



Sen. Robert Peters

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1 AMENDMENT TO HOUSE BILL 691

2 AMENDMENT NO. _____. Amend House Bill 691 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Rust
5 Belt to Green Belt Pilot Program Act.

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

8 (1) Human-induced greenhouse gas emissions have been
9 identified as contributing to global warming, the effects
10 of which pose a threat to the public health, safety,
11 welfare, and economy of the State of Illinois.

12 (2) The White House released a statement claiming
13 that, in 2020, the United States endured 22 separate
14 billion-dollar weather and climate disasters, costing
15 \$95,000,000,000 in damages to homes, businesses, and
16 public infrastructure.

1 (3) In order to meet the energy needs of the State of
2 Illinois, keep its economy strong, and protect the
3 environment while reducing its contribution to
4 human-induced greenhouse gas emissions, the State of
5 Illinois must be a leader in developing new low-carbon
6 technologies.

7 (4) Offshore wind is an emerging source of large-scale
8 renewable energy that is proximate to Illinois' major
9 electric loads and very job intensive.

10 (5) Offshore wind produces high capacity factor power,
11 making it a valuable resource complimentary to land-based
12 wind and solar.

13 (6) In his first week in office, President Joseph R.
14 Biden, Jr., issued an Executive Order (14008) on Tackling
15 the Climate Crisis at Home and Abroad that directs the
16 Secretary of the Interior to identify steps that can be
17 taken to double offshore wind by 2030 while "ensuring
18 robust protection for our lands, waters, and biodiversity
19 and creating good jobs".

20 (7) The United States Departments of Interior, Energy,
21 and Commerce announced a shared goal to deploy 30
22 gigawatts of offshore wind in the United States by 2030,
23 while protecting biodiversity and promoting ocean co-use,
24 which trigger more than \$12,000,000,000 per year in
25 capital investment; create tens of thousands of
26 good-paying, union jobs, with more than 44,000 workers

1 employed in offshore wind by 2030 and nearly 33,000
2 additional jobs in communities supported by offshore wind
3 activity; generate enough power to meet the demand of more
4 than 10,000,000 American homes for a year; and avoid
5 78,000,000 metric tons of carbon dioxide emissions.

6 (8) The United States Department of Transportation's
7 Maritime Administration has announced a Notice of Funding
8 Opportunity for port authorities and other applicants to
9 apply for \$230,000,000 for port and intermodal
10 infrastructure-related projects through the Port
11 Infrastructure Development Program to support projects
12 that strengthen and modernize port infrastructure, and can
13 support shore-side wind energy projects, such as storage
14 areas, laydown areas, and docking of wind energy vessels
15 to load and move items to offshore wind farms.

16 (9) Extensive development of offshore wind on the East
17 Coast is making offshore wind costs more competitive.

18 (10) Lake Michigan is the fifth largest lake in the
19 world, with a total surface area of 22,404 square miles
20 across 4 states, with 1,576 square miles of surface area
21 in Illinois.

22 (11) The 1,576 square miles of Lake Michigan within
23 the boundaries of the State of Illinois have a potential
24 capacity of 4,528 megawatts of offshore wind.

25 (12) The State of Illinois has excellent and available
26 port infrastructure on the South Side of Chicago that can

1 be used as a base for construction, operations, and
2 maintenance.

3 (13) The State of Illinois seeks a leadership position
4 in the offshore wind industry as it emerges in the Great
5 Lakes.

6 (14) Fostering development of a new industry on the
7 South Side of Chicago will help create jobs for the most
8 underserved and underrepresented segment of Illinois'
9 population.

10 (15) Offshore wind developments will attract
11 investment capital and will enable the development and
12 preservation of a skilled and trained construction
13 workforce to carry out projects, long-term job creation,
14 and development of an offshore wind energy supply chain.

15 Therefore, the General Assembly finds that it is necessary
16 to enact this Act to enable the responsible creation of an
17 offshore wind industry in the State of Illinois with the
18 creation of a single 200 megawatt pilot project to provide
19 economic and environmental benefits to the State of Illinois.

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

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

23 "Disproportionately impacted area" means a census tract or
24 comparable geographic area that satisfies criteria as
25 determined by the Department.

1 "Minorities" has the same meaning as minority persons as
2 defined in the Business Enterprise for Minorities, Women, and
3 Persons with Disabilities Act.

4 "Offshore wind energy generation facility" means a wind
5 renewable energy power generation facility that is located in
6 Lake Michigan, is at least 200 megawatts in size, and is
7 interconnected to PJM Interconnection's regional transmission
8 system.

9 "Underrepresented populations" means populations
10 identified by the Department that historically have had
11 barriers to entry or advancement in the workforce and reside
12 within a disproportionately impacted area that is within 3
13 miles of the primary staging location of the subject project.
14 "Underrepresented populations" includes, but is not limited
15 to, minorities, women, and veterans.

16 Section 15. Rust Belt to Green Belt Fund; creation;
17 distribution of proceeds.

18 (a) The Rust Belt to Green Belt Fund is created as a
19 special fund in the State treasury. The Rust Belt to Green Belt
20 Fund shall be administered by the Department and is created
21 for the purpose of receiving and disbursing moneys in
22 accordance with this Section. The Department may accept
23 private and public funds, including federal funds, for deposit
24 into the Rust Belt to Green Belt Fund.

25 (b) The Rust Belt to Green Belt Fund shall be used by the

1 Department to recruit and prepare underrepresented populations
2 for careers in the building and construction trades to build
3 clean energy, renewable energy, energy efficiency, climate
4 change mitigation, and climate change adaptation construction
5 projects.

6 Grants and other financial assistance may be made
7 available on a competitive annual basis to organizations that
8 demonstrate a capacity to recruit, prescreen, and provide
9 appropriate preapprenticeship training to entities
10 specifically focused on recruiting residents of
11 disproportionately impacted areas, including, but not limited
12 to, community based organizations, educational institutions,
13 workforce investment boards, and community action agencies.

14 Grants and other financial assistance shall be awarded on
15 a competitive and annual basis to organizations that provide
16 the following:

17 (1) employment services to underrepresented
18 populations;

19 (2) recruiting, prescreening, and preapprenticeship
20 training to prepare underrepresented populations for a
21 career in clean energy in the construction and building
22 trades;

23 (3) preapprenticeship training to participants free of
24 charge and provide participants a stipend during the term
25 of the program;

26 (4) job placement services for participants during and

1 after completion of the preapprenticeship program; and

2 (5) financial, administrative, and management
3 assistance for organizations engaged in these activities.

4 Section 20. Offshore wind generation.

5 (a) The developer of an offshore wind energy generation
6 facility may apply to the Department for certification that it
7 provides economic and environmental benefits to the State of
8 Illinois in furtherance of the intent of the Act, including
9 jobs for underrepresented populations. The Department shall
10 consider issuing a certification to an applicant who has
11 established:

12 (1) that the applicant has identified a suitable site
13 for its offshore wind energy generation facility and has a
14 comprehensive plan to develop, finance, construct, own,
15 and operate the facility;

16 (2) that the applicant or any of the applicant's
17 affiliates have experience and knowledge in owning an
18 offshore wind energy generation facility;

19 (3) that the applicant has an equity and inclusion
20 plan crafted to create opportunities for underrepresented
21 populations in the building and construction trades;

22 (4) that the applicant has the financial ability to
23 operate an offshore wind energy generation facility;

24 (5) that the applicant has a fully executed project
25 labor agreement with the applicable local building and

1 construction trades council; and

2 (6) that the applicant has a comprehensive plan to
3 conduct essential research around the compatibility of
4 offshore wind and the lake ecology and historical lake
5 uses that can become the basis for future decision making
6 around prudent expansion of offshore wind into Lake
7 Michigan.

8 (b) Prior to issuing a certification to an applicant, the
9 Department shall enter into an impact mitigation agreement
10 with the applicant that contains construction and
11 deconstruction standards and policies and appropriate
12 financial assurance mechanisms for deconstruction or
13 abandonment.

