



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3848

Introduced 2/14/2020, by Sen. Michael E. Hastings

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-20
20 ILCS 3855/1-75
30 ILCS 105/5.930 new
220 ILCS 5/16-108
220 ILCS 5/16-111.5

Amends the Illinois Power Agency Act, the State Finance Act, and the Public Utilities Act. Provides that the Act may be referred to as the Coal to Solar and Energy Storage Act. Authorizes the procurement of renewable energy credits by electric utilities serving more than 300,000 retail customers as of January 1, 2019. Provides for the renewable energy credits to be related to new renewable energy resources installed at the site of electric generation that on January 1, 2019 burned coal as the primary fuel source. Provides for the Illinois Power Agency to manage the procurement of the credits. Establishes the requirements for eligibility for the credits. Requires the electric utilities to file a tariff for the billing and collection of a Coal to Solar and Energy Storage Initiative Charge on each kilowatthour of electricity delivered to its delivery services customers within its service territory at specified rates and to deposit a percentage of its collections in the Coal to Solar and Energy Storage Incentive and Plant Transition Fund. Establishes the Coal to Solar and Energy Storage Incentive and Plant Transition Fund as a special fund in the State treasury to provide transitional support funding to coal-fueled electric utilities participating in the utilization of the renewable energy credits. Effective immediately.

LRB101 19693 SPS 69186 b

1 AN ACT concerning State government.

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

4 Section 1. This Act may be referred to as the Coal to Solar
5 and Energy Storage Act.

6 Section 5. Legislative findings. The General Assembly
7 finds and declares:

8 (1) The overall objectives of regulation of the
9 electric utility industry in this State, as expressed by
10 the General Assembly in the Illinois Power Agency Act and
11 the Public Utilities Act, include the provision of
12 adequate, efficient, reliable, environmentally safe, and
13 least-cost utility services at prices that accurately
14 reflect the long-term cost of such services and that are
15 equitable to all citizens.

16 (2) For many years, a significant portion of the
17 electricity consumed by consumers and businesses in this
18 State, particularly in the downstate region of this State,
19 has been produced by large coal-fueled electric generating
20 stations located in the downstate region. Further, these
21 electric generating stations are typically available to
22 provide electricity to serve the demands of retail
23 customers 24 hours per day, 7 days per week, without regard

1 to inherently intermittent natural conditions such as wind
2 speeds or the hours in which solar energy is available.

3 (3) In recent years, the prices for electric generating
4 capacity and electric energy available to coal-fueled
5 generating stations located in the downstate region of this
6 State have been insufficient to enable some electric
7 generating facilities located within the downstate region
8 to remain in operation, and has placed other electric
9 generating stations in the downstate region at economic
10 risk of closure. Changes in environmental regulations have
11 also contributed to the retirement of coal-fueled
12 generating stations in the downstate region.

13 (4) Between 2015 and 2020, more than 3,700 megawatts of
14 electric generating facilities located in the downstate
15 region have been permanently retired, rendering this
16 capacity unavailable to serve the demands of Illinois
17 electricity consumers. Additional electric generating
18 capacity in the downstate region of approximately 580
19 megawatts has been announced for retirement by the end of
20 2022, resulting in a total of almost 4,300 megawatts of
21 coal-fueled electric generating capacity in the downstate
22 region that has recently been retired or announced for
23 retirement. It is estimated that additional electric
24 generating facilities located in the downstate region with
25 generating capacity, in the aggregate, of at least 2,800
26 megawatts is currently at significant risk of retirement in

1 light of prevailing low prices for electric generating
2 capacity and electric energy in Load Zone 4 of the
3 Midcontinent Independent System Operator, Inc.

4 (5) To a significant extent, as the existing bulk power
5 system is configured, electricity, when generated, cannot
6 be stored for future use. Rather, for the most part,
7 electricity must be generated instantaneously at the time
8 and in the amount that it is demanded by residential and
9 business consumers. This characteristic of the existing
10 bulk power system is unlikely to change significantly in
11 the near term. The development of energy storage facilities
12 provides some opportunity to store some amounts of
13 electricity for use at later times. However, energy storage
14 facilities with sufficient capacity to deliver electricity
15 to meet the demands of consumers within each load zone in
16 this State, 24 hours per day on every day of the year, have
17 not yet been built. Reliable electric service at all times
18 is essential to the functioning of a modern economy and of
19 society in general. The health, welfare, and prosperity of
20 Illinois citizens, including the attractiveness of the
21 State of Illinois to business and industry, requires the
22 availability of sufficient electric generating capacity,
23 including energy storage capacity, to meet the demands of
24 consumers and businesses in this State at all times.

25 (6) In the near term, there is uncertainty as to the
26 sufficiency of electric generating resources to reliably

1 serve the electric capacity and energy needs of residential
2 and business electricity customers in the downstate
3 region, particularly in light of the additional amounts of
4 coal-fueled electric generating resources in the downstate
5 region that are economically at risk and may retire in the
6 near future. Both the Midcontinent Independent System
7 Operator, Inc., which is the independent transmission
8 system operator for downstate Illinois, and its
9 Independent Market Monitor, have expressed concerns about
10 the sufficiency of electric generating resources in
11 downstate Illinois over the next several years, due
12 primarily to the possibility of retirements of coal-fueled
13 electric generating facilities and concerns about how
14 quickly and extensively new wind and solar generating
15 facilities will be placed into service. These concerns were
16 originally expressed by these organizations prior to the
17 announcements in 2019 of additional retirements of
18 electric generating plants with more than 2,600 megawatts
19 of capacity in the downstate region. Concerns have also
20 been expressed, based on the intermittent nature of wind
21 and solar generating facilities, as to whether the grid can
22 operate reliably without sufficient dispatchable
23 generation resources or significant additions of energy
24 storage facilities to balance the output of renewable
25 generating facilities. Other commentators have stated that
26 such concerns about resource adequacy in downstate

1 Illinois are overstated. However, the General Assembly
2 believes that the State cannot afford to find itself in a
3 situation of insufficient electric generating resources to
4 meet the needs of Illinois residential and business
5 consumers.

6 (7) Consistent with the overall objectives of the
7 regulation of the electric utility industry in this State,
8 regulation should ensure that sufficient generating
9 capacity resources, including energy storage resources,
10 are available on both a short-term basis and a long-term
11 basis to enable the electric utility grid to meet the
12 demands of Illinois electricity consumers at all times.

13 (8) Through previous enactments beginning in 1997, the
14 General Assembly has mandated that electric utilities and
15 other load-serving entities in this State obtain specified
16 portions of the electric energy needed to serve their
17 retail loads in this State through the procurement of
18 electricity or renewable energy credits from renewable
19 energy resources, among other means through procurement
20 events managed and supervised by the Illinois Power Agency.

21 (9) Correspondingly, through previous enactments
22 beginning in 1997, the General Assembly has provided
23 incentives for the construction and operation of wind,
24 solar, and other types of renewable energy resources to
25 serve load in Illinois, and has mandated the imposition of
26 charges to retail customers, subject to caps, to fund the

1 procurement of electricity and renewable energy credits
2 from such facilities. In such enactments, the General
3 Assembly has recognized that providing opportunities to
4 enter into long-term contracts for the purchase of
5 electricity and renewable energy credits from renewable
6 energy resources creates incentives, and in fact is
7 necessary, for the construction and operation of such
8 resources. Developers typically will not and cannot,
9 financially, develop new, large-scale renewable energy
10 generating resources without having secured long-term
11 contracts for the electricity output and renewable energy
12 credits of the new facilities.

13 (10) The permitting and siting of new wind and solar
14 generating resources in Illinois is subject to local
15 governmental control, rather than State control, and in
16 many areas of this State, there has been strong opposition
17 to the siting and construction of new utility-scale wind
18 and solar generating resources, which in turn has resulted
19 in the denial of, or withdrawal of requests for, necessary
20 approvals for some projects and the enactment of local
21 zoning ordinances imposing requirements and restrictions
22 that increase the costs and reduce the economic
23 attractiveness of such projects. This has resulted in the
24 delay or cancellation of a number of new renewable energy
25 resource projects.

26 (11) In light of the intermittent nature of many types

1 of renewable energy resources, such as wind and solar
2 generation resources, the installation and operation of
3 electricity storage facilities in conjunction with the
4 installation and operation of renewable generation
5 resources can enhance the value of renewable energy
6 resources to the electric grid, particularly as a reliable
7 source of electric capacity as well as electric energy.

8 (12) Through legislation enacted in 2016, the General
9 Assembly, through the program commonly referred to as the
10 zero emission credit program, has provided for the
11 continued economic viability of certain
12 economically-challenged nuclear generating facilities in
13 Illinois that are also significant employers and
14 taxpayers. Certain Illinois electric utilities are
15 required to purchase specified amounts of zero emission
16 credits from these nuclear generating facilities, with
17 such purchases to be funded through an additional charge to
18 the electric utilities' retail customers as specified in
19 the legislation.

20 (13) The sites of many of the large coal-fueled
21 electric generating stations located in the downstate
22 region of this State that have recently been retired or are
23 at risk of retirement in the near term have existing
24 infrastructure and other characteristics that make them
25 suitable potential sites for development of new renewable
26 energy generating resources and electricity storage

1 resources. This infrastructure and other characteristics
2 include large amounts of available land situated at a
3 suitable distance from populated areas, suitable levels of
4 exposure to sunlight, and high voltage interconnections to
5 the bulk electric system transmission grid at strategic
6 locations. Development of these generating plant sites for
7 large-scale renewable energy generating resources and
8 electricity storage resources can help advance this
9 State's objective of increasing the portion of the State's
10 total electricity usage that is supplied by zero emission
11 resources, while supporting the reliability of electric
12 service in the downstate region. Further, development of
13 these generating plant sites for large-scale renewable
14 energy generating resources and electricity storage
15 resources can provide employment, local economic activity,
16 and tax base for the nearby communities, offsetting, at
17 least in part, the reduction in employment, economic
18 activity, and tax revenues resulting from the retirement of
19 nearby coal-fueled electric generating stations.
20 Accordingly, the General Assembly finds that it is in the
21 public interest to encourage the redevelopment of the sites
22 of retired and to-be retired coal-fueled electric
23 generating stations as locations for renewable energy
24 generating resources and electricity storage resources.

25 (14) The General Assembly finds that it is appropriate
26 for the State of Illinois to establish a program to provide

1 for incentives for the installation and operation of new
2 renewable energy resources, along with energy storage
3 resources, at the sites of retired and at-risk coal-fueled
4 electric generating facilities in the downstate region of
5 this State, to provide incentives for continued operation,
6 in the near term, of the remaining coal-fueled generating
7 facilities in the downstate region to ensure the
8 availability of sufficient electric capacity and energy
9 resources to meet the demands of residential and business
10 electricity consumers in the downstate region as well as in
11 the State as a whole, while at the same time also providing
12 incentives for the transition to retirement of some
13 additional portion of the coal-fueled electric generating
14 facilities in the downstate region.

15 Section 10. The Illinois Power Agency Act is amended by
16 changing Sections 1-20 and 1-75 as follows:

17 (20 ILCS 3855/1-20)

18 Sec. 1-20. General powers of the Agency.

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

20 (1) Develop electricity procurement plans to ensure
21 adequate, reliable, affordable, efficient, and
22 environmentally sustainable electric service at the lowest
23 total cost over time, taking into account any benefits of
24 price stability, for electric utilities that on December

1 31, 2005 provided electric service to at least 100,000
2 customers in Illinois and for small multi-jurisdictional
3 electric utilities that (A) on December 31, 2005 served
4 less than 100,000 customers in Illinois and (B) request a
5 procurement plan for their Illinois jurisdictional load.
6 Except as provided in paragraph (1.5) of this subsection
7 (a), the electricity procurement plans shall be updated on
8 an annual basis and shall include electricity generated
9 from renewable resources sufficient to achieve the
10 standards specified in this Act. Beginning with the
11 delivery year commencing June 1, 2017, develop procurement
12 plans to include zero emission credits generated from zero
13 emission facilities sufficient to achieve the standards
14 specified in this Act.

15 (1.5) Develop a long-term renewable resources
16 procurement plan in accordance with subsection (c) of
17 Section 1-75 of this Act for renewable energy credits in
18 amounts sufficient to achieve the standards specified in
19 this Act for delivery years commencing June 1, 2017 and for
20 the programs and renewable energy credits specified in
21 Section 1-56 of this Act. Electricity procurement plans for
22 delivery years commencing after May 31, 2017, shall not
23 include procurement of renewable energy resources.

24 (2) Conduct competitive procurement processes to
25 procure the supply resources identified in the electricity
26 procurement plan, pursuant to Section 16-111.5 of the

1 Public Utilities Act, and, for the delivery year commencing
2 June 1, 2017, conduct procurement processes to procure zero
3 emission credits from zero emission facilities, under
4 subsection (d-5) of Section 1-75 of this Act.

5 (2.5) Beginning with the procurement for the 2017
6 delivery year, conduct competitive procurement processes
7 and implement programs to procure renewable energy credits
8 identified in the long-term renewable resources
9 procurement plan developed and approved under subsection
10 (c) of Section 1-75 of this Act and Section 16-111.5 of the
11 Public Utilities Act.

12 (2.10) Oversee the procurement by electric utilities
13 that served more than 300,000 customers in this State as of
14 January 1, 2019 of renewable energy credits from new
15 renewable energy resources to be installed, along with
16 energy storage resources, at or adjacent to the sites of
17 electric generating facilities that burned coal as their
18 primary fuel source as of January 1, 2019, in accordance
19 with subsection (c-5) of Section 1-75 of this Act.

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

24 (4) Supply electricity from the Agency's facilities at
25 cost to one or more of the following: municipal electric
26 systems, governmental aggregators, or rural electric

1 cooperatives in Illinois.

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

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

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

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

13 (4) To obtain and employ personnel and hire consultants
14 that are necessary to fulfill the Agency's purposes, and to
15 make expenditures for that purpose within the
16 appropriations for that purpose.

17 (5) To purchase, receive, take by grant, gift, devise,
18 bequest, or otherwise, lease, or otherwise acquire, own,
19 hold, improve, employ, use, and otherwise deal in and with,
20 real or personal property whether tangible or intangible,
21 or any interest therein, within the State.

22 (6) To acquire real or personal property, whether
23 tangible or intangible, including without limitation
24 property rights, interests in property, franchises,
25 obligations, contracts, and debt and equity securities,
26 and to do so by the exercise of the power of eminent domain

1 in accordance with Section 1-21; except that any real
2 property acquired by the exercise of the power of eminent
3 domain must be located within the State.

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

8 (8) To purchase, take, receive, subscribe for, or
9 otherwise acquire, hold, make a tender offer for, vote,
10 employ, sell, lend, lease, exchange, transfer, or
11 otherwise dispose of, mortgage, pledge, or grant a security
12 interest in, use, and otherwise deal in and with, bonds and
13 other obligations, shares, or other securities (or
14 interests therein) issued by others, whether engaged in a
15 similar or different business or activity.

16 (9) To make and execute agreements, contracts, and
17 other instruments necessary or convenient in the exercise
18 of the powers and functions of the Agency under this Act,
19 including contracts with any person, including personal
20 service contracts, or with any local government, State
21 agency, or other entity; and all State agencies and all
22 local governments are authorized to enter into and do all
23 things necessary to perform any such agreement, contract,
24 or other instrument with the Agency. No such agreement,
25 contract, or other instrument shall exceed 40 years.

26 (10) To lend money, invest and reinvest its funds in

1 accordance with the Public Funds Investment Act, and take
2 and hold real and personal property as security for the
3 payment of funds loaned or invested.

4 (11) To borrow money at such rate or rates of interest
5 as the Agency may determine, issue its notes, bonds, or
6 other obligations to evidence that indebtedness, and
7 secure any of its obligations by mortgage or pledge of its
8 real or personal property, machinery, equipment,
9 structures, fixtures, inventories, revenues, grants, and
10 other funds as provided or any interest therein, wherever
11 situated.

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

15 (13) To procure insurance against any loss in
16 connection with its properties or operations in such amount
17 or amounts and from such insurers, including the federal
18 government, as it may deem necessary or desirable, and to
19 pay any premiums therefor.

20 (14) To negotiate and enter into agreements with
21 trustees or receivers appointed by United States
22 bankruptcy courts or federal district courts or in other
23 proceedings involving adjustment of debts and authorize
24 proceedings involving adjustment of debts and authorize
25 legal counsel for the Agency to appear in any such
26 proceedings.

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

4 (16) To enter into management agreements for the
5 operation of any of the property or facilities owned by the
6 Agency.

7 (17) To enter into an agreement to transfer and to
8 transfer any land, facilities, fixtures, or equipment of
9 the Agency to one or more municipal electric systems,
10 governmental aggregators, or rural electric agencies or
11 cooperatives, for such consideration and upon such terms as
12 the Agency may determine to be in the best interest of the
13 citizens of Illinois.

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

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

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

24 (21) To accept and expend appropriations.

25 (22) To engage in any activity or operation that is
26 incidental to and in furtherance of efficient operation to

1 accomplish the Agency's purposes, including hiring
2 employees that the Director deems essential for the
3 operations of the Agency.

4 (23) To adopt, revise, amend, and repeal rules with
5 respect to its operations, properties, and facilities as
6 may be necessary or convenient to carry out the purposes of
7 this Act, subject to the provisions of the Illinois
8 Administrative Procedure Act and Sections 1-22 and 1-35 of
9 this Act.

10 (24) To establish and collect charges and fees as
11 described in this Act.

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

16 (26) To review, revise, and approve sourcing
17 agreements and mediate and resolve disputes between gas
18 utilities and the clean coal SNG brownfield facility
19 pursuant to subsection (h-1) of Section 9-220 of the Public
20 Utilities Act.

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

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

2 (20 ILCS 3855/1-75)

3 Sec. 1-75. Planning and Procurement Bureau. The Planning
4 and Procurement Bureau has the following duties and
5 responsibilities:

6 (a) The Planning and Procurement Bureau shall each year,
7 beginning in 2008, develop procurement plans and conduct
8 competitive procurement processes in accordance with the
9 requirements of Section 16-111.5 of the Public Utilities Act
10 for the eligible retail customers of electric utilities that on
11 December 31, 2005 provided electric service to at least 100,000
12 customers in Illinois. Beginning with the delivery year
13 commencing on June 1, 2017, the Planning and Procurement Bureau
14 shall develop plans and processes for the procurement of zero
15 emission credits from zero emission facilities in accordance
16 with the requirements of subsection (d-5) of this Section. The
17 Planning and Procurement Bureau shall also develop procurement
18 plans and conduct competitive procurement processes in
19 accordance with the requirements of Section 16-111.5 of the
20 Public Utilities Act for the eligible retail customers of small
21 multi-jurisdictional electric utilities that (i) on December
22 31, 2005 served less than 100,000 customers in Illinois and
23 (ii) request a procurement plan for their Illinois
24 jurisdictional load. This Section shall not apply to a small
25 multi-jurisdictional utility until such time as a small

1 multi-jurisdictional utility requests the Agency to prepare a
2 procurement plan for their Illinois jurisdictional load. For
3 the purposes of this Section, the term "eligible retail
4 customers" has the same definition as found in Section
5 16-111.5(a) of the Public Utilities Act.

6 Beginning with the plan or plans to be implemented in the
7 2017 delivery year, the Agency shall no longer include the
8 procurement of renewable energy resources in the annual
9 procurement plans required by this subsection (a), except as
10 provided in subsection (q) of Section 16-111.5 of the Public
11 Utilities Act, and shall instead develop a long-term renewable
12 resources procurement plan in accordance with subsection (c) of
13 this Section and Section 16-111.5 of the Public Utilities Act.

14 In accordance with subsection (c-5) of this Section, the
15 Planning and Procurement Bureau shall oversee the procurement
16 by electric utilities that served more than 300,000 retail
17 customers in this State as of January 1, 2019 of renewable
18 energy credits from new renewable energy resources to be
19 installed, along with energy storage resources, at or adjacent
20 to the sites of electric generating facilities that, as of
21 January 1, 2019, burned coal as their primary fuel source.

