



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0804

Introduced 2/10/2021, by Rep. Ann M. Williams - Emanuel Chris Welch - Robyn Gabel - Kambium Buckner, Dagmara Avelar, et al.

SYNOPSIS AS INTRODUCED:

See Index

Creates the Clean Jobs, Workforce and Contractor Equity Act. Creates the Equity and Empowerment in Clean Energy Advisory Board to administer the Clean Jobs Workforce Hubs Program, the Expanding Clean Energy Entrepreneurship and Contractor Incubator Network Program, the Returning Residents Clean Jobs Training Program, and the Illinois Clean Energy Black, Indigenous, and People of Color Primes Contractor Accelerator. Creates the Illinois Clean Energy Jobs and Justice Fund Act, the Community Energy, Climate, and Jobs Planning Act, the Energy Community Reinvestment Act, the Clean Energy Empowerment Zone Tax Credit Act, the Coal Severance Fee Act, the Building Energy Performance Standard Act, and the Public Utilities Intervenor Compensation Act. Amends the Illinois Administrative Procedure Act to allow for emergency rulemaking. Amends the State Finance Act to create The Energy Community Reinvestment Fund, the Illinois Commerce Commission Intervenor Compensation Fund, and the Illinois Clean Energy Jobs and Justice Fund. Amends the Electric Vehicle Act, the Energy Efficient Building Act the Illinois Power Agency Act, the Illinois Income Tax Act, the Retailers' Occupation Tax Act, the School Code, the Public Utilities Act, the Environmental Protection Act, the Illinois Nuclear Facility Safety Act, and the Prevailing Wage Act by making changes to implement certain programs. Makes other changes. Effective immediately.

LRB102 10881 SPS 16211 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Article 1. Findings

5 Section 1-5. Findings. The General Assembly finds that:

6 (a) The growing clean energy economy in Illinois can be a
7 vehicle for expanding equitable access to public health,
8 safety, a cleaner environment, quality jobs, economic
9 opportunity, and wealth-building, particularly in economically
10 disadvantaged communities and communities of black,
11 indigenous, and people of color that have had to bear the
12 disproportionate burden of dirty fossil fuel pollution.

13 (b) Placing Illinois on a path to 100% renewable energy is
14 vital to a clean energy future. To bring this vision to
15 fruition, our energy policy must prioritize a just transition
16 that incentivizes renewable development and other
17 carbon-reducing policies, such as energy efficiency,
18 beneficial electrification, and peak demand reduction, while
19 ensuring that the benefits and opportunities of a carbon-free
20 future are accessible in economically disadvantaged
21 communities, environmental justice communities, and
22 communities of black, indigenous, and people of color.

23 (c) In the wake of federal reversals on climate action,

1 the State of Illinois should pursue immediate action on
2 policies that will ensure a just and responsible phase out of
3 fossil fuels from the power sector to reduce harmful emissions
4 from Illinois power plants, support power plant communities
5 and workers, and allow the clean energy economy to continue
6 growing in every corner of Illinois.

7 (d) Energy efficiency should form the basis of any robust
8 clean energy policy. It is the cheapest clean energy resource,
9 and efficiency upgrades help customers manage their energy
10 bills directly by reducing the energy they need, and
11 indirectly by holding demand and prices down statewide.

12 (e) The transportation sector is now the leading source of
13 carbon pollution in Illinois, responsible for roughly
14 one-third of all carbon emissions. The State of Illinois
15 should set forth an ambitious goal to remove the equivalent of
16 more than 1,000,000 gasoline and diesel-powered vehicles from
17 our roads by quickly implementing new policies that expand
18 access to transit, promote walking and biking mobility, and
19 increase electric vehicle adoption. If managed appropriately,
20 electric vehicle adoption will drastically reduce emissions
21 from transportation, and could save Illinois residents
22 billions of dollars.

23 (f) In addition to better air quality and a safer climate,
24 Illinois residents who do not use electric vehicles also
25 benefit from greater adoption through lower electric bills
26 resulting from the greater use of the electric grid during

1 off-peak hours.

2 (g) The State of Illinois should set forth an ambitious
3 goal to transition all vehicle fleets operated by or on behalf
4 of public agencies to full electric power. The transition to
5 zero-emission fleets should be leveraged to promote increased
6 investment in domestic manufacturing capacity within the
7 emerging electric vehicle industry. The resulting new,
8 high-skilled production jobs can also provide pathways into
9 the middle class for racially, economically, and
10 geographically marginalized communities. When procuring
11 electric vehicles, public agencies shall use high-road
12 economic development standards, like the U.S. Employment Plan.
13 By using the U.S. Employment Plan or a Local Employment Plan,
14 public agencies will incentivize electric vehicle companies to
15 create and retain high-skilled manufacturing jobs with living
16 wages and benefits; invest in domestic manufacturing
17 facilities; and propose plans to recruit, train, and hire
18 workers who face structural barriers to family-sustaining jobs
19 and career pathways.

20 (h) Energy storage, such as batteries, can provide many
21 services to the electricity grid that benefit the grid,
22 including managing (or shaving) peak load, frequency
23 regulation, voltage support, reserve capacity, and black-start
24 capability. If that storage facilitates greater use of
25 renewables, it can allow for more clean energy to be
26 accessible, reduce pollution, and provide multiple benefits.

1 (i) Illinois needs to adopt a broad-based policy approach
2 to decarbonize Illinois' electric sector (including
3 electricity production and consumption) in a just and
4 equitable manner that puts our State on track to phase out
5 carbon dioxide emitting power plants by 2030.

6 (j) Illinois' policy approach must ensure the reduction of
7 co-pollutant emissions that cause serious local health
8 impacts, prioritizing environmental justice communities near
9 power plants.

10 (k) As we decarbonize Illinois' electric sector, Illinois
11 must create new investment to stimulate the economic and
12 environmental well-being of communities disproportionately
13 impacted by the historical operation of, and recent or
14 expected closures of, fossil fuel power plants and coal mining
15 operations.

16 (l) On January 23, 2019, Governor Pritzker signed an
17 executive order committing Illinois as a signatory to the U.S.
18 Climate Alliance to reduce state-based greenhouse gas
19 emissions consistent with the 2015 Paris Agreement. This
20 commitment identifies natural and working lands as a principal
21 initiative to meet the associated carbon emissions reduction
22 targets for Illinois. As Illinois works to reduce carbon
23 emissions from the power generation and transportation
24 sectors, Illinois can also lead the nation in recognizing the
25 benefits of nature as a tool to both mitigate and adapt to
26 climate change.

1 Article 5. Clean Jobs, Workforce and Contractor Equity Act

2 Part 1. Governance

3 Section 5-101. Short title. This Article may be cited as
4 the Clean Jobs, Workforce and Contractor Equity Act.

5 Section 5-105. Findings.

6 (a) The General Assembly finds that the clean energy jobs
7 sector, including renewables, energy efficiency, energy
8 storage, and other related fields, is a growing sector in the
9 State of Illinois and that programs to support a growing
10 workforce and robust businesses in this sector would benefit
11 from a centralized structure for community input and oversight
12 and regional program administration to reduce costs, support
13 knowledge sharing, and facilitate access to the programs.

14 (b) The General Assembly finds that the State of Illinois
15 should build upon the success of the Future Energy Jobs Act and
16 the Illinois Solar for All program by further expanding
17 statewide equitable access to quality training, jobs, and
18 economic opportunities across the entire clean energy sector
19 in and throughout Illinois, including solar, wind, energy
20 efficiency, transportation electrification, and other related
21 clean energy industries, especially for members of the
22 following communities across the State to enter and complete

1 the career pipeline for clean energy jobs, with the goal of
2 serving all of the following groups distributed across the
3 network: (i) low-income persons and families; (ii) persons
4 residing in environmental justice communities; (iii) BIPOC
5 persons; (iv) justice-involved persons; (v) persons who are or
6 were in the child welfare system; (vi) energy workers; (vii)
7 members of any of these groups who are also women,
8 transgender, or gender nonconforming persons; and (viii)
9 members of any of these groups who are also youth, especially
10 those who have had to bear the disproportionate burden of
11 dirty fossil fuel pollution. The General Assembly further
12 finds that the programs included in the Clean Jobs, Workforce
13 and Contractor Equity Act are essential to equitable,
14 statewide access to quality training, jobs, and economic
15 opportunities across the clean energy sector.

16 (c) The General Assembly finds that the State of Illinois
17 should build upon the success of the Future Energy Jobs Act and
18 the Illinois Solar for All program by ensuring small, BIPOC
19 clean energy businesses and contractors have equitable access
20 to economic opportunities, including new clean energy jobs and
21 investment created by the growing clean energy sector in
22 Illinois.

23 (d) The General Assembly finds that serious challenges are
24 posed for Illinois small business owners due to income and
25 wealth disparities, that market barriers disproportionately
26 impact BIPOC contractors and small business owners, obtaining

1 certifications and program qualifications are an essential
2 part of doing business in the clean energy economy and that
3 discriminatory lending policies limit these businesses' access
4 to capital.

5 (1) This finding is informed by a July 2020 analysis
6 of 2018 U.S. Census American Community Survey data by the
7 Center for American Progress which found that "while Black
8 Americans make up 13 percent of the U.S. population, they
9 own less than 2 percent of small businesses with
10 employees. By contrast, white Americans make up 60 percent
11 of the U.S. population but own 82 percent of small
12 employer firms. If Black Americans enjoyed the same
13 business ownership and success rates as their white
14 counterparts, there would be approximately 860,000
15 additional Black-owned firms employing more than 10
16 million people." (A Blueprint for Revamping the Minority
17 Business Development Agency, Center for American Progress
18 July 31, 2020).

19 (2) This finding is also informed by the Federal
20 Reserve Bank of Atlanta's December 2019 Small Business
21 Credit Survey which examined and found disparities in
22 reliance on personal funds/credit scores, loan application
23 outcomes, reliance on higher cost and lower transparency
24 credit products, loan approval rates and lender
25 satisfaction. The survey concluded "Minority-owned firms
26 more frequently reported financial challenges.

1 Seventy-eight percent of Black-owned firms, and 69% of
2 Asian- and Hispanic-owned firms did so, compared to 62% of
3 White-owned businesses." (Small Business Credit Survey
4 2019 Report on Minority-Owned Firms, Federal Reserve Bank
5 of Atlanta, December 2019).

6 (3) The General Assembly further finds that these
7 disparities continue as businesses develop. This finding
8 is informed by a December 2016 Stanford Institute for
9 Economic Policy Research study that concluded "We find
10 that African-American business ventures start smaller in
11 terms of overall financial capital and invest capital at a
12 slower rate in the years following startup. This means
13 that funding differences present at the firm's founding
14 persist and even worsen over time."

15 (4) For these reasons, the Illinois Clean Energy
16 Black, Indigenous, and People of Color Primes Contractor
17 Accelerator Program is narrowly tailored to encourage and
18 sustain the growth of BIPOC contractors in the Illinois
19 clean energy economy through individualized coaching,
20 specialized training, mentorships with established clean
21 energy firms, operational support, appropriate business
22 certifications and program enrollments and access to
23 capital.

24 (e) The General Assembly finds that the clean energy jobs
25 sector, including renewables, energy efficiency, energy
26 storage, and other related fields, is a growing sector in the

1 State of Illinois, that returning residents will be well
2 served by considering employment in this field, and that the
3 residents of the State of Illinois will benefit from the
4 continued growth of jobs in this sector.

5 Section 5-110. Power of the Department. The Department may
6 adopt such rules as the Director deems necessary to carry out
7 the purposes of this Act.

8 Section 5-115. Definitions. As used in this Act:

9 "Advisory Board" means the Equity and Empowerment in Clean
10 Energy Advisory Board as established in this Act.

11 "Black, indigenous, and people of color" and "BIPOC" are
12 defined as people who are members of the groups described in
13 subparagraphs (a) through (e) of paragraph (A) of subsection
14 (1) of Section 2 of the Business Enterprise for Minorities,
15 Women, and Persons with Disabilities Act.

16 "Clean Energy Jobs" means jobs in the solar energy, wind
17 energy, energy efficiency, solar thermal, geothermal, and
18 electric vehicle industries, and other renewable energy
19 industries, including related industries that manufacture,
20 develop, build, maintain, or provide ancillary services to
21 renewable energy resources or energy efficiency products or
22 services, including the manufacture and installation of
23 healthier building materials that contain fewer hazardous
24 chemicals. "Clean Energy Jobs" include administrative, sales,

1 and other support functions within these industries.

2 "Community-based organization" means an organization in
3 which:

4 (1) the majority of the governing body consists of
5 local residents;

6 (2) at least one main operating office is in the
7 community;

8 (3) priority issue areas are identified and defined by
9 local residents;

10 (4) solutions to address priority issues are developed
11 with local residents; and

12 (5) organizational program design, implementation, and
13 evaluation components have local residents intimately
14 involved in leadership positions in the organization.

15 "Department" means the Department of Commerce and Economic
16 Opportunity, unless the text solely specifies a particular
17 Department.

18 "Director" means the director of the Department of
19 Commerce and Economic Opportunity.

20 "Energy Efficiency" has the meaning set forth in Section
21 1-10 of the Illinois Power Agency Act.

22 "Energy worker" has the meaning set forth in Section 20-10
23 of the Energy Community Reinvestment Act.

24 "Environmental Justice Community" means the definition of
25 that term based on existing methodologies and findings, used
26 as may be updated by the Illinois Power Agency and its program

1 administrator in the Illinois Solar for All program.

2 "Low-income" means persons and households whose income
3 does not exceed 80% of the area median income, adjusted for
4 family size and revised every 2 years.

5 "Primes Program Administrator" means the entity defined as
6 such by Part 15 of this Act.

7 "Regional Administrator" means the entities selected
8 according to Section 5-130 of this Act.

9 "Regional Primes Program Lead" means the entities defined
10 as such by Part 15 of this Act.

11 "Renewable energy resources" has the meaning set forth in
12 Section 1-10 of the Illinois Power Act.

13 Section 5-120. Purpose. The Equity and Empowerment in
14 Clean Energy Advisory Board shall be established to advise and
15 assist the Illinois Department of Commerce and Economic
16 Opportunity in its efforts to administer the following
17 programs as set forth in this Act: the Clean Jobs Workforce
18 Hubs Program; the Expanding Clean Energy Entrepreneurship and
19 Contractor Incubator Network Program; the Returning Residents
20 Clean Jobs Training Program; and the Illinois Clean Energy
21 Black, Indigenous, and People of Color Primes Contractor
22 Accelerator. The Illinois Department of Commerce and Economic
23 Opportunity shall contract with 3 Regional Administrators as
24 described in this Part to assist in the implementation of
25 several of these programs, and shall develop a system of

1 performance management and corrective action applicable to
2 these programs.

3 Section 5-125. Equity and Empowerment in Clean Energy
4 Advisory Board.

5 (a) Purpose. To ensure success and equity in the clean
6 energy industry in Illinois, the General Assembly hereby
7 creates an Equity and Empowerment in Clean Energy Advisory
8 Board to oversee and advise the Department on the
9 administration of the following programs set forth in this
10 Act:

11 (1) the Clean Jobs Workforce Hubs Program;

12 (2) the Expanding Clean Energy Entrepreneurship and
13 Contractor Incubator Network Program;

14 (3) the Returning Residents Clean Jobs Training
15 Program; and

16 (4) the Illinois Clean Energy Black, Indigenous, and
17 People of Color Primes Contractor Accelerator.

18 (b) Meetings. The Department shall provide administrative
19 support for and convene the Equity and Empowerment in Clean
20 Energy Advisory Board within 90 days after the effective date
21 of this Act. The Department shall convene at least one meeting
22 of the Advisory Board every quarter. All meetings shall be
23 accessible, with rotating locations, call-in and
24 videoconference options, and materials and agendas circulated
25 well in advance, and there shall also be opportunities for

1 input outside of meetings from those with limited capacity and
2 ability to attend, via one-on-one meetings, surveys, and calls
3 subject to compliance with the Open Meetings Act.

4 (c) Duties. The Advisory Board:

5 (1) shall review reported program performance metrics,
6 and may recommend harmonizing metrics across programs and
7 additional metrics for collection, including, but not
8 limited to, metrics tailored to a specific program or
9 program delivery area;

10 (2) shall ensure program performance metrics are
11 published and available to the public within 30 days after
12 each advisory board meeting. Program performance metrics
13 may be anonymized where necessary to prevent disclosure of
14 private information about individuals. The Department
15 shall also post Advisory Board meeting minutes on its
16 website within 14 days after Board approval;

17 (3) shall ensure that notices of open requests for
18 proposals and other business opportunities associated with
19 the programs are widely circulated and available in the
20 communities where each program is located and among
21 communities who benefit from the programs;

22 (4) shall develop recommendations at least once every
23 3 months to aid the Department, program implementers, and
24 other program partners in tracking and improving the
25 performance of the Program;

26 (5) shall provide recommendations to the Department,

1 program implementers, and other program partners to
2 troubleshoot emergent challenges and identify emergent
3 opportunities to improve the delivery of program elements
4 in addition to those captured in collected metrics. The
5 recommendations may be targeted toward any level or
6 geographic area of implementation;

7 (6) shall collaborate with the Board Liaison,
8 Department, and other program partners and vendors to
9 inform updates to the public about Advisory Board
10 activities;

11 (7) shall advise the Department, Regional
12 Administrators, and Primes Program Administrator on the
13 development of dispute resolution processes; and

14 (8) shall perform any other duties assigned to it by
15 this Act.

16 (d) Composition and Terms. The Department shall appoint
17 the Advisory Board within 90 days after the effective date of
18 this Act and shall appoint new Advisory Board members as
19 members' terms expire or members leave the Board. Members of
20 the Advisory Board shall serve without compensation, but may
21 be reimbursed for their reasonable and necessary expenses
22 incurred in performing their duties. The Department shall
23 provide administrative support to the Advisory Board,
24 including the selection of a Department staff member to serve
25 as a Board Liaison between the Department and the Advisory
26 Board. The Department shall appoint interim members to the

1 Advisory Board upon departures of members. The Advisory Board
2 shall consist of the following 15 members that reflects the
3 diversity and demographics of the State of Illinois:

4 (1) 2 low-income persons residing in communities
5 listed in paragraphs (1) through (3) in subsection (b) of
6 Section 5-130 of this Part;

7 (2) 2 residents of Environmental Justice Communities
8 served by a Hub Site, as defined in Part 5 of this Act;

9 (3) one current or former participant trainee in the
10 Clean Energy Entrepreneurship and Contractor Incubator
11 Network Program. For the initial board term, the
12 Department may select a current or former participant of a
13 utility-supported contractor incubator program for this
14 position;

15 (4) 2 members from community-based organizations in
16 environmental justice communities and community-based
17 organizations serving low-income persons and families;

18 (5) 2 members who are policy or implementation experts
19 on small business development, contractor incubation, or
20 small business lending and financing needs;

21 (6) 2 members who are policy or implementation experts
22 on workforce development for populations and individuals
23 such as low-income persons and families, environmental
24 justice communities, BIPOC communities, justice-involved
25 persons, persons who are or were in the child welfare
26 system, energy workers, gender nonconforming and

1 transgender individuals, and youth;

2 (7) 2 representatives of clean energy businesses,
3 nonprofit organizations, worker-owned cooperatives, and
4 other groups that provide clean energy contracting
5 opportunities; and

6 (8) 2 representatives of labor unions.

7 At any time, the Board must contain at least 4 members who
8 reside in each of the North, Central, and Southern sections of
9 Illinois. The terms of the initial members of the Advisory
10 Board shall be such that 5 members have initial 3-year terms, 5
11 members have initial 2-year terms, and 5 members have initial
12 1-year terms. After initial terms are complete, all members of
13 the Advisory Board shall have 3-year terms. A majority of
14 Board members shall constitute a quorum.

15 Section 5-130. Regional administrators.

16 (a) Within 180 days after the effective date of this Act,
17 the Department shall convene and complete a comprehensive
18 stakeholder process that includes, at minimum, representatives
19 from community-based organizations in environmental justice
20 communities, community-based organizations serving low-income
21 persons and families, community-based organizations serving
22 energy workers, and labor unions. The stakeholder process must
23 include measures for process transparency to be posted on the
24 Department website or initial program websites, such as a
25 timeline for key decision points, detailed criteria

1 implementing requirements specified in subsection (b) of this
2 Section, and identification of opportunities for stakeholder
3 participation and review. After completing the stakeholder
4 process, the Department, in consultation with and with the
5 approval of the Advisory Board, shall select 3 Regional
6 Administrators to administer and coordinate the work of the
7 following programs set forth in this Act:

8 (1) the Clean Jobs Workforce Hubs Program;

9 (2) the Expanding Clean Energy Entrepreneurship and
10 Contractor Incubator Network Program; and

11 (3) the Returning Residents Clean Jobs Training
12 Program.

13 (b) The Department shall select 3 unique Regional
14 Administrators: one Regional Administrator for coordination of
15 the work in the Northern Illinois Program Delivery Area, one
16 Regional Administrator selected for coordination of the work
17 in the Central Illinois Program Delivery Area, and one
18 Regional Administrator selected for coordination of the work
19 in the Southern Illinois Program Delivery Area. For purposes
20 of this Act:

21 (1) The Northern Illinois Program Delivery Area
22 includes areas in or near Chicago (South Side), Chicago
23 (Southwest Side), Waukegan, Rockford, Aurora, Joliet, and
24 one of the 3 sites to be selected based on the gap analyses
25 described in subsection (b) of Section 5-515 of Part 5 of
26 this Act and subsection (b) of Section 5-1010 of Part 10 of

1 this Act.

2 (2) The Central Illinois Program Delivery Area
3 includes areas in or near Peoria, Champaign, Danville,
4 Decatur, and one of the 3 sites to be selected based on the
5 gap analyses described in subsection (b) of Section 5-515
6 of Part 5 of this Act and subsection (b) of Section 5-1010
7 of Part 10 of this Act.

8 (3) The Southern Illinois Program Delivery Area
9 includes areas in or near Carbondale, East St. Louis, and
10 Alton, and one of the 3 sites to be selected based on the
11 gap analyses described in subsection (b) of Section 5-515
12 of Part 5 of this Act and subsection (b) of Section 5-1010
13 of Part 10 of this Act.

14 (c) The Regional Administrators shall have strong
15 capabilities, experience, and knowledge related to program
16 development and fiscal management; cultural and language
17 competency needed to be effective in their respective
18 communities to be served; expertise in working in and with
19 BIPOC and environmental justice communities; knowledge and
20 experience in working with providers of clean energy jobs; and
21 awareness of industry trends and activities, workforce
22 development best practices, regional workforce development
23 needs, regional and industry employers, and community
24 development. The Regional Administrators shall demonstrate a
25 track record of strong partnerships with community-based
26 organizations.

1 (d) The Regional Administrators shall work together to
2 coordinate the programs listed in paragraphs (1) through (3)
3 of subsection (a) to ensure execution, performance,
4 partnerships, marketing, and program access across the State
5 that is as consistent as possible while respecting regional
6 differences. The Regional Administrators shall work with
7 Program Administrators and partner community-based
8 organizations in their respective regions and Program Delivery
9 Areas to deliver these programs and shall establish mechanisms
10 to fund these partner community-based organizations for their
11 work on these programs. Each of the Regional Administrators
12 shall convene the community-based organizations delivering
13 program elements in their Program Delivery Areas for a meeting
14 once per quarter, at minimum, as well as monthly calls, at
15 minimum. Each year, the Department shall convene a meeting of
16 the Regional Administrators, contracted community-based
17 organizations, and subcontracted entities.

18 (e) The Department shall oversee the coordination
19 undertaken by all 3 Regional Administrators to ensure
20 high-quality and equivalent service provision statewide. The
21 Department shall require, at minimum, monthly coordination
22 meetings including the Department and all 3 Regional
23 Administrators to develop joint planning processes and
24 coordination mechanisms with each of the Regional
25 Administrators and among the 3 Regional Administrators such
26 that they are functioning effectively and delivering parallel

1 administration in their respective regions, and the Department
2 shall also work to create joint planning opportunities and
3 coordination mechanisms to enable the Regional Administrators
4 to collaborate, particularly enabling the Regional
5 Administrators to coordinate and collaborate to enhance
6 program delivery within their respective program delivery
7 areas.

8 (f) Regional Administrators shall present a regional
9 status report consisting of, at minimum, the performance
10 metrics detailed in the programs described in subsection (a)
11 of this Section to the Advisory Board at each of its quarterly
12 meetings.

13 (g) Regional Administrators shall take on additional
14 duties related to the program administration as assigned by
15 the Department.

16 Section 5-135. Corrective action.

17 (a) The Department shall maintain a performance management
18 system to support the Primes Program Administrator, Regional
19 administrators, and Regional Primes Program Leads in ensuring
20 effective and high-quality implementation of the programs
21 listed in Section 5-120 of this Part.

22 (b) If the Primes Program Administrator, a Regional
23 Administrator, a Regional Primes Program Lead or contracted
24 community-based organization or other vendor does not deliver
25 contractually obligated program elements, objectives, or

1 outcomes, even after multiple corrective action plans have
2 been implemented, the Department or, in the case of
3 community-based organizations or other vendors, the Regional
4 Administrator may place the organization on probationary
5 status, or as needed, terminate their services. The Department
6 shall develop procedures to enable Regional Administrators to
7 procure expedited replacement contracts to avoid any resulting
8 disruption to the affected programs.

9 (c) If the Primes Program Administrator, a Regional
10 Administrator, a Regional Primes Program Lead or contracted
11 community-based organization or other vendor does not deliver
12 contractually obligated program elements, objectives, or
13 outcomes after corrective action has been implemented, the
14 Department may take additional corrective action, including,
15 but not limited to, a legally binding dispute resolution
16 process.

17 (d) The Department, Primes Program Administrator, and
18 Regional Administrators shall develop uniform guidelines for
19 minimum components of corrective action plans, and guidelines
20 for when probationary status or termination is deemed
21 warranted for the Primes, Program Administrator, Regional
22 Administrators, a Regional Primes Program Lead, contracted
23 community-based organizations or other vendors. The
24 Department, Primes Program Administrator, and Regional
25 Administrators, with input from the Advisory Board, shall
26 develop a uniform, legally binding mechanism for dispute

1 resolution between contracted community-based organizations
2 and their subcontracted entities to be implemented under the
3 Primes Program Administrator, Regional Administrators or other
4 identified mediator.

5 Section 5-140. Statewide program support lead. The
6 Department may contract with an outside vendor to assist with
7 program administration, contract management, management of
8 Regional Administrators, or other functions, as needed.

9 Section 5-145. Agreements. All agreements entered into
10 between the Department and entities for the purpose of
11 implementing the programs listed in Section 5-120 of this Part
12 shall contain provisions that provide for the implementation
13 of this Act.

14 Section 5-150. Administration; rules. The Department shall
15 administer this Act and shall adopt any rules necessary for
16 that purpose.

17 Part 5. Clean Jobs Workforce Hubs Network Program

18 Section 5-505. Definitions. As used in this Part:

19 "Program" means the Clean Jobs Workforce Hubs Network
20 Program.

1 Section 5-510. Clean Jobs Workforce Hubs Network Program.

2 (a) The Department shall develop, and through Regional
3 Program Administrators administer, the Clean Jobs Workforce
4 Hubs Network Program to create a network of 16 Program
5 delivery Hub Sites with program elements delivered by
6 community-based organizations and their subcontractors
7 geographically distributed across the State.

8 (b) The Program shall provide direct and sustained support
9 to members of one or more of the following members of
10 communities across the State to enter and complete the career
11 pipeline for clean energy jobs, with the goal of serving all of
12 the following groups distributed across the network: (i)
13 low-income persons; (ii) persons residing in environmental
14 justice communities; (iii) BIPOC persons; (iv)
15 justice-involved persons; (v) persons who are or were in the
16 child welfare system; (vi) energy workers; (vii) members of
17 any of these groups who are also women, transgender, or gender
18 nonconforming persons; and (viii) members of any of these
19 groups who are also youth.

20 (c) The Clean Jobs Workforce Hubs Network Program must:

21 (1) leverage community-based organizations,
22 educational institutions, and community-based and
23 labor-based training providers to ensure members of
24 disadvantaged communities across the State have dedicated
25 and sustained support to enter and complete the career
26 pipeline for clean energy jobs; and

1 (2) develop formal partnerships, including formal
2 sector partnerships between community-based organizations
3 and (i) trades groups, (ii) labor unions, and (iii)
4 entities that provide clean energy jobs, including
5 businesses, nonprofit organizations, and worker-owned
6 cooperatives to ensure that Program participants have
7 priority access to high-quality preapprenticeship,
8 apprenticeship, and other employment training and hiring
9 opportunities.

10 Section 5-515. Clean Jobs Workforce Hubs Network.

11 (a) The Department must develop and, through Regional
12 Administrators, administer the Clean Jobs Workforce Hubs
13 Network.

14 (b) The Clean Jobs Workforce Hubs Network shall be made up
15 of 16 Program delivery Hub Sites geographically distributed
16 across the State, including at least one Hub Site located in or
17 near each of the following areas: Chicago (South Side),
18 Chicago (Southwest Side), Waukegan, Rockford, Aurora, Joliet,
19 Peoria, Champaign, Danville, Decatur, Carbondale, East St.
20 Louis, and Alton. Three additional Hub Sites shall be
21 determined by the Department within 240 days after the
22 effective date of this Act based on a gap analysis identifying
23 areas with high concentrations of low-income residents,
24 environmental justice communities, and energy workers that are
25 otherwise underserved by the other 13 Hub Sites, as well as

1 review of advisory recommendations from the Advisory Board
2 specified in subsection (d) of Section 5-520. One of the
3 additional sites shall be located in the Northern Illinois
4 Program Delivery Area covering Northern Illinois, one of the
5 additional sites shall be located in the Central Illinois
6 Program Delivery Area covering Central Illinois, and one of
7 the additional sites shall be located in the Southern Illinois
8 Program Delivery Area covering Southern Illinois as specified
9 in Section 5-130 of Part 1 of this Act.

10 (c) Program elements at each Hub Site shall be provided by
11 a local community-based organization that shall be initially
12 competitively selected by the Department within 330 days after
13 the effective date of this Act and shall be subsequently
14 competitively selected by the Department every 5 years.
15 Community-based organizations delivering program elements
16 outlined in subsection (d) may provide all elements required
17 or may subcontract to other entities for provision of portions
18 of program elements, including, but not limited to,
19 administrative soft and hard skills for program participants,
20 delivery of specific training in the core curriculum, or
21 provision of other support functions for program delivery
22 compliance. The Department and the Regional Administrators,
23 with input from the Advisory Board, shall develop uniform
24 minimum contractual requirements for competitively selected
25 community-based organizations to provide the Program, uniform
26 minimum contractual requirements for all Program subcontracts,

1 and uniform templates for requests for proposals for all
2 Program subcontracts.

3 (d) The Clean Jobs Workforce Hubs Network shall provide
4 all of the following program elements:

5 (1) Community education and outreach about workforce
6 and training opportunities to ensure the following persons
7 are informed of clean energy workforce and training
8 opportunities: (i) low-income persons; (ii) persons
9 residing in environmental justice communities; (iii) BIPOC
10 persons; (iv) justice-involved persons; (v) persons who
11 are or were in the child welfare system; (vi) energy
12 workers; (vii) members of any of these groups who are also
13 women, transgender, or gender nonconforming persons; and
14 (viii) members of any of these groups who are also youth.

15 (2) Implementation of the Clean Jobs Curriculum, which
16 may include, but is not limited to training,
17 preapprenticeship, certification preparation, job
18 readiness, and skill development, including soft skills,
19 math skills, technical skills, certification test
20 preparation, and other development needed for Program
21 participant members of disadvantaged communities specified
22 in subsection (b) of Section 5-510.

23 (3) Development of strategies to ensure that
24 participant members of communities specified in subsection
25 (b) of Section 5-510 are invited, supported, and given
26 preference in applying for both community-based and

1 labor-based training opportunities, including
2 apprenticeship and preapprenticeship programs, as well as
3 degree and certificate credentials training programs.
4 Strategies shall include, but are not limited to, targeted
5 outreach and recruitment activities and events, and
6 strategies may include, but are not limited to,
7 articulation or matriculation agreements and memoranda of
8 understanding with community-based and labor-based
9 training opportunities, including preapprenticeship and
10 apprenticeship programs, as well as degree and certificate
11 credential training programs where relevant.

12 (4) A living wage-equivalent stipend program for
13 Program participants to compensate for time in clean
14 energy jobs-related training programs and help them pay
15 for necessary living expenses during the training. This
16 stipend shall be supplemented by funding for
17 transportation, child care, certification preparation and
18 testing fees, textbooks, tools and equipment, as well as
19 other services and supplies needed to reduce barriers to
20 their continued training and future employment during the
21 length of programs.

22 (5) Job readiness, placement, and retention support
23 services, which may include, but are not limited to,
24 assistance in creating a resume, training in professional
25 networking skills, training in job interview skills and
26 preparation, on-the-job support and counseling, conflict

1 resolution skills, financial literacy and coaching, and
2 training in how to find open positions and pursuing
3 opportunities to meet hiring contractors in training and
4 apprenticeship programs to connect trainees to both union
5 and nonunion career options with businesses, nonprofit
6 organizations, worker-owned cooperatives, and other
7 entities that provide clean energy jobs opportunities and
8 to provide a direct resource for industry to identify
9 qualified workers to meet program hiring or subcontracting
10 requirements including, the workforce equity building
11 actions required under Section 1-75 of the Illinois Power
12 Agency Act and Section 16-128B of the Public Utilities
13 Act. Placement activities shall include outreach to public
14 agencies and utilities, as well as outreach to businesses,
15 nonprofit organizations, worker-owned cooperatives, and
16 other entities that provide clean energy jobs
17 opportunities.

18 (6) Recruitment, communications, and ongoing
19 engagement with potential employers, including, but not
20 limited to, activities such as job matchmaking
21 initiatives, hosting events such as job fairs, and
22 collaborating with other Hub Sites to identify and
23 implement best practices for employer engagement.

24 (e) Within 90 days after the effective date of this Act,
25 the Department shall competitively select a community-based
26 organization to assist with pre-Program launch public

1 communications and stakeholder tracking, which shall begin
2 within 120 days after the effective date of this Act and shall
3 continue through Program launch. The Department may elect to
4 initiate pre-Program communication of updates to the public
5 between the effective date of this Act and competitive
6 selection of a community-based organization to assist.
7 Pre-Program launch communications and stakeholder tracking
8 functions shall include, but are not limited to: (1)
9 developing an initial email subscription list so that
10 interested stakeholders and interested members of the public
11 may sign up to receive email updates about the status of
12 Program implementation, (2) develop an initial basic website
13 including the initial email list subscription form and a page
14 where public pre-Program updates shall be posted, (3) develop
15 initial social media accounts where public pre-Program updates
16 shall be posted, and (4) coordinate with the Department,
17 Regional Administrators, and Advisory Board members to solicit
18 information for the purposes of updating the public, as
19 approved by the Department. Pre-Program updates shall include,
20 but are not limited to, information about implementation
21 timelines, selection of Hub Sites, selection of Advisory Board
22 members, selection of Regional Administrators, selection of
23 contracted organizations, updates from the Advisory Board, and
24 other significant Program Administration updates. Pre-Program
25 updates shall be disseminated to the public through the
26 website, email list, and social media accounts no less

1 frequently than once per month. Following Program launch, the
2 Department shall either (A) assume direct fulfillment of all
3 responsibilities of public communications and stakeholder
4 tracking directly or (B) elect to continue to competitively
5 select a community-based organization to continue these
6 functions and develop all initial functions into ongoing
7 Program functions. If the Department elects to continue to
8 competitively contract these functions, the Department may
9 either: (i) elect to extend the contract to the competitively
10 selected community-based organization delivering these
11 functions during the pre-Program launch period, and may do so
12 for a period to be determined by the Department, but to not
13 exceed 2 years following Program launch; or (ii) elect to
14 competitively select another community-based organization to
15 fulfill communications and stakeholder tracking functions. The
16 Department shall subsequently competitively select a
17 community-based organization to fulfill communications and
18 stakeholder tracking functions every 2 years.

19 Section 5-520. Regional administrators.

20 (a) The Clean Jobs Workforce Network Hubs Program shall be
21 administered by 3 Regional Administrators as described in
22 Section 5-130 of Part 1 of this Act.

23 (b) The Advisory Board shall have the duties given to it by
24 Part 1 of this Act as it relates to the Program. In addition,
25 the Advisory Board shall provide recommendations to the

1 Department to complement the gap analysis and selection of 3
2 Primary Hub Sites as specified in Section 5-130 of Part 1 of
3 this Act.

4 (c) The Department shall require submission of quarterly
5 reports including program performance metrics by each Hub Site
6 to the Regional Administrator of their Program Delivery Area,
7 as specified in subsection (a) of Section 5-1015 of Part 10, in
8 a time and manner as prescribed by the Department. Each
9 Regional Administrator shall collect, track, and
10 simultaneously submit quarterly reports to the Department and
11 the members of the Advisory Board, including program
12 performance metrics reported in a format that allows for
13 review of the metrics both (i) for each individual Hub Site and
14 (ii) aggregated by Program Delivery Area. Each Regional
15 Administrator shall provide technical assistance to each
16 individual Hub Site in their Program Delivery Area in building
17 systems and capacity to collect data. Program Performance
18 metrics include, but are not limited to, the following
19 information collected for each Program trainee, where
20 applicable:

21 (1) demographic data, including racial, gender, and
22 geographic distribution data, on Program trainees entering
23 the Program;

24 (2) demographic data, including racial, gender, and
25 geographic distribution data, on Program trainees
26 graduating the Program;

1 (3) demographic data, including racial, gender, and
2 geographic distribution data, on Program trainees who are
3 placed in employment, including the percentages of
4 trainees by race, gender, and geographic categories in
5 each individual job type or category and whether
6 employment is union, nonunion, or nonunion via temp
7 agency;

8 (4) trainee job retention statistics, including the
9 duration of employment (start and end dates of hires) by
10 race, gender, and geography;

11 (5) hourly wages, including hourly overtime pay rate,
12 and benefits of trainees placed into employment by race,
13 gender, and geography;

14 (6) percentage of jobs by race, gender, and geography
15 held by Program trainees or graduates that are full-time
16 equivalent positions, meaning that the position held is
17 full-time, direct, and permanent based on 2,080 hours
18 worked per year (paid directly by the employer, whose
19 activities, schedule, and manner of work the employer
20 controls, and receives pay and benefits in the same manner
21 as permanent employees); and

22 (7) qualitative data consisting of open-ended
23 reporting on pertinent issues, including, but not limited
24 to, qualitative descriptions accompanying metrics or
25 identifying key successes and challenges.