14 Section 25. Emergency rulemaking. To provide for the
15 expeditious and timely implementation of this Act, emergency
16 rules to implement any provision of this Act may be adopted by
17 the Department subject to the provisions of Section 5-45 of
18 the Illinois Administrative Procedure Act.

19 Section 80. The Illinois Administrative Procedure Act is
20 amended by adding Sections 5-45.8 and 5-45.9 as follows:

21 (5 ILCS 100/5-45.8 new)

22 Sec. 5-45.8. Emergency rulemaking; Rust Belt to Green Belt
23 Pilot Program Act. To provide for the expeditious and timely

1 implementation of the Rust Belt to Green Belt Pilot Program
2 Act, emergency rules implementing the Rust Belt to Green Belt
3 Pilot Program Act may be adopted in accordance with Section
4 5-45 by the Department of Commerce and Economic Opportunity.
5 The adoption of emergency rules authorized by Section 5-45 and
6 this Section is deemed to be necessary for the public
7 interest, safety, and welfare.

8 This Section is repealed on January 1, 2027.

9 (5 ILCS 100/5-45.9 new)

10 Sec. 5-45.9. Emergency rulemaking; Illinois Power Agency
11 Act. To provide for the expeditious and timely implementation
12 of changes made to Section 1-75 of the Illinois Power Agency
13 Act by this amendatory Act of the 102nd General Assembly,
14 emergency rules implementing the changes made to Section 1-75
15 of the Illinois Power Agency Act by this amendatory Act of the
16 102nd General Assembly may be adopted in accordance with
17 Section 5-45 by the Illinois Power Agency. The adoption of
18 emergency rules authorized by Section 5-45 and this Section is
19 deemed to be necessary for the public interest, safety, and
20 welfare.

21 This Section is repealed on January 1, 2027.

22 Section 85. The Illinois Power Agency Act is amended by
23 changing Section 1-75 as follows:

1 (20 ILCS 3855/1-75)

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

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

1 load. For the purposes of this Section, the term "eligible
2 retail customers" has the same definition as found in Section
3 16-111.5(a) of the Public Utilities Act.

4 Beginning with the plan or plans to be implemented in the
5 2017 delivery year, the Agency shall no longer include the
6 procurement of renewable energy resources in the annual
7 procurement plans required by this subsection (a), except as
8 provided in subsection (q) of Section 16-111.5 of the Public
9 Utilities Act, and shall instead develop a long-term renewable
10 resources procurement plan in accordance with subsection (c)
11 of this Section and Section 16-111.5 of the Public Utilities
12 Act.

13 (1) The Agency shall each year, beginning in 2008, as
14 needed, issue a request for qualifications for experts or
15 expert consulting firms to develop the procurement plans
16 in accordance with Section 16-111.5 of the Public
17 Utilities Act. In order to qualify an expert or expert
18 consulting firm must have:

19 (A) direct previous experience assembling
20 large-scale power supply plans or portfolios for
21 end-use customers;

22 (B) an advanced degree in economics, mathematics,
23 engineering, risk management, or a related area of
24 study;

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

1 (D) expertise in wholesale electricity market
2 rules, including those established by the Federal
3 Energy Regulatory Commission and regional transmission
4 organizations;

5 (E) expertise in credit protocols and familiarity
6 with contract protocols;

7 (F) adequate resources to perform and fulfill the
8 required functions and responsibilities; and

9 (G) the absence of a conflict of interest and
10 inappropriate bias for or against potential bidders or
11 the affected electric utilities.

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

18 (A) direct previous experience administering a
19 large-scale competitive procurement process;

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

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

24 (D) expertise in wholesale electricity market
25 rules, including those established by the Federal
26 Energy Regulatory Commission and regional transmission

1 organizations;

2 (E) expertise in credit and contract protocols;

3 (F) adequate resources to perform and fulfill the
4 required functions and responsibilities; and

5 (G) the absence of a conflict of interest and
6 inappropriate bias for or against potential bidders or
7 the affected electric utilities.

8 (3) The Agency shall provide affected utilities and
9 other interested parties with the lists of qualified
10 experts or expert consulting firms identified through the
11 request for qualifications processes that are under
12 consideration to develop the procurement plans and to
13 serve as the procurement administrator. The Agency shall
14 also provide each qualified expert's or expert consulting
15 firm's response to the request for qualifications. All
16 information provided under this subparagraph shall also be
17 provided to the Commission. The Agency may provide by rule
18 for fees associated with supplying the information to
19 utilities and other interested parties. These parties
20 shall, within 5 business days, notify the Agency in
21 writing if they object to any experts or expert consulting
22 firms on the lists. Objections shall be based on:

23 (A) failure to satisfy qualification criteria;

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

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

1 The Agency shall remove experts or expert consulting
2 firms from the lists within 10 days if there is a
3 reasonable basis for an objection and provide the updated
4 lists to the affected utilities and other interested
5 parties. If the Agency fails to remove an expert or expert
6 consulting firm from a list, an objecting party may seek
7 review by the Commission within 5 days thereafter by
8 filing a petition, and the Commission shall render a
9 ruling on the petition within 10 days. There is no right of
10 appeal of the Commission's ruling.

11 (4) The Agency shall issue requests for proposals to
12 the qualified experts or expert consulting firms to
13 develop a procurement plan for the affected utilities and
14 to serve as procurement administrator.

15 (5) The Agency shall select an expert or expert
16 consulting firm to develop procurement plans based on the
17 proposals submitted and shall award contracts of up to 5
18 years to those selected.

19 (6) The Agency shall select an expert or expert
20 consulting firm, with approval of the Commission, to serve
21 as procurement administrator based on the proposals
22 submitted. If the Commission rejects, within 5 days, the
23 Agency's selection, the Agency shall submit another
24 recommendation within 3 days based on the proposals
25 submitted. The Agency shall award a 5-year contract to the
26 expert or expert consulting firm so selected with

1 Commission approval.

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

16 (c) Renewable portfolio standard.

17 (1) (A) The Agency shall develop a long-term renewable
18 resources procurement plan that shall include procurement
19 programs and competitive procurement events necessary to
20 meet the goals set forth in this subsection (c). The
21 initial long-term renewable resources procurement plan
22 shall be released for comment no later than 160 days after
23 June 1, 2017 (the effective date of Public Act 99-906).
24 The Agency shall review, and may revise on an expedited
25 basis, the long-term renewable resources procurement plan
26 at least every 2 years, which shall be conducted in

1 conjunction with the procurement plan under Section
2 16-111.5 of the Public Utilities Act to the extent
3 practicable to minimize administrative expense. The
4 long-term renewable resources procurement plans shall be
5 subject to review and approval by the Commission under
6 Section 16-111.5 of the Public Utilities Act.

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

23 For the delivery year beginning June 1, 2017, the
24 procurement plan shall include cost-effective renewable
25 energy resources equal to at least 13% of each utility's
26 load for eligible retail customers and 13% of the

1 applicable portion of each utility's load for retail
2 customers who are not eligible retail customers, which
3 applicable portion shall equal 50% of the utility's load
4 for retail customers who are not eligible retail customers
5 on February 28, 2017.

6 For the delivery year beginning June 1, 2018, the
7 procurement plan shall include cost-effective renewable
8 energy resources equal to at least 14.5% of each utility's
9 load for eligible retail customers and 14.5% 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 75% 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, 2019, and for
16 each year thereafter, the procurement plans shall include
17 cost-effective renewable energy resources equal to a
18 minimum percentage of each utility's load for all retail
19 customers as follows: 16% by June 1, 2019; increasing by
20 1.5% each year thereafter to 25% by June 1, 2025; and 25%
21 by June 1, 2026 and each year thereafter.

22 For each delivery year, the Agency shall first
23 recognize each utility's obligations for that delivery
24 year under existing contracts. Any renewable energy
25 credits under existing contracts, including renewable
26 energy credits as part of renewable energy resources,

1 shall be used to meet the goals set forth in this
2 subsection (c) for the delivery year.

