**Section 445.70 Tax Credits**

a) Calculation of monthly tax credit

1) Each utility shall calculate tax credits using the following formula to assure compliance with Section 8-403.1(d) of the Act.

|  |  |  |
| --- | --- | --- |
| C | = | P-(R-0), where |

|  |  |  |
| --- | --- | --- |
| C | = | Public utility tax credit.  |
| P | = | Actual total dollar amount paid for purchases from a qualified solid waste energy facility applying the price specified in Section 445.60(b). |
| R | = | The total amount that the utility would have paid a qualified solid waste energy facility pursuant to 83 Ill. Adm. Code 430.80. |
| O | = | Any amounts in the form of reasonable and necessary costs incurred by a utility in displacing electric energy from qualifying facilities because of purchases made pursuant to Section 8-403.1(c) of the Act. Such costs shall include those incremental costs of system operation reasonably incurred by a utility (excluding those resulting from Section 445.60 of this Part) as a direct result of having to purchase electric energy from qualified solid waste energy facilities in lieu of purchasing equivalent amounts of electric energy from other qualifying facilities.  |

2) At the time the owner(s) or developer(s) of a qualified solid waste energy facility enters into a contract with an electric utility for the sale of electric energy to the electric utility, the owner(s) or developer(s) of a qualified solid waste energy facility may elect one of the methodologies specified in 83 Ill. Adm. Code 430.80. In the event of an impasse in negotiations between the utility and the facility, either party may request a determination of the issues by the Commission, based on the criteria in 83 Ill. Adm. Code 430.80

b) Reimbursement by qualified solid waste energy facility

1) The owner(s) or operator of a qualified solid waste energy facility shall file with the Commission and the Illinois Department of Revenue a proposed reimbursement schedule. The schedule shall be filed no later than one year prior to the start of the reimbursement period. The schedule shall state the anticipated annual repayments over the reimbursement period.

2) The starting date of reimbursement to the General Revenue Fund of tax credits accumulated for a qualified solid waste energy facility or an electric generating facility fueled by landfill generated methane gas located at a landfill owned by a forest preserve district shall not exceed twenty years from the date the facility begins commercial operation, after all operational and acceptance testing has been completed. For an electric generating facility fueled by methane gas generated from landfills, the starting date of reimbursement shall not exceed ten years from the date the facility begins commercial operation, after all operational and acceptance testing has been completed.

3) The reimbursement payments of a qualified solid waste energy facility shall equal the sum of the tax credits accumulated under Section 8-403.1(d) of the Act.

4) All tax credits accumulated for a qualified solid waste energy facility shall be fully reimbursed by that facility to the General Revenue Fund by the end of the actual useful life of the facility.

5) In no event shall a utility be required to reimburse the General Revenue Fund for tax credits received under Section 8-403.1 of the Act or this Part.

c) Tax credit disputes

1) The Illinois Department of Revenue, the owner(s) or operator of any qualified solid waste energy facility, or the involved unit or units of local government may request a decision by the Commission concerning any costs relating to tax credits claimed by the utility, or any other tax credit dispute with a utility, in accordance with the Act or this Part.

2) Any petition by the Illinois Department of Revenue or a qualified solid waste energy facility requesting a decision pursuant to subsection (c)(1) shall comply with the Commission's Rules of Practice (83 Ill. Adm. Code 200).

(Source: Amended at 16 Ill. Reg. 2535, effective February 1, 1992)