26 The Department shall also, on a quarterly basis, make the

1 program performance metrics provided under this subsection (c)
2 available to the public on its website and on the Program
3 website.

4 (d) Within 3 years after the effective date of this Act,
5 and subsequently at least once every 3 years thereafter, the
6 Department shall select an independent evaluator to review and
7 prepare a report on the performance of the Program and the
8 Regional Administrators. The evaluation shall be based on, but
9 not limited to, the quantitative and qualitative program
10 performance metrics specified in subsection (g) and objective
11 criteria developed through a comprehensive public stakeholder
12 process. In preparing the report, the independent evaluator
13 shall include participation and recommendations from persons
14 including, but not limited to, members of the Advisory Board,
15 additional Program participants who are not already serving as
16 members of the Advisory Board, and additional Program
17 stakeholders including organizations in environmental justice
18 communities and organizations serving low-income persons and
19 families. The report shall include a summary of the evaluation
20 of the Program, as well as an appendix including a review of
21 submitted recommendations and a compilation of reported
22 program performance metrics for the period covered by the
23 evaluation. The report shall be posted publicly on the
24 Department's website and the Program website, and shall be
25 used, as needed, to improve implementation of the Program.
26 Between evaluation due dates, the Department shall maintain

1 the necessary records and information required to satisfy the
2 evaluation requirements.

3 Section 5-525. Clean jobs curriculum.

4 (a) Within 90 days after the effective date of this Act,
5 the Department shall convene a comprehensive stakeholder
6 process that includes representatives from the Illinois State
7 Board of Education, the Illinois Community College Board, the
8 Department of Labor, community-based organizations, workforce
9 development providers, labor unions, building trades,
10 educational institutions, residents of BIPOC and low-income
11 communities, residents of environmental justice communities,
12 as well as clean energy businesses, nonprofit organizations,
13 worker-owned cooperatives, other groups that provide clean
14 energy jobs opportunities, and other participants to identify
15 the career pathways and training curriculum needed to prepare
16 workers to enter clean energy jobs as defined in Section 5-115
17 and build careers. The curriculum shall:

18 (1) identify the core training curricular competency
19 areas needed to prepare workers to enter clean energy jobs
20 as defined in Section 5-115, such as those included in,
21 but not limited to, the Multi-Craft Core Curriculum, U.S.
22 Department of Labor Employment and Training
23 Administration-sponsored CareerOneStop Renewable Energy
24 Competency Model, the Electric Vehicle Infrastructure
25 Training Program;

1 (2) identify a set of certifications relevant for
2 clean energy job types to be included in respective
3 training programs and used to inform core training
4 Curricular competency areas, such as, but not limited to,
5 North American Board of Certified Energy Practitioners
6 (NABCEP) Board Certifications, Interstate Renewable Energy
7 Council (IREC) Accredited Certificate Programs, American
8 Society of Heating, Refrigerating and Air-Conditioning
9 Engineers (ASHRAE) ANSI/ISO accreditation standard
10 certifications, Electric Vehicle Infrastructure Training
11 Program Certifications, and UL Certification for EV
12 infrastructure;

13 (3) identify a set of required core cross-training
14 competencies provided in each training area for clean
15 energy jobs with the goal of enabling any trainee to
16 receive a standard set of skills common to multiple
17 training areas that would provide a foundation for
18 pursuing a career composed of multiple clean energy job
19 types;

20 (4) include approaches to integrate broad occupational
21 training to provide career entry into the general
22 construction and building trades sector and any remedial
23 education and work readiness support necessary to achieve
24 educational and professional eligibility thresholds;

25 (5) identify, directly or through references to
26 external resources, career pathways for clean energy jobs

1 types, such as, but not limited to, pathways identified
2 in: IREC Careers in Climate Control Technology Map, IREC
3 Solar Career Map for Workforce Training, NABCEP
4 Certification Career Map, and U.S. Department of Labor's
5 Bureau of Labor Statistics Green Jobs Initiative; and

6 (6) identify on-the-job training formats, where
7 relevant; and identify suggested trainer certification
8 standards, where relevant.

9 (b) Within 180 days after the stakeholder process is
10 convened, the Department shall publish a report that includes
11 the findings, recommendations, and core curriculum identified
12 by the stakeholder group and shall post a copy of the report on
13 its public website. The Department shall convene the process
14 described to update and modify the recommended curriculum
15 every 3 years to ensure the curriculum contents are current to
16 the evolving clean energy industries, practices, and
17 technologies.

18 (c) Organizations that receive funding to provide training
19 under the Clean Jobs Workforce Hubs Network Program,
20 including, but not limited to, community-based and labor-based
21 training providers, and educational institutions must use the
22 core curriculum that is developed under this Section.

23 Section 5-530. Funding. To provide direct, sustained
24 support for the Program, the Department shall be responsible
25 for overseeing the development and implementation of the

1 Program, and each year shall, subject to appropriation,
2 allocate at least \$1,000,000 to each of the 16 community-based
3 organizations providing program elements at the 16 Hub Sites
4 described in this Act, including for the purposes of providing
5 Program elements through subcontracted entities. Funding of
6 \$26,000,000 for the Program shall be made available from the
7 Energy Community Reinvestment Fund.

8 Section 5-535. Administrative review. All final
9 administrative decisions, including, but not limited to,
10 funding allocation and rules issued, made by the Department
11 under this Part are subject to judicial review under the
12 Administrative Review Law and its rules. No action may be
13 commenced under this Section prior to 60 days after the
14 complainant has given notice in writing of the action to the
15 Department.

16 Part 10. Expanding Clean Energy Entrepreneurship
17 and Contractor Incubator Network Program

18 Section 5-1001. Definitions. As used in this Part:

19 "Program" means the Expanding Clean Energy
20 Entrepreneurship and Contractor Incubator Network Program.

21 Section 5-1005. Expanding Clean Energy Entrepreneurship
22 and Contractor Incubator Network Program.

1 (a) The Department shall develop and, through Regional
2 Program Administrators, administer the Expanding Clean Energy
3 Entrepreneurship and Contractor Incubator Network Program to
4 create a network of 16 Program delivery Hub Sites with program
5 elements delivered by community-based organizations and their
6 subcontractors geographically distributed across the State.

7 (b) The Program shall provide direct and sustained support
8 for the development and growth of BIPOC participant
9 contractors and provide the needed resources for entities to
10 be able to effectively compete for, gain, and execute clean
11 energy-related projects that create clean energy jobs. The
12 Program shall provide direct and sustained support for a
13 portion of disadvantaged BIPOC contractors in the Program who
14 are previous graduates of the Clean Jobs Workforce Hubs
15 Network Program to further develop wealth-building
16 opportunities, and career paths in clean energy contracting
17 and the creation of clean energy jobs.

18 Section 5-1010. Expanding Clean Energy Entrepreneurship
19 and Contractor Incubator Network.

20 (a) The Department shall develop and, through Regional
21 Program Administrators, administer the Expanding Clean Energy
22 Entrepreneurship and Contractor Incubators Network.

23 (b) The Clean Energy Entrepreneurship and Contractor
24 Incubator Network Program shall be made up of 16 Program
25 delivery Hub Sites geographically distributed across the

1 State, including at least one Hub Site located in or near each
2 of the following areas: Chicago (South Side), Chicago
3 (Southwest Side), Waukegan, Rockford, Aurora, Joliet, Peoria,
4 Champaign, Danville, Decatur, Carbondale, East St. Louis, and
5 Alton. Three additional sites shall be determined by the
6 Department within 240 days after the effective date of this
7 Act based on a gap analysis identifying areas with high
8 concentrations of low-income residents, environmental justice
9 communities, and energy workers that are otherwise underserved
10 by the other 13 Hub Sites, as well as review of advisory
11 recommendations from the Advisory Board. One of the additional
12 sites shall be located in the Northern Illinois Program
13 Delivery Area covering Northern Illinois, one of the
14 additional sites shall be located in the Central Illinois
15 Program Delivery Area covering Central Illinois, and one of
16 the additional sites shall be located in the Southern Illinois
17 Program Delivery Area covering Southern Illinois as specified
18 in Part 1 of this Act.

19 (c) Program elements at each Hub Site shall be provided by
20 a local community-based organization that shall be initially
21 competitively selected by the Department within 330 days after
22 the effective date of this Act and shall be subsequently
23 competitively selected by the Department every 5 years.
24 Community-based organizations delivering program elements
25 required in subsection (d) of this Section may provide all of
26 the elements required at each Hub Site or may subcontract to

1 other entities for the provision of portions of program
2 elements, including, but not limited to, administrative soft
3 and hard skills for program participants, delivery of training
4 in the core curriculum, or the provision of other support
5 functions for program delivery compliance. The Regional
6 Administrators, with input from the Program Advisory Board,
7 shall develop uniform minimum contractual requirements for
8 competitively selected community-based organizations to
9 provide the Program, uniform minimum contractual requirements
10 for all Program subcontracts, and uniform templates for
11 requests for proposals for all Program subcontracts.

12 (d) The Expanding Clean Energy Entrepreneurship and
13 Contractor Incubator Network Program shall provide the
14 following program elements:

15 (1) access to low-cost capital for small and BIPOC
16 clean energy businesses and contractors to be able to
17 compete on a level playing field with more established,
18 capitalized businesses across the entire clean energy
19 sector in Illinois, including solar, wind, energy
20 efficiency, transportation, electrification, solar
21 thermal, geothermal, and other renewable energy
22 industries;

23 (2) support for obtaining financial assurance,
24 including, but not limited to: bonding; back office
25 services; insurance, permits, training and certifications;
26 business planning; and other needs that will allow BIPOC

1 participant contractors to effectively compete for clean
2 energy-related projects, incentive programs, and approved
3 vendor and qualified installer opportunities;

4 (3) development, mentoring, training, networking, and
5 other support needed to allow BIPOC participant
6 contractors to: (i) build their businesses and connect to
7 specific projects, (ii) register as approved vendors where
8 applicable, (iii) engage in approved vendor subcontracting
9 and qualified installer opportunities, (iv) Develop
10 partnering and networking skills, (v) compete for capital
11 and other resources, and (vi) execute clean energy-related
12 project installations and subcontracts;

13 (4) outreach and communications capability to ensure
14 that BIPOC participant contractors, community partners,
15 and potential contractor clients are aware of and engaged
16 in the Program;

17 (5) prevailing wage compliance training and back
18 office support to implement prevailing wage practices; and

19 (6) recruitment, communications, and ongoing
20 engagement with potential entities that hire contractors
21 and subcontractors, and program administrators of programs
22 providing renewable energy resource-related projects,
23 incentive programs, and approved vendor and qualified
24 installer opportunities, including, but not limited to,
25 activities such as matchmaking initiatives, hosting
26 events, and collaborating with other Hub Sites to identify

1 and implement best practices for engagement.

2 (e) Within 90 days after the effective date of this Act,
3 the Department shall competitively select a community-based
4 organization to assist with pre-Program launch public
5 communications and stakeholder tracking, which shall begin
6 within 120 days after the effective date of this Act and shall
7 continue through Program launch. The Department may elect to
8 initiate pre-Program communication of updates to the public
9 between the effective date of this Act and competitive
10 selection of a community-based organization to assist.
11 Pre-Program launch communications and stakeholder tracking
12 functions shall include, but are not limited to, the
13 following: (1) developing an initial email subscription list
14 so that interested stakeholders and interested members of the
15 public may sign up to receive email updates about the status of
16 Program implementation, (2) develop an initial basic website
17 including the initial email list subscription form and a page
18 where public pre-Program updates shall be posted, (3) develop
19 initial social media accounts where public pre-Program updates
20 shall be posted, and (4) coordinate with the Department,
21 Regional Administrators, and Advisory Board members to solicit
22 information for the purposes of updating the public, as
23 approved by the Department. Pre-Program updates shall include,
24 but are not limited to, information about implementation
25 timelines, selection of Hub Sites, selection of Advisory Board
26 members, selection of Regional Administrators, selection of

1 contracted organizations, updates from the Advisory Board, and
2 other significant Program Administration updates. Pre-Program
3 updates shall be disseminated to the public through the
4 website, email list, and social media accounts no less
5 frequently than monthly. Following Program launch, the
6 Department shall either (A) assume direct fulfillment of all
7 responsibilities of public communications and stakeholder
8 tracking directly or (B) elect to continue contracting with a
9 competitively selected community-based organization to provide
10 these functions and develop all initial functions into ongoing
11 Program functions. If the Department elects to continue to
12 competitively contract these functions, the Department may
13 either (i) extend the contract to the competitively selected
14 community-based organization delivering the functions during
15 the pre-Program launch period, and may do so for a period to be
16 determined by the Department, but not to exceed 2 years
17 following Program launch, or (ii) elect to competitively
18 select another community-based organization to fulfill
19 communications and stakeholder tracking functions. The
20 Department shall subsequently competitively select a
21 community-based organization to fulfill communications and
22 stakeholder tracking functions once every 2 years.

23 Section 5-1015. Regional administrators.

24 (a) The Clean Energy Entrepreneurship and Contractor
25 Incubator Network Program shall be administered by 3 Regional

1 Administrators as described in Section 5-130 of Part 1 of this
2 Act. In addition, the Regional Administrators shall administer
3 the Departments loan and grant programs, where relevant, as
4 specified in subsection (a) of Section 5-1010 of this Part.

5 (b) The Advisory Board shall have the duties given to it by
6 the Part 1 of this Act as they relate to the Program. In
7 addition, the Advisory Board shall provide recommendations to
8 the Department to complement the gap analysis and selection of
9 3 Primary Hub Sites as specified in Section 5-130 of Part 1 of
10 this Act.

11 (c) The Department shall require submission of quarterly
12 reports including program performance metrics by each Hub Site
13 to the Regional administrator of their Program Delivery Area
14 as specified in subsection (a) of Section 5-1015 in a time and
15 manner prescribed by the Department. Each Regional
16 Administrator shall collect, track, and simultaneously submit
17 quarterly reports to the Department and the Advisory Board,
18 including program performance metrics reported in a format
19 that allows for review of the metrics both (i) for each
20 individual Hub Site and (ii) aggregated by Program Delivery
21 Area. Each Regional Administrator shall provide technical
22 assistance to each individual Hub Site in their Program
23 Delivery Area in building systems and capacity to collect
24 data. Program performance metrics include, but are not limited
25 to, the following information collected for each Program
26 participant:

1 (1) demographic data, including racial, gender, and
2 geographic distribution data, on BIPOC participant
3 contractors entering and graduating the Program;

4 (2) number of projects completed by BIPOC participant
5 contractors, solo or in partnership;

6 (3) number of partnerships with BIPOC participant
7 contractors that are expected to result in contracts for
8 work by the BIPOC participant contractor;

9 (4) changes, including growth, in BIPOC participant
10 contractors' business revenue;

11 (5) number of new hires by BIPOC participant
12 contractors;

13 (6) demographic data, including racial, gender, and
14 geographic distribution data as well as average wage data,
15 for new hires by BIPOC participant contractors;

16 (7) demographic data, including racial, gender, and
17 geographic distribution data of ownership of BIPOC
18 participant contractors;

19 (8) certifications held by BIPOC participant
20 contractors, including, but not limited to, registration
21 under Business Enterprise for Minorities, Women, and
22 Persons with Disabilities Act program and other programs
23 intended to certify BIPOC entities;

24 (9) number of Program sessions attended by BIPOC
25 participant contractors;

26 (10) indicators relevant for assessing general

1 financial health of BIPOC participant contractors; and

2 (11) qualitative data consisting of open-ended
3 reporting on pertinent issues, including, but not limited
4 to, qualitative descriptions accompanying metrics or
5 identifying key successes and challenges.

6 The Department shall, on a quarterly basis, make program
7 performance metrics provided under this subsection (g)
8 available to the public on its website and on the Program
9 website.

10 (d) Within 3 years after the effective date of this Act,
11 and subsequently at least once every 3 years, the Department
12 shall select an independent evaluator to evaluate and prepare
13 a report on the performance of the Program and Regional
14 Administrators. The evaluation shall be based on the
15 quantitative and qualitative program performance metrics and
16 reports specified in subsection (g) and objective criteria
17 developed through a comprehensive public stakeholder process.
18 The process shall include participation and recommendations
19 from Program participants, Advisory Board members, additional
20 current and former Program participants who are not already
21 serving as members of the Advisory Board, and additional
22 Program stakeholders, including organizations in environmental
23 justice communities and serving low-income persons and
24 families. The report shall include a summary of the evaluation
25 of the Program, as well as an appendix that includes a review
26 of submitted recommendations and a compilation of reported

1 program performance metrics for the period covered by the
2 evaluation. The report shall be posted publicly on the
3 Department's website and shall be used, as needed, to improve
4 implementation of the Program. The Department shall maintain
5 the necessary information and records required to satisfy the
6 evaluation requirements.

7 Section 5-1020. Jobs and Environmental Justice Grant
8 Program.

9 (a) In order to provide upfront capital to support the
10 development of projects, businesses, community organizations,
11 and jobs creating opportunity for Black, Indigenous, and
12 People of Color, the Program shall create and administer a
13 Jobs and Environmental Justice Grant Program. The grant
14 program shall be designed to help remove barriers to project,
15 community, and business development caused by a lack of
16 capital.

17 (b) The grant program shall provide grant awards of up to
18 \$1 million per application to support the development of
19 renewable energy resources as defined in Section 1-75 of the
20 Illinois Power Agency Act, and Energy Efficiency projects as
21 defined in Sections 8-103B and 8-104.1 of the Public Utilities
22 Act. The amount of a grant award shall be based on a project
23 size and scope. Grants shall be provided upfront, in advance
24 of other incentives, to provide businesses and organizations
25 with capital needed to plan, develop, and execute a project.

1 Grants shall be designed to coordinate with and supplement
2 existing incentive programs, such as the Adjustable Block
3 Program, the Solar for All Program, the Community Solar
4 Program, and renewable energy procurements as described in the
5 Illinois Power Agency Act, as well as utility Energy
6 Efficiency programs as described in Sections 8-103B and
7 8-104.1 of the Public Utilities Act.

8 (c) Grants shall be awarded to businesses and nonprofit
9 organizations for costs related to the following activities
10 and project needs:

11 (1) planning and project development, including costs
12 for professional services such as architecture, design,
13 engineering, auditing, consulting, and developer services;

14 (2) project application, deposit, and approval;

15 (3) purchasing and leasing of land;

16 (4) permitting and zoning;

17 (5) interconnection application costs and fees,
18 studies, and expenses;

19 (6) equipment and supplies;

20 (7) community outreach, marketing, and engagement;

21 (8) staff and operations expenses.

22 (d) Grants shall be awarded for projects that meet the
23 following criteria:

24 (1) provide community benefit, defined as greater than
25 50% of the project's energy provided or saved that
26 benefits low-income residents, not-for-profit

1 organizations providing services to low-income households,
2 affordable housing owners, or community-based limited
3 liability companies providing services to low-income
4 households. In the case of Community Solar projects,
5 projects must provide preferential or exclusive access for
6 local subscribers or donated power;

7 (2) are located in environmental justice communities,
8 as that term has been defined based on existing
9 methodologies and findings used by the Illinois Power
10 Agency and its Administrator of the Illinois Solar for All
11 Program;

12 (3) provide on-the-job training, as time and scope
13 permits;

14 (4) contract with contractors who are participating or
15 have participated in the Expanding Clean Energy
16 Entrepreneurship and Contractor Incubators Network
17 Program, or similar programs, for a minimum of 50% of
18 project costs; and

19 (5) employ a minimum of 51% of its workforce from
20 participants and graduates of the Clean Jobs Workforce
21 Hubs Network Program and Returning Residents Program as
22 described in this Act.

23 (e) Grants shall be awarded to applicants that meet the
24 following criteria:

25 (1) achieve a minimum of 105 points in the equity
26 points systems described in paragraph (7) of subsection

1 (c) of Section 1-75 of the Illinois Power Agency Act, or
2 meet the equity building criteria in paragraph (9.5) of
3 subsection (g) of Section 8-103B of the Public Utilities
4 Act or in paragraph (9.5) of subsection (j) of Section
5 8-104.1 of the Public Utilities Act; and

6 (2) provide demonstrable proof of a historical or
7 future, and persisting, long-term partnership with the
8 community in which the project will be located.

9 (f) The application process for the grant program shall
10 not be burdensome on applicants, nor require extensive
11 technical knowledge, and be able to be completed on less than 4
12 standard letter-sized pages.

13 (g) The Program shall coordinate its grant program with
14 the Clean Energy Jobs and Justice Fund to coordinate grants
15 under this program with low-interest and no-interest financing
16 opportunities offered by the fund.

17 (h) The grant program shall have a budget of \$20,000,000
18 per year, for a minimum of 4 years, and continued after that
19 until funds are no longer available or the program is ended by
20 the Department.

21 Section 5-1025. Funding. To provide direct, sustained
22 support for the Program, the Department shall be responsible
23 for overseeing the development and implementation of the
24 Program, and each year shall, subject to appropriation,
25 allocate at least \$800,000 to each of the 16 community-based

1 organizations providing program elements at the 16 Hub Sites
2 described in this Act, including for the purposes of providing
3 program elements through subcontracted entities. Funding of
4 \$21,000,000 per year for the Program shall be made available
5 from the Energy Community Reinvestment Fund, and funding of
6 \$20,000,000 per year for the Jobs and Environmental Justice
7 Grant Program shall be made available from the Energy
8 Community Reinvestment Fund.

9 Section 5-1030. Administrative review. All final
10 administrative decisions, including, but not limited to
11 funding allocation and rules issued, made by the Department
12 under this Part are subject to judicial review under the
13 Administrative Review Law and its rules. No action may be
14 commenced under this Section prior to 60 days after the
15 complainant has given notice in writing of the action to the
16 Department.

17 Part 15. Illinois Clean Energy Black, Indigenous, and People
18 of Color Primes Contractor Accelerator

19 Section 5-1501. Definitions. As used in this Part:

20 "Approved Vendor" means the definition of that term used
21 and as may be updated by the Illinois Power Agency.

22 "Contractor Incubator" means an incubator authorized under
23 Part 10 of this Act.

1 "Illinois Clean Energy Jobs and Justice Fund" means the
2 fund created in the Illinois Clean Energy Jobs and Justice
3 Fund Act.

4 "Mentor Company" means a private company selected to
5 provide business mentorship to Program participants as
6 described in Section 5-1535 of this Part.

7 "Minority Business" means a minority-owned business as
8 described in Section 2 of the Business Enterprise for
9 Minorities, Women, and Persons with Disabilities Act.

10 "Minority Business Enterprise certification" means the
11 certification or recognition certification affidavit from the
12 State of Illinois Department of Central Management Services
13 Business Enterprise Program or a program with equivalent
14 requirements more narrowly tailored to the needs of prime
15 contractors.

16 "Primes Program Administrator" means the entity or person
17 selected to be responsible for management of the Program as
18 established in Section 5-1505 of this Part.

19 "Regional Primes Program Lead" means the entity or person
20 selected to be responsible for management of the Program as
21 established in Section 5-1505 of this Part.

22 "Program" means the Illinois Clean Energy Black,
23 Indigenous, and People of Color Primes Contractor Accelerator
24 Program.

25 "Participant" means the persons and organizations selected
26 to participate in the Program.

1 "Returning Resident" is defined as in Part 20 of this Act.

2 "Workforce Hub" means a workforce training program
3 authorized under Part 5 of this Act.

4 Section 5-1505. Illinois Clean Energy Black, Indigenous,
5 and People of Color Primes Contractor Accelerator Program
6 components.

7 (a) The Department of Commerce and Economic Opportunity
8 shall create and implement, consistent with the requirements
9 of this Part, an Illinois Clean Energy Black, Indigenous, and
10 People of Color Primes Contractor Accelerator. The offerings
11 for Program participants shall include the following:

12 (1) a 5-year, 6-month progressive course of one-on-one
13 coaching designed to assist each participant in developing
14 an achievable five-year business plan, including review of
15 monthly metrics, advice on achieving the Program
16 participant's goals such as obtaining relevant business
17 certifications and preparing for prime contracting
18 opportunities;

19 (2) operational support grants not to exceed \$1
20 million annually;

21 (3) interest-free and low-interest loans available
22 through the Illinois Clean Energy Jobs and Justice Fund or
23 comparable financial mechanism;

24 (4) business coaching by outside consultants, based on
25 the participant's individual needs;

1 (5) a mentorship of approximately 2 years provided by
2 a qualified company in the participant's field;

3 (6) full access to Contractor Incubator services
4 including courses and workshops, informational briefings
5 about opportunities created by the Clean Energy Jobs Act
6 and other Illinois focused clean energy opportunities,
7 access to jobs and project portals, contractor networking,
8 job fairs, and monthly contractor cohort meetings;

9 (7) technical assistance with applying for Minority
10 Business Enterprise certification and other relevant
11 certifications as well as Approved Vendor status for
12 Illinois programs offered by utilities or other similar
13 entities;

14 (8) technical assistance with preparing bids and
15 Request for Proposal applications for programs created by
16 the Clean Energy Jobs Act and other Illinois focused clean
17 energy opportunities;

18 (9) opportunities to participate in procurement
19 programs organized by the Department to provide bulk
20 discounts on tools, equipment, and supplies; and

21 (10) opportunities to be listed in any relevant
22 directories and databases organized by the Department.

23 (b) The Department and Primes Program Administrator shall
24 coordinate Program events and training designed to connect the
25 Program participants with the programs created in Parts II and
26 III of this Act.

1 (c) The Department and Primes Program Administrator shall
2 coordinate with the Illinois Power Agency's Adjustable Block
3 Program and Illinois Solar For All program to connect Program
4 participants with funding opportunities created by the
5 Adjustable Block Program and Illinois Solar For All program.

6 (d) The Department and Primes Program Administrator shall
7 coordinate with the electric, gas and water utilities to
8 connect Program participants with Approved Vendor and other
9 service provider and incentive opportunities in areas
10 including energy efficiency and electric vehicles.

11 (e) The Department and Primes Program Administrator shall
12 coordinate financial development assistance programs such as
13 zero- and low-interest loans with the Illinois Clean Energy
14 Jobs and Justice Fund or a comparable financing mechanism. The
15 Department and Primes Program Administrator shall retain
16 authority to determine loan repayment terms and conditions.

17 Section 5-1510. Program administration.

18 (a) The Department shall, in consultation with the
19 Advisory Board, hire or contract a Primes Program
20 Administrator within 180 days after the effective date of this
21 Act.

22 (b) The Department shall select a Primes Program
23 Administrator with the following qualifications:

24 (1) experience running a large contractor-based or
25 Approved Vendor business in Illinois;

- 1 (2) experience coaching businesses;
- 2 (3) experience participating in or managing a
- 3 mentorship program;
- 4 (4) experience in the Illinois clean energy industry;
- 5 (5) experience working with diverse, underserved, and
- 6 environmental justice communities; and
- 7 (6) experience working with or participating in
- 8 businesses owned by BIPOC persons.

9 (c) Responsibilities of the Primes Program Administrator.

10 The Primes Program Administrator shall be responsible for the
11 following:

- 12 (1) managing the Regional Primes Program Leads to
- 13 develop an 18-month Program budget as well as a 6-year
- 14 forecast to guide expenditures in the regions;
- 15 (2) working with the Regional Primes Program Leads to
- 16 design a Program application including a shareable
- 17 description of how participants will be selected;
- 18 (3) working with the Regional Primes Program Leads and
- 19 the partners in the programs described in Parts 5 and 10 of
- 20 this Act to publicize the Program;
- 21 (4) working with the Regional Primes Program Leads and
- 22 the Advisory Board to implement the recommendations on
- 23 acceptance of potential Program participants and awarded
- 24 funding;
- 25 (5) working with the Regional Primes Program Leads to
- 26 design and implement a mentorship program including

1 stipend level recommendations and guidelines for any
2 Mentor Company-mentee profit sharing or purchased services
3 agreements;

4 (6) working with the Regional Primes Program Leads to
5 ensure participants are quickly on-boarded into the
6 Program and begin tapping Program resources;

7 (7) collecting and reporting metrics related to cohort
8 recruiting and formation to the Department and the
9 Advisory Board;

10 (8) reviewing the work plans and annual goals of all
11 participants. Reviewing all approved Mentor Companies and
12 the stipends they will be awarded;

13 (9) conducting an annual assessment of the mentorship
14 program including Mentor Company and mentee interviews,
15 Mentor Company and mentee satisfaction ratings, and input
16 from the Regional Primes Program Leads and creating a
17 consolidated report for Department and the Advisory Board;

18 (10) consolidating and reporting metrics related to
19 participant contractor engagement in other Illinois clean
20 energy programs such as the Adjustable Block Program,
21 Illinois Solar for All, and the utility-run energy
22 efficiency and electric vehicle programs;

23 (11) reviewing each participant's annual progress
24 through the Program and any recommendations from the
25 Regional Primes Program Lead about whether the participant
26 should continue in the Program, be considered a Program

1 graduate, and whether adjustments to ongoing and future
2 grant money, loans and Contractor Incubator service access
3 are needed; and

4 (12) other duties as required to effectively and
5 equitably administer the Program.

6 (d) Within 90 days after being hired, the Primes Program
7 Administrator, in consultation with the Department and the
8 Advisory Board, shall contract with 3 Regional Primes Program
9 Leads. The Regional Primes Program Leads will report directly
10 to the Primes Program Administrator.

11 (e) The Regional Primes Program Leads selected by the
12 Primes Program Administrator shall have the following
13 qualifications:

14 (1) experience running a large contracting or Approved
15 Vendor business in Illinois;

16 (2) experience in the Illinois clean energy industry;

17 (3) experience coaching businesses;

18 (4) experience with a mentorship program;

19 (5) relationships with suitable potential Mentor
20 Companies in the region;

21 (6) experience working with diverse, underserved, and
22 environmental justice communities;

23 (7) experience working with or participating in
24 businesses owned by BIPOC persons; and

25 (8) ability and willingness to be located within the
26 region they will be leading.

1 (f) The Regional Primes Program Leads shall have the
2 following responsibilities:

3 (1) developing Program marketing materials and working
4 with the Workforce Hubs and Contractor Incubators in the
5 region and their community partners to publicize the
6 Program. The budget shall include funds to pay
7 community-based organizations with a track record of
8 working with diverse, underserved, and environmental
9 justice communities to complete this work;

10 (2) recruiting qualified Program applicants;

11 (3) assisting Program applicants in understanding and
12 completing the application process;

13 (4) coordinating with the Department and the Advisory
14 Board to select qualified applicants for Program
15 participation and determine how to allocate funding among
16 selected participants;

17 (5) introducing participants to the Program offerings;

18 (6) upon entry of each Program participant and each
19 year thereafter, conducting a detailed assessment with
20 each participant to identify needed training, coaching,
21 and other Program services;

22 (7) upon entry of each Program participant and each
23 year thereafter, assisting each participant in developing
24 goals in terms of each Program element, and assessing
25 progress toward meeting the goals established in previous
26 years' work plans;

1 (8) assisting Program participants in receiving their
2 Minority Business Enterprise certification and any other
3 relevant certifications and Approved Vendor statuses;

4 (9) matching each participant with Contractor
5 Incubator offerings and individualized expert coaching,
6 including training on working with returning residents and
7 the second chance companies that employ them, as needed;

8 (10) pairing each Program participant with a Mentor
9 Company;

10 (11) facilitating connections between each Program
11 participant to potential subcontractors and employees;

12 (12) dispensing each participant's awarded operational
13 grant funding;

14 (13) connecting each participant to zero- and
15 low-interest loans from the Illinois Clean Energy Jobs and
16 Justice Fund or a comparable financing mechanism;

17 (14) ensuring that each participant applies for
18 appropriate project opportunities funded by the State of
19 Illinois or businesses or individuals located within
20 Illinois;

21 (15) reviewing each participant's progress through the
22 Program and making a recommendation to the Department and
23 the Advisory Board about whether the participant should
24 continue in the Program, be considered a Program graduate,
25 and whether adjustments to ongoing and future grant
26 funding, loans and related service access overseen by the

1 Advisory Board are needed; and

2 (16) other duties as required to effectively and
3 equitably administer the Program.

4 Section 5-1515. Eligibility for program participation.

5 (a) The Program will accept applications to become Program
6 participants from any person with the following
7 qualifications:

8 (1) 2 or more years of experience in a clean energy or
9 a related contracting field;

10 (2) at least \$5,000 in annual business; and

11 (3) businesses with Minority Business Enterprise
12 certification or recognition certification affidavit from
13 the State of Illinois Department of Central Management
14 Services Business Enterprise program or that meet the
15 definition of a minority-owned business as described in
16 Section 2 of the Business Enterprise for Minorities, Women
17 and Persons with Disabilities Act.

18 (b) Applicants for Program participation shall be allowed
19 to reapply for a future cohort if they are not selected for
20 participation, and the Primes Program Administrator shall
21 inform each applicant of this option.

22 Section 5-1520. Participant selection.

23 (a) Each region will select a new cohort of participant
24 contractors every 18 months.

1 (b) Each regional cohort will include between 3 and 5
2 participants.

3 (c) The application for positions as a program participant
4 shall be standardized across regions and require the following
5 information:

6 (1) company history, financial information, and
7 visibility;

8 (2) list of up to the 5 most recent years' projects
9 with basic information including customer names and
10 locations, partner names if any, community profit-sharing
11 arrangements if any, and total revenues, payroll expenses
12 and subcontracting expenses;

13 (3) list of future projects, if any, with same details
14 as the paragraph (2);

15 (4) a year-by-year plan showing how program-requested
16 operational grants, program-requested zero-interest and
17 low-interest loans and self-funding, private investments
18 and completed project profits will create growth for the
19 applicant company; and

20 (5) details on partnerships, including any
21 community-based organizations partnership for workforce
22 development, subscriber recruitment and conducting
23 information sessions as well as subcontracting
24 relationships and sources of private capital. Projected
25 spending shall be included for these items.

26 (d) Applicants will be scored up to 50 points based on the

1 components outlined in subsection (c).

2 (e) Application who designate themselves as energy
3 efficiency applicants can be awarded additional points as
4 follows:

5 (1) Up to 15 points based on projected hiring and
6 industry job creation via subcontracting year-by-year,
7 including description of wages, salaries and benefits;

8 (2) Up to 15 points based on a clear vision of growing
9 the business in a strategic way;

10 (3) Up to 10 points based on a clear vision of how
11 increased capitalization would benefit the business;

12 (4) Up to 10 points based on past project performance
13 in the areas of work quality, adherence to best practices
14 and demonstration of technical knowledge;

15 (f) Applications who do not designate themselves as energy
16 efficiency applicants pursuant to paragraph (e) of this
17 Section can be awarded additional points as follows:

18 (1) Up to 10 points based on outside capital and
19 capacity the applicant is anticipated to bring to project
20 development;

21 (2) Up to 10 points based on ratio of grants to loans
22 requested as a measure of how much of the risk the
23 applicant is willing to assume;

24 (3) Up to 10 points based on the anticipated revenues
25 from future projects;

26 (4) Up to 10 points based on projected hiring and

1 industry job creation via subcontracting year-by-year,
2 including description of wages, salaries and benefits;

3 (5) Up to 10 points based on any model proposed to
4 build wealth in the larger underserved community through
5 profit sharing, transfer of asset ownership (such as solar
6 panels) and other means.

7 (g) The Primes Program Administrator shall select Program
8 participants based on the application score, the Program's
9 ability to accommodate the requested grants and loans, and the
10 expectation of a contractor cohort that approximates the
11 racial diversity in the region. The Primes Program
12 Administrator shall cap contractors in the energy efficiency
13 sector at 50% of available cohort spots and 50% of available
14 grants and loans if possible.

15 (h) Regional Primes Program Leads shall review
16 applications, conduct one-on-one interviews, and, if possible,
17 visit work sites of promising candidates.

18 (i) Regional Primes Program Leads shall recommend a cohort
19 of selected contractors and a corresponding budget to the
20 Primes Program Administrator for final approval. Applicants
21 not recommended for approval are allowed to petition the
22 Primes Program Administrator, the Department and the Advisory
23 Board for consideration.

24 (j) Regional Primes Program Leads shall make cohort
25 recommendations to the Primes Program Administrator, the
26 Department and the Advisory Board. Applicants may be asked to

1 make a short presentation to the Department and the Advisory
2 Board prior to a final determination on acceptance. Final
3 selection of contractor participants rests with the
4 Department.

5 Section 5-1525. Metrics and goals for program
6 participants.

7 (a) Upon each participant's acceptance into the Program,
8 the Regional Primes Program Leads shall solicit, and Program
9 participants shall be required to provide, the following
10 information to prepare a baseline report on the Program
11 participant's business:

12 (1) information necessary to understand the financial
13 health of the Program participant;

14 (2) income from past project development;

15 (3) the certifications that the Program participant is
16 seeking to obtain;

17 (4) employee data including salaries, length of
18 service and demographics;

19 (5) subcontractor data including demographics (if
20 available or applicable); and

21 (6) community profit-sharing and joint ownership data
22 (if available or applicable).

23 (b) The Regional Primes Program Leads shall to the
24 greatest extent practical establish a monthly metric reporting
25 system with each of the participating contractors and track

1 the metrics for progress against the contractor's work plan
2 and Program goals. Regional Primes Program Leads shall
3 compile, and require Program participants to provide
4 information for, the following metrics on a monthly basis:

5 (1) information necessary to understand the financial
6 health of the Program participant;

7 (2) information about project development including
8 bids submitted, projects started, projects completed and
9 related project-based expenses and income, and the
10 percentage of projects where contractor is acting as the
11 prime contractor;

12 (3) the certifications that the Program participant is
13 seeking to obtain and progress in obtaining those
14 certifications;

15 (4) employee data including salaries, length of
16 service and demographics, as well as whether any newly
17 hired employees are graduates of programs contained in the
18 Clean Jobs Workforce Hub Act;

19 (5) subcontractor data (if applicable) including
20 demographics, details on salaries, length of service and
21 demographics of any industry jobs created, and whether the
22 subcontractors are participants in or graduates of
23 programs contained in Part 10 of this Act;

24 (6) community profit-sharing and joint ownership data
25 (if available or applicable);

26 (7) amounts of grants and loans provided through the

1 Program;

2 (8) log of completed Program activities including
3 personalized training, coaching, and approximate hours of
4 Program support;

5 (9) log of interaction with the participant's Mentor
6 Company and the participant's satisfaction with the Mentor
7 Company relationship;

8 (10) information on the Program participant's
9 satisfaction with Regional Primes Program Lead and the
10 Program overall; and

11 (11) Upon graduation from the Program, participants
12 shall continue to provide metric data outlined in (1),
13 (4), (5) and (6) annually for 10 years.