3 (C) Of the renewable energy credits procured under
4 this subsection (c), at least 75% shall come from wind and
5 photovoltaic projects. The long-term renewable resources
6 procurement plan described in subparagraph (A) of this
7 paragraph (1) shall include the procurement of renewable
8 energy credits in amounts equal to at least the following:

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

10 At least 2,000,000 renewable energy credits
11 for each delivery year shall come from new wind
12 projects; and

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

1 subparagraph (A) of this paragraph (1).

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

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

6 At least 3,000,000 renewable energy credits
7 for each delivery year shall come from new
8 photovoltaic projects; of that amount, to the
9 extent possible, the Agency shall procure: at
10 least 50% from solar photovoltaic projects using
11 the program outlined in subparagraph (K) of this
12 paragraph (1) from distributed renewable energy
13 devices or community renewable generation
14 projects; at least 40% from utility-scale solar
15 projects; at least 2% from brownfield site
16 photovoltaic projects that are not community
17 renewable generation projects; and the remainder
18 shall be determined through the long-term planning
19 process described in subparagraph (A) of this
20 paragraph (1).

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

22 At least 4,000,000 renewable energy credits
23 for each delivery year shall come from new wind
24 projects; and

25 At least 4,000,000 renewable energy credits
26 for each delivery year shall come from new

1 photovoltaic projects; of that amount, to the
2 extent possible, the Agency shall procure: at
3 least 50% from solar photovoltaic projects using
4 the program outlined in subparagraph (K) of this
5 paragraph (1) from distributed renewable energy
6 devices or community renewable generation
7 projects; at least 40% from utility-scale solar
8 projects; at least 2% from brownfield site
9 photovoltaic projects that are not community
10 renewable generation projects; and the remainder
11 shall be determined through the long-term planning
12 process described in subparagraph (A) of this
13 paragraph (1).

14 For purposes of this Section:

15 "New wind projects" means wind renewable
16 energy facilities that are energized after June 1,
17 2017 for the delivery year commencing June 1, 2017
18 or within 3 years after the date the Commission
19 approves contracts for subsequent delivery years.

20 "New photovoltaic projects" means photovoltaic
21 renewable energy facilities that are energized
22 after June 1, 2017. Photovoltaic projects
23 developed under Section 1-56 of this Act shall not
24 apply towards the new photovoltaic project
25 requirements in this subparagraph (C).

26 (D) Renewable energy credits shall be cost effective.

1 For purposes of this subsection (c), "cost effective"
2 means that the costs of procuring renewable energy
3 resources do not cause the limit stated in subparagraph
4 (E) of this paragraph (1) to be exceeded and, for
5 renewable energy credits procured through a competitive
6 procurement event, do not exceed benchmarks based on
7 market prices for like products in the region. For
8 purposes of this subsection (c), "like products" means
9 contracts for renewable energy credits from the same or
10 substantially similar technology, same or substantially
11 similar vintage (new or existing), the same or
12 substantially similar quantity, and the same or
13 substantially similar contract length and structure.
14 Benchmarks shall be developed by the procurement
15 administrator, in consultation with the Commission staff,
16 Agency staff, and the procurement monitor and shall be
17 subject to Commission review and approval. If price
18 benchmarks for like products in the region are not
19 available, the procurement administrator shall establish
20 price benchmarks based on publicly available data on
21 regional technology costs and expected current and future
22 regional energy prices. The benchmarks in this Section
23 shall not be used to curtail or otherwise reduce
24 contractual obligations entered into by or through the
25 Agency prior to June 1, 2017 (the effective date of Public
26 Act 99-906).

1 (E) For purposes of this subsection (c), the required
2 procurement of cost-effective renewable energy resources
3 for a particular year commencing prior to June 1, 2017
4 shall be measured as a percentage of the actual amount of
5 electricity (megawatt-hours) supplied by the electric
6 utility to eligible retail customers in the delivery year
7 ending immediately prior to the procurement, and, for
8 delivery years commencing on and after June 1, 2017, the
9 required procurement of cost-effective renewable energy
10 resources for a particular year shall be measured as a
11 percentage of the actual amount of electricity
12 (megawatt-hours) delivered by the electric utility in the
13 delivery year ending immediately prior to the procurement,
14 to all retail customers in its service territory. For
15 purposes of this subsection (c), the amount paid per
16 kilowatthour means the total amount paid for electric
17 service expressed on a per kilowatthour basis. For
18 purposes of this subsection (c), the total amount paid for
19 electric service includes without limitation amounts paid
20 for supply, transmission, distribution, surcharges, and
21 add-on taxes.

22 Notwithstanding the requirements of this subsection
23 (c), the total of renewable energy resources procured
24 under the procurement plan for any single year shall be
25 subject to the limitations of this subparagraph (E). Such
26 procurement shall be reduced for all retail customers

1 based on the amount necessary to limit the annual
2 estimated average net increase due to the costs of these
3 resources included in the amounts paid by eligible retail
4 customers in connection with electric service to no more
5 than the greater of 2.015% of the amount paid per
6 kilowatthour by those customers during the year ending May
7 31, 2007 or the incremental amount per kilowatthour paid
8 for these resources in 2011. To arrive at a maximum dollar
9 amount of renewable energy resources to be procured for
10 the particular delivery year, the resulting per
11 kilowatthour amount shall be applied to the actual amount
12 of kilowatthours of electricity delivered, or applicable
13 portion of such amount as specified in paragraph (1) of
14 this subsection (c), as applicable, by the electric
15 utility in the delivery year immediately prior to the
16 procurement to all retail customers in its service
17 territory. The calculations required by this subparagraph
18 (E) shall be made only once for each delivery year at the
19 time that the renewable energy resources are procured.
20 Once the determination as to the amount of renewable
21 energy resources to procure is made based on the
22 calculations set forth in this subparagraph (E) and the
23 contracts procuring those amounts are executed, no
24 subsequent rate impact determinations shall be made and no
25 adjustments to those contract amounts shall be allowed.
26 All costs incurred under such contracts shall be fully

1 recoverable by the electric utility as provided in this
2 Section.

3 (F) If the limitation on the amount of renewable
4 energy resources procured in subparagraph (E) of this
5 paragraph (1) prevents the Agency from meeting all of the
6 goals in this subsection (c), the Agency's long-term plan
7 shall prioritize compliance with the requirements of this
8 subsection (c) regarding renewable energy credits in the
9 following order:

10 (i) renewable energy credits under existing
11 contractual obligations;

12 (i-5) funding for the Illinois Solar for All
13 Program, as described in subparagraph (O) of this
14 paragraph (1);

15 (ii) renewable energy credits necessary to comply
16 with the new wind and new photovoltaic procurement
17 requirements described in items (i) through (iii) of
18 subparagraph (C) of this paragraph (1); and

19 (iii) renewable energy credits necessary to meet
20 the remaining requirements of this subsection (c).

21 (G) The following provisions shall apply to the
22 Agency's procurement of renewable energy credits under
23 this subsection (c):

24 (i) Notwithstanding whether a long-term renewable
25 resources procurement plan has been approved, the
26 Agency shall conduct an initial forward procurement

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

21 (ii) Notwithstanding whether a long-term renewable
22 resources procurement plan has been approved, the
23 Agency shall conduct an initial forward procurement
24 for renewable energy credits from new utility-scale
25 solar projects and brownfield site photovoltaic
26 projects within one year after June 1, 2017 (the

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

22 (iii) Subsequent forward procurements for
23 utility-scale wind projects shall solicit at least
24 1,000,000 renewable energy credits delivered annually
25 per procurement event and shall be planned, scheduled,
26 and designed such that the cumulative amount of

1 renewable energy credits delivered from all new wind
2 projects in each delivery year shall not exceed the
3 Agency's projection of the cumulative amount of
4 renewable energy credits that will be delivered from
5 all new photovoltaic projects, including utility-scale
6 and distributed photovoltaic devices, in the same
7 delivery year at the time scheduled for wind contract
8 delivery.

