR HARMON)

Senate will come to order. Madam Secretary, Committee Reports.

SECRETARY ROCK:

Senator Harmon, Chairperson of the Committee on Executive, reports Senate Amendment 1 to Senate Bill 678 recommended Do Adopt.

Senator Holmes, Chairperson of the Committee on State Government and Veterans Affairs, reports House Bill 1224 Do Pass, as Amended.

PRESIDING OFFICER: (SENATOR HARMON)

There being no further business to come before the Senate, the Senate stands adjourned until the hour of 9 a.m. on the 26th day of October, 2011. The Senate stands adjourned.