22 (1) The Agency shall each year, beginning in 2008, as
23 needed, issue a request for qualifications for experts or
24 expert consulting firms to develop the procurement plans in
25 accordance with Section 16-111.5 of the Public Utilities
26 Act. In order to qualify an expert or expert consulting

1 firm must have:

2 (A) direct previous experience assembling
3 large-scale power supply plans or portfolios for
4 end-use customers;

5 (B) an advanced degree in economics, mathematics,
6 engineering, risk management, or a related area of
7 study;

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

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

14 (E) expertise in credit protocols and familiarity
15 with contract protocols;

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

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

21 (2) The Agency shall each year, as needed, issue a
22 request for qualifications for a procurement administrator
23 to conduct the competitive procurement processes in
24 accordance with Section 16-111.5 of the Public Utilities
25 Act. In order to qualify an expert or expert consulting
26 firm must have:

1 (A) direct previous experience administering a
2 large-scale competitive procurement process;

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

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

7 (D) expertise in wholesale electricity market
8 rules, including those established by the Federal
9 Energy Regulatory Commission and regional transmission
10 organizations;

11 (E) expertise in credit and contract protocols;

12 (F) adequate resources to perform and fulfill the
13 required functions and responsibilities; and

14 (G) the absence of a conflict of interest and
15 inappropriate bias for or against potential bidders or
16 the affected electric utilities.

17 (3) The Agency shall provide affected utilities and
18 other interested parties with the lists of qualified
19 experts or expert consulting firms identified through the
20 request for qualifications processes that are under
21 consideration to develop the procurement plans and to serve
22 as the procurement administrator. The Agency shall also
23 provide each qualified expert's or expert consulting
24 firm's response to the request for qualifications. All
25 information provided under this subparagraph shall also be
26 provided to the Commission. The Agency may provide by rule

1 for fees associated with supplying the information to
2 utilities and other interested parties. These parties
3 shall, within 5 business days, notify the Agency in writing
4 if they object to any experts or expert consulting firms on
5 the lists. Objections shall be based on:

6 (A) failure to satisfy qualification criteria;

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

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

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

20 (4) The Agency shall issue requests for proposals to
21 the qualified experts or expert consulting firms to develop
22 a procurement plan for the affected utilities and to serve
23 as procurement administrator.

24 (5) The Agency shall select an expert or expert
25 consulting firm to develop procurement plans based on the
26 proposals submitted and shall award contracts of up to 5

1 years to those selected.

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

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

25 (c) Renewable portfolio standard.

26 (1) (A) The Agency shall develop a long-term renewable

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

16 (B) Subject to subparagraph (F) of this paragraph (1),
17 the long-term renewable resources procurement plan shall
18 include the goals for procurement of renewable energy
19 credits to meet at least the following overall percentages:
20 13% by the 2017 delivery year; increasing by at least 1.5%
21 each delivery year thereafter to at least 25% by the 2025
22 delivery year; and continuing at no less than 25% for each
23 delivery year thereafter. In the event of a conflict
24 between these goals and the new wind and new photovoltaic
25 procurement requirements described in items (i) through
26 (iii) of subparagraph (C) of this paragraph (1), the

1 long-term plan shall prioritize compliance with the new
2 wind and new photovoltaic procurement requirements
3 described in items (i) through (iii) of subparagraph (C) of
4 this paragraph (1) over the annual percentage targets
5 described in this subparagraph (B).

6 For the delivery year beginning June 1, 2017, the
7 procurement plan shall include cost-effective renewable
8 energy resources equal to at least 13% of each utility's
9 load for eligible retail customers and 13% of the
10 applicable portion of each utility's load for retail
11 customers who are not eligible retail customers, which
12 applicable portion shall equal 50% of the utility's load
13 for retail customers who are not eligible retail customers
14 on February 28, 2017.

15 For the delivery year beginning June 1, 2018, the
16 procurement plan shall include cost-effective renewable
17 energy resources equal to at least 14.5% of each utility's
18 load for eligible retail customers and 14.5% of the
19 applicable portion of each utility's load for retail
20 customers who are not eligible retail customers, which
21 applicable portion shall equal 75% of the utility's load
22 for retail customers who are not eligible retail customers
23 on February 28, 2017.

24 For the delivery year beginning June 1, 2019, and for
25 each year thereafter, the procurement plans shall include
26 cost-effective renewable energy resources equal to a

1 minimum percentage of each utility's load for all retail
2 customers as follows: 16% by June 1, 2019; increasing by
3 1.5% each year thereafter to 25% by June 1, 2025; and 25%
4 by June 1, 2026 and each year thereafter.

5 For each delivery year, the Agency shall first
6 recognize each utility's obligations for that delivery
7 year under existing contracts. Any renewable energy
8 credits under existing contracts, including renewable
9 energy credits as part of renewable energy resources, shall
10 be used to meet the goals set forth in this subsection (c)
11 for the delivery year.

12 (C) Of the renewable energy credits procured under this
13 subsection (c), at least 75% shall come from wind and
14 photovoltaic projects. The long-term renewable resources
15 procurement plan described in subparagraph (A) of this
16 paragraph (1) shall include the procurement of renewable
17 energy credits in amounts equal to at least the following:

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

19 At least 2,000,000 renewable energy credits
20 for each delivery year shall come from new wind
21 projects; and

22 At least 2,000,000 renewable energy credits
23 for each delivery year shall come from new
24 photovoltaic projects; of that amount, to the
25 extent possible, the Agency shall procure: at
26 least 50% from solar photovoltaic projects using

1 the program outlined in subparagraph (K) of this
2 paragraph (1) from distributed renewable energy
3 generation devices or community renewable
4 generation projects; at least 40% from
5 utility-scale solar projects; at least 2% from
6 brownfield site photovoltaic projects that are not
7 community renewable generation projects; and the
8 remainder shall be determined through the
9 long-term planning process described in
10 subparagraph (A) of this paragraph (1).

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

12 At least 3,000,000 renewable energy credits
13 for each delivery year shall come from new wind
14 projects; and

15 At least 3,000,000 renewable energy credits
16 for each delivery year shall come from new
17 photovoltaic projects; of that amount, to the
18 extent possible, the Agency shall procure: at
19 least 50% from solar photovoltaic projects using
20 the program outlined in subparagraph (K) of this
21 paragraph (1) from distributed renewable energy
22 devices or community renewable generation
23 projects; at least 40% from utility-scale solar
24 projects; at least 2% from brownfield site
25 photovoltaic projects that are not community
26 renewable generation projects; and the remainder

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

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

5 At least 4,000,000 renewable energy credits
6 for each delivery year shall come from new wind
7 projects; and

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

23 For purposes of this Section:

24 "New wind projects" means wind renewable
25 energy facilities that are energized after June 1,
26 2017 for the delivery year commencing June 1, 2017

1 or within 3 years after the date the Commission
2 approves contracts for subsequent delivery years.

3 "New photovoltaic projects" means photovoltaic
4 renewable energy facilities that are energized
5 after June 1, 2017. Photovoltaic projects
6 developed under Section 1-56 of this Act shall not
7 apply towards the new photovoltaic project
8 requirements in this subparagraph (C).

9 (D) Renewable energy credits shall be cost effective.
10 For purposes of this subsection (c), "cost effective" means
11 that the costs of procuring renewable energy resources do
12 not cause the limit stated in subparagraph (E) of this
13 paragraph (1) to be exceeded and, for renewable energy
14 credits procured through a competitive procurement event,
15 do not exceed benchmarks based on market prices for like
16 products in the region. For purposes of this subsection
17 (c), "like products" means contracts for renewable energy
18 credits from the same or substantially similar technology,
19 same or substantially similar vintage (new or existing),
20 the same or substantially similar quantity, and the same or
21 substantially similar contract length and structure.
22 Benchmarks shall be developed by the procurement
23 administrator, in consultation with the Commission staff,
24 Agency staff, and the procurement monitor and shall be
25 subject to Commission review and approval. If price
26 benchmarks for like products in the region are not

1 available, the procurement administrator shall establish
2 price benchmarks based on publicly available data on
3 regional technology costs and expected current and future
4 regional energy prices. The benchmarks in this Section
5 shall not be used to curtail or otherwise reduce
6 contractual obligations entered into by or through the
7 Agency prior to June 1, 2017 (the effective date of Public
8 Act 99-906).

9 (E) For purposes of this subsection (c), the required
10 procurement of cost-effective renewable energy resources
11 for a particular year commencing prior to June 1, 2017
12 shall be measured as a percentage of the actual amount of
13 electricity (megawatt-hours) supplied by the electric
14 utility to eligible retail customers in the delivery year
15 ending immediately prior to the procurement, and, for
16 delivery years commencing on and after June 1, 2017, the
17 required procurement of cost-effective renewable energy
18 resources for a particular year shall be measured as a
19 percentage of the actual amount of electricity
20 (megawatt-hours) delivered by the electric utility in the
21 delivery year ending immediately prior to the procurement,
22 to all retail customers in its service territory. For
23 purposes of this subsection (c), the amount paid per
24 kilowatthour means the total amount paid for electric
25 service expressed on a per kilowatthour basis. For purposes
26 of this subsection (c), the total amount paid for electric

1 service includes without limitation amounts paid for
2 supply, transmission, distribution, surcharges, and add-on
3 taxes.

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

1 renewable energy resources are procured. Once the
2 determination as to the amount of renewable energy
3 resources to procure is made based on the calculations set
4 forth in this subparagraph (E) and the contracts procuring
5 those amounts are executed, no subsequent rate impact
6 determinations shall be made and no adjustments to those
7 contract amounts shall be allowed. All costs incurred under
8 such contracts shall be fully recoverable by the electric
9 utility as provided in this Section.

10 (F) If the limitation on the amount of renewable energy
11 resources procured in subparagraph (E) of this paragraph
12 (1) prevents the Agency from meeting all of the goals in
13 this subsection (c), the Agency's long-term plan shall
14 prioritize compliance with the requirements of this
15 subsection (c) regarding renewable energy credits in the
16 following order:

17 (i) renewable energy credits under existing
18 contractual obligations;

19 (i-5) funding for the Illinois Solar for All
20 Program, as described in subparagraph (O) of this
21 paragraph (1);

22 (ii) renewable energy credits necessary to comply
23 with the new wind and new photovoltaic procurement
24 requirements described in items (i) through (iii) of
25 subparagraph (C) of this paragraph (1); and

26 (iii) renewable energy credits necessary to meet

1 the remaining requirements of this subsection (c).

2 (G) The following provisions shall apply to the
3 Agency's procurement of renewable energy credits under
4 this subsection (c):

5 (i) Notwithstanding whether a long-term renewable
6 resources procurement plan has been approved, the
7 Agency shall conduct an initial forward procurement
8 for renewable energy credits from new utility-scale
9 wind projects within 160 days after June 1, 2017 (the
10 effective date of Public Act 99-906). For the purposes
11 of this initial forward procurement, the Agency shall
12 solicit 15-year contracts for delivery of 1,000,000
13 renewable energy credits delivered annually from new
14 utility-scale wind projects to begin delivery on June
15 1, 2019, if available, but not later than June 1, 2021,
16 unless the project has delays in the establishment of
17 an operating interconnection with the applicable
18 transmission or distribution system as a result of the
19 actions or inactions of the transmission or
20 distribution provider, or other causes for force
21 majeure as outlined in the procurement contract, in
22 which case, not later than June 1, 2022. Payments to
23 suppliers of renewable energy credits shall commence
24 upon delivery. Renewable energy credits procured under
25 this initial procurement shall be included in the
26 Agency's long-term plan and shall apply to all

1 renewable energy goals in this subsection (c).

2 (ii) Notwithstanding whether a long-term renewable
3 resources procurement plan has been approved, the
4 Agency shall conduct an initial forward procurement
5 for renewable energy credits from new utility-scale
6 solar projects and brownfield site photovoltaic
7 projects within one year after June 1, 2017 (the
8 effective date of Public Act 99-906). For the purposes
9 of this initial forward procurement, the Agency shall
10 solicit 15-year contracts for delivery of 1,000,000
11 renewable energy credits delivered annually from new
12 utility-scale solar projects and brownfield site
13 photovoltaic projects to begin delivery on June 1,
14 2019, if available, but not later than June 1, 2021,
15 unless the project has delays in the establishment of
16 an operating interconnection with the applicable
17 transmission or distribution system as a result of the
18 actions or inactions of the transmission or
19 distribution provider, or other causes for force
20 majeure as outlined in the procurement contract, in
21 which case, not later than June 1, 2022. The Agency may
22 structure this initial procurement in one or more
23 discrete procurement events. Payments to suppliers of
24 renewable energy credits shall commence upon delivery.
25 Renewable energy credits procured under this initial
26 procurement shall be included in the Agency's

1 long-term plan and shall apply to all renewable energy
2 goals in this subsection (c).

3 (iii) Subsequent forward procurements for
4 utility-scale wind projects shall solicit at least
5 1,000,000 renewable energy credits delivered annually
6 per procurement event and shall be planned, scheduled,
7 and designed such that the cumulative amount of
8 renewable energy credits delivered from all new wind
9 projects in each delivery year shall not exceed the
10 Agency's projection of the cumulative amount of
11 renewable energy credits that will be delivered from
12 all new photovoltaic projects, including utility-scale
13 and distributed photovoltaic devices, in the same
14 delivery year at the time scheduled for wind contract
15 delivery.

16 (iv) If, at any time after the time set for
17 delivery of renewable energy credits pursuant to the
18 initial procurements in items (i) and (ii) of this
19 subparagraph (G), the cumulative amount of renewable
20 energy credits projected to be delivered from all new
21 wind projects in a given delivery year exceeds the
22 cumulative amount of renewable energy credits
23 projected to be delivered from all new photovoltaic
24 projects in that delivery year by 200,000 or more
25 renewable energy credits, then the Agency shall within
26 60 days adjust the procurement programs in the

1 long-term renewable resources procurement plan to
2 ensure that the projected cumulative amount of
3 renewable energy credits to be delivered from all new
4 wind projects does not exceed the projected cumulative
5 amount of renewable energy credits to be delivered from
6 all new photovoltaic projects by 200,000 or more
7 renewable energy credits, provided that nothing in
8 this Section shall preclude the projected cumulative
9 amount of renewable energy credits to be delivered from
10 all new photovoltaic projects from exceeding the
11 projected cumulative amount of renewable energy
12 credits to be delivered from all new wind projects in
13 each delivery year and provided further that nothing in
14 this item (iv) shall require the curtailment of an
15 executed contract. The Agency shall update, on a
16 quarterly basis, its projection of the renewable
17 energy credits to be delivered from all projects in
18 each delivery year. Notwithstanding anything to the
19 contrary, the Agency may adjust the timing of
20 procurement events conducted under this subparagraph
21 (G). The long-term renewable resources procurement
22 plan shall set forth the process by which the
23 adjustments may be made.

24 (v) All procurements under this subparagraph (G)
25 shall comply with the geographic requirements in
26 subparagraph (I) of this paragraph (1) and shall follow

1 the procurement processes and procedures described in
2 this Section and Section 16-111.5 of the Public
3 Utilities Act to the extent practicable, and these
4 processes and procedures may be expedited to
5 accommodate the schedule established by this
6 subparagraph (G).

7 (H) The procurement of renewable energy resources for a
8 given delivery year shall be reduced as described in this
9 subparagraph (H) if an alternative retail electric
10 supplier meets the requirements described in this
11 subparagraph (H).

12 (i) Within 45 days after June 1, 2017 (the
13 effective date of Public Act 99-906), an alternative
14 retail electric supplier or its successor shall submit
15 an informational filing to the Illinois Commerce
16 Commission certifying that, as of December 31, 2015,
17 the alternative retail electric supplier owned one or
18 more electric generating facilities that generates
19 renewable energy resources as defined in Section 1-10
20 of this Act, provided that such facilities are not
21 powered by wind or photovoltaics, and the facilities
22 generate one renewable energy credit for each
23 megawatthour of energy produced from the facility.

24 The informational filing shall identify each
25 facility that was eligible to satisfy the alternative
26 retail electric supplier's obligations under Section

1 16-115D of the Public Utilities Act as described in
2 this item (i).

3 (ii) For a given delivery year, the alternative
4 retail electric supplier may elect to supply its retail
5 customers with renewable energy credits from the
6 facility or facilities described in item (i) of this
7 subparagraph (H) that continue to be owned by the
8 alternative retail electric supplier.

9 (iii) The alternative retail electric supplier
10 shall notify the Agency and the applicable utility, no
11 later than February 28 of the year preceding the
12 applicable delivery year or 15 days after June 1, 2017
13 (the effective date of Public Act 99-906), whichever is
14 later, of its election under item (ii) of this
15 subparagraph (H) to supply renewable energy credits to
16 retail customers of the utility. Such election shall
17 identify the amount of renewable energy credits to be
18 supplied by the alternative retail electric supplier
19 to the utility's retail customers and the source of the
20 renewable energy credits identified in the
21 informational filing as described in item (i) of this
22 subparagraph (H), subject to the following
23 limitations:

24 For the delivery year beginning June 1, 2018,
25 the maximum amount of renewable energy credits to
26 be supplied by an alternative retail electric

1 supplier under this subparagraph (H) shall be 68%
2 multiplied by 25% multiplied by 14.5% multiplied
3 by the amount of metered electricity
4 (megawatt-hours) delivered by the alternative
5 retail electric supplier to Illinois retail
6 customers during the delivery year ending May 31,
7 2016.

8 For delivery years beginning June 1, 2019 and
9 each year thereafter, the maximum amount of
10 renewable energy credits to be supplied by an
11 alternative retail electric supplier under this
12 subparagraph (H) shall be 68% multiplied by 50%
13 multiplied by 16% multiplied by the amount of
14 metered electricity (megawatt-hours) delivered by
15 the alternative retail electric supplier to
16 Illinois retail customers during the delivery year
17 ending May 31, 2016, provided that the 16% value
18 shall increase by 1.5% each delivery year
19 thereafter to 25% by the delivery year beginning
20 June 1, 2025, and thereafter the 25% value shall
21 apply to each delivery year.

22 For each delivery year, the total amount of
23 renewable energy credits supplied by all alternative
24 retail electric suppliers under this subparagraph (H)
25 shall not exceed 9% of the Illinois target renewable
26 energy credit quantity. The Illinois target renewable

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

9 If the requirements set forth in items (i) through
10 (iii) of this subparagraph (H) are met, the charges
11 that would otherwise be applicable to the retail
12 customers of the alternative retail electric supplier
13 under paragraph (6) of this subsection (c) for the
14 applicable delivery year shall be reduced by the ratio
15 of the quantity of renewable energy credits supplied by
16 the alternative retail electric supplier compared to
17 that supplier's target renewable energy credit
18 quantity. The supplier's target renewable energy
19 credit quantity for the delivery year beginning June 1,
20 2018 is 14.5% multiplied by the total amount of metered
21 electricity (megawatt-hours) delivered by the
22 alternative retail supplier in that delivery year,
23 provided that the 14.5% shall increase by 1.5% each
24 delivery year thereafter to 25% by the delivery year
25 beginning June 1, 2025, and thereafter the 25% value
26 shall apply to each delivery year.

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

6 (I) The Agency shall design its long-term renewable
7 energy procurement plan to maximize the State's interest in
8 the health, safety, and welfare of its residents, including
9 but not limited to minimizing sulfur dioxide, nitrogen
10 oxide, particulate matter and other pollution that
11 adversely affects public health in this State, increasing
12 fuel and resource diversity in this State, enhancing the
13 reliability and resiliency of the electricity distribution
14 system in this State, meeting goals to limit carbon dioxide
15 emissions under federal or State law, and contributing to a
16 cleaner and healthier environment for the citizens of this
17 State. In order to further these legislative purposes,
18 renewable energy credits shall be eligible to be counted
19 toward the renewable energy requirements of this
20 subsection (c) if they are generated from facilities
21 located in this State. The Agency may qualify renewable
22 energy credits from facilities located in states adjacent
23 to Illinois if the generator demonstrates and the Agency
24 determines that the operation of such facility or
25 facilities will help promote the State's interest in the
26 health, safety, and welfare of its residents based on the

1 public interest criteria described above. To ensure that
2 the public interest criteria are applied to the procurement
3 and given full effect, the Agency's long-term procurement
4 plan shall describe in detail how each public interest
5 factor shall be considered and weighted for facilities
6 located in states adjacent to Illinois.