9 (iv) If, at any time after the time set for
10 delivery of renewable energy credits pursuant to the
11 initial procurements in items (i) and (ii) of this
12 subparagraph (G), the cumulative amount of renewable
13 energy credits projected to be delivered from all new
14 wind projects in a given delivery year exceeds the
15 cumulative amount of renewable energy credits
16 projected to be delivered from all new photovoltaic
17 projects in that delivery year by 200,000 or more
18 renewable energy credits, then the Agency shall within
19 60 days adjust the procurement programs in the
20 long-term renewable resources procurement plan to
21 ensure that the projected cumulative amount of
22 renewable energy credits to be delivered from all new
23 wind projects does not exceed the projected cumulative
24 amount of renewable energy credits to be delivered
25 from all new photovoltaic projects by 200,000 or more
26 renewable energy credits, provided that nothing in

1 this Section shall preclude the projected cumulative
2 amount of renewable energy credits to be delivered
3 from all new photovoltaic projects from exceeding the
4 projected cumulative amount of renewable energy
5 credits to be delivered from all new wind projects in
6 each delivery year and provided further that nothing
7 in this item (iv) shall require the curtailment of an
8 executed contract. The Agency shall update, on a
9 quarterly basis, its projection of the renewable
10 energy credits to be delivered from all projects in
11 each delivery year. Notwithstanding anything to the
12 contrary, the Agency may adjust the timing of
13 procurement events conducted under this subparagraph
14 (G). The long-term renewable resources procurement
15 plan shall set forth the process by which the
16 adjustments may be made.

17 (v) All procurements under this subparagraph (G)
18 shall comply with the geographic requirements in
19 subparagraph (I) of this paragraph (1) and shall
20 follow the procurement processes and procedures
21 described in this Section and Section 16-111.5 of the
22 Public Utilities Act to the extent practicable, and
23 these processes and procedures may be expedited to
24 accommodate the schedule established by this
25 subparagraph (G).

26 (H) The procurement of renewable energy resources for

1 a given delivery year shall be reduced as described in
2 this subparagraph (H) if an alternative retail electric
3 supplier meets the requirements described in this
4 subparagraph (H).

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

17 The informational filing shall identify each
18 facility that was eligible to satisfy the alternative
19 retail electric supplier's obligations under Section
20 16-115D of the Public Utilities Act as described in
21 this item (i).

22 (ii) For a given delivery year, the alternative
23 retail electric supplier may elect to supply its
24 retail customers with renewable energy credits from
25 the facility or facilities described in item (i) of
26 this subparagraph (H) that continue to be owned by the

1 alternative retail electric supplier.

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

17 For the delivery year beginning June 1, 2018,
18 the maximum amount of renewable energy credits to
19 be supplied by an alternative retail electric
20 supplier under this subparagraph (H) shall be 68%
21 multiplied by 25% multiplied by 14.5% multiplied
22 by the amount of metered electricity
23 (megawatt-hours) delivered by the alternative
24 retail electric supplier to Illinois retail
25 customers during the delivery year ending May 31,
26 2016.

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

15 For each delivery year, the total amount of
16 renewable energy credits supplied by all alternative
17 retail electric suppliers under this subparagraph (H)
18 shall not exceed 9% of the Illinois target renewable
19 energy credit quantity. The Illinois target renewable
20 energy credit quantity for the delivery year beginning
21 June 1, 2018 is 14.5% multiplied by the total amount of
22 metered electricity (megawatt-hours) delivered in the
23 delivery year immediately preceding that delivery
24 year, provided that the 14.5% shall increase by 1.5%
25 each delivery year thereafter to 25% by the delivery
26 year beginning June 1, 2025, and thereafter the 25%

1 value shall apply to each delivery year.

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

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

25 (I) The Agency shall design its long-term renewable
26 energy procurement plan to maximize the State's interest

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

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

25 Notwithstanding the limitations of this subparagraph
26 (J), renewable energy credits sourced from generating

1 units that are constructed, purchased, owned, or leased by
2 an electric utility as part of an approved project,
3 program, or pilot under Section 1-56 of this Act shall be
4 eligible to be counted toward the renewable energy
5 requirements of this subsection (c), regardless of how the
6 costs of these units are recovered.

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

20 The Adjustable Block program shall include for each
21 category of eligible projects: a schedule of standard
22 block purchase prices to be offered; a series of steps,
23 with associated nameplate capacity and purchase prices
24 that adjust from step to step; and automatic opening of
25 the next step as soon as the nameplate capacity and
26 available purchase prices for an open step are fully

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

23 The Adjustable Block program shall include at least
24 the following block groups in at least the following
25 amounts, which may be adjusted upon review by the Agency
26 and approval by the Commission as described in this

1 subparagraph (K):

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

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

13 (iii) At least 25% from photovoltaic community
14 renewable generation projects.

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

18 The Adjustable Block program shall be designed to
19 ensure that renewable energy credits are procured from
20 photovoltaic distributed renewable energy generation
21 devices and new photovoltaic community renewable energy
22 generation projects in diverse locations and are not
23 concentrated in a few geographic areas.

24 (L) The procurement of photovoltaic renewable energy
25 credits under items (i) through (iv) of subparagraph (K)
26 of this paragraph (1) shall be subject to the following

1 contract and payment terms:

2 (i) The Agency shall procure contracts of at least
3 15 years in length.

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

15 (iii) For those renewable energy credits that
16 qualify and are procured under item (ii) and (iii) of
17 subparagraph (K) of this paragraph (1) and any
18 additional categories of distributed generation
19 included in the long-term renewable resources
20 procurement plan and approved by the Commission, 20
21 percent of the renewable energy credit purchase price
22 shall be paid by the contracting utilities at the time
23 that the facility producing the renewable energy
24 credits is interconnected at the distribution system
25 level of the utility and energized. The remaining
26 portion shall be paid ratably over the subsequent

1 4-year period. The electric utility shall receive and
2 retire all renewable energy credits generated by the
3 project for the first 15 years of operation.

4 (iv) Each contract shall include provisions to
5 ensure the delivery of the renewable energy credits
6 for the full term of the contract.

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

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

24 (vii) Nothing in this Section shall require the
25 utility to advance any payment or pay any amounts that
26 exceed the actual amount of revenues collected by the

1 utility under paragraph (6) of this subsection (c) and
2 subsection (k) of Section 16-108 of the Public
3 Utilities Act, and contracts executed under this
4 Section shall expressly incorporate this limitation.

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

20 The Agency and its consultant or consultants shall
21 monitor block activity, share program activity with
22 stakeholders and conduct regularly scheduled meetings to
23 discuss program activity and market conditions. If
24 necessary, the Agency may make prospective administrative
25 adjustments to the Adjustable Block program design, such
26 as redistributing available funds or making adjustments to

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

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

1 transferable. For purposes of this subparagraph (N),
2 "portable" means that subscriptions may be retained by the
3 subscriber even if the subscriber relocates or changes its
4 address within the same utility service territory; and
5 "transferable" means that a subscriber may assign or sell
6 subscriptions to another person within the same utility
7 service territory.

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

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

24 The owners of and any subscribers to a community
25 renewable generation project shall not be considered
26 public utilities or alternative retail electricity

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

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

1 electric utility that serves more than 3,000,000 retail
2 customers in the State to implement a Commission-approved
3 plan under Section 16-108.12 of the Public Utilities Act.
4 In making the determinations required under this
5 subparagraph (O), the Commission shall consider the
6 experience and performance under the programs and any
7 evaluation reports. The Commission shall also provide for
8 an independent evaluation of those programs on a periodic
9 basis that are funded under this subparagraph (O).

10 (P) The Agency shall adopt rules to procure sourcing
11 agreements with electric utilities and alternative retail
12 electric suppliers required to comply with subsection (c)
13 of this Section and paragraph (5) of subsection (d) of
14 Section 16-115 of the Public Utilities Act to procure
15 electricity from an offshore wind energy generation
16 facility that has been certified by the Department of
17 Commerce and Economic Opportunity pursuant to Section 20
18 of the Rust Belt to Green Belt Pilot Program Act.