14 (c) In accordance with the goal of creating an
15 individualized experience for each participant, nonperformance
16 issues with Program participants will be addressed with
17 one-on-one coaching from the Regional Primes Program Lead and
18 necessary resources. Individual contractor performance issues
19 shall be reported up to the Primes Program Administrator on a
20 quarterly basis with issues designated as "resolved", "in
21 remediation", or "needing a resolution" as appropriate.

22 (d) Individual contractors can request assignment to a
23 different Mentor Company if warranted.

24 Section 5-1530. Regional cohort and program-level metrics
25 and goals.

1 (a) Regional Primes Program Leads shall report the
2 following metrics and progress on indicated goals to the
3 Primes Program Administrator on a timeline established by the
4 Primes Program Administrator:

5 (1) cohort recruiting efforts, including the geography
6 targeted, events held, budget allocated for recruiting,
7 and audience-appropriateness of language and graphics in
8 all Program materials;

9 (2) program applications received;

10 (3) participant selection data including racial and
11 geographic breakdown;

12 (4) program participants with ongoing issues as
13 described in subsection (c) of Section 5-1525 of this
14 Part;

15 (5) retention of participants in each cohort;

16 (6) total projects bid, started, and completed by
17 participants, including information about revenue, hiring,
18 and subcontractor relationships with projects;

19 (7) total certifications issued;

20 (8) employment data for contractor hires and industry
21 jobs created including demographic, salary, length of
22 service and geographic data;

23 (9) grants and loans distributed;

24 (10) hours logged in activities including the
25 mentorship program; and

26 (11) program participant satisfaction with the

1 Program.

2 (b) The Primes Program Administrator shall compile data at
3 both the regional level and the overall Program level and
4 create quarterly reports for the Department and the Advisory
5 Board and an annual report for the Illinois General Assembly.
6 Reporting provided to the Department and General Assembly will
7 be anonymized to protect the data of Program participants,
8 although some reporting by zip code or other geographic
9 segment may be included. It will highlight how the Program is
10 building wealth through increased revenues of participating
11 companies, new hiring, creation of industry jobs, increased
12 revenues of the larger pool of BIPOC subcontractors and
13 through community arrangements that provide for passive income
14 streams and asset ownership.

15 Section 5-1535. Mentorship Program

16 (a) The Regional Primes Program Leads shall recruit
17 private companies to serve as mentors to Program participants.
18 The primary role of the Mentor Companies shall be to assist
19 Program participants in succeeding in the clean energy
20 industry.

21 (b) The Primes Program Administrator may select Mentor
22 Companies with the following qualifications:

23 (1) excellent standing with state clean energy
24 programs;

25 (2) 4 or more years of experience in the field in which

1 they will serve as a Mentor Company; and

2 (3) a proven track record of success in the field in
3 which they will serve as a Mentor Company.

4 (c) The Regional Primes Program Leads shall collaborate
5 with Mentor Companies and the mentee Program participants to
6 create a plan for ongoing contact in opportunities such as
7 on-the-job training, site walkthroughs, business process and
8 structure walkthroughs, quality assurance and quality control
9 reviews, and other relevant activities. Mentor Companies may
10 identify what level of stipend they require.

11 (d) The Regional Primes Program Lead shall recommend the
12 Mentor Company-mentee pairings and associated Mentor Company
13 stipends to the Primes Program Administrator for approval.

14 (e) The Regional Primes Program Lead shall conduct an
15 annual review of each Mentor Company-mentee pairing and
16 recommend whether it continues for a second year and the level
17 of stipend that is appropriate. The review will also ensure
18 that any profit-sharing and purchased services agreements
19 adhere to the guidelines established by the Primes Program
20 Administrator.

21 Section 5-1540. Program budget.

22 (a) The Department shall allocate \$3 million annually to
23 the Primes Program Administrator for each of the 3 regional
24 budgets from the Energy Community Reinvestment Fund.

25 (b) Each regional budget will be developed collaboratively

1 by the Primes Program Administrator and the corresponding
2 Regional Primes Program Lead. The budget will cover Program
3 administration, Program publicity and candidate recruitment,
4 training and certification costs, operational support grants
5 for Program participants, Mentor Company stipends and loan
6 loss reserves for contractor capitalization as well as other
7 costs the Primes Program Administrator deems to be necessary
8 or beneficial for the implementation of the Program.

9 (c) The Primes Program Administrator shall conduct
10 budgeting in conjunction with Illinois Clean Energy Jobs and
11 Justice Fund or comparable financing institution so that loan
12 loss reserves are sufficient to underwrite \$7 million in
13 low-interest loans in each of the 3 regions.

14 (d) All available grant and loan funding should be made
15 available to Program participants in a timely fashion.

16 Part 20.Returning Residents Program

17 Section 5-2001. Purpose. The Returning Residents Clean
18 Jobs Training Program shall be established within the Illinois
19 Department of Commerce and Economic Opportunity in an effort
20 to assist inmates in their rehabilitation through training
21 that prepares them to successfully hold employment in the
22 clean energy jobs sector upon their release from
23 incarceration.

1 Section 5-2005. Definitions. As used in this Part:

2 "Commitment" means a judicially determined placement in
3 the custody of the Department of Corrections on the basis of
4 conviction or delinquency.

5 "Committed person" means a person committed to the
6 Department of Corrections.

7 "Correctional institution or facility" means a Department
8 of Corrections building or part of a Department of Corrections
9 building where committed persons are detained in a secure
10 manner.

11 "Discharge" means the end of a sentence or the final
12 termination of a detainee's physical commitment to and
13 confinement in the Department of Corrections.

14 "Program" means the clean energy jobs instruction
15 established by this Part.

16 "Program Administrator" means the person or entity
17 selected to administer and coordinate the work of the Illinois
18 Returning Residents Clean Jobs Training Program as established
19 in Section 5-2030 of this Part.

20 "Regional Administrator" means the person or entity
21 selected to administer and coordinate programs as described in
22 Section 5-130 of Part 1 of this Act.

23 "Returning resident" means any United States resident who
24 is: 17 years of age or older; in the physical custody of the
25 Department of Corrections and scheduled to be re-entering
26 society within 12 months.

1 Section 5-2010. Program.

2 (a) General. The Returning Residents Clean Jobs Training
3 Program shall be based on a curriculum designed to be as
4 similar as practical to the Clean Energy Jobs Training
5 Programs available for persons not committed as established in
6 Part 5 of this Act. The program shall include structured
7 hands-on activities in correctional institutions or
8 facilities, including classroom spaces and outdoor spaces, to
9 instruct participants in the core curriculum established in
10 Part 5 of this Act.

11 (b) Connected Services. The program shall be designed and
12 operated to allow participants to graduate from the program as
13 hireable in the solar power and energy efficiency industries.
14 The program shall provide participants with the knowledge and
15 ability to access the necessary mental health, case
16 management, and other support services, both during the
17 program and after graduation, to ensure they are successful in
18 the clean energy jobs sector.

19 (c) Recruitment of Participants. The Program
20 Administrators shall implement a recruitment process to
21 educate committed persons on the benefits of the program and
22 how to enroll in the program. This recruitment process must
23 reach both men's correctional institutions and facilities and
24 women's correctional institutions and facilities.

25 (d) Connection to Employers. The Program Administrators

1 shall be responsible for connecting program graduates with
2 potential employers in the solar power and energy efficiency
3 and related industries. The Regional Administrators shall
4 assist the Program Administrators with this task.

5 (e) Graduation. Participants who successfully complete all
6 assignments in the program shall be considered graduates and
7 shall receive a program graduation certificate, as well as any
8 certifications earned in the process.

9 Section 5-2015. Administrative rules; eligibility.

10 (a) A committed person in a correctional institution or
11 facility is eligible if the committed person:

12 (1) is not prohibited by Illinois statute from
13 entering a residence or public building as a result of a
14 previous conviction;

15 (2) is within 12 months of expected release;

16 (3) volunteers, or is recommended to participate, with
17 a strong interest in the program and in securing and
18 keeping a clean energy job upon completion of the program
19 and release;

20 (4) meets all program and testing requirements;

21 (5) is willing to follow all program requirements; and

22 (6) is willing to participate in all prescribed
23 program events including the required wrap-around/support
24 services.

25 (b) The Department of Corrections shall provide data

1 needed to determine eligibility and work with the Program
2 Administrator to select individuals for the training program.

3 Section 5-2020. Program entry and testing requirements. To
4 enter the Returning Residents Clean Jobs Training Program,
5 committed persons must complete a simple application, undergo
6 an interview and coaching session, and pass the Test for Adult
7 Basic Education. The Returning Residents Clean Jobs Training
8 Program shall include a one week "pre" program boot camp that
9 ensures the candidates understand and are interested in
10 continuing the program. Candidates that successfully complete
11 the "pre" program boot camp shall continue to the full
12 program.

13 Section 5-2025. Administrative rules; drug testing. A
14 clean drug test is required to complete the Returning
15 Residents Clean Jobs Training Program. A drug test shall be
16 administered at least once prior to graduation, and, if
17 positive, it shall not result in immediate expulsion, but
18 outreach must be performed to offer assistance and mitigation.
19 An additional clean test is then required to complete the
20 program.

21 Section 5-2030. Curriculum and program administration.

22 (a) Curriculum.

23 (1) General. The Returning Residents Clean Jobs

1 Training Program shall be based on a curriculum designed
2 to be as similar as practical to the Clean Energy Jobs
3 Training Programs available for persons not committed as
4 established in Part 5 of this Act, with a focus on
5 preparing graduates for employment in the solar power and
6 energy efficiency industries.

7 (2) Curriculum design and public comment. The
8 Department shall design a draft curriculum for the
9 implementation of the Returning Residents Clean Jobs
10 Training Program by making adjustments to the Clean Energy
11 Jobs Training Programs curriculum to meet in-facility
12 requirements. The Department shall consult with the
13 Department of Corrections to ensure all curriculum
14 elements may be available within Department of Corrections
15 facilities. The Department shall then publish the draft
16 curriculum no more than 120 days after the effective date
17 of this Act, and solicit public comments on the draft
18 curriculum for at least 30 days prior to beginning program
19 implementation.

20 (3) Curriculum goals and skills. Program participants
21 shall be instructed in skills that prepare them for
22 employment in the clean energy industry. The Program shall
23 focus on solar and energy efficiency training, including
24 both technical and soft skills necessary for success in
25 the field.

26 (A) Solar power training. Program participants

1 shall receive training focused on accessing
2 opportunities in the solar industry and earning the
3 necessary certifications to work in the solar industry
4 as a solar tech including installation, maintenance,
5 technical work, and sales.

6 (B) Energy efficiency training. Program
7 participants shall receive training focused on
8 accessing opportunities in the energy efficiency
9 industry and earning the necessary certifications to
10 work in the energy efficiency industry through
11 training in building science principles, sales of
12 solar technology, installation, maintenance, and the
13 skills needed to become an energy auditor, building
14 analyst, or HVAC Tech.

15 (C) Additional hard and soft skills for clean
16 energy jobs. Training shall include, but is not
17 limited to, job readiness training, mental health
18 assessment and services, and addiction recovery
19 services.

20 (4) Guidebook. The Program Administrators shall
21 collaborate to create and publish a guidebook that allows
22 for the implementation of the curriculum and provides
23 information on all necessary and useful resources for
24 program participants and graduates.

25 (b) Program administration.

26 (1) Program administrators.

1 (A) Within 210 days after the effective date of
2 this Act, the Department shall complete the following:

3 (i) Convene a comprehensive stakeholder
4 process that includes, at minimum, representatives
5 from community-based organizations in
6 environmental justice communities,
7 community-based organizations serving low-income
8 persons and families, community-based
9 organizations serving energy workers, and labor
10 unions, to seek input on the administration of
11 this program.

12 (ii) Gather input from the comprehensive
13 stakeholder process and publish a summary of the
14 input received during the stakeholder process,
15 along with an implementation plan incorporating
16 input from the stakeholder process on the
17 Department website or the initial Program website.
18 The implementation plans shall also be provided to
19 the Advisory Board.

20 (iii) Hold a 30-day public comment period
21 seeking input on the implementation plans.

22 (iv) In consultation with the Regional
23 Administrators and Advisory Board, select a
24 Program Administrator for each of the three
25 regions: North, Central, and South, to administer
26 and coordinate the work of the Illinois Returning

1 Residents Clean Jobs Training Program. Candidates
2 shall be evaluated with input from the Advisory
3 Board.

4 (B) The Program Administrators shall have strong
5 capabilities, experience, and knowledge related to
6 program development and economic management; cultural
7 and language competency needed to be effective in the
8 respective communities to be served; expertise in
9 working in and with BIPOC and environmental justice
10 communities; knowledge and experience in working with
11 providers of clean energy jobs; and awareness of solar
12 power and energy efficiency industry trends and
13 activities, workforce development best practices, and
14 regional workforce development needs, and community
15 development. The Program Administrators shall
16 demonstrate a track record of strong partnerships with
17 community-based organizations.

18 (C) The Program Administrators shall coordinate
19 with Regional Administrators and the Clean Jobs
20 Workforce Hubs Network Program to ensure execution,
21 performance, partnerships, marketing, and program
22 access across the State that is as consistent as
23 possible while respecting regional differences. The
24 Program Administrators shall work with partner
25 community-based organizations in their respective
26 regions and Program Delivery Areas to deliver the

1 Program.

2 (D) The Program Administrators shall collaborate
3 to create and publish an employer "Hiring Returning
4 Residents" handbook that includes benefits and
5 expectations of hiring returning residents, guidance
6 on how to recruit, hire, and retain returning
7 residents, guidance on how to access state and federal
8 tax credits and incentives, resources from federal and
9 state, guidance on how to update company policies to
10 support hiring and supporting returning residents, and
11 an understanding of the harm in one-size fits all
12 policies toward returning residents. The handbook
13 shall be updated every 5 years or more frequently if
14 needed to ensure its contents are accurate. The
15 handbook shall be made available on the Department's
16 website.

17 (E) The Program Administrators shall work with
18 potential employers and employers who hire graduates
19 to collect data needed to ensure program participant
20 success and to evaluate success of the program,
21 including, but not limited to:

22 (i) candidates interviewed and hiring status;

23 (ii) graduate employment status, such as hire
24 date, salary grade changes, hours worked, and
25 separation date;

26 (iii) key demographics by project or project

1 category; and

2 (iv) continuing education and certifications
3 gained by program graduates.

4 The Program Administrators will work with
5 potential employers to promote company policies to
6 support hiring and supporting returning residents via
7 employee/employer liability, coverage, insurance,
8 bonding, training, hiring practices, and retention
9 support. The Program Administrator will provide
10 services such as, but not limited to, job coaching and
11 financial coaching to program graduates to support
12 their employment longevity. The Program Administrators
13 shall report data needed to ensure program participant
14 success and to evaluate success of the program to the
15 Department, Regional Administrators, and Advisory
16 Board.

17 (F) The Program Administrators shall identify
18 clean energy job opportunities and assist participants
19 in achieving employment. The program shall include at
20 least one job fair; include job placement discussions
21 with clean energy employers; establish a partnership
22 with Illinois solar energy businesses and trade
23 associations to identify solar employers that support
24 and hire returning residents, and; involve the
25 Department, Regional Administrators, and the Advisory
26 Board in finding employment for participants and

1 graduates in the solar power and energy efficiency
2 industries.

3 (G) The Program Administrators shall work with
4 graduates to maintain contact, including quarterly
5 check-ins, and ensure access to the necessary mental
6 health, case management, and other support services,
7 both during the program and after graduation, to
8 ensure they are successful in the clean energy jobs
9 sector.

10 (2) Community Organizations. Program Administrators
11 may contract with local community-based organizations to
12 provide program elements at each facility. Contracts with
13 local community-based organizations shall be initially
14 competitively selected by the Department within 330 days
15 after the effective date of this Act and shall be
16 subsequently competitively selected by the Department
17 every 5 years. Community-based organizations delivering
18 the program elements outlined may provide all elements
19 required or may subcontract to other entities for the
20 provision of portions of program elements, including, but
21 not limited to, administrative soft and hard skills for
22 program participants, delivery of specific training(s) in
23 the core curriculum, or provision of other support
24 functions for program delivery compliance. The Department
25 and the Regional Administrators shall collaborate to
26 develop uniform minimum contractual requirements for

1 competitively selected community-based organizations to
2 provide the Program, uniform minimum contractual
3 requirements for all Program subcontracts, and uniform
4 templates for Requests For Proposals for all Program
5 subcontracts.

6 (3) Scheduling and Delays. The Department should aim
7 to include training in conjunction with other pre-release
8 procedures and movements. Delays in a workshop being
9 provided shall not cause delays in discharge. Detainees
10 may not be prevented from attending workshops due to
11 staffing shortages, lockdowns, conflicts with family or
12 legal visits, court dates, medical appointments,
13 commissary visits, recreational sessions, dining, work,
14 class, or bathing schedules. In case of conflict or
15 staffing shortages, returning residents must be given full
16 opportunity to attend a workshop at a later time.

17 (4) Coordination with Clean Jobs Workforce Hubs
18 Network Program, established by Part 5 of this Act to
19 Provide Pre-Release Training. The Program Administrators
20 may establish shortened Clean Jobs Training Programs at
21 facilities that are designed to prepare and place
22 graduates in the Clean Jobs Workforce Hubs following
23 release from commitment. These programs may focus on
24 technical skills that prepare participants for clean
25 energy jobs as well as other generalized workforce and
26 life skills necessary for success. Any graduate of these

1 programs must be guaranteed placement in a Clean Jobs
2 Workforce Hub training program.

3 Section 5-2035. Advisory Board and program management.

4 (a) The Advisory Board shall review the Returning
5 Residents Clean Jobs Training Program, implement and enforce
6 the policies and requirements of the program and the Program
7 Administrators, and review, approve, and make adjustments to
8 the implementation policies and deliverables of the Program
9 Administrators and other program implementers. The Advisory
10 Board shall ensure that metrics and a reporting structure are
11 in place to support successful implementation. These metrics
12 shall include, but are not limited to:

13 (1) demographics of each entering and graduating
14 class;

15 (2) percent of graduates employed at 6 and 12 months
16 after release;

17 (3) recidivism rate of program participants at 3 and 5
18 years after release; and

19 (4) information on the type of employment, whether
20 full or part time or seasonal, and pay rates achieved by
21 program graduates.

22 The metrics and performance outcomes shall be shared with
23 the Department and with Program Administrators and
24 implementers for the program created by Part 5 of this Act. All
25 program implementers should have input before major changes to

1 policy, metrics, or outcomes are determined. Program metrics
2 and performance outcomes shall be published on the
3 Department's website annually.

4 (b) The Director of the Department of Corrections shall
5 ensure that the wardens or superintendents of all correctional
6 institutions and facilities visibly post information on the
7 program in common areas of their respective institutions,
8 broadcast the same via in-house institutional information
9 television channels, and distribute updated information in a
10 timely, visible, and accessible manner.

11 (c) All program content and materials shall be distributed
12 annually to the Community Support Advisory Councils of the
13 Department of Corrections for use in re-entry programs across
14 this State.

15 Section 5-2040. Returning Residents Clean Jobs Training
16 Program monitoring and enforcement.

17 (a) The Director of Corrections shall ensure that wardens
18 or superintendents, program, educational, and security and
19 movement staff permit program workshops to take place, and
20 that returning residents are escorted to workshops in a
21 consistent and timely manner.

22 (b) Compliance with this Part shall be monitored by a
23 report published annually by the Department of Corrections
24 containing data, including numbers of returning residents who
25 enrolled in the program, numbers of returning residents who

1 completed the program, and total numbers of individuals
2 discharged. Other data that shall be collected include the
3 number of people hired, the type of employment (full-time
4 versus part-time; permanent versus seasonal short-term
5 contract), the salary grade of people hired every 3 months,
6 certifications of people hired every 3 months, the demographic
7 mix of project teams per project, and the recidivism rate over
8 3 to 5 years. Data shall be disaggregated by institution,
9 discharge, or residence address of resident, and other
10 factors.

11 Section 5-2045. Funding. The Funding for this program
12 shall be subject to appropriation from the Energy Community
13 Reinvestment Fund and other sources. The Director of the
14 Department of Commerce and Economic Opportunity may, upon
15 consultation with the Director of Corrections, allocate
16 funding to the Department of Corrections as necessary to
17 offset costs incurred by the Departments of Corrections in
18 program implementation.

19 Section 5-2050. Access. The program instructors and staff
20 shall have access to Department of Corrections institutions
21 and facilities as needed, including, but not limited to,
22 classroom space and outdoor space, with an expectation that
23 they shall follow all facility procedures and protocols.

1 Article 10. Illinois Clean Energy

2 Jobs and Justice Fund Act

3 Section 10-1. Short title. This Article may be cited as
4 the Illinois Clean Energy Jobs and Justice Fund Act.
5 References in this Article to "this Act" mean this Article.

6 Section 10-5. Purpose.

7 The purpose of this Act is to promote the health, welfare,
8 and prosperity of all the residents of this State by ensuring
9 access to financial products that allow Illinois residents and
10 businesses to invest in clean energy. Furthermore, the
11 Illinois Clean Energy Jobs and Justice Fund, is designed to
12 fill the following purposes:

13 (1) Ensure that the benefits of the clean energy
14 economy are equitably distributed;

15 (2) Make clean energy accessible to all through the
16 provision of innovative financing opportunities and grants
17 for Minority Business Enterprises (MBE) and other
18 contractors of color, and for low-income, environmental
19 justice, and BIPOC communities and the businesses that
20 serve these communities;

21 (3) Prioritize the provision of public and private
22 capital for clean energy investment to MBEs and other
23 contractors of color, and to businesses serving
24 low-income, environmental justice, and BIPOC communities;

1 (4) Accelerate the flow of private capital into clean
2 energy markets;

3 (5) Assist low-income, environmental justice, and
4 BIPOC community utility customers in paying for solar and
5 energy efficiency upgrades through energy cost savings;

6 (6) Increase access to no- and low-cost loans for MBE
7 and other contractors of color;

8 (7) Develop financing products designed to compensate
9 for historical and structural barriers preventing
10 low-income, environmental justice, and BIPOC communities
11 from accessing traditional financing;

12 (8) Leverage private investment in clean energy
13 projects and in projects developed by MBEs and other
14 contractors of color; and

15 (9) Pursue financial self-sustainability through
16 innovative financing products.

17 Section 10-10. Definitions. For the purpose of this act,
18 the following terms shall have the following definitions:

19 "Black, indigenous, and people of color" or "BIPOC" is
20 defined as people who are members of the groups described in
21 subparagraphs (a) through (e) of paragraph (A) of subsection
22 (1) of Section 2 of the Business Enterprise for Minorities,
23 Women, and Persons with Disabilities Act.

24 "Board" means the Board of Directors of the Illinois Clean
25 Energy Jobs and Justice Fund.

1 "Contractor of color" means a business entity that is at
2 least 51% owned by one or more BIPOC persons, or in the case of
3 a corporation, at least 51% of the corporation's stock is
4 owned by one or more BIPOC persons; and the management and
5 daily business operations of which are controlled by one or
6 more of the BIPOC persons who own it. A contractor of color may
7 also be a nonprofit entity with a board of directors composed
8 of at least 51% BIPOC persons or a nonprofit entity certified
9 by the State of Illinois to be minority-led.

10 "Environmental justice communities" means the definition
11 of that term based on existing methodologies and findings used
12 by the Illinois Power Agency and its Administrator of the
13 Illinois Solar for All Program.

14 "Fund" means the Illinois Clean Energy Jobs and Justice
15 Fund.

16 "Low-income" means households whose income does not exceed
17 80% of Area Median Income (AMI), adjusted for family size and
18 revised every 5 years.

19 "Low-income community" means a census tract where at least
20 half of households are low-income.

21 "Minority-owned business enterprise" or "MBE" means a
22 business certified as such by an authorized unit of government
23 or other authorized entity in Illinois.

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

26 "Person" means any natural person, firm, partnership,

1 corporation, either domestic or foreign, company, association,
2 limited liability company, joint stock company, or association
3 and includes any trustee, receiver, assignee, or personal
4 representative thereof.

5 Section 10-15. Clean Energy Jobs and Justice Fund.

6 (a) Formation. Not later than 30 days after the effective
7 date of this Act, there shall be incorporated a nonprofit
8 corporation to be known as the "Clean Energy Jobs and Justice
9 Fund."

10 (b) Limitation. The Fund shall not be an agency or
11 instrumentality of the State Government.

12 (c) Full faith and credit. The full faith and credit of the
13 State of Illinois shall not extend to the Fund.

14 (d) Nonprofit status. The Fund shall:

15 (1) Be an organization described in subsection (c)
16 Section 501 of the Internal Revenue Code of 1986 and
17 exempt from taxation under subsection (a) of Section 501
18 of that Code;

19 (2) Ensure that no part of the income or assets of the
20 Fund shall inure to the benefit of any director, officer,
21 or employee, except as reasonable compensation for
22 services or reimbursement for expenses; and

23 (3) Not contribute to or otherwise support any
24 political party or candidate for elective office.

1 Section 10-20. Board of directors.

2 (a) Board composition. The Fund shall be managed by, and
3 its powers, functions, and duties shall be exercised through,
4 a board to be composed of 11 members. The initial members of
5 the Board shall be selected as follows:

6 (1) Appointed members. Five members shall be appointed
7 by the Governor within 60 days after the effective date of
8 this Act. Members of the board shall be broadly
9 representative of the communities that the Fund is
10 designed to serve. Of such members:

11 (i) at least one member shall be selected from
12 each of the following geographic regions in the State:
13 northeast, northwest, central, and southern;

14 (ii) at least one member shall have experience in
15 providing energy-related services to low-income,
16 environmental justice, or BIPOC communities;

17 (iii) At least one member shall own or be employed
18 by an MBE or BIPOC-owned business focused on the
19 deployment of clean energy;

20 (iv) at least one member shall be a policy or
21 implementation expert in serving low-income,
22 environmental justice or BIPOC communities or
23 individuals, including environmental justice
24 communities, BIPOC communities, justice-involved
25 persons, persons who are or were in the child welfare
26 system, displaced energy workers, gender nonconforming

1 and transgender individuals, or youth; and

2 (v) Board members can fulfill multiple criteria
3 (such as representing the southern region and a MBE or
4 BIPOC-owned business focused on the deployment of
5 clean energy).

6 (2) Elected members. Six members shall be elected
7 unanimously by the 5 members appointed pursuant to
8 subparagraph (A) within 120 days after the effective date
9 of this Act. Members of the board shall be broadly
10 representative of the communities that the Fund is
11 designed to serve. Of such members:

12 (i) at least one member shall be selected from
13 each of the following geographic regions in the State:
14 northeast, northwest, central, and southern;

15 (ii) at least one member shall be from a
16 community-based organization with a specific mission
17 to support racially and socioeconomically diverse
18 environmental justice communities;

19 (iii) at least one member shall own or be employed
20 by an MBE or BIPOC-owned business focused on the
21 deployment of clean energy;

22 (iv) at least one member shall be from an
23 organization specializing in providing energy-related
24 services to low-income, environmental justice, or
25 BIPOC communities; and

26 (v) Board members can fulfill multiple criteria

1 (such as representing the southern region and an MBE
2 or BIPOC-owned business focused on the deployment of
3 clean energy).

4 (3) Terms. The terms of the initial members of the
5 Board shall be as follows:

6 (A) The 5 members appointed and confirmed under
7 paragraph (1) of subsection (a) of this Section shall
8 have initial 5-year terms.

9 (B) Of the 6 members elected under paragraph (2)
10 of subsection (a) of this Section, 3 shall have
11 initial 4-year terms and 3 shall have initial 3-year
12 terms.

13 (b) Subsequent composition and terms.

14 (1) Except for the selection of the initial members of
15 the Board for their initial terms under paragraph (1) of
16 subsection (a) of this Section, the members of the Board
17 shall be elected by the members of the Board.

18 (2) Disqualification. A member of the Board shall be
19 disqualified from voting for any position on the Board for
20 which such member is a candidate.

21 (3) Terms. All members elected pursuant to paragraph
22 (2) of subsection (a) of this Section shall have a term of
23 5 years.

24 (c) Qualifications. The members of the board shall be
25 broadly representative of the communities that the Fund is
26 designed to serve and shall collectively have expertise in

1 environmental justice, energy efficiency, distributed
2 renewable energy, workforce development, finance and
3 investments, clean transportation, and climate resilience. Of
4 such members:

5 (1) not fewer than 2 shall be selected from each of the
6 following geographic regions in the State: northeast,
7 northwest, central, and southern;

8 (2) not fewer than 2 shall be from an MBE or
9 BIPOC-owned business focused on the deployment of clean
10 energy;

11 (3) not fewer than 2 shall be from a community-based
12 organization with a specific mission to support racially
13 and socioeconomically diverse environmental justice
14 communities; and

15 (4) not fewer than 2 shall be from an organization
16 specializing in providing energy-related services to
17 low-income, environmental justice, or BIPOC communities.

18 (5) Members of the board can fulfill multiple criteria
19 (such as representing the southern region and an MBE or
20 BIPOC-owned business focused on the deployment of clean
21 energy).

22 (d) Restriction on membership. No officer or employee of
23 the State or any other level of government may be appointed or
24 elected as a member of the Board.

25 (e) Quorum. Seven members of the Board shall constitute a
26 quorum.

1 (f) Bylaws. The board shall adopt, and may amend, such
2 bylaws as are necessary for the proper management and
3 functioning of the Fund. Such bylaws shall include designation
4 of officers of the Fund and the duties of such officers.

5 (g) Restrictions. No person who is an employee in any
6 managerial or supervisory capacity, director, officer or agent
7 or who is a member of the immediate family of any such
8 employee, director, officer or agent of any public utility is
9 eligible to be a director. No director may hold any elective
10 position, be a candidate for any elective position, be a State
11 public official, be employed by the Illinois Commerce
12 Commission, or be employed in a governmental position exempt
13 from the Illinois Personnel Code.

14 (h) Director, Family Member Employment. No director, nor
15 member of his or her immediate family shall, either directly
16 or indirectly, be employed for compensation as a staff member
17 or consultant of the Fund.

18 (i) Meetings. The board shall hold regular meetings at
19 least once every 3 months on such dates and at such places as
20 it may determine. Meetings may be held by teleconference or
21 videoconference. Special meetings may be called by the
22 president or by a majority of the directors upon at least 7
23 days' advance written notice. The act of the majority of the
24 directors, present at a meeting at which a quorum is present,
25 shall be the act of the board of directors unless the act of a
26 greater number is required by this Act or bylaws. A summary of

1 the minutes of every board meeting shall be made available to
2 each public library in the State upon request and to
3 individuals upon request. Board of Director meeting minutes
4 shall be posted on the Fund's website within 14 days after
5 Board approval of the minutes.

6 (j) Expenses. A director may not receive any compensation
7 for his or her services but shall be reimbursed for necessary
8 expenses, including travel expenses incurred in the discharge
9 of duties. The board shall establish standard allowances for
10 mileage, room and meals and the purposes for which such
11 allowances may be made and shall determine the reasonableness
12 and necessity for such reimbursements.

13 (k) In the event of a vacancy on the board, the board of
14 Directors shall appoint a temporary member, consistent with
15 the requirements of the board composition, to serve the
16 remainder of the term for the vacant seat.

17 (l) The board shall adopt rules for its own management and
18 government, including bylaws and a conflict of interest
19 policy.

20 (m) The board of directors of the Fund shall adopt written
21 procedures for:

22 (1) adopting an annual budget and plan of operations,
23 including a requirement of board approval before the
24 budget or plan may take effect;

25 (2) hiring, dismissing, promoting, and compensating
26 employees of the Fund, including an affirmative action

1 policy and a requirement of board approval before a
2 position may be created or a vacancy filled;

3 (3) acquiring real and personal property and personal
4 services, including a requirement of board approval for
5 any non-budgeted expenditure in excess of 5 thousand
6 dollars;

7 (4) contracting for financial, legal, bond
8 underwriting and other professional services, including
9 requirements that the Fund (i) solicit proposals at least
10 once every 3 years for each such service that it uses, and
11 (ii) ensure equitable contracting with diverse suppliers;

12 (5) issuing and retiring bonds, bond anticipation
13 notes, and other obligations of the Fund; and

14 (6) awarding loans, grants and other financial
15 assistance, including (i) eligibility criteria, the
16 application process and the role played by the Fund's
17 staff and board of directors, and (ii) ensuring racial
18 equity in the awarding of loans, grants, and other
19 financial assistance.

20 (n) The board shall develop a robust set of metrics to
21 measure the degree to which the program is meeting the
22 purposes set forth in Section 5-10 of this Act, and especially
23 measuring adherence to the racial equity purposes set forth
24 there, and a reporting format and schedule to be adhered to by
25 the Fund officers and staff. These metrics and reports shall
26 be posted quarterly on the Fund's website.

1 (o) The board of directors has the responsibility to make
2 program adjustments necessary to ensure the Clean Energy Jobs
3 and Justice Fund is meeting the purposes set forth in Section
4 5-10 of this Act. Fund officers and staff and the board of
5 directors are responsible for ensuring capital providers and
6 Fund officers and staff, partners, and financial institutions
7 are held to state and federal standards for ethics and
8 predatory lending practices and shall immediately remove any
9 offending products and sponsoring organizations from Fund
10 participation.

11 (p) The board shall issue annually a report reviewing the
12 activities of the Fund in detail and shall provide a copy of
13 such report to the joint standing committees of the General
14 Assembly having cognizance of matters relating to energy and
15 commerce. The report shall be published on the Fund's website
16 within 3 days after its submission to the General Assembly.

17 Section 10-25. Powers and duties.

18 (a) The Fund shall endeavor to perform the following
19 actions, but is not limited to these specified actions:

20 (1) Develop programs to finance and otherwise support
21 clean energy investment and projects as determined by the
22 Fund in keeping with the purposes of this Act.

23 (2) Support financing or other expenditures that
24 promote investment in clean energy sources in order to (i)
25 foster the development and commercialization of clean

1 energy projects, including projects serving low-income,
2 environmental justice, and BIPOC communities, and (ii)
3 support project development by MBE and other contractors
4 of color.

5 (3) Prioritize the provision of public and private
6 capital for clean energy investment to MBEs and other
7 contractors of color, and to clean energy investment in
8 low-income, environmental justice, and BIPOC communities.

9 (4) Provide access to grants, no-cost, and low-cost
10 loans to MBEs and other contractors of color, including
11 those participating in the Illinois Clean Energy Black,
12 Indigenous, and People of Color Primes Contractor
13 Accelerator Program.

14 (5) Provide financial assistance in the form of
15 grants, loans, loan guarantees or debt and equity
16 investments, as approved in accordance with written
17 procedures.

18 (6) Assume or take title to any real property, convey
19 or dispose of its assets and pledge its revenues to secure
20 any borrowing, convey or dispose of its assets and pledge
21 its revenues to secure any borrowing, for the purpose of
22 developing, acquiring, constructing, refinancing,
23 rehabilitating or improving its assets or supporting its
24 programs, provided each such borrowing or mortgage, unless
25 otherwise provided by the board or the Fund, shall be a
26 special obligation of the Fund, which obligation may be in

1 the form of bonds, bond anticipation notes or other
2 obligations which evidence an indebtedness to the extent
3 permitted under this chapter to Fund, refinance and refund
4 the same and provide for the rights of holders thereof,
5 and to secure the same by pledge of revenues, notes and
6 mortgages of others, and which shall be payable solely
7 from the assets, revenues and other resources of the Fund
8 and such bonds may be secured by a special capital reserve
9 Fund contributed to by the State.

10 (7) Contract with community-based organizations to
11 design and implement program marketing, communications,
12 and outreach to potential users of the Fund's products,
13 particularly potential users in low-income, environmental
14 justice, and BIPOC communities. These contracts shall
15 include funding to ensure that the contracted
16 community-based organizations provide materials and
17 outreach support, including payments for time and
18 expenses, to other community organizations, professional
19 organizations, and subcontractors that have an interest in
20 the Fund's financial products.

21 (8) Collect the following data and perform monthly and
22 quarterly reporting to the board in accordance with the
23 reporting format and schedule developed by the Board of
24 Directors:

25 (A) baseline data on capital sources/providers,
26 loan recipients, projects funded, loan terms, and

1 other relevant financial data;

2 (B) diversity and equity data (race, gender,
3 socioeconomic, geographic region, etc.); and

4 (C) program administration and servicing data.

5 These reports shall be published to the Fund's website
6 monthly and quarterly. Reports published to the
7 website may be anonymized to protect the data of
8 individual program participants.

9 (9) Have the purposes as provided by resolution of the
10 Fund's board of directors, which purposes shall be
11 consistent with this Section and Section 5-10 of this Act.
12 No further action is required for the establishment of the
13 Fund, except the adoption of a resolution for the Fund.

14 (b) In addition to, and not in limitation of, any other
15 power of the Fund set forth in this Section or any other
16 provision of the general statutes, the Fund shall have and may
17 exercise the following powers in furtherance of or in carrying
18 out its purposes:

19 (1) have perpetual succession as a body corporate and
20 to adopt bylaws, policies and procedures for the
21 regulation of its affairs and the conduct of its business;

22 (2) make and enter into all contracts and agreements
23 that are necessary or incidental to the conduct of its
24 business;

25 (3) invest in, acquire, lease, purchase, own, manage,
26 hold, sell and dispose of real or personal property or any

1 interest therein;

2 (4) borrow money or guarantee a return to investors or
3 lenders;

4 (5) hold patents, copyrights, trademarks, marketing
5 rights, licenses or other rights in intellectual property;

6 (6) employ such assistants, agents, and employees as
7 may be necessary or desirable; establish all necessary or
8 appropriate personnel practices and policies, including
9 those relating to hiring, promotion, compensation and
10 retirement, and engage consultants, attorneys, financial
11 advisers, appraisers and other professional advisers as
12 may be necessary or desirable;

13 (7) invest any funds not needed for immediate use or
14 disbursement pursuant to investment policies adopted by
15 the Fund's board of directors;

16 (8) procure insurance against any loss or liability
17 with respect to its property or business of such types, in
18 such amounts and from such insurers as it deems desirable;

19 (9) enter into joint ventures and invest in, and
20 participate with any person, including, without
21 limitation, government entities and private corporations,
22 in the formation, ownership, management and operation of
23 business entities, including stock and nonstock
24 corporations, limited liability companies and general or
25 limited partnerships, formed to advance the purposes of
26 the Fund, provided members of the board of directors or

1 officers or employees of the Fund may serve as directors,
2 members or officers of any such business entity, and such
3 service shall be deemed to be in the discharge of the
4 duties or within the scope of the employment of any such
5 director, officer or employee, as the case may be, so long
6 as such director, officer or employee does not receive any
7 compensation or financial benefit as a result of serving
8 in such role; and

9 (10) all other acts necessary or convenient to carry
10 out the purposes of this Act.