7 (J) In order to promote the competitive development of
8 renewable energy resources in furtherance of the State's
9 interest in the health, safety, and welfare of its
10 residents, renewable energy credits shall not be eligible
11 to be counted toward the renewable energy requirements of
12 this subsection (c) if they are sourced from a generating
13 unit whose costs were being recovered through rates
14 regulated by this State or any other state or states on or
15 after January 1, 2017. Each contract executed to purchase
16 renewable energy credits under this subsection (c) shall
17 provide for the contract's termination if the costs of the
18 generating unit supplying the renewable energy credits
19 subsequently begin to be recovered through rates regulated
20 by this State or any other state or states; and each
21 contract shall further provide that, in that event, the
22 supplier of the credits must return 110% of all payments
23 received under the contract. Amounts returned under the
24 requirements of this subparagraph (J) shall be retained by
25 the utility and all of these amounts shall be used for the
26 procurement of additional renewable energy credits from

1 new wind or new photovoltaic resources as defined in this
2 subsection (c). The long-term plan shall provide that these
3 renewable energy credits shall be procured in the next
4 procurement event.

5 Notwithstanding the limitations of this subparagraph
6 (J), renewable energy credits sourced from generating
7 units that are constructed, purchased, owned, or leased by
8 an electric utility as part of an approved project,
9 program, or pilot under Section 1-56 of this Act shall be
10 eligible to be counted toward the renewable energy
11 requirements of this subsection (c), regardless of how the
12 costs of these units are recovered.

13 (K) The long-term renewable resources procurement plan
14 developed by the Agency in accordance with subparagraph (A)
15 of this paragraph (1) shall include an Adjustable Block
16 program for the procurement of renewable energy credits
17 from new photovoltaic projects that are distributed
18 renewable energy generation devices or new photovoltaic
19 community renewable generation projects. The Adjustable
20 Block program shall be designed to provide a transparent
21 schedule of prices and quantities to enable the
22 photovoltaic market to scale up and for renewable energy
23 credit prices to adjust at a predictable rate over time.
24 The prices set by the Adjustable Block program can be
25 reflected as a set value or as the product of a formula.

26 The Adjustable Block program shall include for each

1 category of eligible projects: a schedule of standard block
2 purchase prices to be offered; a series of steps, with
3 associated nameplate capacity and purchase prices that
4 adjust from step to step; and automatic opening of the next
5 step as soon as the nameplate capacity and available
6 purchase prices for an open step are fully committed or
7 reserved. Only projects energized on or after June 1, 2017
8 shall be eligible for the Adjustable Block program. For
9 each block group the Agency shall determine the number of
10 blocks, the amount of generation capacity in each block,
11 and the purchase price for each block, provided that the
12 purchase price provided and the total amount of generation
13 in all blocks for all block groups shall be sufficient to
14 meet the goals in this subsection (c). The Agency may
15 periodically review its prior decisions establishing the
16 number of blocks, the amount of generation capacity in each
17 block, and the purchase price for each block, and may
18 propose, on an expedited basis, changes to these previously
19 set values, including but not limited to redistributing
20 these amounts and the available funds as necessary and
21 appropriate, subject to Commission approval as part of the
22 periodic plan revision process described in Section
23 16-111.5 of the Public Utilities Act. The Agency may define
24 different block sizes, purchase prices, or other distinct
25 terms and conditions for projects located in different
26 utility service territories if the Agency deems it

1 necessary to meet the goals in this subsection (c).

2 The Adjustable Block program shall include at least the
3 following block groups in at least the following amounts,
4 which may be adjusted upon review by the Agency and
5 approval by the Commission as described in this
6 subparagraph (K):

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

10 (ii) At least 25% from distributed renewable
11 energy generation devices with a nameplate capacity of
12 more than 10 kilowatts and no more than 2,000
13 kilowatts. The Agency may create sub-categories within
14 this category to account for the differences between
15 projects for small commercial customers, large
16 commercial customers, and public or non-profit
17 customers.

18 (iii) At least 25% from photovoltaic community
19 renewable generation projects.

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

23 The Adjustable Block program shall be designed to
24 ensure that renewable energy credits are procured from
25 photovoltaic distributed renewable energy generation
26 devices and new photovoltaic community renewable energy

1 generation projects in diverse locations and are not
2 concentrated in a few geographic areas.

3 (L) The procurement of photovoltaic renewable energy
4 credits under items (i) through (iv) of subparagraph (K) of
5 this paragraph (1) shall be subject to the following
6 contract and payment terms:

7 (i) The Agency shall procure contracts of at least
8 15 years in length.

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

19 (iii) For those renewable energy credits that
20 qualify and are procured under item (ii) and (iii) of
21 subparagraph (K) of this paragraph (1) and any
22 additional categories of distributed generation
23 included in the long-term renewable resources
24 procurement plan and approved by the Commission, 20
25 percent of the renewable energy credit purchase price
26 shall be paid by the contracting utilities at the time

1 that the facility producing the renewable energy
2 credits is interconnected at the distribution system
3 level of the utility and energized. The remaining
4 portion shall be paid ratably over the subsequent
5 4-year period. The electric utility shall receive and
6 retire all renewable energy credits generated by the
7 project for the first 15 years of operation.

8 (iv) Each contract shall include provisions to
9 ensure the delivery of the renewable energy credits for
10 the full term of the contract.

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

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

1 available.

2 (vii) Nothing in this Section shall require the
3 utility to advance any payment or pay any amounts that
4 exceed the actual amount of revenues collected by the
5 utility under paragraph (6) of this subsection (c) and
6 subsection (k) of Section 16-108 of the Public
7 Utilities Act, and contracts executed under this
8 Section shall expressly incorporate this limitation.

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

24 The Agency and its consultant or consultants shall
25 monitor block activity, share program activity with
26 stakeholders and conduct regularly scheduled meetings to

1 discuss program activity and market conditions. If
2 necessary, the Agency may make prospective administrative
3 adjustments to the Adjustable Block program design, such as
4 redistributing available funds or making adjustments to
5 purchase prices as necessary to achieve the goals of this
6 subsection (c). Program modifications to any price,
7 capacity block, or other program element that do not
8 deviate from the Commission's approved value by more than
9 25% shall take effect immediately and are not subject to
10 Commission review and approval. Program modifications to
11 any price, capacity block, or other program element that
12 deviate more than 25% from the Commission's approved value
13 must be approved by the Commission as a long-term plan
14 amendment under Section 16-111.5 of the Public Utilities
15 Act. The Agency shall consider stakeholder feedback when
16 making adjustments to the Adjustable Block design and shall
17 notify stakeholders in advance of any planned changes.

18 (N) The long-term renewable resources procurement plan
19 required by this subsection (c) shall include a community
20 renewable generation program. The Agency shall establish
21 the terms, conditions, and program requirements for
22 community renewable generation projects with a goal to
23 expand renewable energy generating facility access to a
24 broader group of energy consumers, to ensure robust
25 participation opportunities for residential and small
26 commercial customers and those who cannot install

1 renewable energy on their own properties. Any plan approved
2 by the Commission shall allow subscriptions to community
3 renewable generation projects to be portable and
4 transferable. For purposes of this subparagraph (N),
5 "portable" means that subscriptions may be retained by the
6 subscriber even if the subscriber relocates or changes its
7 address within the same utility service territory; and
8 "transferable" means that a subscriber may assign or sell
9 subscriptions to another person within the same utility
10 service territory.

11 Electric utilities shall provide a monetary credit to a
12 subscriber's subsequent bill for service for the
13 proportional output of a community renewable generation
14 project attributable to that subscriber as specified in
15 Section 16-107.5 of the Public Utilities Act.

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

1 The owners of and any subscribers to a community
2 renewable generation project shall not be considered
3 public utilities or alternative retail electricity
4 suppliers under the Public Utilities Act solely as a result
5 of their interest in or subscription to a community
6 renewable generation project and shall not be required to
7 become an alternative retail electric supplier by
8 participating in a community renewable generation project
9 with a public utility.

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

1 under the plan for the applicable delivery year, or
2 \$20,000,000 per delivery year, whichever is greater, and
3 \$10,000,000 of such funds in such year shall be used by an
4 electric utility that serves more than 3,000,000 retail
5 customers in the State to implement a Commission-approved
6 plan under Section 16-108.12 of the Public Utilities Act.
7 In making the determinations required under this
8 subparagraph (O), the Commission shall consider the
9 experience and performance under the programs and any
10 evaluation reports. The Commission shall also provide for
11 an independent evaluation of those programs on a periodic
12 basis that are funded under this subparagraph (O).

13 (2) (Blank).

14 (3) (Blank).

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

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

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

16 (6) The electric utility shall be entitled to recover
17 all of its costs associated with the procurement of
18 renewable energy credits under plans approved under this
19 Section and Section 16-111.5 of the Public Utilities Act.
20 These costs shall include associated reasonable expenses
21 for implementing the procurement programs, including, but
22 not limited to, the costs of administering and evaluating
23 the Adjustable Block program, through an automatic
24 adjustment clause tariff in accordance with subsection (k)
25 of Section 16-108 of the Public Utilities Act.

26 (7) Renewable energy credits procured from new

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

8 In meeting the renewable energy requirements of this
9 subsection (c), to the extent feasible and consistent with
10 State and federal law, the renewable energy credit
11 procurements, Adjustable Block solar program, and
12 community renewable generation program shall provide
13 employment opportunities for all segments of the
14 population and workforce, including minority-owned and
15 female-owned business enterprises, and shall not,
16 consistent with State and federal law, discriminate based
17 on race or socioeconomic status.

18 (c-5) Procurement of renewable energy credits from new
19 renewable energy resources installed at or adjacent to the
20 sites of electric generating facilities that burn or burned
21 coal as their primary fuel source.

22 (1) In addition to the procurement of renewable energy
23 credits pursuant to long-term renewable resources
24 procurement plans in accordance with subsection (c) of this
25 Section and Section 16-111.5 of the Public Utilities Act,
26 the Agency shall conduct a procurement event in accordance

1 with this subsection (c-5) for the procurement by electric
2 utilities that served more than 300,000 retail customers in
3 this State as of January 1, 2019 of renewable energy
4 credits from new renewable energy resources to be installed
5 at or adjacent to the sites of electric generating
6 facilities that, as of January 1, 2019, burned coal as
7 their primary fuel source. The renewable energy credits
8 procured pursuant to this subsection (c-5) shall not be
9 included or counted for purposes of compliance with the
10 amounts of renewable energy credits required to be procured
11 pursuant to subsection (c) of this Section. The procurement
12 of renewable energy credits by electric utilities pursuant
13 to this subsection (c-5) shall be funded solely by revenues
14 collected from the Coal to Solar and Energy Storage
15 Initiative Charge provided for in this subsection (c-5) and
16 subsection (i-5) of Section 16-108 of the Public Utilities
17 Act, shall not be funded by revenues collected through any
18 of the other funding mechanisms provided for in subsection
19 (c) of this Section, and shall not be subject to the
20 limitation imposed by subsection (c) on charges to retail
21 customers for costs to procure renewable energy resources
22 pursuant to subsection (c).

23 (2) No later than September 30, 2020, the Agency shall
24 conduct a procurement event to select owners of electric
25 generating facilities meeting the eligibility criteria
26 specified in this subsection (c-5) to enter into long-term

1 contracts to sell renewable energy credits to electric
2 utilities serving more than 300,000 retail customers in
3 this State. The Agency shall establish and announce a time
4 period, which shall begin no later than 30 days prior to
5 the scheduled date for the procurement event, during which
6 applicants may submit applications to be selected as
7 suppliers of renewable energy credits pursuant to this
8 subsection (c-5). The eligibility criteria for selection
9 as a supplier of renewable energy credits pursuant to this
10 subsection (c-5) shall be as follows:

11 (A) The applicant owns an electric generating
12 facility located in this State and south of federal
13 Interstate Highway 80 that (i) as of January 1, 2019,
14 burned coal as its primary fuel to generate electricity
15 and (ii) has, or had prior to retirement, an electric
16 generating capacity of at least 150 megawatts. The
17 electric generating facility can be either (i) retired
18 as of September 30, 2020, or (ii) still operating as of
19 September 30, 2020.

20 (B) The applicant is not (i) a public utility as
21 defined in Section 3-105 of the Public Utilities Act,
22 (ii) an electric cooperative as defined in Section
23 3-119 of the Public Utilities Act, or (iii) an entity
24 described in paragraph (1) of subsection (b) of Section
25 3-105 of the Public Utilities Act, or an association or
26 consortium of or an entity owned by entities described

1 in (ii) or (iii).

2 (C) The applicant proposes and commits to
3 construct and operate, at the site, or on property
4 adjacent to the existing property, of the electric
5 generating facility identified in paragraph (A); (i) a
6 new renewable energy resource of at least 20 megawatts
7 but no more than 100 megawatts of electric generating
8 capacity; and (ii) an energy storage facility to be
9 operated in conjunction with the new renewable energy
10 resource and having a storage capacity in
11 megawatthours equal to or greater than the product of
12 the electric generating capacity of the new renewable
13 energy resource in megawatts times 0.5.

14 (D) The applicant agrees that the new renewable
15 energy resource and the energy storage facility will be
16 constructed or installed by a qualified person or
17 persons in compliance with the requirements of
18 subsection (g) of Section 16-128A of the Public
19 Utilities Act and any rules adopted thereunder.

20 (E) The applicant agrees that the personnel
21 operating the new renewable energy resource and the
22 energy storage facility will have the requisite
23 skills, knowledge, training, experience, and
24 competence consistent with subsection (a) of Section
25 16-128 of the Public Utilities Act, including through
26 training and education courses and opportunities

1 offered by the applicant to employees of the
2 coal-fueled electric generating facilities being
3 retired.

4 (F) The applicant commits to enter into a contract
5 or contracts of 15 years duration to provide renewable
6 energy credits to electric utilities that served more
7 than 300,000 retail customers in this State as of
8 January 1, 2019 at a price of \$35 per renewable energy
9 credit, with the amount of renewable energy credits to
10 be supplied during each year of the contract term to be
11 equal to or greater than the product of the electric
12 generating capacity of the new renewable energy
13 resource in megawatts times 8,760 hours times 0.22.

14 (G) The applicant's application is certified by an
15 officer of the applicant and by an officer of the
16 applicant's ultimate parent company, if any.

17 (3) An applicant may submit applications to contract to
18 supply renewable energy credits from more than one new
19 renewable energy resource to be constructed at or adjacent
20 to more than one qualifying electric generating facility
21 site owned by the applicant. The Agency may select new
22 renewable energy resources to be located at or adjacent to
23 the sites of more than one qualifying electric generating
24 facility owned by an applicant to contract with electric
25 utilities to supply renewable energy credits from such
26 facilities.

1 (4) The Agency shall assess fees to each applicant to
2 recover the Agency's costs incurred in receiving and
3 evaluating applications, conducting the procurement event,
4 developing contracts for sale, delivery, and purchase of
5 renewable energy credits, and monitoring the
6 administration of such contracts, as provided for in this
7 subsection (c-5), including fees paid to a procurement
8 administrator retained by the Agency for one or more of
9 these purposes.

10 (5) The Agency shall select the applicants and the new
11 renewable energy resources to contract with electric
12 utilities to supply renewable energy credits in accordance
13 with this subsection (c-5). The Agency shall select
14 applicants and new renewable energy resources to supply
15 renewable energy credits aggregating to no less than
16 400,000 renewable energy credits per year for 15 years,
17 assuming sufficient qualifying applications to supply at
18 least that amount of renewable energy credits per year; and
19 no more than 600,000 renewable energy credits per year for
20 15 years. The obligation to purchase renewable energy
21 credits from the applicants and their new renewable energy
22 resources selected by the Agency shall be allocated to
23 electric utilities as follows: (i) electric utilities
24 serving more than 1,000,000 retail customers in this State
25 shall be required to contract to purchase 70%, and electric
26 utilities serving more than 300,000 but less than 1,000,000

1 retail customers in this State shall be required to
2 contract to purchase 30 %, of the renewable energy credits
3 from the applicants and the new renewable energy resources
4 selected by the Agency. In order to achieve these
5 allocation percentages between or among the electric
6 utilities, the Agency may require an applicant to enter
7 into contracts with more than one electric utility for the
8 sale and purchase of renewable energy credits from a new
9 renewable energy resource to be constructed and operated by
10 the applicant, with the sale and purchase obligations under
11 the contracts to aggregate to the total number of renewable
12 energy credits per year to be supplied by the applicant
13 from such new renewable energy resource. The Agency shall
14 submit its proposed selection of applicants, new renewable
15 energy resources to be constructed, and renewable energy
16 credit amounts, to the Commission for approval. The
17 Commission shall, within 2 business days after receipt of
18 the Agency's proposed selections, approve the proposed
19 selections if it determines that the applicants and the new
20 renewable energy resources to be constructed meet the
21 selection criteria set forth in this subsection (c-5) and
22 that the Agency proposes to select applicants for contracts
23 aggregating to no more than 600,000 renewable energy
24 credits per year for 15 years.

25 (6) The Agency, in conjunction with its procurement
26 administrator if one is retained and the electric

1 utilities, shall develop a standard form contract for the
2 sale, delivery and purchase of renewable energy credits
3 pursuant to this subsection (c-5). The contracts shall
4 provide for commercial operation dates for the new
5 renewable energy resources such that (i) the new renewable
6 energy resources from which approximately 50% of the
7 renewable energy credits are contracted will be required to
8 achieve commercial operation by December 31, 2022, and will
9 receive payments for renewable energy credits for the
10 15-year period beginning January 1, 2023, and (ii) the new
11 renewable energy resources from which the remainder of the
12 renewable energy credits are contracted will be required to
13 achieve commercial operation by December 31, 2023, and will
14 receive payments for renewable energy credits for the
15 15-year period beginning January 1, 2024. The form contract
16 shall be, to the maximum extent possible, consistent with
17 standard electric industry contracts for sale, delivery,
18 and purchase of renewable energy credits while taking into
19 account the specific requirements of this subsection
20 (c-5). The contract shall include penalty, default, and
21 enforcement provisions for failure of the selling party to
22 deliver renewable energy credits in the amounts specified
23 in the contract and to comply with the requirements of this
24 subsection (c-5). The standard form contract shall specify
25 that all renewable energy credits delivered to the electric
26 utility pursuant to the contract shall be retired. The

1 Agency shall make the proposed contracts available for a
2 reasonable period for comment by potential applicants, and
3 shall publish the final form contract at least 30 days
4 before the date of the procurement event.

5 (7) Coal to Solar and Energy Storage Initiative Charge.

6 (A) Within 30 days following the effective date of
7 this amendatory Act of the 101st General Assembly, each
8 electric utility that served more than 300,000 retail
9 customers in this State as of January 1, 2019 shall
10 file a tariff for the billing and collection of a Coal
11 to Solar and Energy Storage Initiative Charge in
12 accordance with subsection (i-5) of Section 16-108 of
13 the Public Utilities Act. The electric utility's
14 tariff shall provide for the billing and collection of
15 the Coal to Solar and Energy Storage Initiative Charge
16 on each kilowatthour of electricity delivered to its
17 delivery services customers within its service
18 territory of (i) 0.084 cents per kilowatthour from the
19 effective date of the tariff through December 31, 2024,
20 (ii) 0.060 cents per kilowatthour from January 1, 2025
21 through December 31, 2025, (C) 0.029 cents per
22 kilowatthour from January 1, 2026 through December 31,
23 2033, (D) 0.017 cents per kilowatthour from January 1,
24 2034 through December 31, 2037, and (E) 0.008 cents per
25 kilowatthour from January 1, 2038 through December 31
26 of the year in which the last renewable energy credit

1 sale and purchase contract entered into pursuant to
2 this subsection (c-5) terminates.