19 To provide for the expeditious and timely
20 implementation of this subparagraph (P), emergency rules
21 to implement this subparagraph (P) may be adopted by the
22 Agency subject to the provisions of Section 5-45 of the
23 Illinois Administrative Procedure Act.

24 (2) (Blank).

25 (3) (Blank).

26 (4) The electric utility shall retire all renewable

1 energy credits used to comply with the standard.

2 (5) Beginning with the 2010 delivery year and ending
3 June 1, 2017, an electric utility subject to this
4 subsection (c) shall apply the lesser of the maximum
5 alternative compliance payment rate or the most recent
6 estimated alternative compliance payment rate for its
7 service territory for the corresponding compliance period,
8 established pursuant to subsection (d) of Section 16-115D
9 of the Public Utilities Act to its retail customers that
10 take service pursuant to the electric utility's hourly
11 pricing tariff or tariffs. The electric utility shall
12 retain all amounts collected as a result of the
13 application of the alternative compliance payment rate or
14 rates to such customers, and, beginning in 2011, the
15 utility shall include in the information provided under
16 item (1) of subsection (d) of Section 16-111.5 of the
17 Public Utilities Act the amounts collected under the
18 alternative compliance payment rate or rates for the prior
19 year ending May 31. Notwithstanding any limitation on the
20 procurement of renewable energy resources imposed by item
21 (2) of this subsection (c), the Agency shall increase its
22 spending on the purchase of renewable energy resources to
23 be procured by the electric utility for the next plan year
24 by an amount equal to the amounts collected by the utility
25 under the alternative compliance payment rate or rates in
26 the prior year ending May 31.

1 (6) The electric utility shall be entitled to recover
2 all of its costs associated with the procurement of
3 renewable energy credits under plans approved under this
4 Section and Section 16-111.5 of the Public Utilities Act.
5 These costs shall include associated reasonable expenses
6 for implementing the procurement programs, including, but
7 not limited to, the costs of administering and evaluating
8 the Adjustable Block program, through an automatic
9 adjustment clause tariff in accordance with subsection (k)
10 of Section 16-108 of the Public Utilities Act.

11 (7) Renewable energy credits procured from new
12 photovoltaic projects or new distributed renewable energy
13 generation devices under this Section after June 1, 2017
14 (the effective date of Public Act 99-906) must be procured
15 from devices installed by a qualified person in compliance
16 with the requirements of Section 16-128A of the Public
17 Utilities Act and any rules or regulations adopted
18 thereunder.

19 In meeting the renewable energy requirements of this
20 subsection (c), to the extent feasible and consistent with
21 State and federal law, the renewable energy credit
22 procurements, Adjustable Block solar program, and
23 community renewable generation program shall provide
24 employment opportunities for all segments of the
25 population and workforce, including minority-owned and
26 female-owned business enterprises, and shall not,

1 consistent with State and federal law, discriminate based
2 on race or socioeconomic status.

3 (d) Clean coal portfolio standard.

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

1 subject to Commission review and approval.

2 A utility party to a sourcing agreement shall
3 immediately retire any emission credits that it receives
4 in connection with the electricity covered by such
5 agreement.

6 Utilities shall maintain adequate records documenting
7 the purchases under the sourcing agreement to comply with
8 this subsection (d) and shall file an accounting with the
9 load forecast that must be filed with the Agency by July 15
10 of each year, in accordance with subsection (d) of Section
11 16-111.5 of the Public Utilities Act.

12 A utility shall be deemed to have complied with the
13 clean coal portfolio standard specified in this subsection
14 (d) if the utility enters into a sourcing agreement as
15 required by this subsection (d).

16 (2) For purposes of this subsection (d), the required
17 execution of sourcing agreements with the initial clean
18 coal facility for a particular year shall be measured as a
19 percentage of the actual amount of electricity
20 (megawatt-hours) supplied by the electric utility to
21 eligible retail customers in the planning year ending
22 immediately prior to the agreement's execution. For
23 purposes of this subsection (d), the amount paid per
24 kilowatthour means the total amount paid for electric
25 service expressed on a per kilowatthour basis. For
26 purposes of this subsection (d), the total amount paid for

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

4 Notwithstanding the requirements of this subsection
5 (d), the total amount paid under sourcing agreements with
6 clean coal facilities pursuant to the procurement plan for
7 any given year shall be reduced by an amount necessary to
8 limit the annual estimated average net increase due to the
9 costs of these resources included in the amounts paid by
10 eligible retail customers in connection with electric
11 service to:

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

15 (B) in 2011, the greater of an additional 0.5% of
16 the amount paid per kilowatthour by those customers
17 during the year ending May 31, 2010 or 1% of the amount
18 paid per kilowatthour by those customers during the
19 year ending May 31, 2009;

20 (C) in 2012, the greater of an additional 0.5% of
21 the amount paid per kilowatthour by those customers
22 during the year ending May 31, 2011 or 1.5% of the
23 amount paid per kilowatthour by those customers during
24 the year ending May 31, 2009;

25 (D) in 2013, the greater of an additional 0.5% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2012 or 2% of the amount
2 paid per kilowatthour by those customers during the
3 year ending May 31, 2009; and

4 (E) thereafter, the total amount paid under
5 sourcing agreements with clean coal facilities
6 pursuant to the procurement plan for any single year
7 shall be reduced by an amount necessary to limit the
8 estimated average net increase due to the cost of
9 these resources included in the amounts paid by
10 eligible retail customers in connection with electric
11 service to no more than the greater of (i) 2.015% of
12 the amount paid per kilowatthour by those customers
13 during the year ending May 31, 2009 or (ii) the
14 incremental amount per kilowatthour paid for these
15 resources in 2013. These requirements may be altered
16 only as provided by statute.

17 No later than June 30, 2015, the Commission shall
18 review the limitation on the total amount paid under
19 sourcing agreements, if any, with clean coal facilities
20 pursuant to this subsection (d) and report to the General
21 Assembly its findings as to whether that limitation unduly
22 constrains the amount of electricity generated by
23 cost-effective clean coal facilities that is covered by
24 sourcing agreements.

25 (3) Initial clean coal facility. In order to promote
26 development of clean coal facilities in Illinois, each

1 electric utility subject to this Section shall execute a
2 sourcing agreement to source electricity from a proposed
3 clean coal facility in Illinois (the "initial clean coal
4 facility") that will have a nameplate capacity of at least
5 500 MW when commercial operation commences, that has a
6 final Clean Air Act permit on June 1, 2009 (the effective
7 date of Public Act 95-1027), and that will meet the
8 definition of clean coal facility in Section 1-10 of this
9 Act when commercial operation commences. The sourcing
10 agreements with this initial clean coal facility shall be
11 subject to both approval of the initial clean coal
12 facility by the General Assembly and satisfaction of the
13 requirements of paragraph (4) of this subsection (d) and
14 shall be executed within 90 days after any such approval
15 by the General Assembly. The Agency and the Commission
16 shall have authority to inspect all books and records
17 associated with the initial clean coal facility during the
18 term of such a sourcing agreement. A utility's sourcing
19 agreement for electricity produced by the initial clean
20 coal facility shall include:

21 (A) a formula contractual price (the "contract
22 price") approved pursuant to paragraph (4) of this
23 subsection (d), which shall:

24 (i) be determined using a cost of service
25 methodology employing either a level or deferred
26 capital recovery component, based on a capital

1 structure consisting of 45% equity and 55% debt,
2 and a return on equity as may be approved by the
3 Federal Energy Regulatory Commission, which in any
4 case may not exceed the lower of 11.5% or the rate
5 of return approved by the General Assembly
6 pursuant to paragraph (4) of this subsection (d);
7 and