11 (c) Before making any loan, loan guarantee, or such other
12 form of financing support or risk management for a clean
13 energy project, the Fund shall develop standards to govern the
14 administration of the Fund through rules, policies and
15 procedures that specify borrower eligibility, terms and
16 conditions of support, and other relevant criteria, standards,
17 or procedures.

18 (d) Capitalization. The Fund shall be capitalized with
19 \$100 million from the Energy Community Reinvestment Fund
20 within the first year after the enacted date of this Act. The
21 Fund will receive additional capitalization of \$40 million
22 each year thereafter. Funding sources specifically authorized
23 include, but are not limited to:

24 (1) funds repurposed from existing programs providing
25 financing support for clean energy projects, provided any
26 transfer of funds from such existing programs shall be

1 subject to approval by the General Assembly and shall be
2 used for expenses of financing, grants and loans;

3 (2) any federal funds that can be used for the
4 purposes specified in this Act;

5 (3) charitable gifts, grants, contributions as well as
6 loans from individuals, corporations, university
7 endowments and philanthropic foundations; and

8 (4) earnings and interest derived from financing
9 support activities for clean energy projects backed by the
10 Fund.

11 (e) The Fund may enter into agreements with private
12 sources to raise capital.

13 (f) The Fund may assess reasonable fees on its financing
14 activities to cover its reasonable costs and expenses, as
15 determined by the board.

16 (g) The Fund shall make information regarding the rates,
17 terms and conditions for all of its financing support
18 transactions available to the public for inspection, including
19 formal annual reviews by both a private auditor conducted
20 pursuant this Section and the Comptroller, and provide details
21 to the public on the Internet, provided public disclosure
22 shall be restricted for patentable ideas, trade secrets,
23 proprietary or confidential commercial or financial
24 information, disclosure of which may cause commercial harm to
25 a nongovernmental recipient of such financing support and for
26 other information exempt from public records disclosure.

1 (h) The powers enumerated in this Section shall be
2 interpreted broadly to effectuate the purposes established in
3 this Section and shall not be construed as a limitation of
4 powers.

5 Section 10-30. Primary responsibilities in early program
6 development.

7 (a) Consistent with the goals of this Act, the Fund has the
8 authority to pursue a broad range of financial products and
9 services. In early development of products and services
10 offered, the Fund should consider the following programs as
11 its initial set of investment initiatives:

12 (1) a solar lease, power-purchase agreement, or
13 loan-to-own product specifically designed to complement
14 and grow the Illinois Solar for All program;

15 (2) direct capitalization of contractors of color
16 participating in or graduating from the workforce and
17 business development programs established in the Clean
18 Jobs, Workforce and Contractor Equity Act;

19 (3) providing direct capitalization of community-based
20 projects in environmental justice communities through
21 upfront grants. Project applications should provide a
22 community benefit, align with environmental justice
23 communities, be in support of this Act's contractor and
24 workforce development goals, and support upfront planning,
25 development, and start up costs that often are not covered

1 prior to applying for program incentives and other loan
2 products;

3 (4) Providing loan loss reserve products to secure
4 stable and low-interest financing for individual projects
5 and portfolios consistent with the goals of this Act that
6 would be otherwise unable to receive financing; and

7 (5) offering financing and administrative services for
8 municipal utilities and rural electric cooperatives to
9 create their own version of the on-bill Equitable Energy
10 Upgrade Program such as the Pay As You Save program
11 developed by the Energy Efficiency Institute.

12 Section 10-35. Executive director and fund management.

13 (a) The executive director hired by the board shall have
14 the same qualifications as a director pursuant to subsection
15 (d) Section 10-10 of this Act. The executive director may not
16 be a candidate for the Board of Directors while serving as
17 executive director. The executive director must have 5 or more
18 years of experience in equitable and inclusive financing
19 serving racially and socioeconomically diverse communities.

20 (b) To hire the executive director, the board shall adhere
21 to any applicable State or federal law prohibiting
22 discrimination in employment.

23 (c) The board shall require all applicants for the
24 position of executive director of the Fund to file a financial
25 statement consistent with requirements established by the

1 board. The board shall require the executive director to file
2 a current statement annually.

3 (d) The Fund shall be administered by the executive
4 director and the staff and overseen by the Board of Directors.
5 Fund officers and staff shall receive training in how to best
6 provide services and support to low-income, environmental
7 justice, and BIPOC communities and on supporting borrowers
8 with loan applications, loan underwriting, and loan services.

9 Section 10-40. Dissolution. The Fund may dissolve or be
10 dissolved under the General Not for Profit Corporation Act.

11 Article 15. Community Energy, Climate, and Jobs Planning Act

12 Section 15-1. Short title. This Article may be cited as
13 the Community Energy, Climate, and Jobs Planning Act.
14 References in this Article to "this Act" mean this Article.

15 Section 15-5. Findings. The General Assembly makes the
16 following findings:

17 (1) The health, welfare, and prosperity of Illinois
18 residents require that Illinois take all steps possible to
19 combat climate change, address harmful environmental
20 impacts deriving from the generation of electricity,
21 maximize quality job creation in the emerging clean energy
22 economy, ensure affordable utility service, equitable and

1 affordable access to transportation, and clean, safe,
2 affordable housing.

3 (2) The achievement of these goals will depend on
4 strong community engagement to ensure that programs and
5 policy solutions meet the needs of disparate communities.

6 (3) Ensuring that these goals are met without adverse
7 impacts on utility bill affordability, housing
8 affordability, and other essential services will depend on
9 the coordination of policies and programs within local
10 communities.

11 Section 15-10. Definitions. As used in this Act:

12 "Alternative energy improvement" means the installation or
13 upgrade of electrical wiring, outlets, or charging stations to
14 charge a motor vehicle that is fully or partially powered by
15 electricity; photovoltaic, energy storage, or thermal
16 resource; or any combination thereof.

17 "Disadvantaged worker" means an individual who is defined
18 as: (1) being homeless; (2) being a custodial single parent;
19 (3) being a recipient of public assistance; (4) lacking a high
20 school diploma or high school equivalency; (5) having a
21 criminal record or other involvement in the criminal justice
22 system; (6) suffering from chronic unemployment; (7) being
23 previously in the child welfare system; or (8) being a
24 veteran.

25 "Energy efficiency improvement" means equipment, devices,

1 or materials intended to decrease energy consumption or
2 promote a more efficient use of electricity, natural gas,
3 propane, or other forms of energy on property, including, but
4 not limited to, all of the following:

5 (1) insulation in walls, roofs, floors, foundations,
6 or heating and cooling distribution systems;

7 (2) storm windows and doors, multi-glazed windows and
8 doors, heat-absorbing or heat-reflective glazed and coated
9 window and door systems, and additional glazing,
10 reductions in glass area, and other window and door system
11 modifications that reduce energy consumption;

12 (3) automated energy control systems;

13 (4) high efficiency heating, ventilating, or
14 air-conditioning and distribution system modifications or
15 replacements;

16 (5) caulking, weather-stripping, and air sealing;

17 (6) replacement or modification of lighting fixtures
18 to reduce the energy use of the lighting system;

19 (7) energy controls or recovery systems;

20 (8) day lighting systems;

21 (9) any energy efficiency project, as defined in
22 Section 825-65 of the Illinois Finance Authority Act; and

23 (10) any other installation or modification of
24 equipment, devices, or materials approved as a utility
25 cost-saving measure by the governing body.

26 "Energy project" means the installation or modification of

1 an alternative energy improvement, energy efficiency
2 improvement, or water use improvement, or the acquisition,
3 installation, or improvement of a renewable energy system that
4 is affixed to a stabilized existing property (including new
5 construction).

6 "Governing body" means the county board or board of county
7 commissioners of a county or the city council or board of
8 trustees of a municipality.

9 "Local Employment Plan" means a bidding option that public
10 agencies may include in requests for proposals to incentivize
11 bidders to voluntarily plan to retain and create high-skilled
12 local manufacturing jobs; invest in preapprenticeship,
13 apprenticeship, and training opportunities; and develop
14 family-sustaining career pathways into clean energy industries
15 for disadvantaged workers in a specified local area. The Local
16 Employment Plan only applies to work that is not financed with
17 federal money.

18 "Local unit of government" means a county or municipality.

19 "Natural climate solutions" means conservation,
20 restoration, or improved land management actions that increase
21 carbon storage or avoid greenhouse gas emissions on natural
22 and working lands.

23 "Nature-based approaches for climate adaptation" means
24 actions that preserve, enhance, or expand functions provided
25 by nature that increase capacity to manage adverse conditions
26 created or exacerbated by climate change. "Nature-based

1 approaches for climate adaptation" includes, but is not
2 limited to, the restoration of native ecosystems, especially
3 floodplains; installation of bioswales, rain gardens, and
4 other green stormwater infrastructure; and practices that
5 increase soil health and reduce urban heat island effects.

6 "Public agency" means the State of Illinois or any of its
7 government bodies and subdivisions, including the various
8 counties, townships, municipalities, school districts,
9 educational service regions, special road districts, public
10 water supply districts, drainage districts, levee districts,
11 sewer districts, housing authorities, and transit agencies.

12 "Renewable energy resource" includes energy and its
13 associated renewable energy credit or renewable energy credits
14 from wind energy, solar thermal energy, geothermal energy,
15 photovoltaic cells and panels, biodiesel, anaerobic digestion,
16 and hydropower that does not involve new construction or
17 significant expansion of hydropower dams. For purposes of this
18 Act, landfill gas produced in the State is considered a
19 renewable energy resource. "Renewable energy resource" does
20 not include the incineration or burning of any solid material.

21 "Renewable energy system" means a fixture, product,
22 device, or interacting group of fixtures, products, or devices
23 on the customer's side of the meter that use one or more
24 renewable energy resources to generate electricity, and
25 specifically includes any renewable energy project, as defined
26 in Section 825-65 of the Illinois Finance Authority Act.

1 "U.S. Employment Plan" means a bidding option that public
2 agencies may include in requests for proposals to incentivize
3 bidders to voluntarily plan to retain and create high-skilled
4 U.S. manufacturing jobs; invest in preapprenticeship,
5 apprenticeship, and training opportunities; and develop
6 family-sustaining career pathways into clean energy industries
7 for disadvantaged workers throughout the U.S. The U.S.
8 Employment Plan only applies to work financed with federal
9 money.

10 "Water use improvement" means any fixture, product,
11 system, device, or interacting group thereof for or serving
12 any property that has the effect of conserving water resources
13 through improved water management, efficiency, or thermal
14 resource.

15 Section 15-15. Community Energy, Climate, and Jobs Plans;
16 creation.

17 (a) Pursuant to the procedures in Section 15-20, a local
18 unit of government may establish Community Energy, Climate,
19 and Jobs Plans and identify boundaries and areas covered by
20 the Plans.

21 (b) Community Energy, Climate, and Jobs Plans are intended
22 to aid local governments in developing a comprehensive
23 approach to combining different energy, climate, and jobs
24 programs and funding resources to achieve complementary
25 impact. An effective planning process may:

1 (1) help communities discover ways that their local
2 government, businesses, and residents can control their
3 energy use and bills;

4 (2) ensure a cost-effective transition away from
5 fossil fuels in the transportation sector;

6 (3) expand access to workforce development and job
7 training opportunities for disadvantaged workers in the
8 emerging clean energy economy;

9 (4) incentivize the creation and retention of quality
10 Illinois jobs (when federal funds are not involved) in the
11 emerging clean energy economy;

12 (5) incentivize the creation and retention of quality
13 U.S. jobs in the emerging clean energy economy;

14 (6) promote economic development through improvements
15 in community infrastructure, transit, and support for
16 local business;

17 (7) improve the health of Illinois communities by
18 reducing emissions, addressing existing brownfield areas,
19 and promoting the integration of distributed energy
20 resources;

21 (8) enable greater customer engagement, empowerment,
22 and options for energy services, and ultimately reduce
23 utility bills for Illinoisans;

24 (9) bring the benefits of grid modernization and the
25 deployment of distributed energy resources to economically
26 disadvantaged communities throughout Illinois;

1 (10) support existing Illinois policy goals promoting
2 energy efficiency, demand response, and investments in
3 renewable energy resources;

4 (11) enable communities to better respond to extreme
5 heat and cold emergencies; and

6 (12) explore opportunities to expand and improve
7 carbon sequestration, recreational amenities, wildlife
8 habitat, flood mitigation, agricultural production,
9 tourism, and similar co-benefits by deploying natural
10 climate solutions and nature-based approaches for climate
11 adaptation.

12 (c) A Community Energy, Climate, and Jobs Plan may include
13 discussion of:

14 (1) the demographics of the community, including
15 information on the mix of residential and commercial areas
16 and populations, ages, languages, education, and workforce
17 training, including an examination of the average utility
18 bills paid within the community by class and census area,
19 the percentage and locations of individuals requiring
20 energy assistance, and participation of community members
21 in other assistance programs; and also including an
22 examination of the community's energy use, whether of
23 electricity, natural gas, or other fuels and whether for
24 transportation or other purposes;

25 (2) the geography of the community, including the
26 amount of green space, brownfield sites, farmland,

1 waterways, flood zones, heat islands, areas for potential
2 development, location of critical infrastructure such as
3 emergency response facilities, health care and education
4 facilities, and public transportation routes;

5 (3) information on economic development opportunities,
6 commercial usage, and employment opportunities;

7 (4) the current status of zero-emission vehicles
8 operated by or on behalf of public agencies within the
9 community; and

10 (5) other topics deemed applicable by the community.

11 (d) A Community Energy, Climate, and Jobs Plan may address
12 the following areas:

13 (1) distributed energy resources, including energy
14 efficiency, demand response, dynamic pricing, energy
15 storage, and solar (thermal, rooftop, and community);

16 (2) building codes (both commercial and residential);

17 (3) vehicle miles traveled;

18 (4) transit options, including individual car
19 ownership, ride sharing, buses, trains, bicycles, and
20 pedestrian walkways;

21 (5) community assets related to extreme heat
22 emergencies, such as cooling and warming centers;

23 (6) public agency procurements of zero-emission,
24 electric vehicles; and

25 (7) networks of natural resources and infrastructure.

26 (e) A Community Energy, Climate, and Jobs Plan may

1 conclude with proposals to:

2 (1) increase the use of electricity as a
3 transportation fuel at multi-unit dwellings;

4 (2) maximize the system-wide benefits of
5 transportation electrification;

6 (3) direct public agencies to implement tools, such as
7 the U.S. Employment Plan or a Local Employment Plan, to
8 incentivize manufacturers in clean energy industries to
9 create and retain quality jobs and invest in training,
10 workforce development, and apprenticeship programs in
11 connection to a major contract;

12 (4) test innovative load management programs or rate
13 structures associated with the use of electric vehicles by
14 residential customers to achieve customer fuel cost
15 savings relative to gasoline or diesel fuels and to
16 optimize grid efficiency;

17 (5) increase the integration of distributed energy
18 resources in the community;

19 (6) significantly expand the percentage of net-zero
20 housing and net-zero buildings in the community;

21 (7) improve utility bill affordability;

22 (8) increase mass transit ridership;

23 (9) decrease vehicle miles traveled;

24 (10) reduce local emissions of greenhouse gases, NO_x,
25 SO_x, particulate matter, and other air pollutants; and

26 (11) improve community assets that help residents

1 respond to extreme heat and cold emergencies.

2 (f) A Community Energy, Climate, and Jobs Plan may be
3 administered by one or more program administrators or the
4 local unit of government.

5 (g) To be eligible for participation or funding through
6 the Clean Energy Empowerment Zone pilot projects, as provided
7 under Section 16-108.9 of the Public Utilities Act, or the
8 Carbon-Free Last Mile of Commutes Program, described in
9 Section 35 of the Electric Vehicle Act, a unit of local
10 government shall include in its Community Energy, Climate, and
11 Jobs Plans the information necessary for participation in
12 these programs and projects.

13 (1) Eligibility for funding or resources from the
14 Clean Energy Empowerment Zone pilot projects shall
15 require, at a minimum, the Plan to include information
16 necessary to determine whether the community qualifies as
17 a Clean Energy Empowerment Zone as described in Section
18 16-108.9 of the Public Utilities Act.

19 (2) Eligibility for funding or resources from the
20 Carbon-Free Last Mile of Commutes Program as described in
21 Section 35 of the Electric Vehicle Act shall require, at a
22 minimum, the Plan to include:

23 (A) information that allows the Department of
24 Commerce and Economic Opportunity to assess current
25 transportation and public transit infrastructure
26 within the boundaries identified by the unit of local

1 government; and

2 (B) recommendations by the unit of local
3 government on how to use funds to increase carbon-free
4 last mile commuting.

5 (3) Units of local government may use previously
6 created Plans or reports to qualify for funding under this
7 subsection (g). The determination of which Plans qualify
8 shall be made liberally by the State agency or department
9 responsible for this determination, subject to the
10 conditions in paragraphs (1) and (2) of this subsection
11 (g).

12 Section 15-20. Community Energy, Climate, and Jobs
13 Planning process.

14 (a) An effective planning process shall engage with a
15 diverse set of stakeholders in local communities, including:
16 environmental justice organizations; economic development
17 organizations; faith-based nonprofit organizations;
18 educational institutions; interested residents; health care
19 institutions; tenant organizations; housing institutions,
20 developers, and owners; elected and appointed officials; and
21 representatives reflective of each local community.

22 (b) An effective planning process shall engage with
23 individual members of the community as much as possible to
24 ensure that the Plans receive input from as diverse a set of
25 perspectives as possible.

1 (c) Plan materials and meetings related to the Plan shall
2 be translated into languages that reflect the makeup of the
3 local community.

4 (d) The planning process shall be conducted in an ethical,
5 transparent fashion, and continually review its policies and
6 practices to determine how best to meet its objectives.

7 Section 15-25. Joint Community Energy, Climate, and Jobs
8 Plans. A local unit of government may join with any other local
9 unit of government, or with any public or private person, or
10 with any number or combination thereof, under the
11 Intergovernmental Cooperation Act, by contract or otherwise as
12 may be permitted by law, for the implementation of a Community
13 Energy, Climate, and Jobs Plan, in whole or in part.

14 Article 20. Energy Community Reinvestment Act

15 Section 20-1. Short title. This Article may be cited as
16 the Energy Community Reinvestment Act. References in this
17 Article to "this Act" mean this Article.

18 Section 20-5. Findings. The General Assembly finds that,
19 as part of putting Illinois on a path to 100% renewable energy,
20 the State of Illinois should ensure a just transition to that
21 goal, providing support for the transition of Illinois'
22 communities and workers impacted by closures or reduced use of

1 fossil fuel power plants, nuclear power plants, or coal mines
2 by allocating new economic development resources for business
3 tax incentives, workforce training, site clean-up and reuse,
4 and local tax revenue replacement.

5 The General Assembly finds and declares that the health,
6 safety, and welfare of the people of this State are dependent
7 upon a healthy economy and vibrant communities; that the
8 closure of fossil fuel power plants, nuclear power plants, and
9 coal mines across the State have a significant impact on their
10 surrounding communities; that the expansion of renewable
11 energy creates significant job growth and contributes
12 significantly to the health, safety, and welfare of the people
13 of this State; that the continual encouragement, development,
14 growth, and expansion of renewable energy within the State
15 requires a cooperative and continuous partnership between
16 government and the renewable energy sector; and that there are
17 certain areas in this State that have lost, or will lose, jobs
18 due to the closure of fossil fuel power plants, nuclear power
19 plants, and coal mines and need the particular attention of
20 government, labor, and the residents of Illinois to help
21 attract new investment into these areas and directly aid the
22 local community and its residents.

23 Therefore, it is declared to be the purpose of this Act to
24 explore ways of stimulating the growth of new private
25 investment, including renewable energy investment, in this
26 State and to foster job growth in areas impacted by the closure

1 of coal energy plants, coal mines, and nuclear energy plants.

2 Section 20-10. Definitions. As used in this Act, unless
3 the context otherwise requires:

4 "State agencies" or "agencies" has the same meaning as
5 "State agencies" under Section 1-7 of the Illinois State
6 Auditing Act.

7 "Board" means the Clean Energy Empowerment Zone Board
8 created in Section 20-20.

9 "Clean Energy Empowerment Zone" or "Empowerment Zones"
10 means an area of the State certified by the Department as a
11 Clean Energy Empowerment Zone under this Act.

12 "Commission" means the Energy Transition Workforce
13 Commission created in Section 20-45.

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

16 "Displaced energy worker" means an energy worker who has
17 lost employment, or is anticipated by the Department to lose
18 employment within the next 2 years, due to the reduced
19 operation or closure of a fossil fuel power plant, nuclear
20 power plant, or coal mine.

21 "Energy worker" means a person who has been employed
22 full-time for a period of one year or longer, and within the
23 previous 5 years, at a fossil fuel power plant, a nuclear power
24 plant, or a coal mine located within the State of Illinois,
25 whether or not they are employed by the owner of the power

1 plant or mine. Energy workers are considered to be full-time
2 if they work at least 35 hours per week for 45 weeks a year or
3 the 1,820 work-hour equivalent with vacations, paid holidays,
4 and sick time, but not overtime, included in this computation.
5 Classification of an individual as an energy worker continues
6 for 5 years from the latest date of employment or the effective
7 date of this Act, whichever is later.

8 "Environmental justice communities" means the definition
9 of that term based on existing methodologies and findings,
10 used and as may be updated by the Illinois Power Agency and its
11 program administrator in the Illinois Solar for All Program.

12 "Fossil fuel power plant" means an electric generating
13 facility powered by gas, coal, other fossil fuels, or a
14 combination thereof.

15 "Low-income" means persons and families whose income does
16 not exceed 80% of area median income, adjusted for family size
17 and revised every 2 years.

18 "Local labor market area" means an economically integrated
19 area within which individuals reside and find employment
20 within a reasonable distance of their places of residence or
21 can readily change jobs without changing their places of
22 residence.

23 "Renewable energy enterprise" means a company that is
24 engaged in the production, manufacturing, distribution, or
25 development of renewable energy resources and associated
26 technologies.

1 "Renewable energy project" means a project conducted by a
2 renewable energy enterprise for the purpose of generating
3 renewable energy resources or energy storage.

4 "Renewable energy resources" has the meaning set forth in
5 Section 1-10 of the Illinois Power Agency Act.

6 "Rule" has the meaning set forth in Section 1-70 of the
7 Illinois Administrative Procedure Act.

8 Section 20-15. Designation of Clean Energy Empowerment
9 Zones.

10 (a) Purpose. It is the intent of the General Assembly that
11 designation of a community as a Clean Energy Empowerment Zone
12 shall be reserved for communities that have experienced
13 economic or environmental hardship due to the energy
14 transition or fossil fuel power generation and extraction. The
15 purpose of this Section 20-15 is to establish an efficient and
16 equitable process by which the Department and communities
17 across the State may seek the designation of Clean Energy
18 Empowerment Zones, thereby allowing for economic and
19 environmental benefits of the clean energy economy to be
20 obtained by communities that have been deprived of these
21 benefits. The process conducted by the Department, the Board,
22 and participating units of local government shall be as
23 transparent and inclusive as is reasonably practical.

24 (b) Notification of local governments. Within 30 days
25 after the effective date of this Act, the Department shall

1 publish a notice on its website stating its intention to begin
2 the review of potential locations for Clean Energy Empowerment
3 Zone regional designations, and solicit information from the
4 public on this topic. Within 45 days after the effective date
5 of this Act, the Department shall submit a notice to the county
6 board of each jurisdiction in which a fossil fuel power plant,
7 coal mine, or nuclear power plant is located, informing the
8 local governments of their intention to develop a list of
9 Clean Energy Empowerment Zones, providing a basic explanation
10 of the benefits of designation as a Clean Energy Empowerment
11 Zone, and informing them of participation opportunities in the
12 designation process. The Department may notify other persons
13 or local government units of this process at any time.

14 (c) Proposed list of Clean Energy Empowerment Zones.
15 Within 120 days after the effective date of this Act, the
16 Department of Commerce and Economic Opportunity shall develop
17 a proposed list of geographic regions in Illinois that qualify
18 as Clean Energy Empowerment Zones. The Department shall work
19 with the Illinois Environmental Protection Agency, the
20 Commission on Environmental Justice, the Department of Labor,
21 the Department of Natural Resources, and community
22 organizations to identify regions impacted by the decline of
23 coal generation, gas generation, nuclear generation, and coal
24 mining to develop the recommended list of regions that qualify
25 for Clean Energy Empowerment Zone designations. The Department
26 shall furnish maps that identify the proposed boundaries of

1 proposed Clean Energy Empowerment Zones, and include
2 justification for the inclusion or exclusion of certain
3 locations or regions. The proposed list shall be subject to
4 the notice and comment process established in subsection (e).

5 (d) Criteria for designation as a Clean Energy Empowerment
6 Zone. A region shall be proposed by the Department, and
7 certified by the Board as a Clean Energy Empowerment Zone if it
8 meets all of the following characteristics listed in
9 paragraphs (1) through (3) of this subsection (d).

10 (1) The region is a contiguous area, provided that a
11 Zone area may exclude wholly surrounded territory within
12 its boundaries;

13 (2) The region satisfies any additional criteria
14 established by the Department consistent with the purposes
15 of this Act; and

16 (3) The region meets one or more of the following:

17 (A) the area contains a fossil fuel or nuclear
18 power plant that was retired from service or has
19 significantly reduced service within 10 years before
20 the application for designation or will be retired or
21 have service significantly reduced within 5 years
22 following the application for designation;

23 (B) the area contains a coal mine that was closed
24 or had operations significantly reduced within 10
25 years before the application for designation or is
26 anticipated to be closed or have operations

1 significantly reduced within 5 years following the
2 application for designation; or

3 (C) the area contains a nuclear power plant that
4 was decommissioned, but continued storing nuclear
5 waste before the effective date of this Act.

6 (e) Review and comment process. After developing the
7 proposed list of regions to be designated as Clean Energy
8 Empowerment Zones, or proposing additions to the list, the
9 Department shall conduct a 60-day public comment process, in
10 partnership with the other agencies, departments, and units of
11 local government where beneficial for the purposes of this
12 Section. The public comment process shall include, at a
13 minimum, 2 public hearings that are accessible to working
14 residents, shall prioritize the solicitation of feedback from
15 environmental justice communities and communities directly
16 impacted by the Clean Energy Empowerment Zone designation, and
17 shall provide for the submission of written comments through
18 the Internet.

19 Within 30 days after concluding the public comment
20 process, the Department shall modify or finalize the proposed
21 list of geographic regions that qualify as Clean Energy
22 Empowerment Zones and submit the list to the Clean Energy
23 Empowerment Zone Board for approval or modification as
24 described in Section 20-20.

25 (f) Local government self-designation. After the
26 Department submits its first list of proposed Clean Energy

1 Empowerment Zones to the Board, units of local government may,
2 on an ongoing basis, submit applications to the Department to
3 designate an area wholly or partially in their jurisdiction as
4 a Clean Energy Empowerment Zone if the Department has not
5 proposed the region as a potential Clean Energy Empowerment
6 Zone to the Board. Multiple units of local government may
7 submit a joint application for designation if the proposed
8 region or regions fall partially or wholly within their
9 combined jurisdictions. A unit of local government may submit
10 an application to the Department if:

11 (1) the area meets the criteria for designation as a
12 Clean Energy Empowerment Zone established in subsection
13 (d); and

14 (2) the unit of local government has conducted at
15 least one public hearing within the proposed Zone area
16 considering all of the following questions: (A) whether to
17 create the Zone; (B) what local plans, tax incentives, and
18 other programs should be established in connection with
19 the zone; and (C) what the boundaries of the Zone should
20 be. Public notice of the hearing shall be published in at
21 least one newspaper of general circulation within the Zone
22 area, not more than 21 days nor less than 7 days before the
23 hearing.

24 An application submitted under this subsection (f) shall
25 include a certified copy of the ordinance designating the
26 proposed Zone; a map of the proposed Clean Energy Empowerment

1 Zone, showing existing streets and highways; an analysis, and
2 any appropriate supporting documents and statistics,
3 demonstrating that the proposed zone area is qualified in
4 accordance with subsection (d); a statement detailing any tax,
5 grant, and other financial incentives or benefits, and any
6 programs, to be provided by the municipality or county to
7 renewable energy enterprises within the Zone, which are not
8 otherwise provided throughout the municipality or county; a
9 statement setting forth the economic development and planning
10 objectives for the Zone; an estimate of the economic impact of
11 the Zone, considering all of the tax incentives, financial
12 benefits and programs contemplated, upon the revenues of the
13 municipality or county; a specific definition of the
14 applicant's local labor market area; a transcript of all
15 public hearings on the Zone; and any additional information as
16 the Department may by rule require.

17 Within 60 days after receiving an application from a unit
18 of local government, the Department shall review the
19 application to determine whether the designated area qualifies
20 as a Clean Energy Empowerment Zone under this Section, and
21 submit its recommendation to the Clean Energy Empowerment Zone
22 Board including all necessary information and records for the
23 Board to review, as described in Section 20-20. Within 7 days
24 after submitting the recommendation to the Board, the
25 Department shall provide a copy of its recommendation to the
26 applicant, including all supporting documents and information

1 submitted to the Board.

2 (g) Application process. The Department shall, no later
3 than July 1, 2021, develop an ongoing application process for
4 Clean Energy Empowerment Zone applications by units of local
5 government. The application process shall be open during the
6 period of July 1, 2021 through January 1, 2050. The
7 Department, or any predecessor of the Department, may extend
8 the application process beyond that date if it deems it is
9 necessary or prudent to accomplish the purpose of this Act.

10 (h) Length of designation. A Clean Energy Empowerment Zone
11 designation lasts for 10 years from the effective date of the
12 designation and shall be subject to review by the Board after
13 10 years for an additional 10-year designation beginning on
14 the expiration date of the Clean Energy Empowerment Zone.
15 During the review process, the Board shall consider the costs
16 incurred by the State and units of local government as a result
17 of benefits received by the Clean Energy Empowerment Zone.

18 (i) Emergency rulemaking. The Department has emergency
19 rulemaking authority for the purpose of implementation of this
20 Section until 12 months after the effective date of this Act as
21 provided under Section 5-45 of the Illinois Administrative
22 Procedure Act.

23 Section 20-20. Clean Energy Empowerment Zone Board.

24 (a) A Clean Energy Empowerment Zone Board is hereby
25 created within the Department.

1 (b) The Board shall consist of 8 voting members, one of
2 whom shall be the Director of Commerce and Economic
3 Opportunity, or his or her designee, who shall serve as
4 chairperson; one of whom shall be the Director of Revenue, or
5 his or her designee; 2 of whom shall be members appointed by
6 the Governor, with the advice and consent of the Senate; one of
7 whom shall be appointed by the Speaker of the House of
8 Representatives; one of whom shall be appointed by the
9 President of the Senate; one of whom shall be appointed by the
10 Minority Leader of the House; and one of whom shall be
11 appointed by the Minority Leader of the Senate. Designees
12 shall be appointed within 60 days after a vacancy. No fewer
13 than 4 of the 8 voting members shall consist of low-income
14 residents or residents of environmental justice communities.
15 At least one of the Board members shall be a representative of
16 organized labor. All meetings shall be accessible, with
17 rotating locations, call-in options, and materials and agendas
18 circulated well in advance, and there shall also be
19 opportunities for input outside of meetings from those with
20 limited capacity and ability to attend, via one-on-one
21 meetings, surveys, and calls.

22 Board members shall serve without compensation, but may be
23 reimbursed for necessary expenses incurred in the performance
24 of their duties from funds appropriated for that purpose. Each
25 member appointed shall have at least 5 years of experience in
26 business development or economic development. The Department

1 of Commerce and Economic Opportunity shall provide
2 administrative support to the Board, including the selection
3 of a Department staff member to serve as a Board Liaison
4 between the Department and the Advisory Board.

5 (c) All final actions by the Board pursuant to this
6 subsection (c) shall require approval by a simple majority of
7 the Board. The Board shall have the following duties:

8 (1) reviewing applications and extensions for
9 designation as a Clean Energy Empowerment Zone, including
10 Department recommendations, testimony from public
11 hearings, public comment, and supporting materials;

12 (2) voting to approve, disapprove, or modify
13 applications for designation and extensions as a Clean
14 Energy Empowerment Zones;

15 (3) the approval of tax credits under the Clean Energy
16 Empowerment Zone Tax Credit Act; and

17 (4) modifying applications for designation or
18 extensions as a Clean Energy Empowerment Zone before
19 approval.

20 (d) Deadlines for responses by the Board. Within 60 days
21 after submission of applications or tax credits, pursuant to
22 subsection (c) of this Section, to the Board by the
23 Department, the Board shall approve, disapprove, or modify
24 applications for certification of regions as Clean Energy
25 Empowerment Zones. If the Board does not take final action on a
26 submission within 60 days after the submission, the

1 application submitted by the Department shall be considered
2 approved, and the regions proposed in the application shall be
3 certified as Clean Energy Empowerment Zones.

4 Section 20-25. Incentives for renewable energy enterprises
5 located within a Clean Energy Empowerment Zone.

6 (a) Renewable energy enterprises located in Clean Energy
7 Empowerment Zones are eligible to apply for a State income tax
8 credit under the Clean Energy Empowerment Zone Tax Credit Act.

9 (b) Renewable energy enterprises located in Clean Energy
10 Empowerment Zones are eligible to receive an investment credit
11 subject to the requirements of paragraph (1) of subsection (f)
12 of Section 201 of the Illinois Income Tax Act.

13 (c) Renewable energy enterprises are eligible to purchase
14 building materials exempt from use and occupation taxes to be
15 incorporated into their renewable energy projects within the
16 Clean Energy Empowerment Zone when purchased from a retailer
17 within the Clean Energy Empowerment Zone under Section 5k-5 of
18 the Retailers' Occupation Tax Act.

19 (d) Renewable energy enterprises located in a Clean Energy
20 Empowerment Zone that meet the qualifications of Section
21 9-222.1B of the Public Utilities Act are exempt, in part or in
22 whole, from State and local taxes on gas and electricity.

23 (e) Preference for procurements shall be conducted by the
24 Illinois Power Agency as described in subparagraph (P) of
25 paragraph (1) of subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act.

2 Section 20-30. State incentives regarding public services
3 and physical infrastructure.

4 (a) The State Treasurer is authorized and encouraged to
5 place deposits of State funds with financial institutions
6 doing business in a Clean Energy Empowerment Zone.

7 (b) This Act does not restrict tax incentive financing
8 under Division 74.4 of Article 11 of the Illinois Municipal
9 Code.

10 Section 20-35. Supporting impacted communities.

11 (a) No later than July 1, 2021, the Department shall
12 develop a process for accepting applications from units of
13 local government included in Clean Energy Empowerment Zones to
14 mitigate the impact of an annual reduction of at least 30% in
15 the sum of property tax revenue or other direct payments, or
16 both, from fossil fuel power plants or coal mines to local
17 governments due to the retirement, or reduced operation, of
18 the power plant or mine that occurred after January 1, 2016. In
19 the case of reduced operation, the proposal may only be
20 accepted if the reduction in operation is reasonably expected
21 to be permanent. The Department shall accept applications on
22 an ongoing basis after beginning the program. Local government
23 units may submit applications jointly.

24 (b) The Department shall use available funds from the

1 Energy Community Reinvestment Fund, subject to the provisions
2 of subsection (c) of Section 20-70, to provide payments to
3 communities for a period of no longer than 5 years from the
4 approval of their proposal, subject to the following
5 restrictions:

6 (1) Payments shall be assessed based on need, taking
7 into consideration the net amount of any increase in
8 payments from any other State source, including, but not
9 limited to, funding provided based on an evidence-based
10 funding formula developed by the Illinois State Board of
11 Education.

12 (2) The highest annual payment to the unit of local
13 government cannot exceed the lower value of either (i) the
14 average annual sum of property tax and other direct
15 payments from the fossil fuel power plant or coal mine to
16 the unit of local government from the most recent 3
17 taxable years before the reduction or cessation of
18 operation of the fossil fuel power plant or coal mine, or
19 (ii) the difference between projected local government
20 revenue for the years for which assistance is requested
21 (taking into account reasonably anticipated new revenue
22 sources) and the average local government revenue from the
23 most recent 3 taxable years before the reduction or
24 cessation of fossil fuel power plant or coal mine
25 operation. The Department may choose to consider budget
26 information from prior years if doing so allows the

1 Department to better measure the revenue impacts of the
2 energy transition.

3 (3) The Department shall not provide funding under
4 this Program that exceeds the amount specified in this
5 paragraph (3) to any local government unit. Each unit of
6 local government shall not be granted by the Department a
7 total amount of funding over the lifetime of this Program,
8 for each fossil fuel power plant or coal mine, that is
9 greater than 5 times the average annual sum of property
10 tax payments and other direct payments from the fossil
11 fuel power plant or coal mine to the unit of local
12 government, calculated based on the most recent 3 taxable
13 years that occurred before the reduction or cessation of
14 operation of the fossil fuel power plant or coal mine.

15 (4) The Department may develop a payment schedule that
16 phases out support over time, based on its analysis of
17 available present and anticipated future funding in the
18 Energy Community Reinvestment Fund or other reasons
19 consistent with the purposes of this Act.

20 (5) If the total amount of qualified proposals exceeds
21 the available present and anticipated future funding in
22 the Energy Community Reinvestment Fund, the Department may
23 prorate payments to units of local government, or
24 prioritize communities for investment based on an
25 environmental justice screen in coordination with the
26 Commission on Environmental Justice, and input from

1 stakeholders. The Department shall allocate funding in an
2 equitable and effective manner. Nothing in this Act shall
3 be interpreted to infer that units of local government
4 have a right to revenue replacement from the State.