3 (B) Each electric utility shall remit, on a monthly
4 basis, the following percent of its collections of the
5 Coal to Solar and Energy Storage Initiative Charge to
6 the State Treasurer for deposit into the Coal to Solar
7 and Energy Storage Incentive and Plant Transition Fund
8 provided for in this subsection (c-5): (i) from the
9 effective date of the electric utility's tariff
10 through December 31, 2022, 100%; (ii) from January 1,
11 2023 through December 31, 2023, 89.79%; (iii) from
12 January 1, 2024 through December 31, 2024, 83.64%; (iv)
13 from January 1, 2025 through December 31, 2025, 71.7%;
14 (v) and from January 1, 2026 through December 31, 2034,
15 41.67% provided, that the electric utilities'
16 remittances for deposit into the Coal to Solar and
17 Energy Storage Incentive and Plant Transition Fund for
18 the last 3 calendar months of the years 2023 through
19 2033 shall be adjusted so that the aggregate
20 remittances for deposit by the electric utilities for
21 deposits for the years 2023, 2033, and 2034 into the
22 Coal to Solar and Energy Storage Incentive and Plant
23 Transition Fund constitute all collections of the Coal
24 to Solar and Energy Storage Initiative Charge in excess
25 of \$10,500,000 and that the aggregate remittances by
26 the electric utilities for deposits for the years 2024

1 through 2032 into the Coal to Solar and Energy Storage
2 Incentive and Plant Transition Fund constitute all
3 collections of the Coal to Solar and Energy Storage
4 Initiative Charge in excess of \$21,000,000 in each
5 year. All other collections of the Coal to Solar and
6 Energy Storage Initiative Charge shall be held in
7 reserves by the electric utility until deliveries
8 begin of renewable energy credits pursuant to
9 contracts entered into in accordance with this
10 subsection (c-5), and thereafter such reserves and
11 collections shall be used by the electric utility to
12 pay for renewable energy credits delivered pursuant to
13 such contracts. If, as of May 31 of any year beginning
14 January 31, 2025 or thereafter, an electric utility
15 holds Coal to Solar and Energy Storage Initiative
16 Charge collections greater than 110% of its projected
17 payment obligations under such contracts for the
18 remainder of such year, the electric utility shall
19 refund one-half of such excess collections to its
20 delivery services customers on a uniform cents per
21 kilowatthour basis over a 6-month period, in
22 accordance with a procedure specified in its Coal to
23 Solar and Energy Storage Initiative Charge tariff.

24 (8) Coal to Solar and Energy Storage Incentive and
25 Plant Transition Fund.

26 (A) The Coal to Solar and Energy Storage Incentive

1 and Plant Transition Fund is established as a special
2 fund in the State treasury. The Coal to Solar and
3 Energy Storage Incentive and Plant Transition Fund is
4 authorized to receive, by statutory deposit, that
5 portion specified in item (B) of paragraph (7) of this
6 subsection (c-5) of moneys collected by electric
7 utilities through imposition of the Coal to Solar and
8 Energy Storage Initiative Charge required by this
9 subsection (c-5). The Coal to Solar and Energy Storage
10 Incentive and Plant Transition Fund shall be
11 administered by the Illinois Department of Commerce
12 and Economic Opportunity, which shall be referred to in
13 this subsection (c-5) as the Department, to provide
14 transitional support funding to coal-fueled electric
15 generating facilities in this State owned by an
16 applicant, or by a company with a common parent company
17 as an applicant, that has been selected by the Agency
18 to enter into a contract or contracts to sell renewable
19 energy credits from a new renewable energy resource to
20 an electric utility in accordance with this subsection
21 (c-5).

22 (B) The objective of the transitional support
23 funding provided for in this paragraph (8) is to assist
24 and enable qualifying electric generating facilities
25 in this State to remain in operation during the period
26 from the effective date of this amendatory Act of the

1 101st General Assembly through May 31, 2025, in order
2 to ensure that adequate electric generating resources
3 are available in this State through that date, while
4 the State's portfolio of renewable energy resources is
5 being expanded, and to provide a transition period for
6 the communities in which qualifying electric
7 generating facilities are located prior to the
8 retirement of the qualifying electric generating
9 facilities.

10 (C) The Coal to Solar and Energy Storage Incentive
11 and Plant Transition Fund shall not be subject to
12 sweeps, administrative charges, or chargebacks,
13 including, but not limited to, those authorized under
14 Section 8h of the State Finance Act, that would in any
15 way result in the transfer of those funds from the Coal
16 to Solar and Energy Storage Incentive and Plant
17 Transition Fund to any other fund of this State or in
18 having any such funds used for any purpose other than
19 the express purposes set forth in this paragraph (8) of
20 subsection (c-5).

21 (D) The Department shall provide grants of
22 transitional support funding from the Coal to Solar and
23 Energy Storage Incentive and Plant Transition Fund to
24 owners of qualifying electric generating facilities in
25 this State that meet the criteria specified in this
26 paragraph (8) of subsection (c-5), for the period

1 January 1, 2021 through May 31, 2025, in aggregate
2 amounts not exceeding \$92,500,000 in each calendar
3 year in such period for grants in respect of 2,200
4 megawatts of electric generating capacity. The amount
5 of transitional support funding granted to the owner of
6 a qualifying electric generating facility for a
7 calendar year shall be equal to the product of (i) \$115
8 less the clearing price per megawatt-day in the
9 Planning Resource Auction of the Midcontinent
10 Independent System Operator, Inc., which shall be
11 referred to in this subparagraph (D) as MISO, held in
12 the preceding calendar year (but not less than \$0),
13 times (ii) the megawatts of electric generating
14 capacity of the qualifying electric generating
15 facility, times (iii) 365, which the General Assembly
16 finds is an amount that should enable a qualifying
17 electric generating facility to recover its annual
18 cost of service; provided, (1) that for the period
19 January 1, 2025 through May 31, 2025, the amount of
20 transitional support funding granted to the owner of a
21 qualifying electric generating facility shall be equal
22 to the product of (i) \$115 less the clearing price per
23 megawatt-day in the Planning Resource Auction of the
24 MISO held in the preceding calendar year (but not less
25 than \$0), times (ii) the megawatts of electric
26 generating capacity of the qualifying electric

1 generating facility, times (iii) 151; and provided
2 further that for each calendar year and for the period
3 January 31, 2025 through May 31, 2025, the owner may
4 request that a lower number of megawatts than the full
5 rated generating capacity of an electric generating
6 facility be used to calculate the amount of
7 transitional support funding provided to that electric
8 generating facility for such a period. For avoidance of
9 doubt and by way of example, if grants of transitional
10 support funding for 2,200 megawatts of electric
11 generating capacity of qualifying electric generating
12 facilities are made for a calendar year and the
13 clearing price in the MISO Planning Resource Auction
14 for the preceding calendar year equaled \$50 per
15 megawatt-day, the aggregate amount of the grants of
16 transitional support funding for the calendar year
17 would be \$52,195,000. If the clearing price in the MISO
18 Planning Resource Auction in the preceding calendar
19 year is equal to or greater than \$115 per megawatt-day,
20 no transition support funding shall be paid for the
21 current year.

22 (E) The grant amounts shall be paid to the
23 recipients on a quarterly basis with payments to be
24 made on May 31, August 31, November 30, and February 28
25 for the immediately preceding calendar quarter, with
26 the final payment for the period April 1, 2025 through

1 May 31, 2025, to be made on July 31, 2025, in each case
2 subject to the availability of sufficient funds in the
3 Coal to Solar and Energy Storage Incentive and Plant
4 Transition Fund, with any shortfall in a payment to be
5 added to the payment due for the period immediately
6 following. No grant payments for transitional support
7 funding shall be made to the owner of a qualifying
8 electric generating facility in respect of any period
9 subsequent to the retirement date of the electric
10 generating facility.

11 (F) The qualifications for a grant of transitional
12 support funding from the Coal to Solar and Energy
13 Storage Incentive and Plant Transition Fund for an
14 electric generating facility are as follows: (i) the
15 electric generating facility is located in this State
16 south of federal Interstate Highway 80, but is not
17 directly interconnected to an electric utility located
18 within the PJM Interconnection, LLC independent system
19 operator region; (ii) the electric generating facility
20 has an electric generating capacity of at least 150
21 megawatts; (iii) the electric generating facility
22 burned coal as its primary source of fuel as of January
23 1, 2019; (iv) the electric generating facility either
24 is owned by an applicant that has been selected by the
25 Agency pursuant to this subsection (c-5) to enter into
26 a contract or contracts with one or more electric

1 utilities to deliver renewable energy credits from a
2 new renewable energy resource to be constructed at an
3 existing electric generating facility owned by the
4 applicant, or is owned by a company that has a common
5 parent company with such an applicant and has been
6 designated by the applicant to the Department as a
7 candidate to receive a grant of transitional support
8 funding; and (v) the owner of the electric generating
9 facility commits, as a condition to receiving the grant
10 of transitional support funding, to maintain the
11 electric generating facility in operation until at
12 least May 31, 2025.

13 (G) If a coal-fueled electric generating facility
14 that is awarded a grant of transitional support funding
15 pursuant to this paragraph (8) and therefore is
16 designated pursuant to subparagraph (F) for retirement
17 no earlier than May 31, 2025, is required (i) prior to
18 May 31, 2025, to make capital expenditures of at least
19 \$5,000,000 in order to remain in or attain compliance
20 with any environmental law or regulation, (ii) prior to
21 May 31, 2025, make capital expenditures for purposes
22 other than environmental compliance of at least
23 \$5,000,000 that were neither known or reasonably
24 foreseeable as of September 1, 2020, or (iii) prior to
25 May 31, 2025, to retire or cease operations pursuant to
26 an order of a court, regulatory agency, or

1 administrative body, consent decree, administrative
2 compliance order, or other similar legally enforceable
3 order, then such coal-fueled electric generating
4 facility may be retired, (1) in the event of (i) or
5 (ii) above, by December 31 of the year prior to the
6 year in which such capital expenditures must be
7 incurred, and (2) in the event of (iii) above, by such
8 date as required pursuant to the applicable order,
9 consent decree, administrative compliance order, or
10 other similar legally enforceable order. Additionally,
11 if the owner of the electric generating facility does
12 not receive a full grant payment in accordance with the
13 grant contract for 2 consecutive quarters for any
14 reason other than insufficient collections deposited
15 into the Coal to Solar and Energy Storage Incentive and
16 Plant Transition Fund to make the full quarterly grant
17 payment, the owner may forthwith retire the electric
18 generating facility. The owner of any coal-fueled
19 electric generating facility retired pursuant to this
20 paragraph shall receive no further grant payments of
21 transitional support funding in respect of that
22 facility for periods after its retirement date.

23 (H) An owner may receive a grant of transitional
24 support funding from the Coal to Solar and Energy
25 Storage Incentive and Plant Transition Fund for more
26 than one qualifying electric generating facility.

1 (I) The Department shall establish a schedule for
2 receiving and evaluating applications for grants of
3 transitional support funding from the Coal to Solar and
4 Energy Storage Incentive and Plant Transition Fund.
5 The schedule shall be consistent with the schedule
6 established by the Agency for receiving and evaluating
7 applications to be selected to enter into contracts to
8 sell renewable energy credits from new renewable
9 energy resources in accordance with this subsection
10 (c-5). The Department shall announce the qualifying
11 electric generating facilities that will receive
12 grants of transitional funding support from the Coal to
13 Solar and Energy Storage Incentive and Plant
14 Transition Fund no later than November 1, 2020.

15 (J) In addition to the grants for transitional
16 support funding provided for in this paragraph (8), the
17 Department shall set aside and utilize up to
18 \$150,000,000 in the Coal to Solar and Energy Storage
19 Incentive and Plant Transition Fund for grants,
20 assuming sufficient qualifying applicants, to support
21 installation of energy storage facilities at the sites
22 of up to 5 electric generating facilities in Illinois
23 that meet the criteria set forth in this paragraph (J).
24 The criteria for receipt of a grant pursuant to this
25 paragraph (J) are as follows: (1) the site is located
26 south of federal Interstate Highway 80; (2) the

1 electric generating facility burns (or burned prior to
2 retirement) coal as its primary source of fuel; (3) if
3 the electric generating facility is retired, it was
4 retired subsequent to July 1, 2011; (4) the electric
5 generating facility has not been selected by the Agency
6 pursuant to subsection (c-5) of this Section to enter
7 into a contract to sell renewable energy credits to one
8 or more electric utilities from a new renewable energy
9 resource located or to be located at or adjacent to the
10 site of the electric generating facility; (5) the
11 electric generating facility or the site of the
12 facility is not owned by (i) a public utility as
13 defined in Section 3-105 of the Public Utilities Act,
14 (ii) an electric cooperative as defined in Section
15 3-119 of the Public Utilities Act, or (iii) an entity
16 described in paragraph (1) of subsection (b) of Section
17 3-105 of the Public Utilities Act, or an association or
18 consortium of or an entity owned by entities described
19 in (ii) or (iii); (6) the proposed energy storage
20 facility is a 4-hour energy storage facility; (7) the
21 owner commits to place the energy storage facility into
22 commercial operation by January 1, 2023 and no later
23 than January 1, 2025; and (8) the owner agrees that (i)
24 the new energy storage facility will be constructed or
25 installed by a qualified person or persons in
26 compliance with the requirements of subsection (g) of

1 Section 16-128A of the Public Utilities Act and any
2 rules adopted thereunder, and (ii) the personnel
3 operating the energy storage facility will have the
4 requisite skills, knowledge, training, experience, and
5 competence consistent with subsection (a) of Section
6 16-128 of the Public Utilities Act, including through
7 training and education courses and opportunities
8 offered by the owner to employees of the coal-fueled
9 generating facility being retired. The Department
10 shall accept applications for this grant program until
11 December 31, 2021, and shall announce the award of
12 grants no later than March 31, 2022. The Department
13 shall make the grant payments to a recipient in equal
14 annual amounts for 10 years beginning January 1 of the
15 year immediately following the date the energy storage
16 facility is placed into commercial operation. The
17 annual grant payments to a qualifying energy storage
18 facility shall be \$110,000 per megawatt capacity for a
19 4-hour energy storage facility, with total annual
20 grant payments pursuant to this paragraph (J) for
21 qualifying energy storage facilities not to exceed
22 \$15,000,000. Any uncommitted portion of the amount of
23 funding set aside by the Department for grants to
24 support installation of energy storage facilities
25 pursuant to this subparagraph (J) shall be used for
26 grants of transitional support funding in accordance

1 with this paragraph (8), to the extent needed.

2 (K) Grants of transitional support funding, and of
3 funding for energy storage facilities pursuant to
4 subparagraph (J) of this paragraph (8), from the Coal
5 to Solar and Energy Storage Incentive and Plant
6 Transition Fund shall be memorialized in grant
7 contracts between the Department and the recipient.

8 (L) All disbursements from the Coal to Solar and
9 Energy Storage Incentive and Plant Transition Fund
10 shall be made only upon warrants of the Comptroller
11 drawn upon the Treasurer as custodian of the Fund upon
12 vouchers signed by the Director of the Department or by
13 the person or persons designated by the Director of the
14 Department for that purpose. The Comptroller is
15 authorized to draw the warrants upon vouchers so
16 signed. The Treasurer shall accept all written
17 warrants so signed and shall be released from liability
18 for all payments made on those warrants.

19 (M) Beginning May 1, 2026, and each year
20 thereafter, any amounts in the Coal to Solar and Energy
21 Storage Incentive and Plant Transition Fund that
22 exceed 110% of the amount needed to fund contracted
23 grant payments to support new energy storage
24 facilities pursuant to subparagraph (J) of this
25 paragraph (8) for such year shall be returned by the
26 Department to the electric utilities, in the same

1 proportion as the electric utilities' original
2 remittances for deposits into the Coal to Solar and
3 Energy Storage Incentive and Plant Transition Fund.
4 Each electric utility shall refund any such amounts it
5 receives to its delivery services customers on a
6 uniform cents per kilowatthour basis over a 6-month
7 period in accordance with procedures specified in the
8 electric utility's tariff for billing and collection
9 of the Coal to Solar and Energy Storage Initiative
10 Charge.

11 (d) Clean coal portfolio standard.

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

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

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

13 Utilities shall maintain adequate records documenting
14 the purchases under the sourcing agreement to comply with
15 this subsection (d) and shall file an accounting with the
16 load forecast that must be filed with the Agency by July 15
17 of each year, in accordance with subsection (d) of Section
18 16-111.5 of the Public Utilities Act.

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

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

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

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

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

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

1 (C) in 2012, the greater of an additional 0.5% of
2 the amount paid per kilowatthour by those customers
3 during the year ending May 31, 2011 or 1.5% of the
4 amount paid per kilowatthour by those customers during
5 the year ending May 31, 2009;

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

11 (E) thereafter, the total amount paid under
12 sourcing agreements with clean coal facilities
13 pursuant to the procurement plan for any single year
14 shall be reduced by an amount necessary to limit the
15 estimated average net increase due to the cost of these
16 resources included in the amounts paid by eligible
17 retail customers in connection with electric service
18 to no more than the greater of (i) 2.015% of the amount
19 paid per kilowatthour by those customers during the
20 year ending May 31, 2009 or (ii) the incremental amount
21 per kilowatthour paid for these resources in 2013, in
22 each of cases (i) and (ii) reduced by the amount of the
23 Coal to Solar and Energy Storage Incentive Charge
24 provided for in subsection (c-5) in effect during such
25 year. These requirements may be altered only as
26 provided by statute.

1 No later than June 30, 2015, the Commission shall
2 review the limitation on the total amount paid under
3 sourcing agreements, if any, with clean coal facilities
4 pursuant to this subsection (d) and report to the General
5 Assembly its findings as to whether that limitation unduly
6 constrains the amount of electricity generated by
7 cost-effective clean coal facilities that is covered by
8 sourcing agreements.