8 (ii) provide that all miscellaneous net
9 revenue, including but not limited to net revenue
10 from the sale of emission allowances, if any,
11 substitute natural gas, if any, grants or other
12 support provided by the State of Illinois or the
13 United States Government, firm transmission
14 rights, if any, by-products produced by the
15 facility, energy or capacity derived from the
16 facility and not covered by a sourcing agreement
17 pursuant to paragraph (3) of this subsection (d)
18 or item (5) of subsection (d) of Section 16-115 of
19 the Public Utilities Act, whether generated from
20 the synthesis gas derived from coal, from SNG, or
21 from natural gas, shall be credited against the
22 revenue requirement for this initial clean coal
23 facility;

24 (B) power purchase provisions, which shall:

25 (i) provide that the utility party to such
26 sourcing agreement shall pay the contract price

1 for electricity delivered under such sourcing
2 agreement;

3 (ii) require delivery of electricity to the
4 regional transmission organization market of the
5 utility that is party to such sourcing agreement;

6 (iii) require the utility party to such
7 sourcing agreement to buy from the initial clean
8 coal facility in each hour an amount of energy
9 equal to all clean coal energy made available from
10 the initial clean coal facility during such hour
11 times a fraction, the numerator of which is such
12 utility's retail market sales of electricity
13 (expressed in kilowatthours sold) in the State
14 during the prior calendar month and the
15 denominator of which is the total retail market
16 sales of electricity (expressed in kilowatthours
17 sold) in the State by utilities during such prior
18 month and the sales of electricity (expressed in
19 kilowatthours sold) in the State by alternative
20 retail electric suppliers during such prior month
21 that are subject to the requirements of this
22 subsection (d) and paragraph (5) of subsection (d)
23 of Section 16-115 of the Public Utilities Act,
24 provided that the amount purchased by the utility
25 in any year will be limited by paragraph (2) of
26 this subsection (d); and

1 (iv) be considered pre-existing contracts in
2 such utility's procurement plans for eligible
3 retail customers;

4 (C) contract for differences provisions, which
5 shall:

6 (i) require the utility party to such sourcing
7 agreement to contract with the initial clean coal
8 facility in each hour with respect to an amount of
9 energy equal to all clean coal energy made
10 available from the initial clean coal facility
11 during such hour times a fraction, the numerator
12 of which is such utility's retail market sales of
13 electricity (expressed in kilowatthours sold) in
14 the utility's service territory in the State
15 during the prior calendar month and the
16 denominator of which is the total retail market
17 sales of electricity (expressed in kilowatthours
18 sold) in the State by utilities during such prior
19 month and the sales of electricity (expressed in
20 kilowatthours sold) in the State by alternative
21 retail electric suppliers during such prior month
22 that are subject to the requirements of this
23 subsection (d) and paragraph (5) of subsection (d)
24 of Section 16-115 of the Public Utilities Act,
25 provided that the amount paid by the utility in
26 any year will be limited by paragraph (2) of this

1 subsection (d);

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

20 (iii) not require the utility to take physical
21 delivery of the electricity produced by the
22 facility;

23 (D) general provisions, which shall:

24 (i) specify a term of no more than 30 years,
25 commencing on the commercial operation date of the
26 facility;

1 (ii) provide that utilities shall maintain
2 adequate records documenting purchases under the
3 sourcing agreements entered into to comply with
4 this subsection (d) and shall file an accounting
5 with the load forecast that must be filed with the
6 Agency by July 15 of each year, in accordance with
7 subsection (d) of Section 16-111.5 of the Public
8 Utilities Act;

9 (iii) provide that all costs associated with
10 the initial clean coal facility will be
11 periodically reported to the Federal Energy
12 Regulatory Commission and to purchasers in
13 accordance with applicable laws governing
14 cost-based wholesale power contracts;

15 (iv) permit the Illinois Power Agency to
16 assume ownership of the initial clean coal
17 facility, without monetary consideration and
18 otherwise on reasonable terms acceptable to the
19 Agency, if the Agency so requests no less than 3
20 years prior to the end of the stated contract
21 term;

22 (v) require the owner of the initial clean
23 coal facility to provide documentation to the
24 Commission each year, starting in the facility's
25 first year of commercial operation, accurately
26 reporting the quantity of carbon emissions from

1 the facility that have been captured and
2 sequestered and report any quantities of carbon
3 released from the site or sites at which carbon
4 emissions were sequestered in prior years, based
5 on continuous monitoring of such sites. If, in any
6 year after the first year of commercial operation,
7 the owner of the facility fails to demonstrate
8 that the initial clean coal facility captured and
9 sequestered at least 50% of the total carbon
10 emissions that the facility would otherwise emit
11 or that sequestration of emissions from prior
12 years has failed, resulting in the release of
13 carbon dioxide into the atmosphere, the owner of
14 the facility must offset excess emissions. Any
15 such carbon offsets must be permanent, additional,
16 verifiable, real, located within the State of
17 Illinois, and legally and practicably enforceable.
18 The cost of such offsets for the facility that are
19 not recoverable shall not exceed \$15 million in
20 any given year. No costs of any such purchases of
21 carbon offsets may be recovered from a utility or
22 its customers. All carbon offsets purchased for
23 this purpose and any carbon emission credits
24 associated with sequestration of carbon from the
25 facility must be permanently retired. The initial
26 clean coal facility shall not forfeit its

1 designation as a clean coal facility if the
2 facility fails to fully comply with the applicable
3 carbon sequestration requirements in any given
4 year, provided the requisite offsets are
5 purchased. However, the Attorney General, on
6 behalf of the People of the State of Illinois, may
7 specifically enforce the facility's sequestration
8 requirement and the other terms of this contract
9 provision. Compliance with the sequestration
10 requirements and offset purchase requirements
11 specified in paragraph (3) of this subsection (d)
12 shall be reviewed annually by an independent
13 expert retained by the owner of the initial clean
14 coal facility, with the advance written approval
15 of the Attorney General. The Commission may, in
16 the course of the review specified in item (vii),
17 reduce the allowable return on equity for the
18 facility if the facility willfully fails to comply
19 with the carbon capture and sequestration
20 requirements set forth in this item (v);

21 (vi) include limits on, and accordingly
22 provide for modification of, the amount the
23 utility is required to source under the sourcing
24 agreement consistent with paragraph (2) of this
25 subsection (d);

26 (vii) require Commission review: (1) to

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

15 (viii) limit the utility's obligation to such
16 amount as the utility is allowed to recover
17 through tariffs filed with the Commission,
18 provided that neither the clean coal facility nor
19 the utility waives any right to assert federal
20 pre-emption or any other argument in response to a
21 purported disallowance of recovery costs;

22 (ix) limit the utility's or alternative retail
23 electric supplier's obligation to incur any
24 liability until such time as the facility is in
25 commercial operation and generating power and
26 energy and such power and energy is being

1 delivered to the facility busbar;

2 (x) provide that the owner or owners of the
3 initial clean coal facility, which is the
4 counterparty to such sourcing agreement, shall
5 have the right from time to time to elect whether
6 the obligations of the utility party thereto shall
7 be governed by the power purchase provisions or
8 the contract for differences provisions;

9 (xi) append documentation showing that the
10 formula rate and contract, insofar as they relate
11 to the power purchase provisions, have been
12 approved by the Federal Energy Regulatory
13 Commission pursuant to Section 205 of the Federal
14 Power Act;

15 (xii) provide that any changes to the terms of
16 the contract, insofar as such changes relate to
17 the power purchase provisions, are subject to
18 review under the public interest standard applied
19 by the Federal Energy Regulatory Commission
20 pursuant to Sections 205 and 206 of the Federal
21 Power Act; and

22 (xiii) conform with customary lender
23 requirements in power purchase agreements used as
24 the basis for financing non-utility generators.