5 (6) Funding allocated under this program may not be
6 used to support fossil fuel power plants, nuclear power
7 plants, or coal mines in any form. Any local government
8 unit that uses funds provided under this Act to support
9 fossil fuel power plants, nuclear power plants, or coal
10 mines shall reimburse the State for all funding used for
11 that purpose. If requested, the Department shall provide
12 guidance to local government units on whether a proposed
13 use of funds is considered a violation of this
14 requirement.

15 (7) At least once every 2 years following the
16 allocation of funds for this program, the Department shall
17 publish a document available online detailing the
18 allocation of funds, including a map that shows the
19 geographic distribution of the funds and the locations of
20 Clean Energy Empowerment Zones.

21 (c) The Department shall contact all units of local
22 government in Clean Energy Empowerment Zones and provide
23 information on the application process for funding under this
24 Section and a reasonable estimate of total funding that will
25 be available for this program. The Department shall request
26 that applications for funding contain the information

1 necessary for the Department to evaluate the fiscal impact of
2 the energy transition on communities located in Clean Energy
3 Empowerment Zones; however the Department shall allow for
4 reasonable flexibility in the applications to accommodate
5 local government units that may have less resources available
6 to prepare an application. The Department shall, to the extent
7 practical, assist local government units in the application
8 process.

9 (d) The Department shall develop rules to implement the
10 provisions of this Section.

11 Section 20-40. Clean Energy Empowerment Task Forces.

12 (a) The Department and the Board shall work with local
13 stakeholders in Clean Energy Empowerment Zones to support the
14 convening of local Clean Energy Empowerment Task Forces.

15 (b) Local Clean Energy Empowerment Task Forces shall
16 include a broad range of local stakeholders to inform
17 transition needs and include, at a minimum, elected
18 representatives from municipal and State governments,
19 operators of local power plants or mines, multiple
20 representatives from community-based organizations, local
21 environmental, fish, or wildlife groups, organized labor, and
22 the Illinois Environmental Protection Agency.

23 (c) The Board shall put forward requests for proposals for
24 third-party facilitators for Task Forces in prioritized Clean
25 Energy Empowerment Zones based on need and those facing recent

1 or near-term retirements of plants or mines.

2 (d) The Department shall work with local Task Forces to
3 develop local transition plans that identify economic,
4 workforce, and environmental health needs with strategies to
5 mitigate energy transition impacts and any accompanying
6 funding requests from the Energy Community Reinvestment Fund.

7 (e) As part of developing local transition plans, the
8 Department shall work with third-party facilitators and Task
9 Force members to gather and incorporate public comment and
10 feedback into a finalized transition plan.

11 (f) If the Department determines that a fossil fuel power
12 plant owner has failed to engage productively in stakeholder
13 meetings and with Clean Energy Empowerment Zone Task Forces,
14 the Department shall submit a notification to the Illinois
15 Environmental Protection Agency for enforcement actions and
16 the assessment of fees as described in Section 9.16 of the
17 Environmental Protection Act.

18 Section 20-45. Energy Transition Workforce Commission.

19 (a) The Energy Transition Workforce Commission is hereby
20 created within the Department of Commerce and Economic
21 Opportunity.

22 (b) The Commission shall consist of the following 8
23 members:

24 (1) the Director of Commerce and Economic Opportunity,
25 or his or her designee, who shall serve as chairperson;

- 1 (2) the Director of Labor, or his or her designee;
- 2 (3) the 3 program administrators of the Clean Jobs
3 Workforce Hubs Program; and
- 4 (4) 3 members appointed by the Governor, with the
5 advice and consent of the Senate, of which at least one
6 shall be from organized labor and at least one shall be a
7 resident of an environmental justice community.

8 Designees shall be appointed within 60 days after a
9 vacancy.

10 (c) Members of the Commission shall serve without
11 compensation, but may be reimbursed for necessary expenses
12 incurred in the performance of their duties from funds
13 appropriated for that purpose. The Department of Commerce and
14 Economic Opportunity shall provide administrative support to
15 the Commission.

16 (d) Within 120 days after the effective date of this Act,
17 the Commission shall produce an Energy Transition Workforce
18 Report regarding the anticipated impact of the energy
19 transition and a comprehensive set of recommendations to
20 address changes to the Illinois workforce during the period of
21 2020 through 2050, or a later year. The report shall contain
22 the following elements, designed to be used for the programs
23 created in this Act:

24 (1) Information related to the impact on current
25 workers, including:

26 (A) a comprehensive accounting of all employees

1 who currently work in fossil fuel energy generation,
2 nuclear energy generation, and coal mining in the
3 State; this shall include information on their
4 location, employer, salary ranges, full-time or
5 part-time status, nature of their work, educational
6 attainment, union status, and other factors the
7 Commission finds relevant; the Commission shall keep a
8 confidential list of these employees and the
9 information necessary to identify them for the purpose
10 of their eligibility to participate in programs
11 designed for their benefit;

12 (B) the anticipated schedule of closures of fossil
13 fuel power plants, nuclear power plants, and coal
14 mines across the State; when information is
15 unavailable to provide exact data, the report shall
16 include approximations based upon the best available
17 information;

18 (C) an estimate of worker impacts due to scheduled
19 closures, including layoffs, early retirements, salary
20 changes, and other factors the Commission finds
21 relevant; and

22 (D) the likely outcome for workers who are
23 employed by facilities that are anticipated to close
24 or have significant layoffs during their tenure or
25 lifetime.

26 (2) Information regarding impact on communities and

1 local governments, including:

2 (A) changes in the revenue for units of local
3 government in areas that currently or recently have
4 had a closure or reduction in operation of a fossil
5 fuel power plant, nuclear power plant, coal mine, or
6 related industry;

7 (B) environmental impacts in areas that currently
8 or recently have had fossil fuel power plants, coal
9 mines, nuclear power plants, or related industry; and

10 (C) economic impacts of the energy transition,
11 including, but not limited to, the supply chain
12 impacts of the energy transition shift toward new
13 energy sources across the State.

14 (3) Information on emerging industries and State
15 economic development opportunities in regions that have
16 historically been the site of fossil fuel power plants,
17 nuclear power plants, or coal mining.

18 (e) Following the completion of each report, or if the
19 Department finds that it is prudent to begin before the
20 completion of a report, the Department shall coordinate with
21 the Commission to create a comprehensive draft plan for
22 designing, maintaining, and funding programs established under
23 this Act, including the Energy Workforce Development Program
24 created under Section 20-50, the Energy Community Development
25 Program created under Section 20-55, and the Displaced Energy
26 Workers Bill of Rights provided under Section 20-60. The draft

1 plan shall include, at a minimum, the following information:

2 (1) A detailed accounting of the anticipated costs for
3 each program and the anticipated amount of funding that
4 will be provided for each program.

5 (2) Information on the locations at which each program
6 shall have services provided. If this information is not
7 yet known by the Department at the time of the plan's
8 drafting, the Department shall generally explain how they
9 intend to determine the program locations.

10 Within 120 days after the effective date of this Act, the
11 Department shall publish the draft plan online. The Department
12 shall take public comments on the draft plan for a period of no
13 less than 45 days and publish the final plan within 30 days
14 after the closing of the comment period.

15 (f) The Department shall periodically review its findings
16 in the developed reports and make modifications to the report
17 and programs based on new findings. The Department shall
18 conduct a comprehensive reevaluation of the report, and
19 publish a modified version along with a new draft plan, on each
20 of the following years following initial publication: 2023;
21 2027; 2030; 2035; 2040; and any year thereafter which the
22 Department determines is necessary or prudent.

23 Section 20-50. Energy Workforce Development Program.

24 (a) The purpose of the Energy Workforce Development
25 Program is to proactively assist energy workers in their

1 search for economic opportunity.

2 (b) The Director of Commerce and Economic Opportunity
3 shall design, develop, and administer the Energy Workforce
4 Development Program. The Energy Workforce Development Program
5 shall include the following elements:

6 (1) comprehensive career services for displaced energy
7 workers, including advising displaced energy workers
8 looking for new positions on finding new employment or
9 preparing for retirement;

10 (2) communication services to provide displaced energy
11 workers advance notice of any power plant or coal mine
12 closures that are likely to result in a loss of employment
13 for the energy worker;

14 (3) administrative assistance for displaced energy
15 workers in applying for programs provided by the State,
16 the federal government, nonprofit organizations, or other
17 programs that are designed to offer career or financial
18 assistance;

19 (4) the creation and maintenance of a registry of all
20 persons in Illinois who qualify as an energy worker to use
21 for coordination with programs created under this Act or
22 other benefits for those workers, including all
23 information necessary or beneficial for the implementation
24 of this Act;

25 (5) the management of funding for services outlined in
26 this Section; and

1 (6) financial advice for displaced energy workers
2 designed to assist workers with retirement, a change in
3 positions, pursuing an education, or other goals that the
4 energy worker has identified.

5 (c) In administering the Energy Workforce Development
6 Program, the Department shall develop and implement the
7 Program with the following goals:

8 (1) to use the recommendations and information
9 contained in the report created under Section 20-45 to
10 proactively plan for each phase of the energy transition
11 in Illinois;

12 (2) to increase access to the services contained in
13 this Program by locating services in different regions of
14 the State as dictated by the anticipated schedule of power
15 plant and coal mine closures and regional economic
16 changes;

17 (3) to maximize the efficiency of resources used;

18 (4) to design the Energy Workforce Development Program
19 to work in collaboration with the Displaced Energy Workers
20 Bill of Rights; and

21 (5) any other goals identified by the Department.

22 Section 20-55. Energy Community Development Program.

23 (a) The purpose of the Energy Community Development
24 Program is to proactively assist Clean Energy Empowerment Zone
25 communities in their search for economic opportunities leading

1 up to and after the closure of a fossil fuel power plant,
2 nuclear power plant, or coal mine.

3 (b) The Director of Commerce and Economic Opportunity
4 shall, subject to appropriation, administer the Energy
5 Community Development Program. In administering the Energy
6 Community Development Program, the Department shall:

7 (1) assist local governments in Clean Energy
8 Empowerment Zones in finding private and public sector
9 partners to invest in regional development;

10 (2) assist units of local government in finding and
11 negotiating terms with businesses willing to relocate or
12 open new enterprises in regions impacted;

13 (3) provide coordination services to connect
14 organizations or persons seeking to use tax credits
15 created under Act with units of local government;

16 (4) conduct outreach and educational events for
17 private sector organizations for the purpose of attracting
18 investment in Clean Energy Empowerment Zones; and

19 (5) gather and incorporate public comment and feedback
20 so that local knowledge, priorities, and strengths help
21 shape and guide private and public development.

22 (c) In administering the Energy Community Development
23 Program, the Department shall develop and implement the
24 Program with the following goals:

25 (1) to increase private sector development in Clean
26 Energy Empowerment Zones;

1 (2) to replace and improve employment opportunities in
2 Clean Energy Empowerment Zones for community members;

3 (3) to provide resources for Clean Energy Empowerment
4 Zone communities across the State, and avoid geographic
5 preferences in the allocation of resources; and

6 (4) to create a healthful environment for community
7 members in Clean Energy Empowerment Zones.

8 Section 20-60. Displaced Energy Workers Bill of Rights.

9 (a) The Department of Commerce and Economic Opportunity
10 shall implement the Displaced Energy Workers Bill of Rights
11 and shall be responsible for the implementation of the
12 Displaced Energy Workers Bill of Rights programs and rights
13 created under this Section. The Department shall provide the
14 following benefits to displaced energy workers listed in
15 paragraphs (1) through (4) of this subsection:

16 (1) Advance notice of power plant or coal mine
17 closure.

18 (A) The Department of Commerce and Economic
19 Opportunity shall notify all energy workers of the
20 upcoming closure of any qualifying facility at least 2
21 years in advance of the scheduled closing date.

22 (B) In providing the advance notice described in
23 this paragraph (1), the Department shall take
24 reasonable steps to ensure that all displaced energy
25 workers are educated on the various programs available

1 through the Department to assist with the energy
2 transition.

3 (2) Employment assistance and career services. The
4 Department shall provide displaced energy workers with
5 assistance in finding new sources of employment through
6 the Energy Workforce Development Program established in
7 this Act.

8 (3) Full-tuition scholarship for Illinois institutions
9 and trade schools.

10 (A) The Department shall provide any displaced
11 energy worker with a full-tuition scholarship to any
12 of the following programs: (i) public universities in
13 this State; (ii) trade schools in this State; (iii)
14 community college programs in this State; or (iv)
15 union training programs in this State. The Department
16 may set cost caps on the maximum amount of tuition that
17 may be funded.

18 (B) The Department shall provide information and
19 consultation to displaced energy workers on the
20 various educational opportunities available through
21 this Program, and advise workers on which
22 opportunities meet their needs and preferences.

23 (C) Displaced energy workers who are eligible for
24 scholarships created under this Section by the date of
25 their enrollment shall be considered eligible for
26 scholarship funding for up to 4 years or until

1 completion of their degree or certification, whichever
2 is the shorter duration.

3 (4) Financial Planning Services. Displaced energy
4 workers shall be entitled to services as described in the
5 energy worker Programs in this subsection, including
6 financial planning services.

7 (b) The owners of power plants with a nameplate capacity
8 of greater than 300 megawatts and the owners of coal mines
9 located in Illinois shall be required to comply with the
10 requirements set out in this subsection (b). The owners shall
11 be required to take the following actions:

12 (1) provide employment information for energy workers;
13 prior to the closure of an electric generating unit or
14 mine, the owners of the power plant or mine shall provide
15 energy workers information on whether there are employment
16 opportunities provided by their employer;

17 (2) provide extended health insurance for displaced
18 energy workers who are former employees of the power plant
19 owner that (A) costs no more than the average monthly
20 premium paid by the worker over the last 12 months and (B)
21 offers the same level of benefits, including, but not
22 limited to, coverage, in-network providers, deductibles,
23 and copayments covered during the previous 12 months;
24 companies that sell energy into auctions managed by the
25 Illinois Power Agency shall be required to offer 2 years
26 of health insurance following closure of an electric

1 generating unit to employees who are not employed in new
2 positions that offer health insurance upon: (i) plant
3 closure; or (ii) employment termination; the Department
4 may require funding for health insurance to be provided in
5 advance of employment termination; and

6 (3) maintain responsible retirement account
7 portfolios; employees of qualifying facilities shall have
8 their retirement funds backed by financial tools that are
9 not economically dependent upon the success of their
10 employer's business.

11 Section 20-65. Consideration of energy worker employment.

12 (a) All State departments and agencies shall conduct a
13 review of the Department of Commerce and Economic
14 Opportunity's registry of energy workers to determine whether
15 any qualified candidates are displaced energy workers before
16 making a final hiring decision for a position in State
17 employment.

18 (b) The Department of Commerce and Economic Opportunity
19 shall inform all State agencies and departments of the
20 obligations created by this Section and take steps to ensure
21 compliance.

22 (c) Nothing in this Section shall be interpreted to
23 indicate that the State is required to hire displaced energy
24 workers for any position.

25 (d) No part of this Section shall be interpreted to be in

1 conflict with federal or State civil rights or employment law.

2 Section 20-70. Energy Community Reinvestment Fund.

3 (a) The General Assembly hereby declares that management
4 of several economic development programs requires a
5 consolidated funding source to improve resource efficiency.
6 The General Assembly specifically recognizes that properly
7 serving communities and workers impacted by the energy
8 transition requires that the Department of Commerce and
9 Economic Opportunity have access to the resources required for
10 the execution of the programs in the Clean Jobs Workforce Hubs
11 Program, the Expanding Clean Energy Entrepreneurship Program,
12 and the Energy Community Reinvestment Act.

13 The intent of the General Assembly is that the Energy
14 Community Reinvestment Fund is able to provide all funding for
15 development programs created in the Clean Jobs Workforce Hubs
16 Program, the Expanding Clean Energy Entrepreneurship Program,
17 and the Energy Community Reinvestment Act, and that no
18 additional charge is borne by the taxpayers or ratepayers of
19 Illinois absent a deficiency.

20 (b) The Energy Community Reinvestment Fund is created as a
21 special fund in the State treasury to be used by the Department
22 of Commerce and Economic Opportunity for purposes provided
23 under this Section. The Fund shall be used to fund programs
24 specified under subsection (c). The objective of the Fund is
25 to bring economic development to communities in this State in

1 a manner that equitably maximizes economic opportunity in all
2 communities by increasing efficiency of resource allocation
3 across the programs listed in subsection (c). The Department
4 shall include a description of its proposed approach to the
5 design, administration, implementation, and evaluation of the
6 Fund, as part of the Energy Transition Workforce Plan
7 described in this Act. Contracts that will be paid with moneys
8 in the Fund shall be executed by the Department.

9 (c) The Department shall be responsible for the
10 administration of the Fund and shall allocate funding on the
11 basis of priorities established in this Section. Each year,
12 the Department shall determine the available amount of
13 resources in the Fund that can be allocated to the programs
14 identified in this Section, and allocate the funding
15 accordingly. The Department shall, to the extent practical,
16 consider both the short-term and long-term costs of the
17 programs and allocate, save, or invest funding so that the
18 Department is able to cover both the short-term and long-term
19 costs of these programs using projected revenue.

20 The available funding for each year shall be allocated
21 from the Fund in the following order of priority:

22 (1) for costs related to the Clean Jobs Workforce Hubs
23 program in Part 5 of the Clean Jobs, Workforce and
24 Contractor Equity Act, up to \$26,000,000 annually or 26%
25 of the available funding, whichever is less;

26 (2) for costs related to the program described by Part

1 10 of the Clean Energy, Workforce and Contractor Equity
2 Act, up to \$21,000,000 annually or 21% of the available
3 funding, whichever is less;

4 (3) for costs related to the Energy Community
5 Development programs in this Act, up to \$2,000,000
6 annually or 2% of the available funding, whichever is
7 less;

8 (4) for costs related to the Energy Workforce
9 Development programs and the Displaced Energy Workers Bill
10 of Rights in this Act, including all programs created by
11 the Energy Transition Workforce Commission, up to
12 \$13,000,000 annually or 21% of the available funding,
13 whichever is less. If 21% of the available funding is more
14 than \$13,000,000, the amount over \$13,000,000 is allocated
15 to the items in (1) through (3) by their relative
16 percentages until those programs are fully funded;

17 (5) for costs related to the Returning Residents Clean
18 Jobs Training Program described in Part 20 of the Clean
19 Jobs, Workforce and Contractor Equity Act, up to
20 \$6,000,000 annually or 6% of the available funding,
21 whichever is less;

22 (6) for costs related to the Illinois Clean Energy
23 Black, Indigenous, and People of Color Primes Contractor
24 Accelerator Program described in Part 15 of the Clean
25 Jobs, Workforce and Contractor Equity Act, up to
26 \$9,000,000 annually or 9% of the available funding,

1 whichever is less;

2 (7) for costs, up to \$100,000,000 annually, to support
3 units of local government in Clean Energy Empowerment
4 Zones, as described in Section 20-35;

5 (8) if the programs identified in paragraphs (1)
6 through (7) are fully funded and the Department reasonably
7 predicts they will be adequately funded in future years,
8 the Department shall transfer an amount equal to the
9 year's tax credits awarded through the programs of up to
10 \$22,500,000 annually go the General Revenue Fund to offset
11 revenue reductions from tax credits provided under the
12 Clean Energy Empowerment Zone Tax Credit Act;

13 (9) to support the Low Income Home Energy Assistance
14 Program, up to \$30,000,000 annually, to support additional
15 costs from the Percentage of Income Payment Program
16 expansion and energy assistance expansion;

17 (10) for the initial capital funding of the Clean
18 Energy Jobs and Justice Fund, \$100,000,000 in the year
19 2022, or if the full funding is not available, the
20 Department may allocate these funds over several years as
21 quickly as is feasible; and

22 (11) if the programs identified in paragraphs (1)
23 through (10) are fully funded and the Department
24 reasonably predicts they shall be adequately funded in
25 future years, the Department shall transfer all surplus to
26 the General Revenue Fund.

1 (d) No later than June 1, 2021, and by June 1 of each year
2 thereafter, the Department shall submit a notification to the
3 Illinois Environmental Protection Agency for the purpose of
4 implementing the energy community reinvestment fee as
5 described in Section 9.16 of the Environmental Protection Act.
6 The notification shall include the revenue and spending
7 requirements for the programs identified under the Energy
8 Community Reinvestment Act for the upcoming fiscal year, as
9 well as the projected spending for all program years through
10 Fiscal Year 2036. The projected revenue and spending need
11 identified for any program year shall be no less than
12 \$400,000,000 per year for the calendar years 2021 through 2025
13 and \$200,000,000 per year for all calendar years starting in
14 2026 that the Illinois electric sector generates greenhouse
15 gas emissions.

16 (e) If there is a funding shortfall for items identified
17 in paragraphs (1) through (4) of subsection (c), the
18 Department shall submit a request for funds to applicable
19 electric utilities for funds collected under subsection (k) of
20 Section 1-75 of the Illinois Power Agency Act up to
21 \$25,000,000 per year to cover the shortfall. Upon notification
22 by utilities that sufficient funds are available for use under
23 the terms of paragraph (7) of subsection (k) of Section 1-75 of
24 the Illinois Power Agency Act, the Department shall send an
25 invoice to the applicable utilities for the amount requested.
26 Upon receipt, the funds shall be deposited into the Energy

1 Community Reinvestment Fund.

2 (f) The Department shall, on an ongoing basis, seek out
3 and apply for funding from alternative sources to cover the
4 costs of these programs. Alternative sources may include the
5 federal government, other State programs, private foundations,
6 donors, or other opportunities for funding. The Department
7 shall, as described in subsection (c), use any additional
8 funding obtained for these programs to reduce or eliminate any
9 costs borne by taxpayers and ratepayers. Nothing in this
10 subsection (f) shall be interpreted to reduce or remove the
11 revenue requirements obtained by the Illinois Environmental
12 Protection Agency as described in subsection (d).

13 (g) Notwithstanding any other law to the contrary, the
14 Energy Community Reinvestment Fund is not subject to sweeps,
15 administrative chargebacks, or any other fiscal or budgetary
16 maneuver that would in any way transfer any amounts from the
17 Energy Community Reinvestment Fund into any other fund of the
18 State.

19 (h) The Department is granted all powers necessary for the
20 implementation of this Section.

21 Section 20-75. Administrative review. All final
22 administrative decisions, including, but not limited to,
23 funding allocation and rules issued by the Department under
24 this Act are subject to judicial review under the
25 Administrative Review Law. No action may be commenced under

1 this Section prior to 60 days after the complainant has given
2 notice in writing of the action to the Department.

3 Article 25. Clean Energy Empowerment Zone Tax Credit Act

4 Section 25-1. Short title. This Article may be cited as
5 the Clean Energy Empowerment Zone Tax Credit Act. References
6 in this Article to "this Act" mean this Article.

7 Part 1.

8 Section 25-100. Definitions. As used in this Part 1:

9 "Applicant" means a person that is operating a business
10 located within the State of Illinois and has applied for an
11 income tax credit through a program under this Act.

12 "Basic wage" means compensation for employment that meets
13 the prevailing wage standards as defined by the Department.

14 "Certificate" means the tax credit certificate issued by
15 the Department under Section 25-125.

16 "Certificate of eligibility" means the certificate issued
17 by the Department under Section 25-110.

18 "Credit" means the amount awarded by the Department to an
19 applicant by issuance of a certificate under Section 25-125
20 for each new full-time equivalent employee hired or job
21 created.

22 "Department" means the Department of Commerce and Economic

1 Opportunity.

2 "Director" means the Director of Commerce and Economic
3 Opportunity.

4 "Former energy worker" means an individual who is
5 employed, or was employed, at a fossil fuel power plant,
6 nuclear power plant, or coal mine, and is listed in the
7 registry of energy workers developed by the Department of
8 Commerce and Economic Opportunity pursuant to Section 20-50 of
9 the Energy Community Reinvestment Act.

10 "Full-time employee" means an individual who is employed
11 at a prevailing wage for at least 35 hours each week, and
12 provided standard worker benefits, or who renders any other
13 standard of service generally accepted by industry custom or
14 practice as full-time employment. An individual for whom a W-2
15 is issued by a Professional Employer Organization is a
16 full-time employee if he or she is employed in the service of
17 the applicant for a basic wage for at least 35 hours each week
18 or renders any other standard of service generally accepted by
19 industry custom or practice as full-time employment. For the
20 purposes of this Act, such an individual shall be considered a
21 full-time employee of the applicant.

22 "Incentive period" means the period beginning on July 1
23 and ending on June 30 of the following year. The first
24 incentive period shall begin on July 1, 2021 and the last
25 incentive period shall end on June 30, 2040.

26 "New employee" means a full-time employee:

1 (1) who first became employed by an applicant within
2 the incentive period whose hire results in a net increase
3 in the applicant's full-time Illinois employees and who is
4 receiving a prevailing wage as compensation; and

5 (2) who was previously employed in a fossil fuel power
6 plant, nuclear power plant, or coal mine in the State of
7 Illinois that has since closed or is a graduate of
8 training programs as established under Part 5 of the Clean
9 Jobs, Workforce and Contractor Equity Act.

10 "New employee" does not include:

11 (1) a person who was previously employed in Illinois
12 by the applicant or a related member prior to the onset of
13 the incentive period, unless the new employee is hired for
14 site remediation work; or

15 (2) a person who has a direct or indirect ownership
16 interest of at least 5% in the profits, capital, or value
17 of the applicant or a related member; or

18 (3) a person who has been hired to assist in the
19 production of fossil fuel derived energy directly or
20 indirectly, unless that person has been hired to assist in
21 the deconstruction of a fossil fuel power plant, the
22 deconstruction of a coal mine, the remediation of a site
23 formerly used for fossil fuel power production, or the
24 remediation of a coal mine.

25 "Noncompliance date" means, in the case of an applicant
26 that is not complying with the requirements of this Act, the

1 day following the last date upon which the taxpayer was in
2 compliance with the requirements of this Act, as determined by
3 the Director under Section 25-135.

4 "Professional Employer Organization" has the same meaning
5 as ascribed to that term under Section 5-5 of the Economic
6 Development for a Growing Economy Tax Credit Act.
7 "Professional Employer Organization" does not include a day
8 and temporary labor service agency regulated under the Day and
9 Temporary Labor Services Act.

10 "Related member" means a person that, with respect to the
11 applicant during any portion of the incentive period, is any
12 one of the following:

13 (1) An individual, if the individual and the members
14 of the individual's family, as defined in Section 318 of
15 the Internal Revenue Code, own directly, indirectly,
16 beneficially, or constructively, in the aggregate, at
17 least 50% of the value of the outstanding profits,
18 capital, stock, or other ownership interest in the
19 applicant.

20 (2) A partnership, estate, or trust and any partner or
21 beneficiary, if the partnership, estate, or trust and its
22 partners or beneficiaries own directly, indirectly,
23 beneficially, or constructively, in the aggregate, at
24 least 50% of the profits, capital, stock, or other
25 ownership interest in the applicant.

26 (3) A corporation, and any party related to the

1 corporation, in a manner that would require an attribution
2 of stock from the corporation under the attribution rules
3 of Section 318 of the Internal Revenue Code, if the
4 applicant and any other related member own, in the
5 aggregate, directly, indirectly, beneficially, or
6 constructively, at least 50% of the value of the
7 corporation's outstanding stock.

8 (4) A corporation and any party related to that
9 corporation in a manner that would require an attribution
10 of stock from the corporation to the party or from the
11 party to the corporation under the attribution rules of
12 Section 318 of the Internal Revenue Code, if the
13 corporation and all such related parties own, in the
14 aggregate, at least 50% of the profits, capital, stock, or
15 other ownership interest in the applicant.

16 (5) A person to or from whom there is attribution of
17 stock ownership in accordance with subsection (e) of
18 Section 1563 of the Internal Revenue Code, except that for
19 purposes of determining whether a person is a related
20 member under this paragraph (5):

21 (A) stock owned, directly or indirectly, by or for
22 a partnership shall be considered as owned by any
23 partner having an interest of 20% or more in either the
24 capital or profits of the partnership in proportion to
25 his or her interest in capital or profits, whichever
26 such proportion is the greater;

1 (B) stock owned, directly or indirectly, by or for
2 an estate or trust shall be considered as owned by any
3 beneficiary who has an actuarial interest of 20% or
4 more in such stock, to the extent of such actuarial
5 interest. For purposes of this subparagraph, the
6 actuarial interest of each beneficiary shall be
7 determined by assuming the maximum exercise of
8 discretion by the fiduciary in favor of such
9 beneficiary and the maximum use of such stock to
10 satisfy his or her rights as a beneficiary; and

11 (C) stock owned, directly or indirectly, by or for
12 a corporation shall be considered as owned by any
13 person who owns 20% or more in value of its stock in
14 that proportion which the value of the stock which the
15 person so owns bears to the value of all the stock in
16 the corporation.

17 Section 25-105. Powers of the Department. The Department,
18 in addition to those powers granted under the Civil
19 Administrative Code of Illinois, is granted and shall have all
20 the powers necessary or convenient to carry out and effectuate
21 the purposes and provisions of this Act, including, but not
22 limited to, power and authority to:

23 (1) Adopt rules deemed necessary and appropriate for
24 the administration of this Act; establish forms for
25 applications, notifications, contracts, or any other

1 agreements; and accept applications at any time during the
2 year and require that all applications be submitted
3 electronically through the Internet.

4 (2) Provide guidance and assistance to applicants
5 under the provisions of this Act, and cooperate with
6 applicants to promote, foster, and support job creation
7 within this State.

8 (3) Enter into agreements and memoranda of
9 understanding for participation of and engage in
10 cooperation with agencies of the federal government, units
11 of local government, universities, research foundations or
12 institutions, regional economic development corporations,
13 or other organizations for the purposes of this Act.

14 (4) Gather information and conduct inquiries, in the
15 manner and by the methods it deems desirable, including,
16 without limitation, gathering information with respect to
17 applicants for the purpose of making any designations or
18 certifications necessary or desirable or to gather
19 information in furtherance of the purposes of this Act.

20 (5) Establish, negotiate, and effectuate any term,
21 agreement, or other document with any person necessary or
22 appropriate to accomplish the purposes of this Act, and
23 consent, subject to the provisions of any agreement with
24 another party, to the modification or restructuring of any
25 agreement to which the Department is a party.

26 (6) Provide for sufficient personnel to permit

1 administration, staffing, operation, and related support
2 required to adequately discharge its duties and
3 responsibilities described in this Act from funds made
4 available through charges to applicants or from funds as
5 may be appropriated by the General Assembly for the
6 administration of this Act.

7 (7) Require applicants, upon written request, to issue
8 any necessary authorization to the appropriate federal,
9 State, or local authority or any other person for the
10 release to the Department of information requested by the
11 Department, with the information requested to include, but
12 not be limited to, financial reports, returns, or records
13 relating to the applicant or to the amount of credit
14 allowable under this Act.

15 (8) Require that an applicant shall at all times keep
16 proper books of record and account in accordance with
17 generally accepted accounting principles consistently
18 applied, with the books, records, or papers related to the
19 agreement in the custody or control of the applicant open
20 for reasonable Department inspection and audits, and
21 including, without limitation, the making of copies of the
22 books, records, or papers.

23 (9) Take whatever actions are necessary or appropriate
24 to protect the State's interest in the event of
25 bankruptcy, default, foreclosure, or noncompliance with
26 the terms and conditions of financial assistance or

1 participation required under this Act, including the power
2 to sell, dispose of, lease, or rent, upon terms and
3 conditions determined by the Director to be appropriate,
4 real or personal property that the Department may recover
5 as a result of these actions.

6 Section 25-110. Certificate of eligibility for tax credit.

7 (a) An applicant that has hired a former energy worker or a
8 graduate of training programs as established under the Clean
9 Jobs Workforce and Contractor Equity Act as a new employee
10 during the incentive period may apply for a certificate of
11 eligibility for the credit with respect to that position on or
12 after the date of hire of the new employee. The date of hire
13 shall be the first day on which the employee begins providing
14 services for basic wage compensation.

15 (b) An applicant may apply for a certificate of
16 eligibility for the credit for more than one new employee on or
17 after the date of hire of each qualifying new employee.

18 (c) After receipt of an application under this Section,
19 the Department shall issue a certificate of eligibility to the
20 applicant that states the following:

21 (1) the date and time on which the application was
22 received by the Department and an identifying number
23 assigned to the applicant by the Department;

24 (2) the maximum amount of the credit the applicant
25 could potentially receive under this Act with respect to

1 the new employees listed on the application; and
2 (3) the maximum amount of the credit potentially
3 allowable on certificates of eligibility issued for
4 applications received prior to the application for which
5 the certificate of eligibility is issued.

6 Section 25-115. Tax credit.

7 (a) Subject to the conditions set forth in this Act, an
8 applicant is entitled to a credit against payment of taxes
9 withheld under Section 704A of the Illinois Income Tax Act:

10 (1) for former energy workers or graduates of Clean
11 Jobs Workforce programs hired as new employees who the
12 applicant hires and retains for a minimum of one year; and

13 (2) in the amount of:

14 (A) 20% of the salary paid to the new employee for
15 employees hired and retained for between the time of
16 hiring and one year;

17 (B) 15% of the salary paid to the new employee for
18 employees hired and retained between one year and 2
19 years; and

20 (C) 10% of the salary paid to the new employee for
21 employees hired and retained between 2 years and 3
22 years.

23 (b) The Department shall make credit awards under this Act
24 to further job creation.

25 (c) The credit shall be claimed for the first calendar

1 year ending on or after the date on which the certificate is
2 issued by the Department.

3 (d) The net increase in full-time Illinois employees,
4 measured on an annual full-time equivalent basis, shall be the
5 total number of full-time Illinois employees of the applicant
6 on the final day of the incentive period, minus the number of
7 full-time Illinois employees employed by the employer on the
8 first day of that same incentive period. For purposes of the
9 calculation, an employer that begins doing business in this
10 State during the incentive period, as determined by the
11 Director, shall be treated as having zero Illinois employees
12 on the first day of the incentive period.

13 (e) The net increase in the number of full-time Illinois
14 employees of the applicant under subsection (d) must be
15 sustained continuously for at least 12 months, starting with
16 the date of hire of a new employee during the incentive period.
17 Eligibility for the credit does not depend on the continuous
18 employment of any particular individual. For purposes of this
19 subsection (e), if a new employee ceases to be employed before
20 the completion of the 12-month period for any reason, the net
21 increase in the number of full-time Illinois employees shall
22 be treated as continuous if a different new employee is hired
23 as a replacement within a reasonable time for the same
24 position. The new employees must be hired to fill positions
25 that the applicant reasonably anticipates will be available
26 for the new employee as a long-term position. For the purposes

1 of this subsection (e), "long-term position" means a position
2 that will be available for 3 years or longer.

3 (f) The Department shall adopt rules to enable an
4 applicant for which a Professional Employer Organization has
5 been contracted to issue W-2s and make payment of taxes
6 withheld under Section 704A of the Illinois Income Tax Act for
7 new employees to retain the benefit of tax credits to which the
8 applicant is otherwise entitled under this Act.

9 Section 25-120. Maximum amount of credits allowed. The
10 Department shall limit the monetary amount of credits awarded
11 under this Act to no more than \$18,000,000 annually during the
12 incentive period. If applications for a greater amount are
13 received, credits shall be allowed on a first-come,
14 first-served basis, based on the date on which each properly
15 completed application for a certificate of eligibility is
16 received by the Department. If more than one certificate of
17 eligibility is received on the same day, the credits shall be
18 awarded based on the time of submission for that particular
19 day.

20 Section 25-125. Application for award of tax credit; tax
21 credit certificate.

22 (a) On or after the conclusion of the 12-month period, or
23 other period, after a new employee has been hired, for the
24 purposes of subsection (a) of Section 25-115, an applicant

1 shall file with the Department an application for award of a
2 credit. The application shall include the following:

3 (1) the names, Social Security numbers, job
4 descriptions, salary or wage rates, and dates of hire of
5 the new employees with respect to whom the credit is being
6 requested;

7 (2) a certification that each new employee listed has
8 been retained on the job for at least one year from the
9 date of hire;

10 (3) the number of new employees hired by the applicant
11 during the incentive period;

12 (4) the net increase in the number of full-time
13 Illinois employees of the applicant, including the new
14 employees listed in the request, between the beginning of
15 the incentive period and the dates on which the new
16 employees listed in the request were hired;

17 (5) an agreement that the Director is authorized to
18 verify with the appropriate State agencies the information
19 contained in the request before issuing a certificate to
20 the applicant; and

21 (6) any other information the Department determines to
22 be appropriate.

23 (b) Although an application may be filed at any time after
24 the conclusion of the 12-month period after a new employee was
25 hired, an application filed more than 90 days after the
26 earliest date on which it could have been filed shall not be

1 awarded any credit if, prior to the date it is filed, the
2 Department has received applications under this Section for
3 credits totaling more than \$20,000,000.

4 (c) The Department shall issue a certificate to each
5 applicant awarded a credit under this Act. The certificate
6 shall include the following:

7 (1) the name and taxpayer identification number of the
8 applicant;

9 (2) the date on which the certificate is issued;

10 (3) the credit amount that will be allowed; and

11 (4) any other information the Department determines to
12 be appropriate.

13 Section 25-130. Submission of tax credit certificate to
14 the Department of Revenue. An applicant claiming a credit
15 under this Act shall submit to the Department of Revenue a copy
16 of each certificate issued under Section 25-125 with the first
17 tax return for which the credit shown on the certificate is
18 claimed. Failure to submit a copy of the certificate with the
19 applicant's tax return shall not invalidate a claim for a
20 credit.

21 Section 25-135. Administrative review.

22 (a) If the Director determines that an applicant who has
23 received a credit under this Act is not complying with the
24 requirements of this Act, the Director shall provide notice to

1 the applicant of the alleged noncompliance, and allow the
2 taxpayer a hearing under the provisions of the Illinois
3 Administrative Procedure Act. If, after the notice and
4 hearing, the Director determines that noncompliance exists,
5 the Director shall issue to the Department of Revenue notice
6 to that effect, and state the date of noncompliance.

7 (b) All final administrative decisions, including, but not
8 limited to, funding allocation and rules issued by the
9 Department under this Act are subject to judicial review under
10 the Administrative Review Law. No action may be commenced
11 under this Section prior to 60 days after the complainant has
12 given notice in writing of the action to the Department.