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

1 with the initial clean coal facility during the term of
2 such a sourcing agreement. A utility's sourcing agreement
3 for electricity produced by the initial clean coal facility
4 shall include:

5 (A) a formula contractual price (the "contract
6 price") approved pursuant to paragraph (4) of this
7 subsection (d), which shall:

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

18 (ii) provide that all miscellaneous net
19 revenue, including but not limited to net revenue
20 from the sale of emission allowances, if any,
21 substitute natural gas, if any, grants or other
22 support provided by the State of Illinois or the
23 United States Government, firm transmission
24 rights, if any, by-products produced by the
25 facility, energy or capacity derived from the
26 facility and not covered by a sourcing agreement

1 pursuant to paragraph (3) of this subsection (d) or
2 item (5) of subsection (d) of Section 16-115 of the
3 Public Utilities Act, whether generated from the
4 synthesis gas derived from coal, from SNG, or from
5 natural gas, shall be credited against the revenue
6 requirement for this initial clean coal facility;

7 (B) power purchase provisions, which shall:

8 (i) provide that the utility party to such
9 sourcing agreement shall pay the contract price
10 for electricity delivered under such sourcing
11 agreement;

12 (ii) require delivery of electricity to the
13 regional transmission organization market of the
14 utility that is party to such sourcing agreement;

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

1 month and the sales of electricity (expressed in
2 kilowatthours sold) in the State by alternative
3 retail electric suppliers during such prior month
4 that are subject to the requirements of this
5 subsection (d) and paragraph (5) of subsection (d)
6 of Section 16-115 of the Public Utilities Act,
7 provided that the amount purchased by the utility
8 in any year will be limited by paragraph (2) of
9 this subsection (d); and

10 (iv) be considered pre-existing contracts in
11 such utility's procurement plans for eligible
12 retail customers;

13 (C) contract for differences provisions, which
14 shall:

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

1 sold) in the State by utilities during such prior
2 month and the sales of electricity (expressed in
3 kilowatthours sold) in the State by alternative
4 retail electric suppliers during such prior month
5 that are subject to the requirements of this
6 subsection (d) and paragraph (5) of subsection (d)
7 of Section 16-115 of the Public Utilities Act,
8 provided that the amount paid by the utility in any
9 year will be limited by paragraph (2) of this
10 subsection (d);

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

1 electricity determined pursuant to the preceding
2 clause (i); and

3 (iii) not require the utility to take physical
4 delivery of the electricity produced by the
5 facility;

6 (D) general provisions, which shall:

7 (i) specify a term of no more than 30 years,
8 commencing on the commercial operation date of the
9 facility;

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

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

24 (iv) permit the Illinois Power Agency to
25 assume ownership of the initial clean coal
26 facility, without monetary consideration and

1 otherwise on reasonable terms acceptable to the
2 Agency, if the Agency so requests no less than 3
3 years prior to the end of the stated contract term;

4 (v) require the owner of the initial clean coal
5 facility to provide documentation to the
6 Commission each year, starting in the facility's
7 first year of commercial operation, accurately
8 reporting the quantity of carbon emissions from
9 the facility that have been captured and
10 sequestered and report any quantities of carbon
11 released from the site or sites at which carbon
12 emissions were sequestered in prior years, based
13 on continuous monitoring of such sites. If, in any
14 year after the first year of commercial operation,
15 the owner of the facility fails to demonstrate that
16 the initial clean coal facility captured and
17 sequestered at least 50% of the total carbon
18 emissions that the facility would otherwise emit
19 or that sequestration of emissions from prior
20 years has failed, resulting in the release of
21 carbon dioxide into the atmosphere, the owner of
22 the facility must offset excess emissions. Any
23 such carbon offsets must be permanent, additional,
24 verifiable, real, located within the State of
25 Illinois, and legally and practicably enforceable.
26 The cost of such offsets for the facility that are

1 not recoverable shall not exceed \$15 million in any
2 given year. No costs of any such purchases of
3 carbon offsets may be recovered from a utility or
4 its customers. All carbon offsets purchased for
5 this purpose and any carbon emission credits
6 associated with sequestration of carbon from the
7 facility must be permanently retired. The initial
8 clean coal facility shall not forfeit its
9 designation as a clean coal facility if the
10 facility fails to fully comply with the applicable
11 carbon sequestration requirements in any given
12 year, provided the requisite offsets are
13 purchased. However, the Attorney General, on
14 behalf of the People of the State of Illinois, may
15 specifically enforce the facility's sequestration
16 requirement and the other terms of this contract
17 provision. Compliance with the sequestration
18 requirements and offset purchase requirements
19 specified in paragraph (3) of this subsection (d)
20 shall be reviewed annually by an independent
21 expert retained by the owner of the initial clean
22 coal facility, with the advance written approval
23 of the Attorney General. The Commission may, in the
24 course of the review specified in item (vii),
25 reduce the allowable return on equity for the
26 facility if the facility willfully fails to comply

1 with the carbon capture and sequestration
2 requirements set forth in this item (v);

3 (vi) include limits on, and accordingly
4 provide for modification of, the amount the
5 utility is required to source under the sourcing
6 agreement consistent with paragraph (2) of this
7 subsection (d);

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

23 (viii) limit the utility's obligation to such
24 amount as the utility is allowed to recover through
25 tariffs filed with the Commission, provided that
26 neither the clean coal facility nor the utility

1 waives any right to assert federal pre-emption or
2 any other argument in response to a purported
3 disallowance of recovery costs;

4 (ix) limit the utility's or alternative retail
5 electric supplier's obligation to incur any
6 liability until such time as the facility is in
7 commercial operation and generating power and
8 energy and such power and energy is being delivered
9 to the facility busbar;

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

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

23 (xii) provide that any changes to the terms of
24 the contract, insofar as such changes relate to the
25 power purchase provisions, are subject to review
26 under the public interest standard applied by the

1 Federal Energy Regulatory Commission pursuant to
2 Sections 205 and 206 of the Federal Power Act; and
3 (xiii) conform with customary lender
4 requirements in power purchase agreements used as
5 the basis for financing non-utility generators.

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

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

24 (ii) Commission report. Within 6 months following
25 receipt of the facility cost report, the Commission, in
26 consultation with the Agency, shall submit a report to

1 the General Assembly setting forth its analysis of the
2 facility cost report. Such report shall include, but
3 not be limited to, a comparison of the costs associated
4 with electricity generated by the initial clean coal
5 facility to the costs associated with electricity
6 generated by other types of generation facilities, an
7 analysis of the rate impacts on residential and small
8 business customers over the life of the sourcing
9 agreements, and an analysis of the likelihood that the
10 initial clean coal facility will commence commercial
11 operation by and be delivering power to the facility's
12 busbar by 2016. To assist in the preparation of its
13 report, the Commission, in consultation with the
14 Agency, may hire one or more experts or consultants,
15 the costs of which shall be paid for by the owner of
16 the initial clean coal facility. The Commission and
17 Agency may begin the process of selecting such experts
18 or consultants prior to receipt of the facility cost
19 report.

20 (iii) General Assembly approval. The proposed
21 sourcing agreements shall not take effect unless,
22 based on the facility cost report and the Commission's
23 report, the General Assembly enacts authorizing
24 legislation approving (A) the projected price, stated
25 in cents per kilowatthour, to be charged for
26 electricity generated by the initial clean coal

1 facility, (B) the projected impact on residential and
2 small business customers' bills over the life of the
3 sourcing agreements, and (C) the maximum allowable
4 return on equity for the project; and

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

16 The facility cost report shall be prepared as follows:

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

25 (i) an estimate of the capital cost of the core
26 plant based on one or more front end engineering

1 and design studies for the gasification island and
2 related facilities. The core plant shall include
3 all civil, structural, mechanical, electrical,
4 control, and safety systems.

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

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

23 (B) The front end engineering and design study for
24 the gasification island and the cost study for the
25 balance of plant shall include sufficient design work
26 to permit quantification of major categories of

1 materials, commodities and labor hours, and receipt of
2 quotes from vendors of major equipment required to
3 construct and operate the clean coal facility.

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

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

1 quote is expressed.

2 (D) The facility cost report shall also include an
3 analysis of the initial clean coal facility's ability
4 to deliver power and energy into the applicable
5 regional transmission organization markets and an
6 analysis of the expected capacity factor for the
7 initial clean coal facility.

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

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

1 (d) of Section 16-115 of the Public Utilities Act, covering
2 electricity generated by such facilities. In the case of
3 sourcing agreements that are power purchase agreements,
4 the contract price for electricity sales shall be
5 established on a cost of service basis. In the case of
6 sourcing agreements that are contracts for differences,
7 the contract price from which the reference price is
8 subtracted shall be established on a cost of service basis.
9 The Agency and the Commission may approve any such utility
10 sourcing agreements that do not exceed cost-based
11 benchmarks developed by the procurement administrator, in
12 consultation with the Commission staff, Agency staff and
13 the procurement monitor, subject to Commission review and
14 approval. The Commission shall have authority to inspect
15 all books and records associated with these clean coal
16 facilities during the term of any such contract.

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

23 (d-5) Zero emission standard.

24 (1) Beginning with the delivery year commencing on June
25 1, 2017, the Agency shall, for electric utilities that
26 serve at least 100,000 retail customers in this State,

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

1 The 16% value identified in this paragraph (1) is the
2 average of the percentage targets in subparagraph (B) of
3 paragraph (1) of subsection (c) of this Section for the 5
4 delivery years beginning June 1, 2017.

5 The procurement process shall be subject to the
6 following provisions:

7 (A) Those zero emission facilities that intend to
8 participate in the procurement shall submit to the
9 Agency the following eligibility information for each
10 zero emission facility on or before the date
11 established by the Agency:

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

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

20 (iii) the annual zero emission facility cost
21 projections, expressed on a per megawatthour
22 basis, over the next 6 delivery years, which shall
23 include the following: operation and maintenance
24 expenses; fully allocated overhead costs, which
25 shall be allocated using the methodology developed
26 by the Institute for Nuclear Power Operations;

1 fuel expenditures; non-fuel capital expenditures;
2 spent fuel expenditures; a return on working
3 capital; the cost of operational and market risks
4 that could be avoided by ceasing operation; and any
5 other costs necessary for continued operations,
6 provided that "necessary" means, for purposes of
7 this item (iii), that the costs could reasonably be
8 avoided only by ceasing operations of the zero
9 emission facility; and

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

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

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

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

1 additional \$1 per megawatthour each delivery year
2 thereafter.

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

18 (iii) Market price index: The market price
19 index for a delivery year shall be the sum of
20 projected energy prices and projected capacity
21 prices determined as follows:

22 (aa) Projected energy prices: the
23 projected energy prices for the applicable
24 delivery year shall be calculated once for the
25 year using the forward market price for the PJM
26 Interconnection, LLC Northern Illinois Hub.

1 The forward market price shall be calculated as
2 follows: the energy forward prices for each
3 month of the applicable delivery year averaged
4 for each trade date during the calendar year
5 immediately preceding that delivery year to
6 produce a single energy forward price for the
7 delivery year. The forward market price
8 calculation shall use data published by the
9 Intercontinental Exchange, or its successor.

10 (bb) Projected capacity prices:

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

1 Independent System Operator, Inc.

2 (II) For the delivery year commencing
3 June 1, 2020, and each year thereafter, the
4 projected capacity price shall be equal to
5 the sum of (1) 50% multiplied by the Base
6 Residual Auction, or its successor, price
7 for the ComEd zone as determined by PJM
8 Interconnection LLC, divided by 24 hours
9 per day, and (2) 50% multiplied by the
10 resource auction price determined in the
11 resource auction administered by the
12 Midcontinent Independent System Operator,
13 Inc., in which the largest percentage of
14 load cleared for Local Resource Zone 4,
15 divided by 24 hours per day, and where such
16 price is determined by the Midcontinent
17 Independent System Operator, Inc.

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

19 "Rest of the RTO" and "ComEd Zone" shall have
20 the meaning ascribed to them by PJM
21 Interconnection, LLC.

22 "RTO" means regional transmission
23 organization.

24 (C) No later than 45 days after June 1, 2017 (the
25 effective date of Public Act 99-906), the Agency shall
26 publish its proposed zero emission standard

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

21 For purposes of developing the plan, the Agency
22 shall consider any reports issued by a State agency,
23 board, or commission under House Resolution 1146 of the
24 98th General Assembly and paragraph (4) of subsection
25 (d) of this Section, as well as publicly available
26 analyses and studies performed by or for regional

1 transmission organizations that serve the State and
2 their independent market monitors.

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

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

25 (C-5) As part of the Commission's review and
26 acceptance or rejection of the procurement results,

1 the Commission shall, in its public notice of
2 successful bidders:

3 (i) identify how the winning bids satisfy the
4 public interest criteria described in subparagraph
5 (C) of this paragraph (1) of minimizing carbon
6 dioxide emissions that result from electricity
7 consumed in Illinois and minimizing sulfur
8 dioxide, nitrogen oxide, and particulate matter
9 emissions that adversely affect the citizens of
10 this State;

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

20 (iii) quantify the environmental benefit of
21 preserving the resources identified in item (ii)
22 of this subparagraph (C-5), including the
23 following:

24 (aa) the value of avoided greenhouse gas
25 emissions measured as the product of the zero
26 emission facilities' output over the contract

1 term multiplied by the U.S. Environmental
2 Protection Agency eGrid subregion carbon
3 dioxide emission rate and the U.S. Interagency
4 Working Group on Social Cost of Carbon's price
5 in the August 2016 Technical Update using a 3%
6 discount rate, adjusted for inflation for each
7 delivery year; and

8 (bb) the costs of replacement with other
9 zero carbon dioxide resources, including wind
10 and photovoltaic, based upon the simple
11 average of the following:

12 (I) the price, or if there is more than
13 one price, the average of the prices, paid
14 for renewable energy credits from new
15 utility-scale wind projects in the
16 procurement events specified in item (i)
17 of subparagraph (G) of paragraph (1) of
18 subsection (c) of this Section; and

19 (II) the price, or if there is more
20 than one price, the average of the prices,
21 paid for renewable energy credits from new
22 utility-scale solar projects and
23 brownfield site photovoltaic projects in
24 the procurement events specified in item
25 (ii) of subparagraph (G) of paragraph (1)
26 of subsection (c) of this Section and,

1 after January 1, 2015, renewable energy
2 credits from photovoltaic distributed
3 generation projects in procurement events
4 held under subsection (c) of this Section.

5 Each utility shall enter into binding contractual
6 arrangements with the winning suppliers.

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

25 (D) Following the procurement event described in
26 this paragraph (1) and consistent with subparagraph

1 (B) of this paragraph (1), the Agency shall calculate
2 the payments to be made under each contract for the
3 next delivery year based on the market price index for
4 that delivery year. The Agency shall publish the
5 payment calculations no later than May 25, 2017 and
6 every May 25 thereafter.

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

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

1 and which, by the exercise of commercially
2 reasonable efforts, it has been unable to
3 overcome. In such event, the zero emission
4 facility shall be excused from performance for the
5 duration of the event, including, but not limited
6 to, delivery of zero emission credits, and no
7 payment shall be due to the zero emission facility
8 during the duration of the event.

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

22 (iii) A zero emission facility shall be
23 permitted to terminate the contract in the event
24 that the resource requires capital expenditures in
25 excess of \$40,000,000 that were neither known nor
26 reasonably foreseeable at the time it executed the

1 contract and that a prudent owner or operator of
2 such resource would not undertake.

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

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

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

23 Notwithstanding the requirements of this subsection
24 (d-5), the contracts executed under this subsection (d-5)
25 shall provide that the total of zero emission credits
26 procured under a procurement plan shall be subject to the

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

1 calculations set forth in this paragraph (2), no subsequent
2 rate impact determinations shall be made and no adjustments
3 to those contract amounts shall be allowed. All costs
4 incurred under those contracts and in implementing this
5 subsection (d-5) shall be recovered by the electric utility
6 as provided in this Section.

7 No later than June 30, 2019, the Commission shall
8 review the limitation on the amount of zero emission
9 credits procured under this subsection (d-5) and report to
10 the General Assembly its findings as to whether that
11 limitation unduly constrains the procurement of
12 cost-effective zero emission credits.

13 (3) Six years after the execution of a contract under
14 this subsection (d-5), the Agency shall determine whether
15 the actual zero emission credit payments received by the
16 supplier over the 6-year period exceed the Average ZEC
17 Payment. In addition, at the end of the term of a contract
18 executed under this subsection (d-5), or at the time, if
19 any, a zero emission facility's contract is terminated
20 under subparagraph (E) of paragraph (1) of this subsection
21 (d-5), then the Agency shall determine whether the actual
22 zero emission credit payments received by the supplier over
23 the term of the contract exceed the Average ZEC Payment,
24 after taking into account any amounts previously credited
25 back to the utility under this paragraph (3). If the Agency
26 determines that the actual zero emission credit payments

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

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

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

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

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

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

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

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

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

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

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

1 (g) The Agency shall assess fees to each affected utility
2 to recover the costs incurred in preparation of the annual
3 procurement plan for the utility.

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

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

21 (Source: P.A. 100-863, eff. 8-14-18; 101-81, eff. 7-12-19;
22 101-113, eff. 1-1-20.)

23 Section 15. The State Finance Act is amended by adding
24 Section 5.930 as follows:

1 (30 ILCS 105/5.930 new)

2 Sec. 5.930. The Coal to Solar and Energy Storage Incentive
3 and Plant Transition Fund.

4 Section 20. The Public Utilities Act is amended by changing
5 Sections 16-108 and 16-111.5 as follows:

6 (220 ILCS 5/16-108)

7 Sec. 16-108. Recovery of costs associated with the
8 provision of delivery and certain other charges ~~services~~.

9 (a) An electric utility shall file a delivery services
10 tariff with the Commission at least 210 days prior to the date
11 that it is required to begin offering such services pursuant to
12 this Act. An electric utility shall provide the components of
13 delivery services that are subject to the jurisdiction of the
14 Federal Energy Regulatory Commission at the same prices, terms
15 and conditions set forth in its applicable tariff as approved
16 or allowed into effect by that Commission. The Commission shall
17 otherwise have the authority pursuant to Article IX to review,
18 approve, and modify the prices, terms and conditions of those
19 components of delivery services not subject to the jurisdiction
20 of the Federal Energy Regulatory Commission, including the
21 authority to determine the extent to which such delivery
22 services should be offered on an unbundled basis. In making any
23 such determination the Commission shall consider, at a minimum,
24 the effect of additional unbundling on (i) the objective of

1 just and reasonable rates, (ii) electric utility employees, and
2 (iii) the development of competitive markets for electric
3 energy services in Illinois.

4 (b) The Commission shall enter an order approving, or
5 approving as modified, the delivery services tariff no later
6 than 30 days prior to the date on which the electric utility
7 must commence offering such services. The Commission may
8 subsequently modify such tariff pursuant to this Act.

9 (c) The electric utility's tariffs shall define the classes
10 of its customers for purposes of delivery services charges.
11 Delivery services shall be priced and made available to all
12 retail customers electing delivery services in each such class
13 on a nondiscriminatory basis regardless of whether the retail
14 customer chooses the electric utility, an affiliate of the
15 electric utility, or another entity as its supplier of electric
16 power and energy. Charges for delivery services shall be cost
17 based, and shall allow the electric utility to recover the
18 costs of providing delivery services through its charges to its
19 delivery service customers that use the facilities and services
20 associated with such costs. Such costs shall include the costs
21 of owning, operating and maintaining transmission and
22 distribution facilities. The Commission shall also be
23 authorized to consider whether, and if so to what extent, the
24 following costs are appropriately included in the electric
25 utility's delivery services rates: (i) the costs of that
26 portion of generation facilities used for the production and

1 absorption of reactive power in order that retail customers
2 located in the electric utility's service area can receive
3 electric power and energy from suppliers other than the
4 electric utility, and (ii) the costs associated with the use
5 and redispatch of generation facilities to mitigate
6 constraints on the transmission or distribution system in order
7 that retail customers located in the electric utility's service
8 area can receive electric power and energy from suppliers other
9 than the electric utility. Nothing in this subsection shall be
10 construed as directing the Commission to allocate any of the
11 costs described in (i) or (ii) that are found to be
12 appropriately included in the electric utility's delivery
13 services rates to any particular customer group or geographic
14 area in setting delivery services rates.

15 (d) The Commission shall establish charges, terms and
16 conditions for delivery services that are just and reasonable
17 and shall take into account customer impacts when establishing
18 such charges. In establishing charges, terms and conditions for
19 delivery services, the Commission shall take into account
20 voltage level differences. A retail customer shall have the
21 option to request to purchase electric service at any delivery
22 service voltage reasonably and technically feasible from the
23 electric facilities serving that customer's premises provided
24 that there are no significant adverse impacts upon system
25 reliability or system efficiency. A retail customer shall also
26 have the option to request to purchase electric service at any

1 point of delivery that is reasonably and technically feasible
2 provided that there are no significant adverse impacts on
3 system reliability or efficiency. Such requests shall not be
4 unreasonably denied.

5 (e) Electric utilities shall recover the costs of
6 installing, operating or maintaining facilities for the
7 particular benefit of one or more delivery services customers,
8 including without limitation any costs incurred in complying
9 with a customer's request to be served at a different voltage
10 level, directly from the retail customer or customers for whose
11 benefit the costs were incurred, to the extent such costs are
12 not recovered through the charges referred to in subsections
13 (c) and (d) of this Section.