25 (4) Effective date of sourcing agreements with the
26 initial clean coal facility. Any proposed sourcing

1 agreement with the initial clean coal facility shall not
2 become effective unless the following reports are prepared
3 and submitted and authorizations and approvals obtained:

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

17 (ii) Commission report. Within 6 months following
18 receipt of the facility cost report, the Commission,
19 in consultation with the Agency, shall submit a report
20 to the General Assembly setting forth its analysis of
21 the facility cost report. Such report shall include,
22 but not be limited to, a comparison of the costs
23 associated with electricity generated by the initial
24 clean coal facility to the costs associated with
25 electricity generated by other types of generation
26 facilities, an analysis of the rate impacts on

1 residential and small business customers over the life
2 of the sourcing agreements, and an analysis of the
3 likelihood that the initial clean coal facility will
4 commence commercial operation by and be delivering
5 power to the facility's busbar by 2016. To assist in
6 the preparation of its report, the Commission, in
7 consultation with the Agency, may hire one or more
8 experts or consultants, the costs of which shall be
9 paid for by the owner of the initial clean coal
10 facility. The Commission and Agency may begin the
11 process of selecting such experts or consultants prior
12 to receipt of the facility cost report.

13 (iii) General Assembly approval. The proposed
14 sourcing agreements shall not take effect unless,
15 based on the facility cost report and the Commission's
16 report, the General Assembly enacts authorizing
17 legislation approving (A) the projected price, stated
18 in cents per kilowatthour, to be charged for
19 electricity generated by the initial clean coal
20 facility, (B) the projected impact on residential and
21 small business customers' bills over the life of the
22 sourcing agreements, and (C) the maximum allowable
23 return on equity for the project; and

24 (iv) Commission review. If the General Assembly
25 enacts authorizing legislation pursuant to
26 subparagraph (iii) approving a sourcing agreement, the

1 Commission shall, within 90 days of such enactment,
2 complete a review of such sourcing agreement. During
3 such time period, the Commission shall implement any
4 directive of the General Assembly, resolve any
5 disputes between the parties to the sourcing agreement
6 concerning the terms of such agreement, approve the
7 form of such agreement, and issue an order finding
8 that the sourcing agreement is prudent and reasonable.
9 The facility cost report shall be prepared as follows:

10 (A) The facility cost report shall be prepared by
11 duly licensed engineering and construction firms
12 detailing the estimated capital costs payable to one
13 or more contractors or suppliers for the engineering,
14 procurement and construction of the components
15 comprising the initial clean coal facility and the
16 estimated costs of operation and maintenance of the
17 facility. The facility cost report shall include:

18 (i) an estimate of the capital cost of the
19 core plant based on one or more front end
20 engineering and design studies for the
21 gasification island and related facilities. The
22 core plant shall include all civil, structural,
23 mechanical, electrical, control, and safety
24 systems.

25 (ii) an estimate of the capital cost of the
26 balance of the plant, including any capital costs

1 associated with sequestration of carbon dioxide
2 emissions and all interconnects and interfaces
3 required to operate the facility, such as
4 transmission of electricity, construction or
5 backfeed power supply, pipelines to transport
6 substitute natural gas or carbon dioxide, potable
7 water supply, natural gas supply, water supply,
8 water discharge, landfill, access roads, and coal
9 delivery.

10 The quoted construction costs shall be expressed
11 in nominal dollars as of the date that the quote is
12 prepared and shall include capitalized financing costs
13 during construction, taxes, insurance, and other
14 owner's costs, and an assumed escalation in materials
15 and labor beyond the date as of which the construction
16 cost quote is expressed.

17 (B) The front end engineering and design study for
18 the gasification island and the cost study for the
19 balance of plant shall include sufficient design work
20 to permit quantification of major categories of
21 materials, commodities and labor hours, and receipt of
22 quotes from vendors of major equipment required to
23 construct and operate the clean coal facility.

24 (C) The facility cost report shall also include an
25 operating and maintenance cost quote that will provide
26 the estimated cost of delivered fuel, personnel,

1 maintenance contracts, chemicals, catalysts,
2 consumables, spares, and other fixed and variable
3 operations and maintenance costs. The delivered fuel
4 cost estimate will be provided by a recognized third
5 party expert or experts in the fuel and transportation
6 industries. The balance of the operating and
7 maintenance cost quote, excluding delivered fuel
8 costs, will be developed based on the inputs provided
9 by duly licensed engineering and construction firms
10 performing the construction cost quote, potential
11 vendors under long-term service agreements and plant
12 operating agreements, or recognized third party plant
13 operator or operators.

14 The operating and maintenance cost quote
15 (including the cost of the front end engineering and
16 design study) shall be expressed in nominal dollars as
17 of the date that the quote is prepared and shall
18 include taxes, insurance, and other owner's costs, and
19 an assumed escalation in materials and labor beyond
20 the date as of which the operating and maintenance
21 cost quote is expressed.

22 (D) The facility cost report shall also include an
23 analysis of the initial clean coal facility's ability
24 to deliver power and energy into the applicable
25 regional transmission organization markets and an
26 analysis of the expected capacity factor for the

1 initial clean coal facility.

2 (E) Amounts paid to third parties unrelated to the
3 owner or owners of the initial clean coal facility to
4 prepare the core plant construction cost quote,
5 including the front end engineering and design study,
6 and the operating and maintenance cost quote will be
7 reimbursed through Coal Development Bonds.

8 (5) Re-powering and retrofitting coal-fired power
9 plants previously owned by Illinois utilities to qualify
10 as clean coal facilities. During the 2009 procurement
11 planning process and thereafter, the Agency and the
12 Commission shall consider sourcing agreements covering
13 electricity generated by power plants that were previously
14 owned by Illinois utilities and that have been or will be
15 converted into clean coal facilities, as defined by
16 Section 1-10 of this Act. Pursuant to such procurement
17 planning process, the owners of such facilities may
18 propose to the Agency sourcing agreements with utilities
19 and alternative retail electric suppliers required to
20 comply with subsection (d) of this Section and item (5) of
21 subsection (d) of Section 16-115 of the Public Utilities
22 Act, covering electricity generated by such facilities. In
23 the case of sourcing agreements that are power purchase
24 agreements, the contract price for electricity sales shall
25 be established on a cost of service basis. In the case of
26 sourcing agreements that are contracts for differences,

1 the contract price from which the reference price is
2 subtracted shall be established on a cost of service
3 basis. The Agency and the Commission may approve any such
4 utility sourcing agreements that do not exceed cost-based
5 benchmarks developed by the procurement administrator, in
6 consultation with the Commission staff, Agency staff and
7 the procurement monitor, subject to Commission review and
8 approval. The Commission shall have authority to inspect
9 all books and records associated with these clean coal
10 facilities during the term of any such contract.

11 (6) Costs incurred under this subsection (d) or
12 pursuant to a contract entered into under this subsection
13 (d) shall be deemed prudently incurred and reasonable in
14 amount and the electric utility shall be entitled to full
15 cost recovery pursuant to the tariffs filed with the
16 Commission.

17 (d-5) Zero emission standard.

18 (1) Beginning with the delivery year commencing on
19 June 1, 2017, the Agency shall, for electric utilities
20 that serve at least 100,000 retail customers in this
21 State, procure contracts with zero emission facilities
22 that are reasonably capable of generating cost-effective
23 zero emission credits in an amount approximately equal to
24 16% of the actual amount of electricity delivered by each
25 electric utility to retail customers in the State during
26 calendar year 2014. For an electric utility serving fewer

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

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

25 The procurement process shall be subject to the
26 following provisions:

1 (A) Those zero emission facilities that intend to
2 participate in the procurement shall submit to the
3 Agency the following eligibility information for each
4 zero emission facility on or before the date
5 established by the Agency:

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

8 (ii) the amount of power generated annually
9 for each of the years 2005 through 2015, and the
10 projected zero emission credits to be generated
11 over the remaining useful life of the zero
12 emission facility, which shall be used to
13 determine the capability of each facility;

14 (iii) the annual zero emission facility cost
15 projections, expressed on a per megawatthour
16 basis, over the next 6 delivery years, which shall
17 include the following: operation and maintenance
18 expenses; fully allocated overhead costs, which
19 shall be allocated using the methodology developed
20 by the Institute for Nuclear Power Operations;
21 fuel expenditures; non-fuel capital expenditures;
22 spent fuel expenditures; a return on working
23 capital; the cost of operational and market risks
24 that could be avoided by ceasing operation; and
25 any other costs necessary for continued
26 operations, provided that "necessary" means, for

1 purposes of this item (iii), that the costs could
2 reasonably be avoided only by ceasing operations
3 of the zero emission facility; and

4 (iv) a commitment to continue operating, for
5 the duration of the contract or contracts executed
6 under the procurement held under this subsection
7 (d-5), the zero emission facility that produces
8 the zero emission credits to be procured in the
9 procurement.