13 Section 25-140. Rules. The Department may adopt rules
14 necessary to implement this Part 1. The rules may provide for
15 recipients of credits under this Part 1 to be charged fees to
16 cover administrative costs of the tax credit program.

17 Part 2.

18 Section 25-200. Definitions. As used in this Part 2:

19 "Agreement" means the agreement between a taxpayer and the
20 Department entered into for a tax credit awarded under Section
21 25-210.

22 "Applicant" means a taxpayer operating a renewable energy
23 enterprise, as determined under the Energy Community

1 Reinvestment Act, located within or that the renewable energy
2 enterprise plans to locate within a Clean Energy Empowerment
3 Zone. "Applicant" does not include a taxpayer who closes or
4 substantially reduces an operation at one location in this
5 State and relocates substantially the same operation to a
6 location in a Clean Energy Empowerment Zone. A taxpayer is not
7 prohibited from expanding its operations at a location in a
8 Clean Energy Empowerment Zone, provided that existing
9 operations of a similar nature located within the State are
10 not closed or substantially reduced. A taxpayer is also not
11 prohibited from moving operations from one location in this
12 State to a Clean Energy Empowerment Zone for the purpose of
13 expanding the operation provided that the Department
14 determines that expansion cannot reasonably be accommodated
15 within the municipality in which the business is located, or
16 in the case of a business located in an incorporated area of
17 the county, within the county in which the business is
18 located, after conferring with the chief elected official of
19 the municipality or county and taking into consideration any
20 evidence offered by the municipality or county regarding the
21 ability to accommodate expansion within the municipality or
22 county.

23 "Board" means the Clean Energy Empowerment Zone Board
24 created under Section 20-20 of the Illinois Energy Community
25 Reinvestment Act.

26 "Credit" means the amount agreed to between the Department

1 and the Applicant under this Act, but not to exceed the lesser
2 of: (1) the sum of (i) 50% of the incremental income tax
3 attributable to new employees at the applicant's project and
4 (ii) 10% of the training costs of new employees; or (2) 100% of
5 the incremental income tax attributable to new employees at
6 the applicant's project. If the project is located in an
7 underserved area, then the amount of the credit may not exceed
8 the lesser of: (1) the sum of (i) 75% of the incremental income
9 tax attributable to new employees at the applicant's project
10 and (ii) 10% of the training costs of new employees; or (2)
11 100% of the incremental income tax attributable to new
12 employees at the applicant's project. If an applicant agrees
13 to hire the required number of new employees, then the maximum
14 amount of the credit for that applicant may be increased by an
15 amount not to exceed 25% of the incremental income tax
16 attributable to retained employees at the applicant's project;
17 provided that, in order to receive the increase for retained
18 employees, the applicant must provide the additional evidence
19 required under paragraph (3) of subsection (c) of Section
20 25-215.

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

23 "Director" means the Director of Commerce and Economic
24 Opportunity.

25 "Full-time employee" means an individual who is employed
26 for consideration for at least 35 hours each week or who

1 renders any other standard of service generally accepted by
2 industry custom or practice as full-time employment. An
3 individual for whom a W-2 is issued by a Professional Employer
4 Organization is a full-time employee if employed in the
5 service of the applicant for consideration for at least 35
6 hours each week or who renders any other standard of service
7 generally accepted by industry custom or practice as full-time
8 employment to the applicant.

9 "Incremental income tax" means the total amount withheld
10 during the taxable year from the compensation of new employees
11 and, if applicable, retained employees under Article 7 of the
12 Illinois Income Tax Act arising from employment at a project
13 that is the subject of an agreement.

14 "New employee" means a full-time employee first employed
15 by a taxpayer in the project that is the subject of an
16 agreement and who is hired after the taxpayer enters into the
17 agreement.

18 "New employee" does not include:

19 (1) an employee of the taxpayer who performs a job
20 that was previously performed by another employee, if that
21 job existed for at least 6 months before hiring the
22 employee;

23 (2) an employee of the taxpayer who was previously
24 employed in Illinois by a related member of the taxpayer
25 and whose employment was shifted to the taxpayer after the
26 taxpayer entered into the agreement; or

1 (3) a child, grandchild, parent, or spouse, other than
2 a spouse who is legally separated from the individual, of
3 any individual who has a direct or an indirect ownership
4 interest of at least 5% in the profits, capital, or value
5 of the taxpayer.

6 Notwithstanding any other provisions of this Section, an
7 employee may be considered a new employee under the agreement
8 if the employee performs a job that was previously performed
9 by an employee who was: (i) treated under the agreement as a
10 new employee; and (ii) promoted by the taxpayer to another
11 job.

12 Notwithstanding any other provisions of this Section, the
13 Department may award a credit to an applicant with respect to
14 an employee hired prior to the date of the agreement if: (i)
15 the applicant is in receipt of a letter from the Department
16 stating an intent to enter into a credit agreement; (ii) the
17 letter described in item (i) of this paragraph is issued by the
18 Department not later than 15 days after the effective date of
19 this Act; and (iii) the employee was hired after the date the
20 letter described in item (i) of this paragraph was issued.

21 "Pass-through entity" means an entity that is exempt from
22 the tax under subsection (b) or (c) of Section 205 of the
23 Illinois Income Tax Act.

24 "Related member" means a person that, with respect to the
25 taxpayer during any portion of the taxable year, is any one of
26 the following:

1 (1) An individual stockholder, if the stockholder and
2 the members of the stockholder's family, as defined in
3 Section 318 of the Internal Revenue Code, own directly,
4 indirectly, beneficially, or constructively, in the
5 aggregate, at least 50% of the value of the taxpayer's
6 outstanding stock.

7 (2) A partnership, estate, or trust and any partner or
8 beneficiary, if the partnership, estate, or trust, and its
9 partners or beneficiaries own directly, indirectly,
10 beneficially, or constructively, in the aggregate, at
11 least 50% of the profits, capital, stock, or value of the
12 taxpayer.

13 (3) A corporation, and any party related to the
14 corporation in a manner that would require an attribution
15 of stock from the corporation to the party or from the
16 party to the corporation under the attribution rules of
17 Section 318 of the Internal Revenue Code, if the taxpayer
18 owns directly, indirectly, beneficially, or constructively
19 at least 50% of the value of the corporation's outstanding
20 stock.

21 (4) A corporation and any party related to that
22 corporation in a manner that would require an attribution
23 of stock from the corporation to the party or from the
24 party to the corporation under the attribution rules of
25 Section 318 of the Internal Revenue Code, if the
26 corporation and all such related parties own in the

1 aggregate at least 50% of the profits, capital, stock, or
2 value of the taxpayer.

3 (5) A person to or from whom there is attribution of
4 stock ownership in accordance with subsection (e) of
5 Section 1563 of the Internal Revenue Code, except that for
6 purposes of determining whether a person is a related
7 member under this paragraph (5):

8 (A) stock owned, directly or indirectly, by or for
9 a partnership shall be considered as owned by any
10 partner having an interest of 20% or more in either the
11 capital or profits of the partnership in proportion to
12 his or her interest in capital or profits, whichever
13 such proportion is the greater;

14 (B) stock owned, directly or indirectly, by or for
15 an estate or trust shall be considered as owned by any
16 beneficiary who has an actuarial interest of 20% or
17 more in such stock, to the extent of such actuarial
18 interest. For purposes of this subparagraph, the
19 actuarial interest of each beneficiary shall be
20 determined by assuming the maximum exercise of
21 discretion by the fiduciary in favor of such
22 beneficiary and the maximum use of such stock to
23 satisfy his or her rights as a beneficiary; and

24 (C) stock owned, directly or indirectly, by or for
25 a corporation shall be considered as owned by any
26 person who owns 20% or more in value of its stock in

1 that proportion which the value of the stock which the
2 person so owns bears to the value of all the stock in
3 the corporation.

4 "Renewable energy" means solar energy, wind energy, water
5 energy, geothermal energy, bioenergy, or hydrogen fuel and
6 cells.

7 "Renewable energy production facility" means a facility
8 owned by a company that is engaged in and used such a facility
9 for the production of solar energy, wind energy, water energy,
10 geothermal energy, bioenergy, or hydrogen fuel and cells.

11 "Taxpayer" means an individual, corporation, partnership,
12 or other entity that has any Illinois income tax liability.

13 "Underserved area" means a geographic area that meets one
14 or more of the following conditions:

15 (1) the area has a poverty rate of at least 20%
16 according to the latest federal decennial census;

17 (2) 75% or more of the children in the area
18 participate in the federal free lunch program according to
19 reported statistics from the State Board of Education;

20 (3) at least 20% of the households in the area receive
21 assistance under the Supplemental Nutrition Assistance
22 Program; or

23 (4) the area has an average unemployment rate, as
24 determined by the Department of Employment Security, that
25 is more than 120% of the national unemployment average, as
26 determined by the United States Department of Labor, for a

1 period of at least 2 consecutive calendar years preceding
2 the date of the application.

3 Section 25-205. Powers of the Department. The Department,
4 in addition to those powers granted under the Civil
5 Administrative Code of Illinois and Part 1 of this Act, is
6 granted and has all the powers necessary or convenient to
7 carry out and effectuate the purposes and provisions of this
8 Act, including, but not limited to, power and authority to:

9 (a) Adopt rules deemed necessary and appropriate for the
10 administration of programs; establish forms for applications,
11 notifications, contracts, or any other agreements; and accept
12 applications at any time during the year.

13 (b) Provide and assist taxpayers pursuant to the
14 provisions of this Act, and cooperate with taxpayers that are
15 parties to agreements to promote, foster, and support economic
16 development, capital investment, and job creation or retention
17 within the Clean Energy Empowerment Zone.

18 (c) Enter into agreements and memoranda of understanding
19 for participation of and engage in cooperation with agencies
20 of the federal government, units of local government,
21 universities, research foundations or institutions, regional
22 economic development corporations, or other organizations for
23 the purposes of this Act.

24 (d) Gather information and conduct inquiries, in the
25 manner and by the methods as it deems desirable, including,

1 without limitation, gathering information with respect to
2 applicants for the purpose of making any designations or
3 certifications necessary or desirable or to gather information
4 to assist the Board with any recommendation or guidance in the
5 furtherance of the purposes of this Act.

6 (e) Establish, negotiate and effectuate any term,
7 agreement or other document with any person, necessary or
8 appropriate to accomplish the purposes of this Act, and
9 consent, subject to the provisions of any agreement with
10 another party, to the modification or restructuring of any
11 agreement to which the Department is a party.

12 (f) Fix, determine, charge, and collect any premiums,
13 fees, charges, costs, and expenses from applicants, including,
14 without limitation, any application fees, commitment fees,
15 program fees, financing charges, or publication fees as deemed
16 appropriate to pay expenses necessary or incident to the
17 administration, staffing, or operation in connection with the
18 Department's or Board's activities under this Act, or for
19 preparation, implementation, and enforcement of the terms of
20 the agreement, or for consultation, advisory and legal fees,
21 and other costs. All fees and expenses incident thereto shall
22 be the responsibility of the applicant.

23 (g) Provide for sufficient personnel to permit
24 administration, staffing, operation, and related support
25 required to adequately discharge its duties and
26 responsibilities described in this Act from funds made

1 available through charges to applicants or from funds as may
2 be appropriated by the General Assembly for the administration
3 of this Act.

4 (h) Require applicants, upon written request, to issue any
5 necessary authorization to the appropriate federal, State, or
6 local authority for the release of information concerning a
7 project being considered under the provisions of this Act,
8 with the information requested to include, but not be limited
9 to, financial reports, returns, or records relating to the
10 taxpayer or its project.

11 (i) Require that a taxpayer shall at all times keep proper
12 books of record and account in accordance with generally
13 accepted accounting principles consistently applied, with the
14 books, records, or papers related to the agreement in the
15 custody or control of the taxpayer open for reasonable
16 Department inspection and audits, and including, without
17 limitation, the making of copies of the books, records, or
18 papers, and the inspection or appraisal of any of the taxpayer
19 or project assets.

20 (j) Take whatever actions are necessary or appropriate to
21 protect the State's interest in the event of bankruptcy,
22 default, foreclosure, or noncompliance with the terms and
23 conditions of financial assistance or participation required
24 under this Act, including the power to sell, dispose, lease,
25 or rent, upon terms and conditions determined by the Director
26 to be appropriate, real or personal property that the

1 Department may receive as a result of these actions.

2 Section 25-210. Tax credit awards.

3 (a) Subject to the conditions set forth in this Act, a
4 taxpayer is entitled to a credit against or, as described in
5 subsection (g), a payment toward taxes imposed pursuant to
6 subsections (a) and (b) of Section 201 of the Illinois Income
7 Tax Act that may be imposed on the taxpayer for a taxable year
8 beginning on or after January 1, 2019, if the taxpayer is
9 awarded a credit by the Department under this Act for that
10 taxable year.

11 (b) The Department shall make credit awards under this Act
12 to foster job creation and the development of renewable energy
13 in Clean Energy Empowerment Zones.

14 (c) A person that proposes a project to create new jobs and
15 to invest in the development of a renewable energy production
16 facility in a Clean Energy Empowerment Zone must enter into an
17 agreement with the Department for the credit under this Act.

18 (d) The credit shall be claimed for the taxable years
19 specified in the agreement.

20 (e) The credit shall not exceed the incremental income tax
21 attributable to the project that is the subject of the
22 agreement.

23 (f) Nothing herein shall prohibit a tax credit award to an
24 applicant that uses a Professional Employer Organization if
25 all other award criteria are satisfied.

1 (g) A pass-through entity that has been awarded a credit
2 under this Act, its shareholders, or its partners may treat
3 some or all of the credit awarded under this Act as a tax
4 payment for purposes of the Illinois Income Tax Act. In no
5 event shall the amount of the award credited under this Act
6 exceed the Illinois income tax liability of the pass-through
7 entity or its shareholders or partners for the taxable year.

8 For the purposes of this subsection (g), "tax payment"
9 means a payment as described in Article 6 or Article 8 of the
10 Illinois Income Tax Act or a composite payment made by a
11 pass-through entity on behalf of any of its shareholders or
12 partners to satisfy such shareholders' or partners' taxes
13 imposed pursuant to subsections (a) and (b) of Section 201 of
14 the Illinois Income Tax Act.

15 Section 25-215. Application for a project to create and
16 retain new jobs and to develop renewable energy.

17 (a) Any renewable energy enterprise proposing a project to
18 build a renewable energy production facility located or
19 planned to be located in a Clean Energy Empowerment Zone may
20 request consideration for designation of its project, by
21 formal written letter of request or by formal application to
22 the Department, in which the applicant states its intent to
23 make at least a specified level of investment and intends to
24 hire or retain a specified number of full-time employees at a
25 designated location in Illinois. As circumstances require, the

1 Department may require a formal application from an applicant
2 and a formal letter of request for assistance.

3 (b) In order to qualify for credits under this Act, an
4 applicant's project must:

5 (1) be for the purpose of producing renewable energy;

6 (2) if the applicant has more than 100 employees,
7 involve an investment of at least \$2,500,000 in capital
8 improvements to be placed in service within a Clean Energy
9 Empowerment Zone as a direct result of the project. If the
10 applicant has 100 or fewer employees, then there is no
11 capital investment requirement; and

12 (3) if the applicant has more than 100 employees,
13 employ a number of new employees in the Clean Energy
14 Empowerment Zone equal to the lesser of (A) 10% of the
15 number of full-time employees employed by the applicant
16 world-wide on the date the application is filed with the
17 Department; or (B) 50 new employees. If the applicant has
18 100 or fewer employees, employ a number of new employees
19 in the State equal to the lesser of (A) 5% of the number of
20 full-time employees employed by the applicant world-wide
21 on the date the application is filed with the Department
22 or (B) 50 New Employees.

23 (c) After receipt of an application, the Department shall
24 review the application, make inquiries, and conduct studies in
25 the manner and by the methods as it deems desirable, and
26 consult with and make a recommendation to the Clean Energy

1 Empowerment Zone Board created under the Energy Community
2 Reinvestment Act. The Department and the Board shall make its
3 recommendations and approvals based on whether they determine
4 that all of the following conditions exist:

5 (1) The applicant's project will make the required
6 investment in the State and the applicant intends to hire
7 the required number of new employees in Illinois as a
8 result of that project, as described in this Act.

9 (2) The applicant's project is economically sound and
10 will benefit the people of the State of Illinois by
11 increasing opportunities for employment and strengthening
12 the economy of Illinois.

13 (3) That, if not for the credit, the project would not
14 occur in Illinois or in the Clean Energy Empowerment Zone,
15 which may be demonstrated by evidence that receipt of the
16 credit is essential to the applicant's decision to create
17 new jobs in the State, such as the magnitude of the cost
18 differential between Illinois and a competing state;

19 (4) The political subdivisions affected by the project
20 have committed local incentives or other support with
21 respect to the project, considering local ability to
22 assist.

23 (5) Awarding the credit will result in an overall
24 positive fiscal impact to the State, as certified by the
25 Board using the best available data.

26 (6) The credit is not prohibited by Section 25-225.

1 (d) After approval by the Board, the Department may enter
2 into an agreement with the applicant.

3 Section 25-225. Relocation of jobs to Clean Energy
4 Empowerment Zone. A taxpayer is not entitled to claim the
5 credit provided by this Act with respect to any jobs that the
6 taxpayer relocates from one site in Illinois to another site
7 in a Clean Energy Empowerment Zone. A taxpayer with respect to
8 a qualifying project certified under the Corporate
9 Headquarters Relocation Act, however, is not subject to the
10 requirements of this Section, but is nevertheless considered
11 an applicant for purposes of this Act. Moreover, any full-time
12 employee of an eligible renewable energy enterprise relocated
13 to a Clean Energy Empowerment Zone in connection with that
14 qualifying project is deemed to be a new employee for purposes
15 of this Act. Determinations under this Section shall be made
16 by the Department.

17 Section 25-230. Determination of the amount of credit. In
18 determining the amount of credit that should be awarded, the
19 Board shall provide guidance on, and the Department shall take
20 into consideration, all of the following factors:

21 (1) the number and location of jobs created and
22 retained in relation to the economy of the Clean Energy
23 Empowerment Zone where the projected investment is to
24 occur;

1 (2) the potential impact on the economy of the Clean
2 Energy Empowerment Zone;

3 (3) the advancement of renewable energy in the Clean
4 Energy Empowerment Zone;

5 (4) the incremental payroll attributable to the
6 project;

7 (5) the capital investment attributable to the
8 project;

9 (6) the amount of the average wage and benefits paid
10 by the applicant in relation to the wage and benefits of
11 the Clean Energy Empowerment Zone;

12 (7) the costs to Illinois and the affected political
13 subdivisions with respect to the project; and

14 (8) the financial assistance that is otherwise
15 provided by Illinois and the affected political
16 subdivisions.

17 Section 25-235. Amount and duration of credit.

18 (a) The Department shall determine the amount and duration
19 of the credit awarded under this Act. The duration of the
20 credit may not exceed 10 taxable years. The credit may be
21 stated as a percentage of the incremental income tax
22 attributable to the applicant's project and may include a
23 fixed dollar limitation. An agreement for the credit must be
24 finalized and signed by all parties while the area in which the
25 project is located is designated a Clean Energy Empowerment

1 Zone. The credit may last longer than the applicable Clean
2 Energy Empowerment Zone designation. Agreements entered into
3 prior to the de-designation of a Clean Energy Empowerment Zone
4 shall be honored for the length of the agreement.

5 (b) Notwithstanding subsection (a), and except as the
6 credit may be applied in a carryover year as otherwise
7 provided in this subsection (b), the credit may be applied
8 against the State income tax liability in more than 10 taxable
9 years, but not in more than 15 taxable years for an eligible
10 green energy enterprise that: (i) qualifies under this Act and
11 the Corporate Headquarters Relocation Act and has in fact
12 undertaken a qualifying project within the time frame
13 specified by the Department of Commerce and Economic
14 Opportunity under that Act; and (ii) applies against its State
15 income tax liability, during the entire 15-year period, no
16 more than 60% of the maximum credit per year that would
17 otherwise be available under this Act.

18 Any credit that is unused in the year the credit is
19 computed may be carried forward and applied to the tax
20 liability of the 5 taxable years following the excess credit
21 year. The credit shall be applied to the earliest year for
22 which there is a tax liability. If there are credits from more
23 than one tax year that are available to offset a liability, the
24 earlier credit shall be applied first.

25 Section 25-240. Contents of agreements with applicants.

1 The Department shall enter into an agreement with an applicant
2 that is awarded a credit under this Act.

3 Section 25-245. Certificate of verification; submission to
4 the Department of Revenue. A taxpayer claiming a credit under
5 this Act shall submit to the Department of Revenue a copy of
6 the Director's certificate of verification under this Act for
7 the taxable year. Failure to submit a copy of the certificate
8 with the taxpayer's tax return shall not invalidate a claim
9 for a credit.

10 Section 25-250. Supplier diversity. Each taxpayer claiming
11 a credit under this Act shall, no later than April 15 of each
12 taxable year for which the taxpayer claims a credit under this
13 Act, submit to the Department of Commerce and Economic
14 Opportunity an annual report containing the information
15 described in subsections (b), (c), (d), and (e) of Section
16 5-117 of the Public Utilities Act. Those reports shall be
17 submitted in the form and manner required by the Department of
18 Commerce and Economic Opportunity.

19 Section 25-255. Pass-through entity. The shareholders or
20 partners of a taxpayer that is a pass-through entity shall be
21 entitled to the credit allowed under the agreement. The credit
22 is in addition to any credit to which a shareholder or partner
23 is otherwise entitled under a separate agreement under this

1 Act. A pass-through entity and a shareholder or partner of the
2 pass-through entity may not claim more than one credit under
3 the same agreement.

4 Section 25-260. Rules. The Department may adopt rules
5 necessary to implement this Part 2. The rules may provide for
6 recipients of credits under this Part 2 to be charged fees to
7 cover administrative costs of the tax credit program. Fees
8 collected shall be deposited into the Energy Community
9 Reinvestment Fund.

10 Section 25-265. Program terms and conditions.

11 (a) Any documentary materials or data made available or
12 received by any member of a board or any agent or employee of
13 the Department shall be deemed confidential and shall not be
14 deemed public records to the extent that the materials or data
15 consists of trade secrets, commercial or financial information
16 regarding the operation of the business conducted by the
17 applicant for or recipient of any tax credit under this Act, or
18 any information regarding the competitive position of a
19 business in a particular field of endeavor.

20 (b) Nothing in this Act shall be construed as creating any
21 rights in any applicant to enter into an agreement or in any
22 person to challenge the terms of any agreement.

23 Article 30. Coal Severance Fee Act

1 Section 30-1. Short title. This Article may be cited as
2 the Coal Severance Fee Act. References in this Article to
3 "this Act" mean this Article.

4 Section 30-5. Coal severance fee.

5 (a) Definitions. As used in this Act:

6 "Department" means the Department of Revenue.

7 "Person" means any natural individual, firm, partnership,
8 association, joint stock company, joint adventure, public or
9 private corporation, limited liability company, or a receiver,
10 executor, trustee, guardian, or other representative appointed
11 by order of any court.

12 (b) Tax imposed.

13 (1) On and after June 1, 2021, there is hereby imposed
14 a tax upon any person engaged in the business of severing
15 or preparing coal for sale, profit, or commercial use, if
16 the coal is severed from a mine located in this State. The
17 rate of the tax imposed under this Section is 6% of the
18 gross value of the severed coal.

19 (2) The liability for the tax accrues at the time the
20 coal is severed.

21 (c) Payment and collection of tax.

22 (1) The tax imposed under this Act shall be due and
23 payable on or before the 20th day of the month following
24 the month in which the coal is severed.

1 (2) The State shall have a lien on all coal severed in
2 this State on or after June 1, 2021 to secure the payment
3 of the tax.

4 (d) Registration. A person who is subject to the tax
5 imposed under this Act shall register with the Department.
6 Application for a certificate of registration shall be made to
7 the Department upon forms furnished by the Department and
8 shall contain any reasonable information the Department may
9 require. Upon receipt of the application for a certificate of
10 registration in proper form, the Department shall issue to the
11 applicant a certificate of registration.

12 (e) Inspection of records by Department, subpoena power,
13 contempt. For the purpose of computing the amount of the tax
14 due under this Section, the Department has the following
15 powers:

16 (1) to require any person who is subject to this tax to
17 furnish any additional information deemed to be necessary
18 for the computation of the tax;

19 (2) to examine books, records, and files of such
20 person; and

21 (3) to issue subpoenas and examine witnesses under
22 oath. If any witness fails or refuses to appear at the
23 request of the Director, or if any witness refuses access
24 to books, records, or files, the circuit court of the
25 proper county, or the judge thereof, on application of the
26 Department, shall compel obedience by proceedings for

1 contempt, as in the case of disobedience of the
2 requirements of a subpoena issued from that court or a
3 refusal to testify therein.

4 (f) Returns. Each taxpayer shall make a return to the
5 Department showing the following:

6 (1) the name of the taxpayer;

7 (2) the address of the taxpayer's principal place of
8 business;

9 (3) the quantity of coal severed or prepared during
10 the month for which the return is filed;

11 (4) the gross value of the severed coal;

12 (5) the amount of tax due;

13 (6) the signature of the taxpayer; and

14 (7) any other reasonable information as the Department
15 may require.

16 (g) The return shall be filed on or before the 20th day of
17 the month after the month during which the coal is severed. The
18 Department may require any additional report or information it
19 deems necessary for the proper administration of this Act.

20 (h) Returns due under this Section shall be filed
21 electronically in the manner prescribed by the Department.
22 Taxpayers shall make all payments of the tax to the Department
23 under this Act by electronic funds transfer unless, as
24 provided by rule, the Department grants an exception upon
25 petition of a taxpayer. Returns must be accompanied by
26 appropriate computer generated magnetic media supporting

1 schedule data in the format required by the Department,
2 unless, as provided by rule, the Department grants an
3 exception upon petition of a taxpayer.

4 (i) Incorporation by reference. All of the provisions of
5 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 13 6a, 6b,
6 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
7 Occupation Tax Act which are not inconsistent with this Act,
8 and all provisions of the Uniform Penalty and Interest Act
9 shall apply, as far as practicable, to the subject matter of
10 this Act to the same extent as if such provisions were included
11 herein.

12 (j) Rulemaking. The Department is hereby authorized to
13 adopt rules as may be necessary to administer and enforce the
14 provisions of this Act.

15 (k) Distribution of proceeds. All moneys received by the
16 Department under this Act shall be paid into the Energy
17 Community Reinvestment Fund.

18 Article 35. Building Energy Performance Standard Act

19 Section 35-1. Short title. This Article may be cited as
20 the Building Energy Performance Standard Act. References in
21 this Article to "this Act" mean this Article.

22 Section 35-5. Building Energy Performance Standard.

23 (a) The purpose of the Illinois Building Energy

1 Performance Standard is to decrease energy consumption, reduce
2 greenhouse gas emissions from existing buildings, and increase
3 economic growth and job creation by:

4 (1) creating a Building Energy Performance Standard
5 through a stakeholder engagement process;

6 (2) implementing the Building Energy Performance
7 Standard for all state-owned buildings; and

8 (3) creating a uniform Building Energy Performance
9 Standard that may be adopted by local jurisdictions and
10 may be applicable to publicly owned buildings or privately
11 owned buildings, or both.

12 (b) Within 90 days after the effective date of this Act,
13 the Illinois Office of Energy shall establish a Building
14 Energy Performance Standard Task Force to advise and provide
15 technical assistance and recommendations for the Illinois
16 Building Energy Performance Standard, which shall:

17 (A) advise the Illinois Office of Energy on creation
18 of an implementation plan for the Building Energy
19 Performance Standard;

20 (B) recommend amendments to proposed regulations
21 issued by the Illinois Office of Energy;

22 (C) recommend complementary programs or policies; and

23 (D) complete its tasks within one year of enactment.

24 The Task Force shall be composed of representatives,
25 or their designees, from the following entities:

26 (i) the Director of the Illinois Environmental

- 1 Protection Agency;
- 2 (ii) the Director of the Capital Development Board;
- 3 (iii) The Director of Central Management Services;
- 4 (iv) a minimum of one technical expert with extensive
5 knowledge of energy use in multiple existing commercial
6 building use types;
- 7 (v) a representative from the City of Chicago;
- 8 (vi) the Director of the Illinois Housing Development
9 Authority;
- 10 (vii) the Director of Commerce and Economic
11 Opportunity;
- 12 (viii) a representative from an environmental or
13 sustainability nonprofit organization;
- 14 (ix) a representative from each of the investor-owned
15 utilities in Illinois;
- 16 (x) a representative who is an affordable housing
17 advocate;
- 18 (xi) a representative from a market-rate multifamily
19 building;
- 20 (xii) a representative from a building owners and
21 managers association;
- 22 (xiii) a representative from a public university
23 system;
- 24 (xiv) a representative of a nonprofit or professional
25 association advocating for energy efficient buildings or a
26 low-carbon built environment;

1 (xvi) a representative of a business or entity that
2 provides energy efficiency or renewable energy services to
3 large buildings or affordable housing in the State; and

4 (xvii) other experts or organizations deemed necessary
5 by the Illinois Office of Energy.

6 (c) In establishing specific performance standards and
7 processes, the Illinois Office of Energy shall:

8 (1) require all buildings owned by the State of
9 Illinois to comply with the Building Energy Performance
10 Standard. State-owned buildings shall meet the following
11 timeline for compliance with Building Energy Performance
12 Standard:

13 (A) buildings over 50,000 gross square feet shall
14 comply no later than January 1, 2024;

15 (B) buildings over 25,000 gross square feet shall
16 comply no later than January 1, 2026;

17 (C) buildings over 10,000 gross square feet shall
18 comply no later than January 1, 2028; and

19 (D) buildings below 10,000 gross square feet are
20 not required to comply.

21 (2) require the property type energy use targets
22 established by the Illinois Building Energy Performance
23 Standard to be the minimum energy efficiency requirements
24 for any jurisdiction adopting a building energy
25 performance standard;

26 (3) with input from the Building Energy Performance

1 Standard Task Force, establish property types and building
2 energy performance standards for each property type, or an
3 equivalent metric for buildings that do not receive an
4 ENERGY STAR score, no later than January 1, 2023;
5 beginning every 5 years after January 1, 2023, the
6 Illinois Office of Energy shall review and assess the need
7 to update the energy performance standards for each
8 property type;

9 (4) establish reporting and data verification
10 requirements for buildings covered by Building Energy
11 Performance Standard, and establish requirements for
12 making reporting and data publicly available;

13 (5) establish that the Building Energy Performance
14 Standard for buildings that are eligible for an ENERGY
15 STAR score is no lower than the State median ENERGY STAR
16 score for buildings of each property type;

17 (6) establish penalty guidelines for buildings failing
18 to comply with the building energy performance
19 requirements; and

20 (7) if needed, establish exemption criteria, in
21 consultation with the Building Energy Performance Standard
22 Task Force, including:

23 (A) for qualifying affordable housing buildings to
24 delay compliance with the building energy performance
25 requirements for no more than 3 years if the owner
26 demonstrates, to the satisfaction of the Illinois

1 Office of Energy, financial distress, change of
2 ownership, vacancy, major renovation, pending
3 demolition, or other acceptable circumstances as
4 determined by the State of Illinois; and

5 (B) for qualifying buildings to delay compliance
6 with the building energy performance requirements for
7 up to 3 years if the owner demonstrates, to the
8 satisfaction of the State of Illinois, financial
9 distress, change of ownership, vacancy, major
10 renovation, pending demolition, or other acceptable
11 circumstances determined by the State of Illinois.

12 (d) In establishing specific performance standards, the
13 Illinois Office of Energy may consider:

14 (1) the existence of any historic buildings and any
15 restrictions related to the treatment of historic
16 buildings;

17 (2) the diversity of building uses and requirements;
18 and

19 (3) the impact on zoning regulations.

20 (e) The Illinois Office of Energy shall, no later than
21 January 1, 2023, create, and make publicly available, a
22 strategic implementation plan for State-owned buildings
23 complying with the Illinois Building Energy Performance
24 Standard.

25 (f) The Illinois Office of Energy shall post the strategic
26 implementation plan on its website.

1 Article 40. Public Utilities Intervenor Compensation Act

2 Section 40-1. Short title. This Article may be cited as
3 the Public Utilities Intervenor Compensation Act. References
4 in this Article to "this Act" mean this Article.

5 Section 40-5. Findings. The General Assembly finds that:

6 (1) public participation is an important consideration
7 in Illinois Commerce Commission proceedings;

8 (2) public stakeholders face financial challenges in
9 participating at Illinois Commerce Commission proceedings,
10 including retaining legal representation and expert
11 witnesses;

12 (3) it is in the public interest to reduce barriers to
13 participation in Illinois Commerce Commission proceedings,
14 particularly for environmental justice and other public
15 interest organizations;

16 (4) provision of compensation for participating
17 organizations will improve Illinois Commerce Commission
18 proceedings and decisions, increase public engagement, and
19 encourage additional transparency.

20 Section 40-10. Definitions. As used in this Act:

21 "Commission" means the Illinois Commerce Commission.

22 "Compensation" means payment for all or part, as

1 determined by the Commission, of reasonable advocate's fees,
2 reasonable expert witness fees, and other reasonable costs of
3 preparation for and participation in a proceeding, and
4 includes the fees and costs of obtaining an award under this
5 article and of obtaining judicial review, if any.

6 "Contribution" means that the customer's presentation has
7 met the following standard:

8 (1) For any customer, the presentation has assisted
9 the Commission in the making of its order or decision
10 because the order or decision has adopted in whole or in
11 part one or more factual contentions, legal contentions,
12 or specific policy or procedural recommendations presented
13 by the customer. For any customer, where the customer's
14 participation has resulted in a contribution, even if the
15 decision adopts that customer's contention or
16 recommendations only in part, the Commission may award the
17 customer compensation for all reasonable advocate's fees,
18 reasonable expert fees, and other reasonable costs
19 incurred by the customer in preparing or presenting that
20 contention or recommendation. Participation by any
21 customer that materially supplements, complements, or
22 contributes to the presentation of another party,
23 including the Commission staff, that makes a contribution
24 to a Commission order or decision is fully eligible for
25 compensation.

26 (2) For customers with fewer than 3 attorneys on

1 staff, the customer introduces a relevant argument or
2 factual evidence into the docket, garners a response from
3 another party to the proceeding, and files briefs.

4 (3) For customers without attorneys on staff, the
5 customer introduces a relevant argument or factual
6 evidence into the docket.

7 "Customer" means any of the following:

8 (1) A participant representing consumers, customers,
9 or subscribers of any electrical, gas, telephone, or water
10 corporation that is subject to the jurisdiction of the
11 Commission.

12 (2) A representative who has been authorized by a
13 customer.

14 (3) A representative of a group or organization
15 authorized pursuant to its articles of incorporation or
16 bylaws to represent the interests of residential
17 customers, or to represent small commercial customers who
18 receive bundled electric service from an electrical
19 corporation.

20 (4) an organization representing environmental justice
21 communities.

22 "Customer" does not include any state, federal, or local
23 governmental agency, or any publicly owned public utility.

24 "Customer" must be a nonprofit organization.

25 "Environmental justice communities" means the definition
26 of that term based on existing methodologies and findings,

1 used and as may be updated by the Illinois Power Agency and its
2 program administrator in the Illinois Solar for All Program.

3 "Expert witness fees" means recorded or billed costs
4 incurred by a customer for an expert witness.

5 "Other reasonable costs" means reasonable out-of-pocket
6 expenses directly incurred by a customer that are directly
7 related to the contentions or recommendations made by the
8 customer that resulted in a contribution.

9 "Party" means any interested party, respondent public
10 utility, or Commission staff in a hearing or proceeding.

11 "Public utility" has the meaning ascribed to it in the
12 Public Utilities Act.

13 "Significant financial hardship" means either that the
14 customer cannot afford, without undue hardship, to pay the
15 costs of effective participation, including advocate's fees,
16 expert witness fees, and other reasonable costs of
17 participation, or that, in the case of a group or
18 organization, the economic interest of the individual members
19 of the group or organization is small in comparison to the
20 costs of effective participation in the proceeding.

21 Section 40-15. Intervenor compensation awards. The
22 Commission shall award reasonable advocate's fees, reasonable
23 expert witness fees, and other reasonable costs of preparation
24 for and participation in a hearing or proceeding to any
25 customer that complies with the procedures in Section 40-20

1 and satisfies both of the following requirements:

2 (1) The customer's presentation makes a contribution
3 to the adoption, in whole or in part, of the Commission's
4 order or decision, as described in Section 40-10(b); and

5 (2) Participation or intervention without an award of
6 fees or costs imposes a significant financial hardship.

7 Section 40-20. Intervenor compensation award procedures.

8 (a) (1) A customer that intends to seek an award under this
9 article shall, within 30 days after the prehearing conference
10 is held, file and serve on all parties to the proceeding a
11 notice of intent to claim compensation. The Commission shall
12 determine the procedure to be used in cases in which:

13 (i) no prehearing conference is scheduled;

14 (ii) the Commission anticipates that the proceeding
15 will take less than 30 days;

16 (iii) the schedule would not reasonably allow parties
17 to identify issues within the time frame set forth in this
18 subsection; or

19 (iv) where new issues emerge after the time set for
20 filing.

21 (2) (i) The notice of intent to claim compensation shall
22 include both of the following:

23 (A) A statement of the nature and extent of the
24 customer's planned participation in the proceeding as far
25 as it is possible to set it out when the notice of intent

1 is filed.

2 (B) An itemized estimate of the compensation that the
3 customer expects to request, given the likely duration of
4 the proceeding as it appears at the time.

5 (ii) The notice of intent may also include a showing by the
6 customer that participation in the hearing or proceeding would
7 pose a significant financial hardship. Alternatively, such a
8 showing shall be included in the request submitted pursuant to
9 subsection (c).

10 (3) Within 15 days after service of the notice of intent to
11 claim compensation, the administrative law judge may direct
12 the staff, and may permit any other interested party, to file a
13 statement responding to the notice.

14 (b) (1) If the customer's showing of significant financial
15 hardship was included in the notice filed pursuant to
16 subsection (a), the administrative law judge shall issue
17 within 30 days thereafter a preliminary ruling addressing
18 whether the customer is eligible for an award of compensation.
19 The ruling shall address whether a showing of significant
20 financial hardship has been made. A finding of significant
21 financial hardship shall create a rebuttable presumption of
22 eligibility for compensation in other Commission proceedings
23 commencing within 2 years after the date of that finding.