14 (f) An electric utility shall be entitled but not required
15 to implement transition charges in conjunction with the
16 offering of delivery services pursuant to Section 16-104. If an
17 electric utility implements transition charges, it shall
18 implement such charges for all delivery services customers and
19 for all customers described in subsection (h), but shall not
20 implement transition charges for power and energy that a retail
21 customer takes from cogeneration or self-generation facilities
22 located on that retail customer's premises, if such facilities
23 meet the following criteria:

24 (i) the cogeneration or self-generation facilities
25 serve a single retail customer and are located on that
26 retail customer's premises (for purposes of this

1 subparagraph and subparagraph (ii), an industrial or
2 manufacturing retail customer and a third party contractor
3 that is served by such industrial or manufacturing customer
4 through such retail customer's own electrical distribution
5 facilities under the circumstances described in subsection
6 (vi) of the definition of "alternative retail electric
7 supplier" set forth in Section 16-102, shall be considered
8 a single retail customer);

9 (ii) the cogeneration or self-generation facilities
10 either (A) are sized pursuant to generally accepted
11 engineering standards for the retail customer's electrical
12 load at that premises (taking into account standby or other
13 reliability considerations related to that retail
14 customer's operations at that site) or (B) if the facility
15 is a cogeneration facility located on the retail customer's
16 premises, the retail customer is the thermal host for that
17 facility and the facility has been designed to meet that
18 retail customer's thermal energy requirements resulting in
19 electrical output beyond that retail customer's electrical
20 demand at that premises, comply with the operating and
21 efficiency standards applicable to "qualifying facilities"
22 specified in title 18 Code of Federal Regulations Section
23 292.205 as in effect on the effective date of this
24 amendatory Act of 1999;

25 (iii) the retail customer on whose premises the
26 facilities are located either has an exclusive right to

1 receive, and corresponding obligation to pay for, all of
2 the electrical capacity of the facility, or in the case of
3 a cogeneration facility that has been designed to meet the
4 retail customer's thermal energy requirements at that
5 premises, an identified amount of the electrical capacity
6 of the facility, over a minimum 5-year period; and

7 (iv) if the cogeneration facility is sized for the
8 retail customer's thermal load at that premises but exceeds
9 the electrical load, any sales of excess power or energy
10 are made only at wholesale, are subject to the jurisdiction
11 of the Federal Energy Regulatory Commission, and are not
12 for the purpose of circumventing the provisions of this
13 subsection (f).

14 If a generation facility located at a retail customer's
15 premises does not meet the above criteria, an electric utility
16 implementing transition charges shall implement a transition
17 charge until December 31, 2006 for any power and energy taken
18 by such retail customer from such facility as if such power and
19 energy had been delivered by the electric utility. Provided,
20 however, that an industrial retail customer that is taking
21 power from a generation facility that does not meet the above
22 criteria but that is located on such customer's premises will
23 not be subject to a transition charge for the power and energy
24 taken by such retail customer from such generation facility if
25 the facility does not serve any other retail customer and
26 either was installed on behalf of the customer and for its own

1 use prior to January 1, 1997, or is both predominantly fueled
2 by byproducts of such customer's manufacturing process at such
3 premises and sells or offers an average of 300 megawatts or
4 more of electricity produced from such generation facility into
5 the wholesale market. Such charges shall be calculated as
6 provided in Section 16-102, and shall be collected on each
7 kilowatt-hour delivered under a delivery services tariff to a
8 retail customer from the date the customer first takes delivery
9 services until December 31, 2006 except as provided in
10 subsection (h) of this Section. Provided, however, that an
11 electric utility, other than an electric utility providing
12 service to at least 1,000,000 customers in this State on
13 January 1, 1999, shall be entitled to petition for entry of an
14 order by the Commission authorizing the electric utility to
15 implement transition charges for an additional period ending no
16 later than December 31, 2008. The electric utility shall file
17 its petition with supporting evidence no earlier than 16
18 months, and no later than 12 months, prior to December 31,
19 2006. The Commission shall hold a hearing on the electric
20 utility's petition and shall enter its order no later than 8
21 months after the petition is filed. The Commission shall
22 determine whether and to what extent the electric utility shall
23 be authorized to implement transition charges for an additional
24 period. The Commission may authorize the electric utility to
25 implement transition charges for some or all of the additional
26 period, and shall determine the mitigation factors to be used

1 in implementing such transition charges; provided, that the
2 Commission shall not authorize mitigation factors less than
3 110% of those in effect during the 12 months ended December 31,
4 2006. In making its determination, the Commission shall
5 consider the following factors: the necessity to implement
6 transition charges for an additional period in order to
7 maintain the financial integrity of the electric utility; the
8 prudence of the electric utility's actions in reducing its
9 costs since the effective date of this amendatory Act of 1997;
10 the ability of the electric utility to provide safe, adequate
11 and reliable service to retail customers in its service area;
12 and the impact on competition of allowing the electric utility
13 to implement transition charges for the additional period.

14 (g) The electric utility shall file tariffs that establish
15 the transition charges to be paid by each class of customers to
16 the electric utility in conjunction with the provision of
17 delivery services. The electric utility's tariffs shall define
18 the classes of its customers for purposes of calculating
19 transition charges. The electric utility's tariffs shall
20 provide for the calculation of transition charges on a
21 customer-specific basis for any retail customer whose average
22 monthly maximum electrical demand on the electric utility's
23 system during the 6 months with the customer's highest monthly
24 maximum electrical demands equals or exceeds 3.0 megawatts for
25 electric utilities having more than 1,000,000 customers, and
26 for other electric utilities for any customer that has an

1 average monthly maximum electrical demand on the electric
2 utility's system of one megawatt or more, and (A) for which
3 there exists data on the customer's usage during the 3 years
4 preceding the date that the customer became eligible to take
5 delivery services, or (B) for which there does not exist data
6 on the customer's usage during the 3 years preceding the date
7 that the customer became eligible to take delivery services, if
8 in the electric utility's reasonable judgment there exists
9 comparable usage information or a sufficient basis to develop
10 such information, and further provided that the electric
11 utility can require customers for which an individual
12 calculation is made to sign contracts that set forth the
13 transition charges to be paid by the customer to the electric
14 utility pursuant to the tariff.

15 (h) An electric utility shall also be entitled to file
16 tariffs that allow it to collect transition charges from retail
17 customers in the electric utility's service area that do not
18 take delivery services but that take electric power or energy
19 from an alternative retail electric supplier or from an
20 electric utility other than the electric utility in whose
21 service area the customer is located. Such charges shall be
22 calculated, in accordance with the definition of transition
23 charges in Section 16-102, for the period of time that the
24 customer would be obligated to pay transition charges if it
25 were taking delivery services, except that no deduction for
26 delivery services revenues shall be made in such calculation,

1 and usage data from the customer's class shall be used where
2 historical usage data is not available for the individual
3 customer. The customer shall be obligated to pay such charges
4 on a lump sum basis on or before the date on which the customer
5 commences to take service from the alternative retail electric
6 supplier or other electric utility, provided, that the electric
7 utility in whose service area the customer is located shall
8 offer the customer the option of signing a contract pursuant to
9 which the customer pays such charges ratably over the period in
10 which the charges would otherwise have applied.

11 (i) An electric utility shall be entitled to add to the
12 bills of delivery services customers charges pursuant to
13 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
14 and Section 16-114 of this Act, Section 5-5 of the Electricity
15 Infrastructure Maintenance Fee Law, Section 6-5 of the
16 Renewable Energy, Energy Efficiency, and Coal Resources
17 Development Law of 1997, and Section 13 of the Energy
18 Assistance Act.

19 (i-5) An electric utility required to impose the Coal to
20 Solar and Energy Storage Initiative Charge provided for in
21 subsection (c-5) of Section 1-75 of the Illinois Power Agency
22 Act shall add such charge to the bills of its delivery services
23 customers pursuant to the terms of a tariff conforming to the
24 requirements of subsection (c-5) of Section 1-75 of the
25 Illinois Power Agency Act and filed with and approved by the
26 Commission. The electric utility shall file its proposed tariff

1 with the Commission within 30 days following the effective date
2 of this amendatory Act of the 101st General Assembly. Within 30
3 days following the date the proposed tariff is filed with the
4 Commission, the Commission shall review and approve the
5 electric utility's proposed tariff, or direct the electric
6 utility to make modifications to conform to the requirements of
7 subsection (c-5) of Section 1-75 of the Illinois Power Agency
8 Act. The electric utility's tariff shall be placed into effect
9 no later than 90 days following the effective date of this
10 amendatory Act of the 101st General Assembly. The electric
11 utility shall use the funds collected pursuant to the tariff in
12 accordance with subsection (c-5) of Section 1-75 of the
13 Illinois Power Agency Act, including remitting a portion of
14 such funds to the State Treasurer for deposit into the Coal to
15 Solar and Energy Storage Incentive and Plant Transition Fund as
16 provided for in subsection (c-5) of Section 1-75 of the
17 Illinois Power Agency Act.

18 (j) If a retail customer that obtains electric power and
19 energy from cogeneration or self-generation facilities
20 installed for its own use on or before January 1, 1997,
21 subsequently takes service from an alternative retail electric
22 supplier or an electric utility other than the electric utility
23 in whose service area the customer is located for any portion
24 of the customer's electric power and energy requirements
25 formerly obtained from those facilities (including that amount
26 purchased from the utility in lieu of such generation and not

1 as standby power purchases, under a cogeneration displacement
2 tariff in effect as of the effective date of this amendatory
3 Act of 1997), the transition charges otherwise applicable
4 pursuant to subsections (f), (g), or (h) of this Section shall
5 not be applicable in any year to that portion of the customer's
6 electric power and energy requirements formerly obtained from
7 those facilities, provided, that for purposes of this
8 subsection (j), such portion shall not exceed the average
9 number of kilowatt-hours per year obtained from the
10 cogeneration or self-generation facilities during the 3 years
11 prior to the date on which the customer became eligible for
12 delivery services, except as provided in subsection (f) of
13 Section 16-110.

14 (k) The electric utility shall be entitled to recover
15 through tariffed charges all of the costs associated with the
16 purchase of zero emission credits from zero emission facilities
17 to meet the requirements of subsection (d-5) of Section 1-75 of
18 the Illinois Power Agency Act. Such costs shall include the
19 costs of procuring the zero emission credits, as well as the
20 reasonable costs that the utility incurs as part of the
21 procurement processes and to implement and comply with plans
22 and processes approved by the Commission under such subsection
23 (d-5). The costs shall be allocated across all retail customers
24 through a single, uniform cents per kilowatt-hour charge
25 applicable to all retail customers, which shall appear as a
26 separate line item on each customer's bill. Beginning June 1,

1 2017, the electric utility shall be entitled to recover through
2 tariffed charges all of the costs associated with the purchase
3 of renewable energy resources to meet the renewable energy
4 resource standards of subsection (c) of Section 1-75 of the
5 Illinois Power Agency Act, under procurement plans as approved
6 in accordance with that Section and Section 16-111.5 of this
7 Act. Such costs shall include the costs of procuring the
8 renewable energy resources, as well as the reasonable costs
9 that the utility incurs as part of the procurement processes
10 and to implement and comply with plans and processes approved
11 by the Commission under such Sections. The costs associated
12 with the purchase of renewable energy resources shall be
13 allocated across all retail customers in proportion to the
14 amount of renewable energy resources the utility procures for
15 such customers through a single, uniform cents per
16 kilowatt-hour charge applicable to such retail customers,
17 which shall appear as a separate line item on each such
18 customer's bill.

19 Notwithstanding whether the Commission has approved the
20 initial long-term renewable resources procurement plan as of
21 June 1, 2017, an electric utility shall place new tariffed
22 charges into effect beginning with the June 2017 monthly
23 billing period, to the extent practicable, to begin recovering
24 the costs of procuring renewable energy resources, as those
25 charges are calculated under the limitations described in
26 subparagraph (E) of paragraph (1) of subsection (c) of Section

1 1-75 of the Illinois Power Agency Act. Notwithstanding the date
2 on which the utility places such new tariffed charges into
3 effect, the utility shall be permitted to collect the charges
4 under such tariff as if the tariff had been in effect beginning
5 with the first day of the June 2017 monthly billing period. For
6 the delivery years commencing June 1, 2017, June 1, 2018, and
7 June 1, 2019, the electric utility shall deposit into a
8 separate interest bearing account of a financial institution
9 the monies collected under the tariffed charges. Any interest
10 earned shall be credited back to retail customers under the
11 reconciliation proceeding provided for in this subsection (k),
12 provided that the electric utility shall first be reimbursed
13 from the interest for the administrative costs that it incurs
14 to administer and manage the account. Any taxes due on the
15 funds in the account, or interest earned on it, will be paid
16 from the account or, if insufficient monies are available in
17 the account, from the monies collected under the tariffed
18 charges to recover the costs of procuring renewable energy
19 resources. Monies deposited in the account shall be subject to
20 the review, reconciliation, and true-up process described in
21 this subsection (k) that is applicable to the funds collected
22 and costs incurred for the procurement of renewable energy
23 resources.

24 The electric utility shall be entitled to recover all of
25 the costs identified in this subsection (k) through automatic
26 adjustment clause tariffs applicable to all of the utility's

1 retail customers that allow the electric utility to adjust its
2 tariffed charges consistent with this subsection (k). The
3 determination as to whether any excess funds were collected
4 during a given delivery year for the purchase of renewable
5 energy resources, and the crediting of any excess funds back to
6 retail customers, shall not be made until after the close of
7 the delivery year, which will ensure that the maximum amount of
8 funds is available to implement the approved long-term
9 renewable resources procurement plan during a given delivery
10 year. The electric utility's collections under such automatic
11 adjustment clause tariffs to recover the costs of renewable
12 energy resources and zero emission credits from zero emission
13 facilities shall be subject to separate annual review,
14 reconciliation, and true-up against actual costs by the
15 Commission under a procedure that shall be specified in the
16 electric utility's automatic adjustment clause tariffs and
17 that shall be approved by the Commission in connection with its
18 approval of such tariffs. The procedure shall provide that any
19 difference between the electric utility's collections under
20 the automatic adjustment charges for an annual period and the
21 electric utility's actual costs of renewable energy resources
22 and zero emission credits from zero emission facilities for
23 that same annual period shall be refunded to or collected from,
24 as applicable, the electric utility's retail customers in
25 subsequent periods.

26 Nothing in this subsection (k) is intended to affect,

1 limit, or change the right of the electric utility to recover
2 the costs associated with the procurement of renewable energy
3 resources for periods commencing before, on, or after June 1,
4 2017, as otherwise provided in the Illinois Power Agency Act.

5 Notwithstanding anything to the contrary, the Commission
6 shall not conduct an annual review, reconciliation, and true-up
7 associated with renewable energy resources' collections and
8 costs for the delivery years commencing June 1, 2017, June 1,
9 2018, June 1, 2019, and June 1, 2020, and shall instead conduct
10 a single review, reconciliation, and true-up associated with
11 renewable energy resources' collections and costs for the
12 4-year period beginning June 1, 2017 and ending May 31, 2021,
13 provided that the review, reconciliation, and true-up shall not
14 be initiated until after August 31, 2021. During the 4-year
15 period, the utility shall be permitted to collect and retain
16 funds under this subsection (k) and to purchase renewable
17 energy resources under an approved long-term renewable
18 resources procurement plan using those funds regardless of the
19 delivery year in which the funds were collected during the
20 4-year period.

21 If the amount of funds collected during the delivery year
22 commencing June 1, 2017, exceeds the costs incurred during that
23 delivery year, then up to half of this excess amount, as
24 calculated on June 1, 2018, may be used to fund the programs
25 under subsection (b) of Section 1-56 of the Illinois Power
26 Agency Act in the same proportion the programs are funded under

1 that subsection (b). However, any amount identified under this
2 subsection (k) to fund programs under subsection (b) of Section
3 1-56 of the Illinois Power Agency Act shall be reduced if it
4 exceeds the funding shortfall. For purposes of this Section,
5 "funding shortfall" means the difference between \$200,000,000
6 and the amount appropriated by the General Assembly to the
7 Illinois Power Agency Renewable Energy Resources Fund during
8 the period that commences on the effective date of this
9 amendatory act of the 99th General Assembly and ends on August
10 1, 2018.

11 If the amount of funds collected during the delivery year
12 commencing June 1, 2018, exceeds the costs incurred during that
13 delivery year, then up to half of this excess amount, as
14 calculated on June 1, 2019, may be used to fund the programs
15 under subsection (b) of Section 1-56 of the Illinois Power
16 Agency Act in the same proportion the programs are funded under
17 that subsection (b). However, any amount identified under this
18 subsection (k) to fund programs under subsection (b) of Section
19 1-56 of the Illinois Power Agency Act shall be reduced if it
20 exceeds the funding shortfall.

21 If the amount of funds collected during the delivery year
22 commencing June 1, 2019, exceeds the costs incurred during that
23 delivery year, then up to half of this excess amount, as
24 calculated on June 1, 2020, may be used to fund the programs
25 under subsection (b) of Section 1-56 of the Illinois Power
26 Agency Act in the same proportion the programs are funded under

1 that subsection (b). However, any amount identified under this
2 subsection (k) to fund programs under subsection (b) of Section
3 1-56 of the Illinois Power Agency Act shall be reduced if it
4 exceeds the funding shortfall.

5 The funding available under this subsection (k), if any,
6 for the programs described under subsection (b) of Section 1-56
7 of the Illinois Power Agency Act shall not reduce the amount of
8 funding for the programs described in subparagraph (O) of
9 paragraph (1) of subsection (c) of Section 1-75 of the Illinois
10 Power Agency Act. If funding is available under this subsection
11 (k) for programs described under subsection (b) of Section 1-56
12 of the Illinois Power Agency Act, then the long-term renewable
13 resources plan shall provide for the Agency to procure
14 contracts in an amount that does not exceed the funding, and
15 the contracts approved by the Commission shall be executed by
16 the applicable utility or utilities.

17 (1) A utility that has terminated any contract executed
18 under subsection (d-5) of Section 1-75 of the Illinois Power
19 Agency Act shall be entitled to recover any remaining balance
20 associated with the purchase of zero emission credits prior to
21 such termination, and such utility shall also apply a credit to
22 its retail customer bills in the event of any over-collection.

23 (m) (1) An electric utility that recovers its costs of
24 procuring zero emission credits from zero emission
25 facilities through a cents-per-kilowatthour charge under
26 to subsection (k) of this Section shall be subject to the

1 requirements of this subsection (m). Notwithstanding
2 anything to the contrary, such electric utility shall,
3 beginning on April 30, 2018, and each April 30 thereafter
4 until April 30, 2026, calculate whether any reduction must
5 be applied to such cents-per-kilowatthour charge that is
6 paid by retail customers of the electric utility that are
7 exempt from subsections (a) through (j) of Section 8-103B
8 of this Act under subsection (l) of Section 8-103B. Such
9 charge shall be reduced for such customers for the next
10 delivery year commencing on June 1 based on the amount
11 necessary, if any, to limit the annual estimated average
12 net increase for the prior calendar year due to the future
13 energy investment costs to no more than 1.3% of 5.98 cents
14 per kilowatt-hour, which is the average amount paid per
15 kilowatthour for electric service during the year ending
16 December 31, 2015 by Illinois industrial retail customers,
17 as reported to the Edison Electric Institute.

18 The calculations required by this subsection (m) shall
19 be made only once for each year, and no subsequent rate
20 impact determinations shall be made.

21 (2) For purposes of this Section, "future energy
22 investment costs" shall be calculated by subtracting the
23 cents-per-kilowatthour charge identified in subparagraph
24 (A) of this paragraph (2) from the sum of the
25 cents-per-kilowatthour charges identified in subparagraph
26 (B) of this paragraph (2):

1 (A) The cents-per-kilowatthour charge identified
2 in the electric utility's tariff placed into effect
3 under Section 8-103 of the Public Utilities Act that,
4 on December 1, 2016, was applicable to those retail
5 customers that are exempt from subsections (a) through
6 (j) of Section 8-103B of this Act under subsection (l)
7 of Section 8-103B.