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

21 (B) The price for each zero emission credit
22 procured under this subsection (d-5) for each delivery
23 year shall be in an amount that equals the Social Cost
24 of Carbon, expressed on a price per megawatthour
25 basis. However, to ensure that the procurement remains
26 affordable to retail customers in this State if

1 electricity prices increase, the price in an
2 applicable delivery year shall be reduced below the
3 Social Cost of Carbon by the amount ("Price
4 Adjustment") by which the market price index for the
5 applicable delivery year exceeds the baseline market
6 price index for the consecutive 12-month period ending
7 May 31, 2016. If the Price Adjustment is greater than
8 or equal to the Social Cost of Carbon in an applicable
9 delivery year, then no payments shall be due in that
10 delivery year. The components of this calculation are
11 defined as follows:

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

24 (ii) Baseline market price index: The baseline
25 market price index for the consecutive 12-month
26 period ending May 31, 2016 is \$31.40 per

1 megawatthour, which is based on the sum of (aa)
2 the average day-ahead energy price across all
3 hours of such 12-month period at the PJM
4 Interconnection LLC Northern Illinois Hub, (bb)
5 50% multiplied by the Base Residual Auction, or
6 its successor, capacity price for the rest of the
7 RTO zone group determined by PJM Interconnection
8 LLC, divided by 24 hours per day, and (cc) 50%
9 multiplied by the Planning Resource Auction, or
10 its successor, capacity price for Zone 4
11 determined by the Midcontinent Independent System
12 Operator, Inc., divided by 24 hours per day.

13 (iii) Market price index: The market price
14 index for a delivery year shall be the sum of
15 projected energy prices and projected capacity
16 prices determined as follows:

17 (aa) Projected energy prices: the
18 projected energy prices for the applicable
19 delivery year shall be calculated once for the
20 year using the forward market price for the
21 PJM Interconnection, LLC Northern Illinois
22 Hub. The forward market price shall be
23 calculated as follows: the energy forward
24 prices for each month of the applicable
25 delivery year averaged for each trade date
26 during the calendar year immediately preceding

1 that delivery year to produce a single energy
2 forward price for the delivery year. The
3 forward market price calculation shall use
4 data published by the Intercontinental
5 Exchange, or its successor.

6 (bb) Projected capacity prices:

7 (I) For the delivery years commencing
8 June 1, 2017, June 1, 2018, and June 1,
9 2019, the projected capacity price shall
10 be equal to the sum of (1) 50% multiplied
11 by the Base Residual Auction, or its
12 successor, price for the rest of the RTO
13 zone group as determined by PJM
14 Interconnection LLC, divided by 24 hours
15 per day and, (2) 50% multiplied by the
16 resource auction price determined in the
17 resource auction administered by the
18 Midcontinent Independent System Operator,
19 Inc., in which the largest percentage of
20 load cleared for Local Resource Zone 4,
21 divided by 24 hours per day, and where
22 such price is determined by the
23 Midcontinent Independent System Operator,
24 Inc.

25 (II) For the delivery year commencing
26 June 1, 2020, and each year thereafter,

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

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

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

20 "RTO" means regional transmission
21 organization.

22 (C) No later than 45 days after June 1, 2017 (the
23 effective date of Public Act 99-906), the Agency shall
24 publish its proposed zero emission standard
25 procurement plan. The plan shall be consistent with
26 the provisions of this paragraph (1) and shall provide

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

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

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

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

23 (C-5) As part of the Commission's review and
24 acceptance or rejection of the procurement results,
25 the Commission shall, in its public notice of
26 successful bidders:

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

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

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

22 (aa) the value of avoided greenhouse gas
23 emissions measured as the product of the zero
24 emission facilities' output over the contract
25 term multiplied by the U.S. Environmental
26 Protection Agency eGrid subregion carbon

1 dioxide emission rate and the U.S. Interagency
2 Working Group on Social Cost of Carbon's price
3 in the August 2016 Technical Update using a 3%
4 discount rate, adjusted for inflation for each
5 delivery year; and

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

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

17 (II) the price, or if there is more
18 than one price, the average of the prices,
19 paid for renewable energy credits from new
20 utility-scale solar projects and
21 brownfield site photovoltaic projects in
22 the procurement events specified in item
23 (ii) of subparagraph (G) of paragraph (1)
24 of subsection (c) of this Section and,
25 after January 1, 2015, renewable energy
26 credits from photovoltaic distributed

1 generation projects in procurement events
2 held under subsection (c) of this Section.

3 Each utility shall enter into binding contractual
4 arrangements with the winning suppliers.

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

23 (D) Following the procurement event described in
24 this paragraph (1) and consistent with subparagraph
25 (B) of this paragraph (1), the Agency shall calculate
26 the payments to be made under each contract for the

1 next delivery year based on the market price index for
2 that delivery year. The Agency shall publish the
3 payment calculations no later than May 25, 2017 and
4 every May 25 thereafter.

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

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

1 overcome. In such event, the zero emission
2 facility shall be excused from performance for the
3 duration of the event, including, but not limited
4 to, delivery of zero emission credits, and no
5 payment shall be due to the zero emission facility
6 during the duration of the event.

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

20 (iii) A zero emission facility shall be
21 permitted to terminate the contract in the event
22 that the resource requires capital expenditures in
23 excess of \$40,000,000 that were neither known nor
24 reasonably foreseeable at the time it executed the
25 contract and that a prudent owner or operator of
26 such resource would not undertake.

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

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

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

21 Notwithstanding the requirements of this subsection
22 (d-5), the contracts executed under this subsection (d-5)
23 shall provide that the total of zero emission credits
24 procured under a procurement plan shall be subject to the
25 limitations of this paragraph (2). For each delivery year,
26 the contractual volume receiving payments in such year

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

1 shall be made and no adjustments to those contract amounts
2 shall be allowed. All costs incurred under those contracts
3 and in implementing this subsection (d-5) shall be
4 recovered by the electric utility as provided in this
5 Section.

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

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

1 exceed the Average ZEC Payment, then the supplier shall
2 credit the difference back to the utility. The amount of
3 the credit shall be remitted to the applicable electric
4 utility no later than 120 days after the Agency's
5 determination, which the utility shall reflect as a credit
6 on its retail customer bills as soon as practicable;
7 however, the credit remitted to the utility shall not
8 exceed the total amount of payments received by the
9 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
14 be 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),
17 as 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
7 emission credits used to comply with the requirements of
8 this subsection (d-5).

9 (6) Electric utilities shall be entitled to recover
10 all 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
13 Section 16-108 of the Public Utilities Act, and the
14 contracts executed under this subsection (d-5) shall
15 provide that the utilities' payment obligations under such
16 contracts shall be reduced if an adjustment is required
17 under subsection (m) of Section 16-108 of the Public
18 Utilities Act.

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

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

24 (f) The Agency shall submit the final procurement plan to
25 the Commission. The Agency shall revise a procurement plan if
26 the Commission determines that it does not meet the standards

1 set forth in Section 16-111.5 of the Public Utilities Act.

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

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

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

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

22 Section 90. The State Finance Act is amended by adding
23 Section 5.935 as follows:

24 (30 ILCS 105/5.935 new)

1 Sec. 5.935. The Rust Belt to Green Belt Fund.

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