24 (2) The administrative law judge may, in any event, issue
25 a ruling addressing issues raised by the notice of intent to
26 claim compensation. The ruling may point out similar

1 positions, areas of potential duplication in showings,
2 unrealistic expectation for compensation, and any other matter
3 that may affect the customer's ultimate claim for
4 compensation. Failure of the ruling to point out similar
5 positions or potential duplication or any other potential
6 impact on the ultimate claim for compensation shall not imply
7 approval of any claim for compensation. A finding of
8 significant financial hardship in no way ensures compensation.
9 Similarly, the failure of the customer to identify a specific
10 issue in the notice of intent or to precisely estimate
11 potential compensation shall not preclude an award of
12 reasonable compensation if a contribution is made.

13 (c) Following issuance of a final order or decision by the
14 Commission in the hearing or proceeding, a customer that has
15 been found, pursuant to subsection (b), to be eligible for an
16 award of compensation may file within 60 days a request for an
17 award. The request shall include at a minimum a detailed
18 description of services and expenditures and a description of
19 the customer's contribution to the hearing or proceeding.
20 Within 30 days after service of the request, the Commission
21 staff may file, and any other party may file, a response to the
22 request.

23 (d) The Commission may audit the records and books of the
24 customer to the extent necessary to verify the basis for the
25 award. The Commission shall preserve the confidentiality of
26 the customer's records in making its audit. Within 20 days

1 after completion of the audit, if any, the Commission shall
2 direct that an audit report shall be prepared and filed. Any
3 other party may file a response to the audit report within 20
4 days thereafter.

5 (e) Within 75 days after the filing of a request for
6 compensation pursuant to subsection (c), or within 50 days
7 after the filing of an audit report, whichever occurs later,
8 the Commission shall issue a decision that determines whether
9 or not the customer has made a contribution to the final order
10 or decision in the hearing or proceeding. If the Commission
11 finds that the customer requesting compensation has made a
12 contribution, the Commission shall describe this contribution
13 and shall determine the amount of compensation to be paid.

14 Section 40-25. Calculation of intervenor compensation
15 awards. The computation of compensation awarded shall take
16 into consideration the market rates paid to persons of
17 comparable training and experience who offer similar services.
18 The compensation awarded may not exceed the comparable market
19 rate for services paid by the Commission or the public
20 utility, whichever is greater, to persons of comparable
21 training and experience who are offering similar services.

22 Section 40-30. Intervenor compensation payments and cost
23 recovery. An award made under this Act shall be paid by the
24 public utility that is the subject of the hearing,

1 investigation, or proceeding, as determined by the Commission,
2 within 30 days. Notwithstanding any other law, an award paid
3 by a public utility pursuant to this Act shall be allowed by
4 the Commission as an expense for the purpose of establishing
5 rates of the public utility.

6 Section 40-35. Denial of intervenor compensation payments.
7 The Commission shall deny any award to any customer that
8 attempts to delay or obstruct the orderly and timely
9 fulfillment of the Commission's responsibilities.

10 Section 40-40. Illinois Commerce Commission Intervenor
11 Compensation Fund. The Illinois Commerce Commission Intervenor
12 Compensation Fund is hereby created as a special fund in the
13 State treasury. The Commission shall administer the Illinois
14 Commerce Commission Intervenor Compensation Fund for use as
15 described in Section 40-45. An electric public utility with
16 3,000,000 or more retail customers shall contribute \$450,000
17 to the Illinois Commerce Commission Intervenor Compensation
18 Fund within 60 days after the effective date of this Act. A
19 combined electric and gas public utility serving fewer than
20 3,000,000 but more than 500,000 retail customers shall
21 contribute \$225,000 to the Illinois Commerce Commission
22 Intervenor Compensation Fund within 60 days after the
23 effective date of this Act. A gas public utility with
24 2,000,000 or more retail customers that is not a combined

1 electric and gas public utility shall contribute \$225,000 to
2 the Illinois Commerce Commission Intervenor Compensation Fund
3 within 60 days after the effective date of this Act. A gas
4 public utility with fewer than 2,000,000 retail customers but
5 more than 300,000 retail customers that is not a combined
6 electric and gas public utility shall contribute \$80,000 to
7 the Illinois Commerce Commission Intervenor Compensation Fund
8 within 60 days after the effective date of this Act. A gas
9 public utility with fewer than 300,000 retail customers that
10 is not a combined electric and gas public utility shall
11 contribute \$20,000 to the Illinois Commerce Commission
12 Intervenor Compensation Fund within 60 days after the
13 effective date of this Act.

14 Section 40-45. Intervenor compensation pre-proceeding
15 grants.

16 (a) Any customer that applies for intervenor compensation
17 payments under subsection (a) of Section 40-20 may also, at
18 the same time, apply for a grant from the Illinois Commerce
19 Commission Intervenor Compensation Fund for the costs
20 described in its notice of intent to claim compensation. A
21 final decision regarding the grant shall be made at the time of
22 the preliminary ruling on intervenor compensation eligibility
23 in subsection (b) of Section 40-20. No pre-proceeding grant
24 shall be given to organizations who are not found to be
25 eligible for intervenor compensation. If granted, payments

1 must be made within 30 days to facilitate participation in the
2 proceeding. At the time of the final decision regarding the
3 grant, the Commission shall notify the customer of the
4 requirements to be awarded intervenor compensation and that,
5 if the customer does not prevail in receiving intervenor
6 compensation of at least the amount of the grant, the customer
7 will be expected to reimburse the Illinois Commerce Commission
8 Intervenor Compensation Fund for the remaining grant moneys on
9 a regular schedule within 5 years of the end of the proceeding.
10 After notification, the customer may accept or deny receipt of
11 the grant.

12 (b) To apply for a grant from the Illinois Commerce
13 Commission Intervenor Compensation Fund, the customer must
14 describe why prepayment of intervenor compensation is
15 necessary for it to participate in the proceeding and show
16 financial hardship sufficient that the customer cannot
17 reasonably be expected to participate without receiving a
18 grant.

19 (c) If a customer that receives a grant from the Illinois
20 Commerce Commission Intervenor Compensation Fund subsequently
21 prevails in receiving intervenor compensation, the public
22 utility paying intervenor compensation must reimburse the fund
23 for the amount of the grant. If the intervenor compensation
24 amount is larger than the grant, then the balance shall be paid
25 to the customer. If the amount of intervenor compensation is
26 less than the grant, then the customer must reimburse the

1 Illinois Commerce Commission Intervenor Compensation Fund for
2 the difference with payments made on a regular schedule within
3 5 years after the end of the proceeding.

4 (d) If a customer that receives a grant from the Illinois
5 Commerce Commission Intervenor Compensation Fund does not
6 subsequently prevail in receiving intervenor compensation,
7 then the customer must reimburse the Illinois Commerce
8 Commission Intervenor Compensation Fund for the amount of the
9 grant with payments made on a regular schedule within 5 years
10 of the end of the proceeding.

11 Section 40-50. Rulemaking. The Commission shall adopt any
12 rules necessary to implement this Act. The Commission has the
13 authority to initiate an emergency rulemaking to adopt rules
14 regarding intervenor compensation if necessary to allow
15 customer participation in dockets implementing new statutes.

16 Article 45. Electric Vehicle Charging Act

17 Section 45-1. Short title. This Article may be cited the
18 Electric Vehicle Charging Act. References in this Article to
19 "this Act" mean this Article.

20 Section 45-5. Legislative intent. Electric vehicles are an
21 important tool to fight the climate crisis, tackle air
22 pollution, and provide safe, clean, and affordable personal

1 transportation. The State should encourage urgent and
2 widespread adoption of electric vehicles. Since most current
3 electric vehicle owners are single-family homeowners who
4 charge at home, providing access to home charging for those in
5 multi-unit dwellings is crucial to wider electric vehicle
6 adoption. This includes condominium unit owners and renters,
7 regardless of parking space ownership and regardless of
8 income. Therefore, a significant portion of parking spaces in
9 new and renovated residential and commercial developments must
10 be capable of electric vehicle charging. Additionally, renters
11 and condominium unit owners must be able to install charging
12 equipment for their cars under reasonable conditions.

13 Section 45-10. Applicability. This Act applies to new or
14 renovated residential or nonresidential buildings that have
15 parking spaces and are constructed or renovated after the
16 effective date of this Act.

17 Section 45-15. Definitions. As used in this Act:

18 "Association" has the meaning set forth in subsection (o)
19 of Section 2 of the Condominium Property Act or Section 1-5 of
20 the Common Interest Community Association Act, as applicable.

21 "Electric vehicle" means a vehicle that is powered by an
22 electric motor, runs on a rechargeable battery, and must be
23 plugged in to charge or charged wirelessly.

24 "Electric vehicle capable" means having an installed

1 electrical panel capacity with a dedicated branch circuit and
2 a continuous raceway from the panel to the future electric
3 vehicle parking space.

4 "Electric vehicle station" means a station that is
5 designed in compliance with the relevant building code and
6 delivers electricity from a source outside an electric vehicle
7 into one or more electric vehicles.

8 "Electric vehicle system" includes several charging points
9 simultaneously connecting several electric vehicles to the
10 electric vehicle charging station and any related equipment
11 needed to facilitate charging an electric vehicle. "Electric
12 vehicle charging system" means a device that is:

13 (1) used to provide electricity to an electric
14 vehicle;

15 (2) designed to ensure that a safe connection has been
16 made between the electric grid and the electric vehicle;
17 and

18 (3) able to communicate with the vehicle's control
19 system so that electricity flows at an appropriate voltage
20 and current level. An electric vehicle charging system may
21 be wall mounted or pedestal style, may provide multiple
22 cords to connect with electric vehicles, and shall:

23 (i) be certified by underwriters laboratories or
24 have been granted an equivalent certification; and

25 (ii) comply with the current version of Article
26 625 of the National Electrical Code.

1 "Electric vehicle supply equipment" means a conductor,
2 including an ungrounded, grounded, and equipment grounding
3 conductor, and electric vehicle connectors, attachment plugs,
4 and all other fittings, devices, power outlets, and
5 apparatuses installed specifically for the purpose of
6 transferring energy between the premises wirings and the
7 electric vehicle.

8 "Electric vehicle ready" means a parking space that is
9 designed and constructed to include a fully-wired circuit with
10 a 208-volt to 250-volt, rated no more than 50-ampere electric
11 vehicle charging receptacle outlet or termination point,
12 including the conduit, wiring, and electrical service capacity
13 necessary to serve that receptacle, to allow for future
14 electric vehicle supply equipment.

15 "Level 1" means a charging system that provides charging
16 through a 120-volt AC plug with a cord connector that meets the
17 SAE International J2954 standard or successor standard.

18 "Level 2" means a charging system that provides charging
19 through a 208-volt to 240-volt AC plug with a cord connector
20 that meets the SAE International J2954 standard or a successor
21 standard.

22 "New" means any newly constructed building and associated
23 newly constructed parking facility.

24 "Reasonable restriction" means a restriction that does not
25 significantly increase the cost of the electric vehicle
26 charging station or electric vehicle charging system or

1 significantly decrease its efficiency or specified
2 performance.

3 "Renovated" means altered or added where electrical
4 service capacity is increased.

5 Section 45-20. Residential requirements. A new or
6 renovated residential building shall have:

7 (1) 100% of its total parking spaces electric vehicle
8 ready, if there are one to 6 parking spaces;

9 (2) 100% of its total parking spaces electric vehicle
10 capable, of which at least 20% shall be electric vehicle
11 ready, if there are 6 to 23 parking spaces; or

12 (3) 100% of its total parking spaces electric vehicle
13 capable, if there are 24 or more parking spaces, of which
14 at least 5 spots shall be EV Ready. Additionally, if there
15 are 24 or more parking spaces, a new or renovated
16 residential building shall provide at least one parking
17 space with electric vehicle supply equipment installed,
18 and for each additional parking space with electric
19 vehicle supply equipment installed, the electric vehicle
20 ready requirement is decreased by 2%.

21 Where additional parking exists or is feasible, each
22 parking space shall be marked and signed for common use by
23 residents. A resident shall use an electric vehicle parking
24 space only when he or she is charging his or her electric
25 vehicle.

1 Section 45-25. Nonresidential requirements. A new or
2 renovated nonresidential building shall have 20% of its total
3 parking spaces electric vehicle ready.

4 Section 45-30. Electric vehicle charging station policy
5 for unit owners.

6 (a) Any covenant, restriction, or condition contained in
7 any deed, contract, security interest, or other instrument
8 affecting the transfer or sale of any interest in a
9 condominium or common interest community, and any provision of
10 a governing document that effectively prohibits or
11 unreasonably restricts the installation or use of an electric
12 vehicle charging station within a unit owner's unit or a
13 designated parking space, including, but not limited to, a
14 deeded parking space, a parking space in a unit owner's
15 exclusive use common area, or a parking space that is
16 specifically designated for use by a particular unit owner, or
17 is in conflict with this Section, is void and unenforceable.

18 (b) This Section does not apply to provisions that impose
19 a reasonable restriction on an electric vehicle charging
20 station. However, it is the policy of this State to promote,
21 encourage, and remove obstacles to the use of an electric
22 vehicle charging station.

23 (c) An electric vehicle charging station shall meet
24 applicable health and safety standards and requirements

1 imposed by State and local authorities, and all other
2 applicable zoning, land use, or other ordinances or land use
3 permits.

4 (d) If approval is required for the installation or use of
5 an electric vehicle charging station, the association shall
6 process and approve the application in the same manner as an
7 application for approval of an architectural modification to
8 the property, and the association shall not willfully avoid or
9 delay the adjudication of the application. The approval or
10 denial of an application shall be in writing. If an
11 application is not denied in writing within 60 days from the
12 date of the receipt of the application, the application shall
13 be deemed approved unless the delay is the result of a
14 reasonable request for additional information.

15 (e) If the electric vehicle charging station is to be
16 placed in a common area or exclusive use common area, as
17 designated by the condominium or common interest community
18 association, the following applies:

19 (1) The unit owner shall first obtain approval from
20 the association to install the electric vehicle charging
21 station and the association shall approve the installation
22 if the unit owner agrees, in writing, to:

23 (i) comply with the association's architectural
24 standards for the installation of the electric vehicle
25 charging station;

26 (ii) engage a licensed electrical contractor to

1 install the electric vehicle charging station;

2 (iii) within 14 days after approval, provide a
3 certificate of insurance that names the association as
4 an additional insured party under the unit owner's
5 insurance policy as required under paragraph (3); and

6 (iv) pay for both the costs associated with the
7 installation of and the electricity usage associated
8 with the electric vehicle charging station.

9 (2) The unit owner, and each successive unit owner of
10 the electric vehicle charging station, is responsible for:

11 (i) costs for damage to the electric vehicle
12 charging station, common area, exclusive use common
13 area, or separate interests resulting from the
14 installation, maintenance, repair, removal, or
15 replacement of the electric vehicle charging station;

16 (ii) costs for the maintenance, repair, and
17 replacement of the electric vehicle charging station
18 until it has been removed, and for the restoration of
19 the common area after removal;

20 (iii) costs of electricity associated with the
21 charging station, which shall be based on:

22 (A) an inexpensive submetering device; or

23 (B) a reasonable calculation of cost, based on
24 the average miles driven, efficiency of the
25 electric vehicle calculated by the United States
26 Environmental Protection Agency, and the cost of

1 electricity for the common area; and

2 (iv) disclosing to a prospective buyer the
3 existence of any electric vehicle charging station of
4 the unit owner and the related responsibilities of the
5 unit owner under this Section.

6 (3) The purpose of the costs under paragraph (2) is
7 for the reasonable reimbursement of electricity usage, and
8 shall not be set to deliberately exceed the reasonable
9 reimbursement.

10 (4) The unit owner of the electric vehicle charging
11 station, whether the electric vehicle charging station is
12 located within the common area or exclusive use common
13 area, shall, at all times, maintain a liability coverage
14 policy. The unit owner that submitted the application to
15 install the electric vehicle charging station shall
16 provide the association with the corresponding certificate
17 of insurance with 14 days after approval of the
18 application. The unit owner, and each successive unit
19 owner, shall provide the association with the certificate
20 of insurance annually thereafter.

21 (5) A unit owner is not required to maintain a
22 homeowner liability coverage policy for an existing
23 National Electrical Manufacturers Association standard
24 alternating current power plug.

25 (f) Except as provided in subsection (g), the installation
26 of an electric vehicle charging station for the exclusive use

1 of a unit owner in a common area that is not an exclusive use
2 common area shall be authorized by the association only if
3 installation in the unit owner's designated parking space is
4 impossible or unreasonably expensive. In such an event, the
5 association shall enter into a license agreement with the unit
6 owner for the use of the space in a common area, and the unit
7 owner shall comply with all of the requirements in subsection
8 (e).

9 (g) An association may install an electric vehicle
10 charging station in the common area for the use of all unit
11 owners and members of the association. The association shall
12 develop appropriate terms of use for the electric vehicle
13 charging station.

14 (h) An association may create a new parking space where
15 one did not previously exist to facilitate the installation of
16 an electric vehicle charging station.

17 (i) An association that willfully violates this Section
18 shall be liable to the unit owner for actual damages and shall
19 pay a civil penalty to the unit owner not to exceed \$1,000.

20 (j) In any action by a unit owner requesting to have an
21 electric vehicle charging station installed and seeking to
22 enforce compliance with this Section, the court shall award
23 reasonable attorney's fees to a prevailing plaintiff.

24 Section 45-35. Electric vehicle charging system policy for
25 renters.

1 (a) Notwithstanding any provision in the lease to the
2 contrary, and subject to subsection (b):

3 (1) A tenant may install, at the tenant's expense for
4 the tenant's own use, a level 1 or level 2 electric vehicle
5 charging system on or in the leased premises.

6 (2) A landlord shall not assess or charge a tenant any
7 fee for the placement or use of an electric vehicle
8 charging system, except that:

9 (i) The landlord may:

10 (A) require reimbursement for the actual cost
11 of electricity provided by the landlord that was
12 used by the electric vehicle charging system; or

13 (B) charge a reasonable fee for access. If the
14 electric vehicle charging system is part of a
15 network for which a network fee is charged, the
16 landlord's reimbursement may include the amount of
17 the network fee. Nothing in this subparagraph
18 requires a landlord to impose upon a tenant a fee
19 or charge other than the rental payments specified
20 in the lease.

21 (ii) The landlord may require reimbursement for
22 the cost of the installation of the electric vehicle
23 charging system, including any additions or upgrades
24 to existing wiring directly attributable to the
25 requirements of the electric vehicle charging system,
26 if the landlord places or causes the electric vehicle

1 charging system to be placed at the request of the
2 tenant.

3 (iii) If the tenant desires to place an electric
4 vehicle charging system in an area accessible to other
5 tenants, the landlord may assess or charge the tenant
6 a reasonable fee to reserve a specific parking space
7 in which to install the electric vehicle charging
8 system.

9 (b) A landlord may require a tenant to comply with:

10 (1) bona fide safety requirements consistent with an
11 applicable building code or recognized safety standard for
12 the protection of persons and property;

13 (2) a requirement that the electric vehicle charging
14 system be registered with the landlord within 30 days
15 after installation; or

16 (3) reasonable aesthetic provisions that govern the
17 dimensions, placement, or external appearance of an
18 electric vehicle charging system.

19 (c) A tenant may place an electric vehicle charging system
20 in an area accessible to other tenants if:

21 (1) the electric vehicle charging system is in
22 compliance with all applicable requirements adopted by a
23 landlord under subsection (b); and

24 (2) the tenant agrees, in writing, to:

25 (i) comply with the landlord's design
26 specifications for the installation of an electric

1 vehicle charging system;

2 (ii) engage the services of a duly licensed and
3 registered electrical contractor familiar with the
4 installation and code requirements of an electric
5 vehicle charging system; and

6 (iii) provide, within 14 days after receiving the
7 landlord's consent for the installation, a certificate
8 of insurance naming the landlord as an additional
9 insured party on the tenant's renter's insurance
10 policy for any claim related to the installation,
11 maintenance, or use of the electric vehicle charging
12 system or, at the landlord's option, reimbursement to
13 the landlord for the actual cost of any increased
14 insurance premium amount attributable to the electric
15 vehicle charging system, notwithstanding any provision
16 to the contrary in the lease. The tenant shall provide
17 reimbursement for an increased insurance premium
18 amount within 14 days after the tenant receives the
19 landlord's invoice for the amount attributable to the
20 electric vehicle charging system.

21 (d) If the landlord consents to a tenant's installation of
22 an electric vehicle charging system on property accessible to
23 other tenants, including a parking space, carport, or garage
24 stall, then, unless otherwise specified in a written agreement
25 with the landlord:

26 (1) The tenant, and each successive tenant with

1 exclusive rights to the area where the electric vehicle
2 charging system is installed, is responsible for costs for
3 damages to the electric vehicle charging system and to any
4 other property of the landlord or another tenant resulting
5 from the installation, maintenance, repair, removal, or
6 replacement of the electric vehicle charging system.

7 (i) Costs under this paragraph shall be based on:

8 (A) an inexpensive submetering device; or

9 (B) a reasonable calculation of cost, based on
10 the average miles driven, efficiency of the
11 electric vehicle calculated by the United States
12 Environmental Protection Agency, and the cost of
13 electricity for the common area.

14 (ii) The purpose of the costs under this paragraph
15 is for reasonable reimbursement of electricity usage
16 and shall not be set to deliberately exceed that
17 reasonable reimbursement.

18 (2) Each successive tenant with exclusive rights to
19 the area where the electric vehicle charging system is
20 installed shall assume responsibility for the repair,
21 maintenance, removal, and replacement of the electric
22 vehicle charging system until the electric vehicle
23 charging system is removed.

24 (3) The tenant, and each successive tenant with
25 exclusive rights to the area where the electric vehicle
26 charging system is installed, shall, at all times, have

1 and maintain an insurance policy covering the obligations
2 of the tenant under this subsection and shall name the
3 landlord as an additional insured party under the policy.

4 (4) The tenant, and each successive tenant with
5 exclusive rights to the area where the electric vehicle
6 charging system is installed, is responsible for removing
7 the system if reasonably necessary or convenient for the
8 repair, maintenance, or replacement of any property of the
9 landlord, whether or not leased to another tenant.

10 (e) An electric vehicle charging system installed at the
11 tenant's cost is the property of the tenant. Upon termination
12 of the lease, if the electric vehicle charging system is
13 removable, the tenant may either remove it or sell it to the
14 landlord or another tenant for an agreed price. Nothing in
15 this subsection requires the landlord or another tenant to
16 purchase the electric vehicle charging system.

17 (f) A landlord that willfully violates this Section shall
18 be liable to the tenant for actual damages, and shall pay a
19 civil penalty to the tenant in an amount not to exceed \$1,000.

20 (g) In any action by a tenant requesting to have an
21 electric vehicle charging system installed and seeking to
22 enforce compliance with this Section, the court shall award
23 reasonable attorney's fees to a prevailing plaintiff.

1 Section 90-5. The Illinois Administrative Procedure Act is
2 amended by adding Sections 5-45.8, 5-45.9, and 5-49.10 as
3 follows:

4 (5 ILCS 100/5-45.8 new)

5 Sec. 5-45.8. Emergency rulemaking; Energy Community
6 Reinvestment Act. To provide for the expeditious and timely
7 implementation of the Energy Community Reinvestment Act,
8 emergency rules may be adopted in accordance with Section 5-45
9 by the Department of Commerce and Economic Opportunity to
10 implement Section 20-15 of the Energy Community Reinvestment
11 Act with respect to applications for designation as Clean
12 Energy Empowerment Zones. The adoption of emergency rules
13 authorized by Section 5-45 and this Section is deemed to be
14 necessary for the public interest, safety, and welfare.

15 (5 ILCS 100/5-45.9 new)

16 Sec. 5-45.9. Emergency rulemaking; Public Utilities Act.
17 To provide for the expeditious and timely implementation of
18 this amendatory Act of the 102nd General Assembly, emergency
19 rules may be adopted in accordance with Section 5-45 by the
20 Illinois Commerce Commission to implement the changes made by
21 this amendatory Act of the 102nd General Assembly to the
22 Public Utilities Act. The adoption of emergency rules
23 authorized by Section 5-45 and this Section is deemed to be
24 necessary for the public interest, safety, and welfare.

1 (5 ILCS 100/5-49.10 new)

2 Sec. 5-49.10. Emergency rulemaking; Public Utilities
3 Intervenor Compensation Act. To provide for the expeditious
4 and timely implementation of the Public Utilities Intervenor
5 Compensation Act, emergency rules may be adopted in accordance
6 with Section 5-45 by the Illinois Commerce Commission to
7 implement the Public Utilities Intervenor Compensation Act.
8 The adoption of emergency rules authorized by Section 5-45 and
9 this Section is deemed to be necessary for the public
10 interest, safety, and welfare.

11 This Section is repealed on January 1, 2026.

12 Section 90-10. The Electric Vehicle Act is amended by
13 adding Sections 30, 35, and 40 as follows:

14 (20 ILCS 627/30 new)

15 Sec. 30. Electric Vehicle Access for All Program.

16 (a) Purpose. The General Assembly finds that it is
17 necessary to provide access to electric vehicles to residents
18 in communities for individuals whom car ownership is not an
19 option, affordable, or a preference, particularly for
20 environmental justice communities and low-income communities.

21 (b) Definitions. As used in this Section:

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

1 "Environmental justice communities" means the definition
2 of that term based on existing methodologies and findings,
3 used and as may be updated by the Illinois Power Agency and its
4 program administrator in the Illinois Solar for All Program.

5 "Low-income" means persons and families whose income does
6 not exceed 80% of area median income, adjusted for family size
7 and revised every 2 years.

8 (c) Within 120 days after the effective date of this
9 amendatory Act of the 102nd General Assembly, and for a period
10 of not less than 36 months thereafter, the Department of
11 Commerce and Economic Opportunity shall establish and
12 implement an Electric Vehicle Access for All Program designed
13 to maximize opportunities for carbon-free transportation
14 across the State, particularly targeting environmental justice
15 and low-income communities, which shall include the following
16 initiatives:

17 (1) Car Sharing Program. The Department of Commerce
18 and Economic Opportunity shall develop and implement an
19 Electric Vehicle Car Sharing Program that provides
20 residents with opportunities to use electric vehicles
21 owned by third parties for occasional commutes,
22 employment, or other needs.

23 (2) Carbon-Free Last Mile of Commutes Program. The
24 Department shall develop a Program to address the "last
25 mile" of commutes, enabling a larger number of residents
26 to access public transportation, and reduce the pollution

1 impact of the entire commute.

2 (3) Community Energy, Climate, and Jobs Plans. The
3 Department shall dedicate a portion of funding for local
4 governments' eligible Community Energy, Climate, and Jobs
5 Plans that include Electric Vehicle Access for All Program
6 initiatives. To the extent possible, the Department shall
7 coordinate the Electric Vehicle Access for All Program
8 with the other programs established in this Act.

9 (4) Low-income rebate program. A rebate of up to
10 \$4,000 at time of purchase shall be made available to
11 low-income residents of Illinois.

12 (i) Such rebates are only available for new
13 passenger battery electric vehicles at a prerebate
14 cost of \$45,000 or less or for used battery electric
15 vehicles at a prerebate cost of \$35,000 or less. This
16 cost cut off is exclusive of any electric
17 vehicle-specific rebates offered by any level of
18 government; if the cost of the electric vehicle would
19 be higher than the cut off-points mentioned above
20 without any electric vehicle-specific rebates, then
21 the vehicle is not eligible for rebates.

22 (ii) This low-income rebate may be combined with
23 other rebates for eligible vehicles and drivers. The
24 funds for this program shall be derived from 50% of the
25 Electric Vehicle Access for All Program funds, up to
26 \$5,250,000 per year. The rebate may only be applied

1 one time per Vehicle Identification Number. The rebate
2 may only be used once per person in any 5-year period.
3 To be eligible for the low-income rebate, a purchaser
4 must be a resident of Illinois and provide proof of
5 residence at the time of purchase. The State shall
6 direct rebate recipients to local electric utilities
7 where additional charging equipment rebates may be
8 available.

9 (c) The Electric Vehicle Access for All Program and its
10 initiatives shall be designed to maximize opportunities for
11 carbon-free transportation across the State, particularly
12 targeting environmental justice and low-income communities,
13 and to provide grants to pilot programs with the purpose of
14 bridging public transportation gaps between residences and
15 employment locations. Eligible programs may include electric
16 shuttles, electric and nonelectric bicycle and scooter
17 sharing, electric vehicle sharing, and other carbon-free
18 alternatives. The Department of Commerce and Economic
19 Opportunity shall hire or select, through a competitive
20 bidding program, a program administrator to oversee and
21 administer the Program.

22 (d) In conducting the Program, the Department of Commerce
23 and Economic Opportunity shall partner with appropriate
24 transit agencies, employers, community organizations, local
25 governments, and other transportation services to increase the
26 number of employment, healthcare, civic, education, or

1 recreation locations reachable, in coordination with public
2 transit, with the addition of Electric Vehicle Access for All
3 Program initiatives and investments. The Department of
4 Commerce and Economic Opportunity shall additionally partner
5 with local governments engaging in Community Energy, Climate,
6 and Job Planning, as described in the Community Energy,
7 Climate, and Jobs Planning Act, to implement programs
8 efficiently with needs identified in Community Energy,
9 Climate, and Jobs Plans.

10 (e) Projects, programs, or other initiatives funded
11 through this Program must participate in time-of-use rates,
12 hourly pricing electric rates, charging plans or rates that
13 encourage off-peak charging, optimized charging programs,
14 demand response, or similar programs as part of a beneficial
15 electrification program, as provided under Section 16-107.8 of
16 the Public Utilities Act, to the extent practicable, to
17 minimize the impact to the electric grid of new electric
18 vehicle charging infrastructure and to use electricity at
19 times when renewable energy generation is highest.

20 (f) The Department of Commerce and Economic Opportunity
21 shall design the Program within the budget described under
22 Section 16-107.8 of the Public Utilities Act and invoice the
23 electric utilities specified in Section 16-107.8 of the Public
24 Utilities Act for the costs incurred in the execution of the
25 Program.

26 (g) The Department of Commerce and Economic Opportunity

1 shall report to the Governor and the General Assembly
2 regarding the effectiveness of the Program no later than
3 October 1, 2023.

4 (20 ILCS 627/35 new)

5 Sec. 35. Administrative review. All final administrative
6 decisions, including, but not limited to, funding allocation
7 and rules issued by the Department under this Act are subject
8 to judicial review under the Administrative Review Law. No
9 action may be commenced under this Section prior to 60 days
10 after the complainant has given notice in writing of the
11 action to the Department.

12 (20 ILCS 627/40 new)

13 Sec. 40. Authorized expenditure of State-controlled funds
14 to accelerate electric vehicle adoption.

15 (a) Within 120 days after the effective date of this
16 amendatory Act of the 102nd General Assembly, the
17 Environmental Protection Agency must initiate a comprehensive
18 stakeholder process to solicit input on the development of an
19 updated plan for expenditure of the remaining Volkswagen
20 Settlement Environment Mitigation Fund and for the use of the
21 \$70,000,000 funds from Article 8, Section 25 of Public Act
22 101-29. At a minimum, the stakeholder process shall include
23 representatives from community-based organizations in
24 environmental justice communities, community-based

1 organizations serving economically disadvantaged persons and
2 families, and community-based organizations focused on
3 transportation equality and access. These stakeholders shall
4 be representative of the entire State and located throughout
5 the State. The Environmental Protection Agency shall provide
6 administrative support for the stakeholder process and all
7 meetings shall be accessible with rotating locations, call-in
8 options, and materials and agendas circulated well in advance,
9 and there shall be opportunities for input outside of meetings
10 from those with limited capacity and ability to attend via
11 one-on-one meetings, surveys, and calls subject to compliance
12 with the Open Meetings Act. The plan should prioritize the
13 purchase of electric vehicles and equipment, including public
14 transit, school buses, and other public fleet vehicles and
15 spending should be prioritized toward economically
16 disadvantaged communities and environmental justice
17 communities.

18 (b) Within 9 months after the effective date of this
19 amendatory Act of the 102nd General Assembly, the
20 Environmental Protection Agency must publish a comprehensive
21 plan for both the use of the Volkswagen Settlement Environment
22 Mitigation Fund and for the \$70,000,000 funds from Article 8,
23 Section 25 of Public Act 101-29, as amended, reappropriated
24 from the Build Illinois Bond Fund to the Environmental
25 Protection Agency for grants for transportation
26 electrification infrastructure projects; including, but not

1 limited to grants for the purpose of encouraging electric
2 vehicle charging infrastructure, prioritizing investments in
3 medium and heavy-duty charging, and electrifying public
4 transit, school bus transit, and vehicles operated by or on
5 behalf of public agencies. Those Volkswagen and capital funds
6 which are allocated to charging infrastructure must be spent
7 within 3 years of passage and at least 25% of those funds must
8 be spent per year until the funds are depleted.

9 (c) The Environmental Protection Agency shall issue
10 reports, to be posted on its public website and sent to the
11 Illinois Commerce Commission, summarizing all funds granted
12 and investments made using funds from the Volkswagen
13 Settlement Environmental Mitigation Fund, and all grants or
14 investments currently planned to be made from said fund but
15 not yet disbursed, at a minimum of the following 3 times:

16 (1) no later than 2 weeks prior to the first meeting of
17 the Plan Development Stakeholder Process initiated by the
18 Illinois Commerce Commission;

19 (2) no later than 6 months prior to the Initiating
20 Orders of the Multi-Year Integrated Grid Plan by the
21 Illinois Commerce Commission; and

22 (3) when the Fund has been fully spent, or when less
23 than \$1,000,000 remains in the fund for a period of more
24 than 6 months.

25 Section 90-12. The Energy Efficient Building Act is

1 amended by changing Sections 10, 15, 20, 30, and 45 and by
2 adding Section 55 as follows:

3 (20 ILCS 3125/10)

4 Sec. 10. Definitions.

5 "Board" means the Capital Development Board.

6 "Building" includes both residential buildings and
7 commercial buildings.

8 "Code" means the latest published edition of the
9 International Code Council's International Energy Conservation
10 Code as adopted by the Board, including any published
11 supplements adopted by the Board and any amendments and
12 adaptations to the Code that are made by the Board.

13 "Commercial building" means any building except a building
14 that is a residential building, as defined in this Section.

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

17 "Municipality" means any city, village, or incorporated
18 town.

19 "Residential building" means (i) a detached one-family or
20 2-family dwelling or (ii) any building that is 3 stories or
21 less in height above grade that contains multiple dwelling
22 units, in which the occupants reside on a primarily permanent
23 basis, such as a townhouse, a row house, an apartment house, a
24 convent, a monastery, a rectory, a fraternity or sorority
25 house, a dormitory, and a rooming house; provided, however,

1 that when applied to a building located within the boundaries
2 of a municipality having a population of 1,000,000 or more,
3 the term "residential building" means a building containing
4 one or more dwelling units, not exceeding 4 stories above
5 grade, where occupants are primarily permanent.

6 "Site energy index" means a scalar published by the
7 Pacific Northwest National Laboratories representing the ratio
8 of the site energy performance of an evaluated code compared
9 to the site energy performance of the 2006 International
10 Energy Conservation Code. A site energy index includes only
11 conservation measures and excludes net energy credit for any
12 on-site or off-site energy production.

13 (Source: P.A. 101-144, eff. 7-26-19.)

14 (20 ILCS 3125/15)

15 Sec. 15. Energy Efficient Building Code. The Board, in
16 consultation with the Department, shall adopt the Code as
17 minimum requirements for commercial buildings, applying to the
18 construction of, renovations to, and additions to all
19 commercial buildings in the State. The Board, in consultation
20 with the Department, shall also adopt the Code as ~~the~~ minimum
21 and maximum requirements for residential buildings, applying
22 to the construction of, renovations to, and additions to all
23 residential buildings in the State, except as provided for in
24 Section 45 of this Act. The Board may appropriately adapt the
25 International Energy Conservation Code to apply to the

1 particular economy, population distribution, geography, and
2 climate of the State and construction therein, consistent with
3 the public policy objectives of this Act.

4 (Source: P.A. 96-778, eff. 8-28-09.)

5 (20 ILCS 3125/20)

6 Sec. 20. Applicability.

7 (a) The Board shall review and adopt the Code within one
8 year after its publication. The Code shall take effect within
9 6 months after it is adopted by the Board, except that,
10 beginning January 1, 2012, the Code adopted in 2012 shall take
11 effect on January 1, 2013. Except as otherwise provided in
12 this Act, the Code shall apply to (i) any new building or
13 structure in this State for which a building permit
14 application is received by a municipality or county and (ii)
15 beginning on the effective date of this amendatory Act of the
16 100th General Assembly, each State facility specified in
17 Section 4.01 of the Capital Development Board Act. In the case
18 of any addition, alteration, renovation, or repair to an
19 existing residential or commercial structure, the Code adopted
20 under this Act applies only to the portions of that structure
21 that are being added, altered, renovated, or repaired. The
22 changes made to this Section by this amendatory Act of the 97th
23 General Assembly shall in no way invalidate or otherwise
24 affect contracts entered into on or before the effective date
25 of this amendatory Act of the 97th General Assembly.

1 (b) The following buildings shall be exempt from the Code:

2 (1) Buildings otherwise exempt from the provisions of
3 a locally adopted building code and buildings that do not
4 contain a conditioned space.

5 (2) Buildings that do not use either electricity or
6 fossil fuel for comfort conditioning. For purposes of
7 determining whether this exemption applies, a building
8 will be presumed to be heated by electricity, even in the
9 absence of equipment used for electric comfort heating,
10 whenever the building is provided with electrical service
11 in excess of 100 amps, unless the code enforcement
12 official determines that this electrical service is
13 necessary for purposes other than providing electric
14 comfort heating.

15 (3) Historic buildings. This exemption shall apply to
16 those buildings that are listed on the National Register
17 of Historic Places or the Illinois Register of Historic
18 Places, and to those buildings that have been designated
19 as historically significant by a local governing body that
20 is authorized to make such designations.

21 (4) (Blank).

22 (5) Other buildings specified as exempt by the
23 International Energy Conservation Code.