8 (B) The sum of the following
9 cents-per-kilowatthour charges applicable to those
10 retail customers that are exempt from subsections (a)
11 through (j) of Section 8-103B of this Act under
12 subsection (l) of Section 8-103B, provided that if one
13 or more of the following charges has been in effect and
14 applied to such customers for more than one calendar
15 year, then each charge shall be equal to the average of
16 the charges applied over a period that commences with
17 the calendar year ending December 31, 2017 and ends
18 with the most recently completed calendar year prior to
19 the calculation required by this subsection (m):

20 (i) the cents-per-kilowatthour charge to
21 recover the costs incurred by the utility under
22 subsection (d-5) of Section 1-75 of the Illinois
23 Power Agency Act, adjusted for any reductions
24 required under this subsection (m); and

25 (ii) the cents-per-kilowatthour charge to
26 recover the costs incurred by the utility under

1 Section 16-107.6 of the Public Utilities Act.

2 If no charge was applied for a given calendar year
3 under item (i) or (ii) of this subparagraph (B), then
4 the value of the charge for that year shall be zero.

5 (3) If a reduction is required by the calculation
6 performed under this subsection (m), then the amount of the
7 reduction shall be multiplied by the number of years
8 reflected in the averages calculated under subparagraph
9 (B) of paragraph (2) of this subsection (m). Such reduction
10 shall be applied to the cents-per-kilowatthour charge that
11 is applicable to those retail customers that are exempt
12 from subsections (a) through (j) of Section 8-103B of this
13 Act under subsection (l) of Section 8-103B beginning with
14 the next delivery year commencing after the date of the
15 calculation required by this subsection (m).

16 (4) The electric utility shall file a notice with the
17 Commission on May 1 of 2018 and each May 1 thereafter until
18 May 1, 2026 containing the reduction, if any, which must be
19 applied for the delivery year which begins in the year of
20 the filing. The notice shall contain the calculations made
21 pursuant to this Section. By October 1 of each year
22 beginning in 2018, each electric utility shall notify the
23 Commission if it appears, based on an estimate of the
24 calculation required in this subsection (m), that a
25 reduction will be required in the next year.

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

1 (220 ILCS 5/16-111.5)

2 Sec. 16-111.5. Provisions relating to procurement.

3 (a) An electric utility that on December 31, 2005 served at
4 least 100,000 customers in Illinois shall procure power and
5 energy for its eligible retail customers in accordance with the
6 applicable provisions set forth in Section 1-75 of the Illinois
7 Power Agency Act and this Section. Beginning with the delivery
8 year commencing on June 1, 2017, such electric utility shall
9 also procure zero emission credits from zero emission
10 facilities in accordance with the applicable provisions set
11 forth in Section 1-75 of the Illinois Power Agency Act, and,
12 for years beginning on or after June 1, 2017, the utility shall
13 procure renewable energy resources in accordance with the
14 applicable provisions set forth in Section 1-75 of the Illinois
15 Power Agency Act and this Section. A small multi-jurisdictional
16 electric utility that on December 31, 2005 served less than
17 100,000 customers in Illinois may elect to procure power and
18 energy for all or a portion of its eligible Illinois retail
19 customers in accordance with the applicable provisions set
20 forth in this Section and Section 1-75 of the Illinois Power
21 Agency Act. This Section shall not apply to a small
22 multi-jurisdictional utility until such time as a small
23 multi-jurisdictional utility requests the Illinois Power
24 Agency to prepare a procurement plan for its eligible retail
25 customers. "Eligible retail customers" for the purposes of this

1 Section means those retail customers that purchase power and
2 energy from the electric utility under fixed-price bundled
3 service tariffs, other than those retail customers whose
4 service is declared or deemed competitive under Section 16-113
5 and those other customer groups specified in this Section,
6 including self-generating customers, customers electing hourly
7 pricing, or those customers who are otherwise ineligible for
8 fixed-price bundled tariff service. For those customers that
9 are excluded from the procurement plan's electric supply
10 service requirements, and the utility shall procure any supply
11 requirements, including capacity, ancillary services, and
12 hourly priced energy, in the applicable markets as needed to
13 serve those customers, provided that the utility may include in
14 its procurement plan load requirements for the load that is
15 associated with those retail customers whose service has been
16 declared or deemed competitive pursuant to Section 16-113 of
17 this Act to the extent that those customers are purchasing
18 power and energy during one of the transition periods
19 identified in subsection (b) of Section 16-113 of this Act.

20 (b) A procurement plan shall be prepared for each electric
21 utility consistent with the applicable requirements of the
22 Illinois Power Agency Act and this Section. For purposes of
23 this Section, Illinois electric utilities that are affiliated
24 by virtue of a common parent company are considered to be a
25 single electric utility. Small multi-jurisdictional utilities
26 may request a procurement plan for a portion of or all of its

1 Illinois load. Each procurement plan shall analyze the
2 projected balance of supply and demand for those retail
3 customers to be included in the plan's electric supply service
4 requirements over a 5-year period, with the first planning year
5 beginning on June 1 of the year following the year in which the
6 plan is filed. The plan shall specifically identify the
7 wholesale products to be procured following plan approval, and
8 shall follow all the requirements set forth in the Public
9 Utilities Act and all applicable State and federal laws,
10 statutes, rules, or regulations, as well as Commission orders.
11 Nothing in this Section precludes consideration of contracts
12 longer than 5 years and related forecast data. Unless specified
13 otherwise in this Section, in the procurement plan or in the
14 implementing tariff, any procurement occurring in accordance
15 with this plan shall be competitively bid through a request for
16 proposals process. Approval and implementation of the
17 procurement plan shall be subject to review and approval by the
18 Commission according to the provisions set forth in this
19 Section. A procurement plan shall include each of the following
20 components:

21 (1) Hourly load analysis. This analysis shall include:

22 (i) multi-year historical analysis of hourly
23 loads;

24 (ii) switching trends and competitive retail
25 market analysis;

26 (iii) known or projected changes to future loads;

1 and

2 (iv) growth forecasts by customer class.

3 (2) Analysis of the impact of any demand side and
4 renewable energy initiatives. This analysis shall include:

5 (i) the impact of demand response programs and
6 energy efficiency programs, both current and
7 projected; for small multi-jurisdictional utilities,
8 the impact of demand response and energy efficiency
9 programs approved pursuant to Section 8-408 of this
10 Act, both current and projected; and

11 (ii) supply side needs that are projected to be
12 offset by purchases of renewable energy resources, if
13 any.

14 (3) A plan for meeting the expected load requirements
15 that will not be met through preexisting contracts. This
16 plan shall include:

17 (i) definitions of the different Illinois retail
18 customer classes for which supply is being purchased;

19 (ii) the proposed mix of demand-response products
20 for which contracts will be executed during the next
21 year. For small multi-jurisdictional electric
22 utilities that on December 31, 2005 served fewer than
23 100,000 customers in Illinois, these shall be defined
24 as demand-response products offered in an energy
25 efficiency plan approved pursuant to Section 8-408 of
26 this Act. The cost-effective demand-response measures

1 shall be procured whenever the cost is lower than
2 procuring comparable capacity products, provided that
3 such products shall:

4 (A) be procured by a demand-response provider
5 from those retail customers included in the plan's
6 electric supply service requirements;

7 (B) at least satisfy the demand-response
8 requirements of the regional transmission
9 organization market in which the utility's service
10 territory is located, including, but not limited
11 to, any applicable capacity or dispatch
12 requirements;

13 (C) provide for customers' participation in
14 the stream of benefits produced by the
15 demand-response products;

16 (D) provide for reimbursement by the
17 demand-response provider of the utility for any
18 costs incurred as a result of the failure of the
19 supplier of such products to perform its
20 obligations thereunder; and

21 (E) meet the same credit requirements as apply
22 to suppliers of capacity, in the applicable
23 regional transmission organization market;

24 (iii) monthly forecasted system supply
25 requirements, including expected minimum, maximum, and
26 average values for the planning period;

1 (iv) the proposed mix and selection of standard
2 wholesale products for which contracts will be
3 executed during the next year, separately or in
4 combination, to meet that portion of its load
5 requirements not met through pre-existing contracts,
6 including but not limited to monthly 5 x 16 peak period
7 block energy, monthly off-peak wrap energy, monthly 7 x
8 24 energy, annual 5 x 16 energy, annual off-peak wrap
9 energy, annual 7 x 24 energy, monthly capacity, annual
10 capacity, peak load capacity obligations, capacity
11 purchase plan, and ancillary services;

12 (v) proposed term structures for each wholesale
13 product type included in the proposed procurement plan
14 portfolio of products; and

15 (vi) an assessment of the price risk, load
16 uncertainty, and other factors that are associated
17 with the proposed procurement plan; this assessment,
18 to the extent possible, shall include an analysis of
19 the following factors: contract terms, time frames for
20 securing products or services, fuel costs, weather
21 patterns, transmission costs, market conditions, and
22 the governmental regulatory environment; the proposed
23 procurement plan shall also identify alternatives for
24 those portfolio measures that are identified as having
25 significant price risk.

26 (4) Proposed procedures for balancing loads. The

1 procurement plan shall include, for load requirements
2 included in the procurement plan, the process for (i)
3 hourly balancing of supply and demand and (ii) the criteria
4 for portfolio re-balancing in the event of significant
5 shifts in load.

6 (5) Long-Term Renewable Resources Procurement Plan.
7 The Agency shall prepare a long-term renewable resources
8 procurement plan for the procurement of renewable energy
9 credits under Sections 1-56 and 1-75 of the Illinois Power
10 Agency Act for delivery beginning in the 2017 delivery
11 year.

12 (i) The initial long-term renewable resources
13 procurement plan and all subsequent revisions shall be
14 subject to review and approval by the Commission. For
15 the purposes of this Section, "delivery year" has the
16 same meaning as in Section 1-10 of the Illinois Power
17 Agency Act. For purposes of this Section, "Agency"
18 shall mean the Illinois Power Agency.

19 (ii) The long-term renewable resources planning
20 process shall be conducted as follows:

21 (A) Electric utilities shall provide a range
22 of load forecasts to the Illinois Power Agency
23 within 45 days of the Agency's request for
24 forecasts, which request shall specify the length
25 and conditions for the forecasts including, but
26 not limited to, the quantity of distributed

1 generation expected to be interconnected for each
2 year.

3 (B) The Agency shall publish for comment the
4 initial long-term renewable resources procurement
5 plan no later than 120 days after the effective
6 date of this amendatory Act of the 99th General
7 Assembly and shall review, and may revise, the plan
8 at least every 2 years thereafter. To the extent
9 practicable, the Agency shall review and propose
10 any revisions to the long-term renewable energy
11 resources procurement plan in conjunction with the
12 Agency's other planning and approval processes
13 conducted under this Section. The initial
14 long-term renewable resources procurement plan
15 shall:

16 (aa) Identify the procurement programs and
17 competitive procurement events consistent with
18 the applicable requirements of the Illinois
19 Power Agency Act and shall be designed to
20 achieve the goals set forth in subsection (c)
21 of Section 1-75 of that Act.

22 (bb) Include a schedule for procurements
23 for renewable energy credits from
24 utility-scale wind projects, utility-scale
25 solar projects, and brownfield site
26 photovoltaic projects consistent with

1 subparagraph (G) of paragraph (1) of
2 subsection (c) of Section 1-75 of the Illinois
3 Power Agency Act.

4 (cc) Identify the process whereby the
5 Agency will submit to the Commission for review
6 and approval the proposed contracts to
7 implement the programs required by such plan.

8 Copies of the initial long-term renewable
9 resources procurement plan and all subsequent
10 revisions shall be posted and made publicly
11 available on the Agency's and Commission's
12 websites, and copies shall also be provided to each
13 affected electric utility. An affected utility and
14 other interested parties shall have 45 days
15 following the date of posting to provide comment to
16 the Agency on the initial long-term renewable
17 resources procurement plan and all subsequent
18 revisions. All comments submitted to the Agency
19 shall be specific, supported by data or other
20 detailed analyses, and, if objecting to all or a
21 portion of the procurement plan, accompanied by
22 specific alternative wording or proposals. All
23 comments shall be posted on the Agency's and
24 Commission's websites. During this 45-day comment
25 period, the Agency shall hold at least one public
26 hearing within each utility's service area that is

1 subject to the requirements of this paragraph (5)
2 for the purpose of receiving public comment.
3 Within 21 days following the end of the 45-day
4 review period, the Agency may revise the long-term
5 renewable resources procurement plan based on the
6 comments received and shall file the plan with the
7 Commission for review and approval.

8 (C) Within 14 days after the filing of the
9 initial long-term renewable resources procurement
10 plan or any subsequent revisions, any person
11 objecting to the plan may file an objection with
12 the Commission. Within 21 days after the filing of
13 the plan, the Commission shall determine whether a
14 hearing is necessary. The Commission shall enter
15 its order confirming or modifying the initial
16 long-term renewable resources procurement plan or
17 any subsequent revisions within 120 days after the
18 filing of the plan by the Illinois Power Agency.

19 (D) The Commission shall approve the initial
20 long-term renewable resources procurement plan and
21 any subsequent revisions, including expressly the
22 forecast used in the plan and taking into account
23 that funding will be limited to the amount of
24 revenues actually collected by the utilities, if
25 the Commission determines that the plan will
26 reasonably and prudently accomplish the

1 requirements of Section 1-56 and subsection (c) of
2 Section 1-75 of the Illinois Power Agency Act. The
3 Commission shall also approve the process for the
4 submission, review, and approval of the proposed
5 contracts to procure renewable energy credits or
6 implement the programs authorized by the
7 Commission pursuant to a long-term renewable
8 resources procurement plan approved under this
9 Section.

10 (iii) The Agency or third parties contracted by the
11 Agency shall implement all programs authorized by the
12 Commission in an approved long-term renewable
13 resources procurement plan without further review and
14 approval by the Commission. Third parties shall not
15 begin implementing any programs or receive any payment
16 under this Section until the Commission has approved
17 the contract or contracts under the process authorized
18 by the Commission in item (D) of subparagraph (ii) of
19 paragraph (5) of this subsection (b) and the third
20 party and the Agency or utility, as applicable, have
21 executed the contract. For those renewable energy
22 credits subject to procurement through a competitive
23 bid process under the plan or under the initial forward
24 procurements for wind and solar resources described in
25 subparagraph (G) of paragraph (1) of subsection (c) of
26 Section 1-75 of the Illinois Power Agency Act, the

1 Agency shall follow the procurement process specified
2 in the provisions relating to electricity procurement
3 in subsections (e) through (i) of this Section.

4 (iv) An electric utility shall recover its costs
5 associated with the procurement of renewable energy
6 credits under this Section and pursuant to subsection
7 (c-5) of Section 1-75 of the Illinois Power Agency Act
8 through an automatic adjustment clause tariff under
9 subsection (k) or subsection (i-5) of Section 16-108,
10 as applicable, of Section 16-108 of this Act. A utility
11 shall not be required to advance any payment or pay any
12 amounts under this Section that exceed the actual
13 amount of revenues collected by the utility under
14 paragraph (6) of subsection (c) of Section 1-75 of the
15 Illinois Power Agency Act, subsection (c-5) of Section
16 1-75 of the Illinois Power Agency Act, and subsection
17 (k) or subsection (i-5) of Section 16-108, as
18 applicable, of Section 16-108 of this Act, and
19 contracts executed under this Section shall expressly
20 incorporate this limitation.

21 (v) For the public interest, safety, and welfare,
22 the Agency and the Commission may adopt rules to carry
23 out the provisions of this Section on an emergency
24 basis immediately following the effective date of this
25 amendatory Act of the 99th General Assembly.

26 (vi) On or before July 1 of each year, the

1 Commission shall hold an informal hearing for the
2 purpose of receiving comments on the prior year's
3 procurement process and any recommendations for
4 change.

5 (b-5) An electric utility that as of January 1, 2019 served
6 more than 300,000 retail customers in this State shall purchase
7 renewable energy credits from new renewable energy resources
8 constructed at or adjacent to the sites of coal-fueled electric
9 generating facilities in this State in accordance with
10 subsection (c-5) of Section 1-75 of the Illinois Power Agency
11 Act. Except as expressly provided in this Section, the plans
12 and procedures for such procurements shall not be included in
13 the procurement plans provided for in this Section, but rather
14 shall be conducted and implemented solely in accordance with
15 subsection (c-5) of Section 1-75 of the Illinois Power Agency
16 Act.

17 (c) The provisions of this subsection (c) shall not apply
18 to procurements conducted pursuant to subsection (c-5) of
19 Section 1-75 of the Illinois Power Agency Act. However, the
20 Agency may retain a procurement administrator to assist the
21 Agency in planning and carrying out the procurement events and
22 implementing the other requirements specified in subsection
23 (c-5) of Section 1-75 of the Illinois Power Agency Act, with
24 the costs incurred by the Agency for the procurement
25 administrator to be recovered through fees charged to
26 applicants for selection to sell and deliver renewable energy

1 credits to electric utilities pursuant to such subsection
2 (c-5). The procurement process set forth in Section 1-75 of the
3 Illinois Power Agency Act and subsection (e) of this Section
4 shall be administered by a procurement administrator and
5 monitored by a procurement monitor.

6 (1) The procurement administrator shall:

7 (i) design the final procurement process in
8 accordance with Section 1-75 of the Illinois Power
9 Agency Act and subsection (e) of this Section following
10 Commission approval of the procurement plan;

11 (ii) develop benchmarks in accordance with
12 subsection (e)(3) to be used to evaluate bids;
13 these benchmarks shall be submitted to the
14 Commission for review and approval on a
15 confidential basis prior to the procurement event;

16 (iii) serve as the interface between the electric
17 utility and suppliers;

18 (iv) manage the bidder pre-qualification and
19 registration process;

20 (v) obtain the electric utilities' agreement to
21 the final form of all supply contracts and credit
22 collateral agreements;

23 (vi) administer the request for proposals process;

24 (vii) have the discretion to negotiate to
25 determine whether bidders are willing to lower the
26 price of bids that meet the benchmarks approved by the

1 Commission; any post-bid negotiations with bidders
2 shall be limited to price only and shall be completed
3 within 24 hours after opening the sealed bids and shall
4 be conducted in a fair and unbiased manner; in
5 conducting the negotiations, there shall be no
6 disclosure of any information derived from proposals
7 submitted by competing bidders; if information is
8 disclosed to any bidder, it shall be provided to all
9 competing bidders;

10 (viii) maintain confidentiality of supplier and
11 bidding information in a manner consistent with all
12 applicable laws, rules, regulations, and tariffs;

13 (ix) submit a confidential report to the
14 Commission recommending acceptance or rejection of
15 bids;

16 (x) notify the utility of contract counterparties
17 and contract specifics; and

18 (xi) administer related contingency procurement
19 events.

20 (2) The procurement monitor, who shall be retained by
21 the Commission, shall:

22 (i) monitor interactions among the procurement
23 administrator, suppliers, and utility;

24 (ii) monitor and report to the Commission on the
25 progress of the procurement process;

26 (iii) provide an independent confidential report

1 to the Commission regarding the results of the
2 procurement event;

3 (iv) assess compliance with the procurement plans
4 approved by the Commission for each utility that on
5 December 31, 2005 provided electric service to at least
6 100,000 customers in Illinois and for each small
7 multi-jurisdictional utility that on December 31, 2005
8 served less than 100,000 customers in Illinois;

9 (v) preserve the confidentiality of supplier and
10 bidding information in a manner consistent with all
11 applicable laws, rules, regulations, and tariffs;

12 (vi) provide expert advice to the Commission and
13 consult with the procurement administrator regarding
14 issues related to procurement process design, rules,
15 protocols, and policy-related matters; and

16 (vii) consult with the procurement administrator
17 regarding the development and use of benchmark
18 criteria, standard form contracts, credit policies,
19 and bid documents.

20 (d) Except as provided in subsection (j), the planning
21 process shall be conducted as follows:

22 (1) Beginning in 2008, each Illinois utility procuring
23 power pursuant to this Section shall annually provide a
24 range of load forecasts to the Illinois Power Agency by
25 July 15 of each year, or such other date as may be required
26 by the Commission or Agency. The load forecasts shall cover

1 the 5-year procurement planning period for the next
2 procurement plan and shall include hourly data
3 representing a high-load, low-load, and expected-load
4 scenario for the load of those retail customers included in
5 the plan's electric supply service requirements. The
6 utility shall provide supporting data and assumptions for
7 each of the scenarios.

8 (2) Beginning in 2008, the Illinois Power Agency shall
9 prepare a procurement plan by August 15th of each year, or
10 such other date as may be required by the Commission. The
11 procurement plan shall identify the portfolio of
12 demand-response and power and energy products to be
13 procured. Cost-effective demand-response measures shall be
14 procured as set forth in item (iii) of subsection (b) of
15 this Section. Copies of the procurement plan shall be
16 posted and made publicly available on the Agency's and
17 Commission's websites, and copies shall also be provided to
18 each affected electric utility. An affected utility shall
19 have 30 days following the date of posting to provide
20 comment to the Agency on the procurement plan. Other
21 interested entities also may comment on the procurement
22 plan. All comments submitted to the Agency shall be
23 specific, supported by data or other detailed analyses,
24 and, if objecting to all or a portion of the procurement
25 plan, accompanied by specific alternative wording or
26 proposals. All comments shall be posted on the Agency's and

1 Commission's websites. During this 30-day comment period,
2 the Agency shall hold at least one public hearing within
3 each utility's service area for the purpose of receiving
4 public comment on the procurement plan. Within 14 days
5 following the end of the 30-day review period, the Agency
6 shall revise the procurement plan as necessary based on the
7 comments received and file the procurement plan with the
8 Commission and post the procurement plan on the websites.

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

17 (4) The Commission shall approve the procurement plan,
18 including expressly the forecast used in the procurement
19 plan, if the Commission determines that it will ensure
20 adequate, reliable, affordable, efficient, and
21 environmentally sustainable electric service at the lowest
22 total cost over time, taking into account any benefits of
23 price stability.

24 (4.5) The Commission shall review and approve the
25 Agency's recommendation for the selection of applicants to
26 enter into long-term contracts for the sale and delivery of

1 renewable energy credits from new renewable energy
2 resources to be constructed at or adjacent to the sites of
3 coal-fueled electric generating facilities in this State
4 in accordance with the provisions of subsection (c-5) of
5 Section 1-75 of the Illinois Power Agency Act, if the
6 Commission determines that the applicants recommended by
7 the Agency for selection, the proposed new renewable energy
8 resources to be constructed, the amounts of renewable
9 energy credits to be delivered pursuant to such contracts,
10 and the other terms of the contracts, are consistent with
11 the requirements of subsection (c-5) of Section 1-75 of the
12 Illinois Power Agency Act.

13 (e) The procurement process shall include each of the
14 following components:

15 (1) Solicitation, pre-qualification, and registration
16 of bidders. The procurement administrator shall
17 disseminate information to potential bidders to promote a
18 procurement event, notify potential bidders that the
19 procurement administrator may enter into a post-bid price
20 negotiation with bidders that meet the applicable
21 benchmarks, provide supply requirements, and otherwise
22 explain the competitive procurement process. In addition
23 to such other publication as the procurement administrator
24 determines is appropriate, this information shall be
25 posted on the Illinois Power Agency's and the Commission's
26 websites. The procurement administrator shall also

1 administer the prequalification process, including
2 evaluation of credit worthiness, compliance with
3 procurement rules, and agreement to the standard form
4 contract developed pursuant to paragraph (2) of this
5 subsection (e). The procurement administrator shall then
6 identify and register bidders to participate in the
7 procurement event.

8 (2) Standard contract forms and credit terms and
9 instruments. The procurement administrator, in
10 consultation with the utilities, the Commission, and other
11 interested parties and subject to Commission oversight,
12 shall develop and provide standard contract forms for the
13 supplier contracts that meet generally accepted industry
14 practices. Standard credit terms and instruments that meet
15 generally accepted industry practices shall be similarly
16 developed. The procurement administrator shall make
17 available to the Commission all written comments it
18 receives on the contract forms, credit terms, or
19 instruments. If the procurement administrator cannot reach
20 agreement with the applicable electric utility as to the
21 contract terms and conditions, the procurement
22 administrator must notify the Commission of any disputed
23 terms and the Commission shall resolve the dispute. The
24 terms of the contracts shall not be subject to negotiation
25 by winning bidders, and the bidders must agree to the terms
26 of the contract in advance so that winning bids are

1 selected solely on the basis of price.

2 (3) Establishment of a market-based price benchmark.

3 As part of the development of the procurement process, the
4 procurement administrator, in consultation with the
5 Commission staff, Agency staff, and the procurement
6 monitor, shall establish benchmarks for evaluating the
7 final prices in the contracts for each of the products that
8 will be procured through the procurement process. The
9 benchmarks shall be based on price data for similar
10 products for the same delivery period and same delivery
11 hub, or other delivery hubs after adjusting for that
12 difference. The price benchmarks may also be adjusted to
13 take into account differences between the information
14 reflected in the underlying data sources and the specific
15 products and procurement process being used to procure
16 power for the Illinois utilities. The benchmarks shall be
17 confidential but shall be provided to, and will be subject
18 to Commission review and approval, prior to a procurement
19 event.

20 (4) Request for proposals competitive procurement
21 process. The procurement administrator shall design and
22 issue a request for proposals to supply electricity in
23 accordance with each utility's procurement plan, as
24 approved by the Commission. The request for proposals shall
25 set forth a procedure for sealed, binding commitment
26 bidding with pay-as-bid settlement, and provision for

1 selection of bids on the basis of price.

2 (5) A plan for implementing contingencies in the event
3 of supplier default or failure of the procurement process
4 to fully meet the expected load requirement due to
5 insufficient supplier participation, Commission rejection
6 of results, or any other cause.

7 (i) Event of supplier default: In the event of
8 supplier default, the utility shall review the
9 contract of the defaulting supplier to determine if the
10 amount of supply is 200 megawatts or greater, and if
11 there are more than 60 days remaining of the contract
12 term. If both of these conditions are met, and the
13 default results in termination of the contract, the
14 utility shall immediately notify the Illinois Power
15 Agency that a request for proposals must be issued to
16 procure replacement power, and the procurement
17 administrator shall run an additional procurement
18 event. If the contracted supply of the defaulting
19 supplier is less than 200 megawatts or there are less
20 than 60 days remaining of the contract term, the
21 utility shall procure power and energy from the
22 applicable regional transmission organization market,
23 including ancillary services, capacity, and day-ahead
24 or real time energy, or both, for the duration of the
25 contract term to replace the contracted supply;
26 provided, however, that if a needed product is not

1 available through the regional transmission
2 organization market it shall be purchased from the
3 wholesale market.

4 (ii) Failure of the procurement process to fully
5 meet the expected load requirement: If the procurement
6 process fails to fully meet the expected load
7 requirement due to insufficient supplier participation
8 or due to a Commission rejection of the procurement
9 results, the procurement administrator, the
10 procurement monitor, and the Commission staff shall
11 meet within 10 days to analyze potential causes of low
12 supplier interest or causes for the Commission
13 decision. If changes are identified that would likely
14 result in increased supplier participation, or that
15 would address concerns causing the Commission to
16 reject the results of the prior procurement event, the
17 procurement administrator may implement those changes
18 and rerun the request for proposals process according
19 to a schedule determined by those parties and
20 consistent with Section 1-75 of the Illinois Power
21 Agency Act and this subsection. In any event, a new
22 request for proposals process shall be implemented by
23 the procurement administrator within 90 days after the
24 determination that the procurement process has failed
25 to fully meet the expected load requirement.

26 (iii) In all cases where there is insufficient

1 supply provided under contracts awarded through the
2 procurement process to fully meet the electric
3 utility's load requirement, the utility shall meet the
4 load requirement by procuring power and energy from the
5 applicable regional transmission organization market,
6 including ancillary services, capacity, and day-ahead
7 or real time energy, or both; provided, however, that
8 if a needed product is not available through the
9 regional transmission organization market it shall be
10 purchased from the wholesale market.

11 (6) The procurement processes ~~process~~ described in
12 this subsection and in subsection (c-5) of Section 1-75 of
13 the Illinois Power Agency Act are ~~is~~ exempt from the
14 requirements of the Illinois Procurement Code, pursuant to
15 Section 20-10 of that Code.

16 (f) Within 2 business days after opening the sealed bids,
17 the procurement administrator shall submit a confidential
18 report to the Commission. The report shall contain the results
19 of the bidding for each of the products along with the
20 procurement administrator's recommendation for the acceptance
21 and rejection of bids based on the price benchmark criteria and
22 other factors observed in the process. The procurement monitor
23 also shall submit a confidential report to the Commission
24 within 2 business days after opening the sealed bids. The
25 report shall contain the procurement monitor's assessment of
26 bidder behavior in the process as well as an assessment of the

1 procurement administrator's compliance with the procurement
2 process and rules. The Commission shall review the confidential
3 reports submitted by the procurement administrator and
4 procurement monitor, and shall accept or reject the
5 recommendations of the procurement administrator within 2
6 business days after receipt of the reports.

7 (g) Within 3 business days after the Commission decision
8 approving the results of a procurement event, the utility shall
9 enter into binding contractual arrangements with the winning
10 suppliers using the standard form contracts; except that the
11 utility shall not be required either directly or indirectly to
12 execute the contracts if a tariff that is consistent with
13 subsection (1) of this Section has not been approved and placed
14 into effect for that utility.

15 (h) The names of the successful bidders and the load
16 weighted average of the winning bid prices for each contract
17 type and for each contract term shall be made available to the
18 public at the time of Commission approval of a procurement
19 event. The Commission, the procurement monitor, the
20 procurement administrator, the Illinois Power Agency, and all
21 participants in the procurement process shall maintain the
22 confidentiality of all other supplier and bidding information
23 in a manner consistent with all applicable laws, rules,
24 regulations, and tariffs. Confidential information, including
25 the confidential reports submitted by the procurement
26 administrator and procurement monitor pursuant to subsection

1 (f) of this Section, shall not be made publicly available and
2 shall not be discoverable by any party in any proceeding,
3 absent a compelling demonstration of need, nor shall those
4 reports be admissible in any proceeding other than one for law
5 enforcement purposes.

6 (i) Within 2 business days after a Commission decision
7 approving the results of a procurement event or such other date
8 as may be required by the Commission from time to time, the
9 utility shall file for informational purposes with the
10 Commission its actual or estimated retail supply charges, as
11 applicable, by customer supply group reflecting the costs
12 associated with the procurement and computed in accordance with
13 the tariffs filed pursuant to subsection (l) of this Section
14 and approved by the Commission.

15 (j) Within 60 days following August 28, 2007 (the effective
16 date of Public Act 95-481), each electric utility that on
17 December 31, 2005 provided electric service to at least 100,000
18 customers in Illinois shall prepare and file with the
19 Commission an initial procurement plan, which shall conform in
20 all material respects to the requirements of the procurement
21 plan set forth in subsection (b); provided, however, that the
22 Illinois Power Agency Act shall not apply to the initial
23 procurement plan prepared pursuant to this subsection. The
24 initial procurement plan shall identify the portfolio of power
25 and energy products to be procured and delivered for the period
26 June 2008 through May 2009, and shall identify the proposed

1 procurement administrator, who shall have the same experience
2 and expertise as is required of a procurement administrator
3 hired pursuant to Section 1-75 of the Illinois Power Agency
4 Act. Copies of the procurement plan shall be posted and made
5 publicly available on the Commission's website. The initial
6 procurement plan may include contracts for renewable resources
7 that extend beyond May 2009.

8 (i) Within 14 days following filing of the initial
9 procurement plan, any person may file a detailed objection
10 with the Commission contesting the procurement plan
11 submitted by the electric utility. All objections to the
12 electric utility's plan shall be specific, supported by
13 data or other detailed analyses. The electric utility may
14 file a response to any objections to its procurement plan
15 within 7 days after the date objections are due to be
16 filed. Within 7 days after the date the utility's response
17 is due, the Commission shall determine whether a hearing is
18 necessary. If it determines that a hearing is necessary, it
19 shall require the hearing to be completed and issue an
20 order on the procurement plan within 60 days after the
21 filing of the procurement plan by the electric utility.

22 (ii) The order shall approve or modify the procurement
23 plan, approve an independent procurement administrator,
24 and approve or modify the electric utility's tariffs that
25 are proposed with the initial procurement plan. The
26 Commission shall approve the procurement plan if the

1 Commission determines that it will ensure adequate,
2 reliable, affordable, efficient, and environmentally
3 sustainable electric service at the lowest total cost over
4 time, taking into account any benefits of price stability.

5 (k) (Blank).

6 (k-5) (Blank).

7 (l) An electric utility shall recover its costs incurred
8 under this Section and subsection (c-5) of Section 1-75 of the
9 Illinois Power Agency Act, including, but not limited to, the
10 costs of procuring power and energy demand-response resources
11 under this Section and its costs for purchasing renewable
12 energy credits pursuant to subsection (c-5) of Section 1-75 of
13 the Illinois Power Agency Act. The utility shall file with the
14 initial procurement plan its proposed tariffs through which its
15 costs of procuring power that are incurred pursuant to a
16 Commission-approved procurement plan and those other costs
17 identified in this subsection (l), will be recovered. The
18 tariffs shall include a formula rate or charge designed to pass
19 through both the costs incurred by the utility in procuring a
20 supply of electric power and energy for the applicable customer
21 classes with no mark-up or return on the price paid by the
22 utility for that supply, plus any just and reasonable costs
23 that the utility incurs in arranging and providing for the
24 supply of electric power and energy. The formula rate or charge
25 shall also contain provisions that ensure that its application
26 does not result in over or under recovery due to changes in

1 customer usage and demand patterns, and that provide for the
2 correction, on at least an annual basis, of any accounting
3 errors that may occur. A utility shall recover through the
4 tariff all reasonable costs incurred to implement or comply
5 with any procurement plan that is developed and put into effect
6 pursuant to Section 1-75 of the Illinois Power Agency Act and
7 this Section, and for the procurement of renewable energy
8 credits pursuant to subsection (c-5) of Section 1-75 of the
9 Illinois Power Agency Act, including any fees assessed by the
10 Illinois Power Agency, costs associated with load balancing,
11 and contingency plan costs. The electric utility shall also
12 recover its full costs of procuring electric supply for which
13 it contracted before the effective date of this Section in
14 conjunction with the provision of full requirements service
15 under fixed-price bundled service tariffs subsequent to
16 December 31, 2006. All such costs shall be deemed to have been
17 prudently incurred. The pass-through tariffs that are filed and
18 approved pursuant to this Section shall not be subject to
19 review under, or in any way limited by, Section 16-111(i) of
20 this Act. All of the costs incurred by the electric utility
21 associated with the purchase of zero emission credits in
22 accordance with subsection (d-5) of Section 1-75 of the
23 Illinois Power Agency Act and, beginning June 1, 2017, all of
24 the costs incurred by the electric utility associated with the
25 purchase of renewable energy resources in accordance with
26 Sections 1-56 and 1-75 of the Illinois Power Agency Act, and

1 all of the costs incurred by the electric utility in purchasing
2 renewable energy credits in accordance with subsection (c-5) of
3 Section 1-75 of the Illinois Power Agency Act, shall be
4 recovered through the electric utility's tariffed charges
5 applicable to all of its retail customers, as specified in
6 subsection (k) or subsection (i-5) of Section 16-108, as
7 applicable, of Section 16-108 of this Act, and shall not be
8 recovered through the electric utility's tariffed charges for
9 electric power and energy supply to its eligible retail
10 customers.

11 (m) The Commission has the authority to adopt rules to
12 carry out the provisions of this Section. For the public
13 interest, safety, and welfare, the Commission also has
14 authority to adopt rules to carry out the provisions of this
15 Section on an emergency basis immediately following August 28,
16 2007 (the effective date of Public Act 95-481).

17 (n) Notwithstanding any other provision of this Act, any
18 affiliated electric utilities that submit a single procurement
19 plan covering their combined needs may procure for those
20 combined needs in conjunction with that plan, and may enter
21 jointly into power supply contracts, purchases, and other
22 procurement arrangements, and allocate capacity and energy and
23 cost responsibility therefor among themselves in proportion to
24 their requirements.

25 (o) On or before June 1 of each year, the Commission shall
26 hold an informal hearing for the purpose of receiving comments

1 on the prior year's procurement process and any recommendations
2 for change.

3 (p) An electric utility subject to this Section may propose
4 to invest, lease, own, or operate an electric generation
5 facility as part of its procurement plan, provided the utility
6 demonstrates that such facility is the least-cost option to
7 provide electric service to those retail customers included in
8 the plan's electric supply service requirements. If the
9 facility is shown to be the least-cost option and is included
10 in a procurement plan prepared in accordance with Section 1-75
11 of the Illinois Power Agency Act and this Section, then the
12 electric utility shall make a filing pursuant to Section 8-406
13 of this Act, and may request of the Commission any statutory
14 relief required thereunder. If the Commission grants all of the
15 necessary approvals for the proposed facility, such supply
16 shall thereafter be considered as a pre-existing contract under
17 subsection (b) of this Section. The Commission shall in any
18 order approving a proposal under this subsection specify how
19 the utility will recover the prudently incurred costs of
20 investing in, leasing, owning, or operating such generation
21 facility through just and reasonable rates charged to those
22 retail customers included in the plan's electric supply service
23 requirements. Cost recovery for facilities included in the
24 utility's procurement plan pursuant to this subsection shall
25 not be subject to review under or in any way limited by the
26 provisions of Section 16-111(i) of this Act. Nothing in this

1 Section is intended to prohibit a utility from filing for a
2 fuel adjustment clause as is otherwise permitted under Section
3 9-220 of this Act.

4 (q) If the Illinois Power Agency filed with the Commission,
5 under Section 16-111.5 of this Act, its proposed procurement
6 plan for the period commencing June 1, 2017, and the Commission
7 has not yet entered its final order approving the plan on or
8 before the effective date of this amendatory Act of the 99th
9 General Assembly, then the Illinois Power Agency shall file a
10 notice of withdrawal with the Commission, after the effective
11 date of this amendatory Act of the 99th General Assembly, to
12 withdraw the proposed procurement of renewable energy
13 resources to be approved under the plan, other than the
14 procurement of renewable energy credits from distributed
15 renewable energy generation devices using funds previously
16 collected from electric utilities' retail customers that take
17 service pursuant to electric utilities' hourly pricing tariff
18 or tariffs and, for an electric utility that serves less than
19 100,000 retail customers in the State, other than the
20 procurement of renewable energy credits from distributed
21 renewable energy generation devices. Upon receipt of the
22 notice, the Commission shall enter an order that approves the
23 withdrawal of the proposed procurement of renewable energy
24 resources from the plan. The initially proposed procurement of
25 renewable energy resources shall not be approved or be the
26 subject of any further hearing, investigation, proceeding, or

1 order of any kind.

2 This amendatory Act of the 99th General Assembly preempts
3 and supersedes any order entered by the Commission that
4 approved the Illinois Power Agency's procurement plan for the
5 period commencing June 1, 2017, to the extent it is
6 inconsistent with the provisions of this amendatory Act of the
7 99th General Assembly. To the extent any previously entered
8 order approved the procurement of renewable energy resources,
9 the portion of that order approving the procurement shall be
10 void, other than the procurement of renewable energy credits
11 from distributed renewable energy generation devices using
12 funds previously collected from electric utilities' retail
13 customers that take service under electric utilities' hourly
14 pricing tariff or tariffs and, for an electric utility that
15 serves less than 100,000 retail customers in the State, other
16 than the procurement of renewable energy credits for
17 distributed renewable energy generation devices.

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

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