24 (c) Additions, alterations, renovations, or repairs to an
25 existing building, building system, or portion thereof shall
26 conform to the provisions of the Code as they relate to new

1 construction without requiring the unaltered portion of the
2 existing building or building system to comply with the Code.
3 The following need not comply with the Code, provided that the
4 energy use of the building is not increased: (i) storm windows
5 installed over existing fenestration, (ii) glass-only
6 replacements in an existing sash and frame, (iii) existing
7 ceiling, wall, or floor cavities exposed during construction,
8 provided that these cavities are filled with insulation, and
9 (iv) construction where the existing roof, wall, or floor is
10 not exposed.

11 (d) A unit of local government that does not regulate
12 energy efficient building standards is not required to adopt,
13 enforce, or administer the Code; however, any energy efficient
14 building standards adopted by a unit of local government must
15 comply with this Act. If a unit of local government does not
16 regulate energy efficient building standards, any
17 construction, renovation, or addition to buildings or
18 structures is subject to the provisions contained in this Act.
19 (Source: P.A. 100-729, eff. 8-3-18.)

20 (20 ILCS 3125/30)

21 Sec. 30. Enforcement. The Board, in consultation with the
22 Department, shall determine procedures for compliance with the
23 Code. These procedures may include but need not be limited to
24 certification by a national, State, or local accredited energy
25 conservation program or inspections from private

1 Code-certified inspectors using the Code. For purposes of the
2 Illinois Stretch Energy Code under Section 55 of this Act, the
3 Board shall allow and encourage, as an alternative compliance
4 mechanism, project certification by a nationally recognized
5 nonprofit certification organization specializing in
6 high-performance passive buildings and offering
7 climate-specific building energy standards that require equal
8 or better energy performance than the Illinois Stretch Energy
9 Code.

10 (Source: P.A. 93-936, eff. 8-13-04.)

11 (20 ILCS 3125/45)

12 Sec. 45. Home rule.

13 (a) (Blank) ~~No unit of local government, including any~~
14 ~~home rule unit, may regulate energy efficient building~~
15 ~~standards for commercial buildings in a manner that is less~~
16 ~~stringent than the provisions contained in this Act.~~

17 (b) No unit of local government, including any home rule
18 unit, may regulate energy efficient building standards for
19 residential or commercial buildings in a manner that is either
20 less or more stringent than the standards established pursuant
21 to this Act; provided, however, that the following entities
22 may regulate energy efficient building standards for
23 residential or commercial buildings in a manner that is more
24 stringent than the provisions contained in this Act: (i) a
25 unit of local government, including a home rule unit, that

1 has, on or before May 15, 2009, adopted or incorporated by
2 reference energy efficient building standards for residential
3 buildings that are equivalent to or more stringent than the
4 2006 International Energy Conservation Code, (ii) a unit of
5 local government, including a home rule unit, that has, on or
6 before May 15, 2009, provided to the Capital Development
7 Board, as required by Section 10.18 of the Capital Development
8 Board Act, an identification of an energy efficient building
9 code or amendment that is equivalent to or more stringent than
10 the 2006 International Energy Conservation Code, (iii) a
11 municipality that has adopted the Illinois Stretch Energy
12 Code, and (iv) ~~(iii)~~ a municipality with a population of
13 1,000,000 or more.

14 (c) No unit of local government, including any home rule
15 unit or unit of local government that is subject to State
16 regulation under the Code as provided in Section 15 of this
17 Act, may hereafter enact any annexation ordinance or
18 resolution, or require or enter into any annexation agreement,
19 that imposes energy efficient building standards for
20 residential or commercial buildings that are either less or
21 more stringent than the energy efficiency standards in effect,
22 at the time of construction, throughout the unit of local
23 government, except for the Illinois Stretch Energy Code.

24 (d) This Section is a denial and limitation of home rule
25 powers and functions under subsection (i) of Section 6 of
26 Article VII of the Illinois Constitution on the concurrent

1 exercise by home rule units of powers and functions exercised
2 by the State. Nothing in this Section, however, prevents a
3 unit of local government from adopting an energy efficiency
4 code or standards for commercial buildings that are more
5 stringent than the Code under this Act.

6 (Source: P.A. 99-639, eff. 7-28-16.)

7 (20 ILCS 3125/55 new)

8 Sec. 55. Illinois Stretch Energy Code.

9 (a) The Board, in consultation with the Department, shall
10 create and adopt the Illinois Stretch Energy Code, to allow
11 municipalities and projects authorized or funded by the Board
12 to achieve more energy efficiency in buildings than the
13 Illinois Energy Conservation Code through a consistent pathway
14 across the State. The Illinois Stretch Energy Code shall be
15 available for adoption by any municipality and shall set
16 minimum energy efficiency requirements, taking the place of
17 the Illinois Energy Conservation Code within any municipality
18 that adopts the Illinois Stretch Energy Code.

19 (b) The Illinois Stretch Energy Code shall have separate
20 components for commercial and residential buildings, which may
21 be adopted by the municipality jointly or separately.

22 (c) The Illinois Stretch Energy Code shall apply to all
23 projects to which an energy conservation code is applicable
24 that are authorized or funded in any part by the Board after
25 January 1, 2023.

1 (d) Development of the Illinois Stretch Energy Code shall
2 be completed and available for adoption by municipalities by
3 December 31, 2022.

4 (e) Consistent with the requirements under paragraph (2.5)
5 of subsection (g) of Section 8-103B of the Public Utilities
6 Act and under paragraph (2) of subsection (j) of Section
7 8-104.1 of the Public Utilities Act, municipalities that adopt
8 the Illinois Stretch Energy Code may use utility programs to
9 support compliance with the Illinois Stretch Energy Code. The
10 amount of savings from such utility efforts that may be
11 counted toward achievement of their cumulative persisting
12 annual savings goals shall be based on reasonable estimates of
13 the increase in savings resulting from the utility efforts,
14 relative to reasonable approximations of what would have
15 occurred absent the utility involvement.

16 (f) The Illinois Stretch Energy Code's residential
17 components shall:

18 (1) apply to residential buildings as defined under
19 Section 10;

20 (2) set performance targets using a site energy index
21 with reductions relative to the 2006 International Energy
22 Conservation Code; and

23 (3) include stretch energy codes with site energy
24 index standards and adoption dates as follows: by no later
25 than December 31, 2022, the Board shall create and adopt a
26 stretch energy code with a site energy index no greater

1 than 0.50 of the 2006 International Energy Conservation
2 Code; by no later than December 31, 2025, the Board shall
3 create and adopt a stretch energy code with a site energy
4 index no greater than 0.40 of the 2006 International
5 Energy Conservation Code, unless the Board identifies
6 unanticipated burdens associated with the stretch energy
7 code adopted in 2022, in which case the Board may adopt a
8 stretch energy code with a site energy index no greater
9 than 0.42 of the 2006 International Energy Conservation
10 Code, provided that the more relaxed standard has a site
11 energy index that is at least 0.05 more restrictive than
12 the 2024 International Energy Conservation Code; by no
13 later than December 31, 2028, the Board shall create and
14 adopt a stretch energy code with a site energy index no
15 greater than 0.33 of the 2006 International Energy
16 Conservation Code, unless the Board identifies
17 unanticipated burdens associated with the stretch energy
18 code adopted in 2025, in which case the Board may adopt a
19 stretch energy code with a site energy index no greater
20 than 0.35 of the 2006 International Energy Conservation
21 Code, but only if that more relaxed standard has a site
22 energy index that is at least 0.05 more restrictive than
23 the 2027 International Energy Conservation Code; and by no
24 later than December 31, 2031, the Board shall create and
25 adopt a stretch energy code with a site energy index no
26 greater than 0.25 of the 2006 International Energy

1 Conservation Code.

2 (g) The Illinois Stretch Energy Code's commercial
3 components shall:

4 (1) apply to commercial buildings as defined under
5 Section 10;

6 (2) set performance targets using a site energy index
7 with reductions relative to the 2006 International Energy
8 Conservation Code; and

9 (3) include stretch energy codes with site energy
10 index standards and adoption dates as follows: by no later
11 than December 31, 2022, the Board shall create and adopt a
12 stretch energy code with a site energy index no greater
13 than 0.60 of the 2006 International Energy Conservation
14 Code; by no later than December 31, 2025, the Board shall
15 create and adopt a stretch energy code with a site energy
16 index no greater than 0.50 of the 2006 International
17 Energy Conservation Code; by no later than December 31,
18 2028, the Board shall create and adopt a stretch energy
19 code with a site energy index no greater than 0.44 of the
20 2006 International Energy Conservation Code; and by no
21 later than December 31, 2031, the Board shall create and
22 adopt a stretch energy code with a site energy index no
23 greater than 0.39 of the 2006 International Energy
24 Conservation Code.

25 (h) The process for the creation of the Illinois Stretch
26 Energy Code includes:

1 (1) within 60 days after the effective date of this
2 amendatory Act of the 102nd General Assembly, the Capital
3 Development Board shall establish an Illinois Stretch
4 Energy Code Task Force to advise and provide technical
5 assistance and recommendations to the Capital Development
6 Board for the Illinois Stretch Energy Code, which shall:

7 (A) advise the Capital Development Board on
8 creation of interim performance targets, code
9 requirements, and an implementation plan for the
10 Illinois Stretch Energy Code;

11 (B) recommend amendments to proposed rules issued
12 by the Capital Development Board;

13 (C) recommend complementary programs or policies;

14 (D) complete recommendations and development for
15 the Illinois Stretch Energy Code elements and
16 requirements by July 31, 2022;

17 (E) be composed of, but not limited to,
18 representatives, or their designees, from the
19 following entities:

20 (i) a representative from a group that
21 represents environmental justice;

22 (ii) a representative of a nonprofit or
23 professional association advocating for the
24 environment;

25 (iii) a representative of an organization
26 representing local governments in the metropolitan

- 1 Chicago region;
- 2 (iv) a representative of the City of Chicago;
- 3 (v) a representative of an organization
4 representing local governments outside the
5 metropolitan Chicago region;
- 6 (vi) a representative for the investor-owned
7 utilities of Illinois;
- 8 (vii) an energy-efficiency advocate with
9 technical expertise in single-family residential
10 buildings;
- 11 (viii) an energy-efficiency advocate with
12 technical expertise in commercial buildings;
- 13 (ix) an energy-efficiency advocate with
14 technical expertise in multifamily buildings, such
15 as an affordable housing developer;
- 16 (x) a representative from the architecture or
17 engineering industry;
- 18 (xi) a representative from a home builders
19 association;
- 20 (xii) a representative from the commercial
21 building industry;
- 22 (xiii) a representative of the enforcement
23 industry, such as a code official or energy rater;
- 24 (xiv) a representative of organized labor; and
- 25 (xv) other experts or organizations deemed
26 necessary by the Capital Development Board; and

- 1 (F) be co-chaired by:
- 2 (i) a representative of the environmental
- 3 community;
- 4 (ii) a representative of the environmental
- 5 justice community; and
- 6 (iii) a municipal representative.
- 7 (2) As part of its deliberations, the Illinois Stretch
- 8 Energy Code Task Force shall actively solicit input from
- 9 other energy code stakeholders and interested parties.

10 Section 90-15. The Illinois Power Agency Act is amended by

11 changing Sections 1-5, 1-10, 1-20, 1-56, and 1-75 as follows:

12 (20 ILCS 3855/1-5)

13 Sec. 1-5. Legislative declarations and findings. The

14 General Assembly finds and declares:

15 (1) The health, welfare, and prosperity of all

16 Illinois residents ~~citizens~~ require the provision of

17 adequate, reliable, affordable, efficient, and

18 environmentally sustainable electric service at the lowest

19 total cost over time, taking into account any benefits of

20 price stability.

21 (1.5) To provide the highest quality of life for the

22 residents of Illinois, and to provide for a clean and

23 healthy environment, it is the policy of this State to

24 rapidly transition to 100% renewable energy.

1 (2) (Blank).

2 (3) (Blank).

3 (4) It is necessary to improve the process of
4 procuring electricity to serve Illinois residents, to
5 promote investment in energy efficiency and
6 demand-response measures, and to maintain and support
7 development of clean coal technologies, generation
8 resources that operate at all hours of the day and under
9 all weather conditions, zero emission facilities, and
10 renewable resources.

11 (5) Procuring a diverse electricity supply portfolio
12 will ensure the lowest total cost over time for adequate,
13 reliable, efficient, and environmentally sustainable
14 electric service.

15 (6) Including renewable resources and zero emission
16 credits from zero emission facilities in that portfolio
17 will reduce long-term direct and indirect costs to
18 consumers by decreasing environmental impacts and by
19 avoiding or delaying the need for new generation,
20 transmission, and distribution infrastructure. Developing
21 new renewable energy resources in Illinois, including
22 brownfield solar projects and community solar projects,
23 will help to diversify Illinois electricity supply, avoid
24 and reduce pollution, reduce peak demand, and enhance
25 public health and well-being of Illinois residents.

26 (7) Developing community solar projects in Illinois

1 will help to expand access to renewable energy resources
2 to more Illinois residents.

3 (8) Developing brownfield solar projects in Illinois
4 will help return blighted or contaminated land to
5 productive use while enhancing public health and the
6 well-being of Illinois residents, including those in
7 environmental justice communities.

8 (9) Energy efficiency, demand-response measures, zero
9 emission energy, and renewable energy are resources
10 currently underused in Illinois. These resources should be
11 used, when cost effective, to reduce costs to consumers,
12 improve reliability, and improve environmental quality and
13 public health.

14 (10) The State should encourage the use of advanced
15 clean coal technologies that capture and sequester carbon
16 dioxide emissions to advance environmental protection
17 goals and to demonstrate the viability of coal and
18 coal-derived fuels in a carbon-constrained economy.

19 (11) The General Assembly enacted Public Act 96-0795
20 to reform the State's purchasing processes, recognizing
21 that government procurement is susceptible to abuse if
22 structural and procedural safeguards are not in place to
23 ensure independence, insulation, oversight, and
24 transparency.

25 (12) The principles that underlie the procurement
26 reform legislation apply also in the context of power

1 purchasing.

2 (13) To ensure that the benefits of installing
3 renewable resources are available to all Illinois
4 residents and located across the State, subject to
5 appropriation, it is necessary for the Illinois Power
6 Agency to provide public information and educational
7 resources on how residents can benefit from the expansion
8 of renewable energy in Illinois and participate in the
9 Illinois Solar for All Program established in Section 1-56
10 of this Act, the Adjustable Block Program established in
11 Section 1-75 of this Act, the job training programs
12 established by paragraph (1) of subsection (a) of Section
13 16-108.12 of the Public Utilities Act, and the programs
14 and resources established by the Clean Jobs Workforce and
15 Contractor Equity Act.

16 The General Assembly therefore finds that it is necessary
17 to create the Illinois Power Agency and that the goals and
18 objectives of that Agency are to accomplish each of the
19 following:

20 (A) Develop electricity procurement plans to ensure
21 adequate, reliable, affordable, efficient, and
22 environmentally sustainable electric service at the lowest
23 total cost over time, taking into account any benefits of
24 price stability, for electric utilities that on December
25 31, 2005 provided electric service to at least 100,000
26 customers in Illinois and for small multi-jurisdictional

1 electric utilities that (i) on December 31, 2005 served
2 less than 100,000 customers in Illinois and (ii) request a
3 procurement plan for their Illinois jurisdictional load.
4 The procurement plan shall be updated on an annual basis
5 and shall include renewable energy resources and,
6 beginning with the delivery year commencing June 1, 2017,
7 zero emission credits from zero emission facilities
8 sufficient to achieve the standards specified in this Act.

9 (B) Conduct the competitive procurement processes
10 identified in this Act.

11 (C) Develop electric generation and co-generation
12 facilities that use indigenous coal or renewable
13 resources, or both, financed with bonds issued by the
14 Illinois Finance Authority.

15 (D) Supply electricity from the Agency's facilities at
16 cost to one or more of the following: municipal electric
17 systems, governmental aggregators, or rural electric
18 cooperatives in Illinois.

19 (E) Ensure that the process of power procurement is
20 conducted in an ethical and transparent fashion, immune
21 from improper influence.

22 (F) Continue to review its policies and practices to
23 determine how best to meet its mission of providing the
24 lowest cost power to the greatest number of people, at any
25 given point in time, in accordance with applicable law.

26 (G) Operate in a structurally insulated, independent,

1 and transparent fashion so that nothing impedes the
2 Agency's mission to secure power at the best prices the
3 market will bear, provided that the Agency meets all
4 applicable legal requirements.

5 (H) Implement renewable energy procurement and
6 training programs throughout the State to diversify
7 Illinois electricity supply, improve reliability, avoid
8 and reduce pollution, reduce peak demand, and enhance
9 public health and well-being of Illinois residents,
10 including low-income residents.

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

12 (20 ILCS 3855/1-10)

13 Sec. 1-10. Definitions.

14 "Agency" means the Illinois Power Agency.

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

23 "Authority" means the Illinois Finance Authority.

24 "Brownfield site photovoltaic project" means photovoltaics
25 that are:

1 (1) interconnected to an electric utility as defined
2 in this Section, a municipal utility as defined in this
3 Section, a public utility as defined in Section 3-105 of
4 the Public Utilities Act, or an electric cooperative, as
5 defined in Section 3-119 of the Public Utilities Act; and

6 (2) located at a site that is regulated by any of the
7 following entities under the following programs:

8 (A) the United States Environmental Protection
9 Agency under the federal Comprehensive Environmental
10 Response, Compensation, and Liability Act of 1980, as
11 amended;

12 (B) the United States Environmental Protection
13 Agency under the Corrective Action Program of the
14 federal Resource Conservation and Recovery Act, as
15 amended;

16 (C) the Illinois Environmental Protection Agency
17 under the Illinois Site Remediation Program; or

18 (D) the Illinois Environmental Protection Agency
19 under the Illinois Solid Waste Program.

20 "Clean coal facility" means an electric generating
21 facility that uses primarily coal as a feedstock and that
22 captures and sequesters carbon dioxide emissions at the
23 following levels: at least 50% of the total carbon dioxide
24 emissions that the facility would otherwise emit if, at the
25 time construction commences, the facility is scheduled to
26 commence operation before 2016, at least 70% of the total

1 carbon dioxide emissions that the facility would otherwise
2 emit if, at the time construction commences, the facility is
3 scheduled to commence operation during 2016 or 2017, and at
4 least 90% of the total carbon dioxide emissions that the
5 facility would otherwise emit if, at the time construction
6 commences, the facility is scheduled to commence operation
7 after 2017. The power block of the clean coal facility shall
8 not exceed allowable emission rates for sulfur dioxide,
9 nitrogen oxides, carbon monoxide, particulates and mercury for
10 a natural gas-fired combined-cycle facility the same size as
11 and in the same location as the clean coal facility at the time
12 the clean coal facility obtains an approved air permit. All
13 coal used by a clean coal facility shall have high volatile
14 bituminous rank and greater than 1.7 pounds of sulfur per
15 million btu content, unless the clean coal facility does not
16 use gasification technology and was operating as a
17 conventional coal-fired electric generating facility on June
18 1, 2009 (the effective date of Public Act 95-1027).

19 "Clean coal SNG brownfield facility" means a facility that
20 (1) has commenced construction by July 1, 2015 on an urban
21 brownfield site in a municipality with at least 1,000,000
22 residents; (2) uses a gasification process to produce
23 substitute natural gas; (3) uses coal as at least 50% of the
24 total feedstock over the term of any sourcing agreement with a
25 utility and the remainder of the feedstock may be either
26 petroleum coke or coal, with all such coal having a high

1 bituminous rank and greater than 1.7 pounds of sulfur per
2 million Btu content unless the facility reasonably determines
3 that it is necessary to use additional petroleum coke to
4 deliver additional consumer savings, in which case the
5 facility shall use coal for at least 35% of the total feedstock
6 over the term of any sourcing agreement; and (4) captures and
7 sequesters at least 85% of the total carbon dioxide emissions
8 that the facility would otherwise emit.

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

22 "Commission" means the Illinois Commerce Commission.

23 "Community renewable generation project" means an electric
24 generating facility that:

- 25 (1) is powered by wind, solar thermal energy,
26 photovoltaic cells or panels, biodiesel, crops and

1 untreated and unadulterated organic waste biomass, ~~tree~~
2 ~~waste~~, and hydropower that does not involve new
3 construction or significant expansion of hydropower dams;

4 (2) is interconnected at the distribution system level
5 of an electric utility as defined in this Section, a
6 municipal utility as defined in this Section that owns or
7 operates electric distribution facilities, a public
8 utility as defined in Section 3-105 of the Public
9 Utilities Act, or an electric cooperative, as defined in
10 Section 3-119 of the Public Utilities Act;

11 (3) credits the value of electricity generated by the
12 facility to the subscribers of the facility; and

13 (4) is limited in nameplate capacity to less than or
14 equal to 5,000 ~~2,000~~ kilowatts.

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

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

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

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

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

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

15 "Delivery services" has the same definition as found in
16 Section 16-102 of the Public Utilities Act.

17 "Delivery year" means the consecutive 12-month period
18 beginning June 1 of a given year and ending May 31 of the
19 following year.

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

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

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

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

3 (1) powered by wind, solar thermal energy,
4 photovoltaic cells or panels, biodiesel, crops and
5 untreated and unadulterated organic waste biomass, ~~tree~~
6 ~~waste,~~ and hydropower that does not involve new
7 construction or significant expansion of hydropower dams;

8 (2) interconnected at the distribution system level of
9 either an electric utility as defined in this Section, a
10 municipal utility as defined in this Section that owns or
11 operates electric distribution facilities, or a rural
12 electric cooperative as defined in Section 3-119 of the
13 Public Utilities Act;

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

17 (4) limited in nameplate capacity to less than or
18 equal to 2,000 kilowatts.

19 "Energy efficiency" means measures that reduce the amount
20 of electricity or natural gas consumed in order to achieve a
21 given end use. "Energy efficiency" includes voltage
22 optimization measures that optimize the voltage at points on
23 the electric distribution voltage system and thereby reduce
24 electricity consumption by electric customers' end use
25 devices. "Energy efficiency" also includes measures that
26 reduce the total Btus of electricity, natural gas, and other

1 fuels needed to meet the end use or uses.

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

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

8 "Governmental aggregator" means one or more units of local
9 government that individually or collectively procure
10 electricity to serve residential retail electrical loads
11 located within its or their jurisdiction.

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

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

17 "Municipal utility" means a public utility owned and
18 operated by any subdivision or municipal corporation of this
19 State.

20 "Nameplate capacity" means the aggregate inverter
21 nameplate capacity in kilowatts AC.

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

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

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

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

11 "Renewable energy credit" means a tradable credit that
12 represents the environmental attributes of one megawatt hour
13 of energy produced from a renewable energy resource.

14 "Renewable energy resources" includes energy and its
15 associated renewable energy credit or renewable energy credits
16 from wind, solar thermal energy, photovoltaic cells and
17 panels, biodiesel, anaerobic digestion, crops and untreated
18 and unadulterated organic waste biomass, ~~tree waste,~~ and
19 hydropower that does not involve new construction or
20 significant expansion of hydropower dams. For purposes of this
21 Act, landfill gas produced in the State is considered a
22 renewable energy resource. "Renewable energy resources" does
23 not include the incineration or burning of tires, garbage,
24 general household, institutional, and commercial waste,
25 industrial lunchroom or office waste, landscape waste ~~other~~
26 ~~than tree waste,~~ railroad crossties, utility poles, or

1 construction or demolition debris, other than untreated and
2 unadulterated waste wood.

3 "Retail customer" has the same definition as found in
4 Section 16-102 of the Public Utilities Act.

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

9 "Sequester" means permanent storage of carbon dioxide by
10 injecting it into a saline aquifer, a depleted gas reservoir,
11 or an oil reservoir, directly or through an enhanced oil
12 recovery process that may involve intermediate storage,
13 regardless of whether these activities are conducted by a
14 clean coal facility, a clean coal SNG facility, a clean coal
15 SNG brownfield facility, or a party with which a clean coal
16 facility, clean coal SNG facility, or clean coal SNG
17 brownfield facility has contracted for such purposes.

18 "Service area" has the same definition as found in Section
19 16-102 of the Public Utilities Act.

20 "Sourcing agreement" means (i) in the case of an electric
21 utility, an agreement between the owner of a clean coal
22 facility and such electric utility, which agreement shall have
23 terms and conditions meeting the requirements of paragraph (3)
24 of subsection (d) of Section 1-75, (ii) in the case of an
25 alternative retail electric supplier, an agreement between the
26 owner of a clean coal facility and such alternative retail

1 electric supplier, which agreement shall have terms and
2 conditions meeting the requirements of Section 16-115(d)(5) of
3 the Public Utilities Act, and (iii) in case of a gas utility,
4 an agreement between the owner of a clean coal SNG brownfield
5 facility and the gas utility, which agreement shall have the
6 terms and conditions meeting the requirements of subsection
7 (h-1) of Section 9-220 of the Public Utilities Act.

8 "Subscriber" means a person who (i) takes delivery service
9 from an electric utility, and (ii) has a subscription of no
10 less than 200 watts to a community renewable generation
11 project that is located in the electric utility's service
12 area. No subscriber's subscriptions may total more than 40% of
13 the nameplate capacity of an individual community renewable
14 generation project. Entities that are affiliated by virtue of
15 a common parent shall not represent multiple subscriptions
16 that total more than 40% of the nameplate capacity of an
17 individual community renewable generation project.

18 "Subscription" means an interest in a community renewable
19 generation project expressed in kilowatts, which is sized
20 primarily to offset part or all of the subscriber's
21 electricity usage.

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

26 "Total resource cost test" or "TRC test" means a standard

1 that is met if, for an investment in energy efficiency or
2 demand-response measures, the benefit-cost ratio is greater
3 than one. The benefit-cost ratio is the ratio of the net
4 present value of the total benefits of the program to the net
5 present value of the total costs as calculated over the
6 lifetime of the measures. A total resource cost test compares
7 the sum of avoided electric utility costs, representing the
8 benefits that accrue to the system and the participant in the
9 delivery of those efficiency measures and including avoided
10 costs associated with reduced use of natural gas or other
11 fuels, avoided costs associated with reduced water
12 consumption, and avoided costs associated with reduced
13 operation and maintenance costs, as well as other quantifiable
14 societal benefits, to the sum of all incremental costs of
15 end-use measures that are implemented due to the program
16 (including both utility and participant contributions), plus
17 costs to administer, deliver, and evaluate each demand-side
18 program, to quantify the net savings obtained by substituting
19 the demand-side program for supply resources. In calculating
20 avoided costs of power and energy that an electric utility
21 would otherwise have had to acquire, reasonable estimates
22 shall be included of financial costs likely to be imposed by
23 future regulations and legislation on emissions of greenhouse
24 gases. In discounting future societal costs and benefits for
25 the purpose of calculating net present values, a societal
26 discount rate based on actual, long-term Treasury bond yields

1 should be used. Notwithstanding anything to the contrary, the
2 TRC test shall not include or take into account a calculation
3 of market price suppression effects or demand reduction
4 induced price effects.

5 "Utility-scale solar project" means an electric generating
6 facility that:

7 (1) generates electricity using photovoltaic cells;

8 and

9 (2) has a nameplate capacity that is greater than
10 2,000 kilowatts.

11 "Utility-scale wind project" means an electric generating
12 facility that:

13 (1) generates electricity using wind; and

14 (2) has a nameplate capacity that is greater than
15 2,000 kilowatts.

16 "Zero emission credit" means a tradable credit that
17 represents the environmental attributes of one megawatt hour
18 of energy produced from a zero emission facility.

19 "Zero emission facility" means a facility that: (1) is
20 fueled by nuclear power; and (2) is interconnected with PJM
21 Interconnection, LLC or the Midcontinent Independent System
22 Operator, Inc., or their successors.

23 (Source: P.A. 98-90, eff. 7-15-13; 99-906, eff. 6-1-17.)

24 (20 ILCS 3855/1-20)

25 Sec. 1-20. General powers and duties of the Agency.

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

2 (1) Develop electricity procurement plans to ensure
3 adequate, reliable, affordable, efficient, and
4 environmentally sustainable electric service at the lowest
5 total cost over time, taking into account any benefits of
6 price stability, for electric utilities that on December
7 31, 2005 provided electric service to at least 100,000
8 customers in Illinois and for small multi-jurisdictional
9 electric utilities that (A) on December 31, 2005 served
10 less than 100,000 customers in Illinois and (B) request a
11 procurement plan for their Illinois jurisdictional load.

12 Except as provided in paragraph (1.5) of this subsection

13 (a), the electricity procurement plans shall be updated on
14 an annual basis and shall include electricity generated
15 from renewable resources sufficient to achieve the
16 standards specified in this Act. Beginning with the
17 delivery year commencing June 1, 2017, develop procurement
18 plans to include zero emission credits generated from zero
19 emission facilities sufficient to achieve the standards
20 specified in this Act. Beginning with the procurement for

21 the delivery year commencing June 1, 2022, the Agency
22 shall for each year develop a plan, as part of its
23 procurement plan, to conduct a procurement of capacity
24 from qualified resources needed to meet capacity
25 requirements of the retail customers of electric utilities
26 that serve more than 3,000,000 retail customers and are

1 located in the PJM Interconnection, subject to the open
2 access tariff and manuals of PJM Interconnection and
3 approved by the Federal Energy Regulatory Commission. The
4 capacity procurement plan shall be updated annually and
5 shall include electricity generated from renewable
6 resources sufficient to achieve the renewable portfolio
7 standards as specified in this Act.

8 (1.5) Develop a long-term renewable resources
9 procurement plan in accordance with subsection (c) of
10 Section 1-75 of this Act for renewable energy credits in
11 amounts sufficient to achieve the standards specified in
12 this Act for delivery years commencing June 1, 2017 and
13 for the programs and renewable energy credits specified in
14 Section 1-56 of this Act. Electricity procurement plans
15 for delivery years commencing after May 31, 2017, shall
16 not include procurement of renewable energy resources.

17 (2) Conduct competitive procurement processes to
18 procure the supply resources identified in the electricity
19 procurement plan, pursuant to Section 16-111.5 of the
20 Public Utilities Act, and, for the delivery year
21 commencing June 1, 2017, conduct procurement processes to
22 procure zero emission credits from zero emission
23 facilities, under subsection (d-5) of Section 1-75 of this
24 Act.

25 (2.5) Beginning with the procurement for the 2017
26 delivery year, conduct competitive procurement processes

1 and implement programs to procure renewable energy credits
2 identified in the long-term renewable resources
3 procurement plan developed and approved under subsection
4 (c) of Section 1-75 of this Act and Section 16-111.5 of the
5 Public Utilities Act.

6 (3) Develop electric generation and co-generation
7 facilities that use indigenous coal or renewable
8 resources, or both, financed with bonds issued by the
9 Illinois Finance Authority.

10 (4) Supply electricity from the Agency's facilities at
11 cost to one or more of the following: municipal electric
12 systems, governmental aggregators, or rural electric
13 cooperatives in Illinois.

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

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

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

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

25 (4) To obtain and employ personnel and hire
26 consultants that are necessary to fulfill the Agency's

1 purposes, and to make expenditures for that purpose within
2 the appropriations for that purpose.

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

8 (6) To acquire real or personal property, whether
9 tangible or intangible, including without limitation
10 property rights, interests in property, franchises,
11 obligations, contracts, and debt and equity securities,
12 and to do so by the exercise of the power of eminent domain
13 in accordance with Section 1-21; except that any real
14 property acquired by the exercise of the power of eminent
15 domain must be located within the State.

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

20 (8) To purchase, take, receive, subscribe for, or
21 otherwise acquire, hold, make a tender offer for, vote,
22 employ, sell, lend, lease, exchange, transfer, or
23 otherwise dispose of, mortgage, pledge, or grant a
24 security interest in, use, and otherwise deal in and with,
25 bonds and other obligations, shares, or other securities
26 (or interests therein) issued by others, whether engaged

1 in a similar or different business or activity.

2 (9) To make and execute agreements, contracts, and
3 other instruments necessary or convenient in the exercise
4 of the powers and functions of the Agency under this Act,
5 including contracts with any person, including personal
6 service contracts, or with any local government, State
7 agency, or other entity; and all State agencies and all
8 local governments are authorized to enter into and do all
9 things necessary to perform any such agreement, contract,
10 or other instrument with the Agency. No such agreement,
11 contract, or other instrument shall exceed 40 years.

12 (10) To lend money, invest and reinvest its funds in
13 accordance with the Public Funds Investment Act, and take
14 and hold real and personal property as security for the
15 payment of funds loaned or invested.

16 (11) To borrow money at such rate or rates of interest
17 as the Agency may determine, issue its notes, bonds, or
18 other obligations to evidence that indebtedness, and
19 secure any of its obligations by mortgage or pledge of its
20 real or personal property, machinery, equipment,
21 structures, fixtures, inventories, revenues, grants, and
22 other funds as provided or any interest therein, wherever
23 situated.

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

1 (13) To procure insurance against any loss in
2 connection with its properties or operations in such
3 amount or amounts and from such insurers, including the
4 federal government, as it may deem necessary or desirable,
5 and to pay any premiums therefor.

6 (14) To negotiate and enter into agreements with
7 trustees or receivers appointed by United States
8 bankruptcy courts or federal district courts or in other
9 proceedings involving adjustment of debts and authorize
10 proceedings involving adjustment of debts and authorize
11 legal counsel for the Agency to appear in any such
12 proceedings.

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

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

19 (17) To enter into an agreement to transfer and to
20 transfer any land, facilities, fixtures, or equipment of
21 the Agency to one or more municipal electric systems,
22 governmental aggregators, or rural electric agencies or
23 cooperatives, for such consideration and upon such terms
24 as the Agency may determine to be in the best interest of
25 the residents ~~citizens~~ of Illinois.

26 (18) To enter upon any lands and within any building

1 whenever in its judgment it may be necessary for the
2 purpose of making surveys and examinations to accomplish
3 any purpose authorized by this Act.

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

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

10 (21) To accept and expend appropriations.

11 (22) To engage in any activity or operation that is
12 incidental to and in furtherance of efficient operation to
13 accomplish the Agency's purposes, including hiring
14 employees that the Director deems essential for the
15 operations of the Agency.

16 (23) To adopt, revise, amend, and repeal rules with
17 respect to its operations, properties, and facilities as
18 may be necessary or convenient to carry out the purposes
19 of this Act, subject to the provisions of the Illinois
20 Administrative Procedure Act and Sections 1-22 and 1-35 of
21 this Act.

22 (24) To establish and collect charges and fees as
23 described in this Act.

24 (25) To conduct competitive gasification feedstock
25 procurement processes to procure the feedstocks for the
26 clean coal SNG brownfield facility in accordance with the

1 requirements of Section 1-78 of this Act.

2 (26) To review, revise, and approve sourcing
3 agreements and mediate and resolve disputes between gas
4 utilities and the clean coal SNG brownfield facility
5 pursuant to subsection (h-1) of Section 9-220 of the
6 Public Utilities Act.

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

13 (c) In conducting the procurement of electricity,
14 capacity, or other products, the Agency shall not procure any
15 products or services from persons or organizations that are in
16 violation of the Displaced Energy Workers Bill of Rights, as
17 provided under the Energy Community Reinvestment Act, at the
18 time of the procurement event.

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

20 (20 ILCS 3855/1-56)

21 Sec. 1-56. Illinois Power Agency Renewable Energy
22 Resources Fund; Illinois Solar for All Program.

23 (a) The Illinois Power Agency Renewable Energy Resources
24 Fund is created as a special fund in the State treasury.

25 (b) The Illinois Power Agency Renewable Energy Resources

1 Fund shall be administered by the Agency as described in this
2 subsection (b), provided that the changes to this subsection
3 (b) made by this amendatory Act of the 99th General Assembly
4 shall not interfere with existing contracts under this
5 Section.

6 (1) The Illinois Power Agency Renewable Energy
7 Resources Fund shall be used to purchase renewable energy
8 credits according to any approved procurement plan
9 developed by the Agency prior to June 1, 2017.

10 (2) The Illinois Power Agency Renewable Energy
11 Resources Fund shall also be used to create the Illinois
12 Solar for All Program, which shall include incentives for
13 low-income distributed generation and community solar
14 projects, and other associated approved expenditures. The
15 objectives of the Illinois Solar for All Program are to
16 bring photovoltaics to low-income communities in this
17 State in a manner that maximizes the development of new
18 photovoltaic generating facilities, to create a long-term,
19 low-income solar marketplace throughout this State, to
20 integrate, through interaction with stakeholders, with
21 existing energy efficiency initiatives, and to minimize
22 administrative costs. The Agency shall strive to ensure
23 that renewable energy credits procured through the
24 Illinois Solar for All Program and each of its subprograms
25 are purchased from projects across the breadth of
26 low-income and environmental justice communities in

1 Illinois, including both urban and rural communities, and
2 are neither concentrated in a few communities nor
3 excluding particular low-income or environmental justice
4 communities. The Agency shall include a description of its
5 proposed approach to the design, administration,
6 implementation and evaluation of the Illinois Solar for
7 All Program, as part of the long-term renewable resources
8 procurement plan authorized by subsection (c) of Section
9 1-75 of this Act, and the program shall be designed to grow
10 the low-income solar market. The Agency or utility, as
11 applicable, shall purchase renewable energy credits from
12 the (i) photovoltaic distributed renewable energy
13 generation projects and (ii) community solar projects that
14 are procured under procurement processes authorized by the
15 long-term renewable resources procurement plans approved
16 by the Commission.

17 The Illinois Solar for All Program shall include the
18 program offerings described in subparagraphs (A) through
19 (E) ~~(D)~~ of this paragraph (2), which the Agency shall
20 implement through contracts with third-party providers
21 and, subject to appropriation, pay the approximate amounts
22 identified using monies available in the Illinois Power
23 Agency Renewable Energy Resources Fund. Each contract that
24 provides for the installation of solar facilities shall
25 provide that the solar facilities will produce energy and
26 economic benefits, at a level determined by the Agency to

1 be reasonable, for the participating low income customers.
2 The monies available in the Illinois Power Agency
3 Renewable Energy Resources Fund and not otherwise
4 committed to contracts executed under subsection (i) of
5 this Section shall be allocated among the programs
6 described in this paragraph (2), as follows: 22.5% of
7 these funds shall be allocated to programs described in
8 subparagraphs ~~subparagraph~~ (A) and (E) of this paragraph
9 (2), 37.5% of these funds shall be allocated to programs
10 described in subparagraph (B) of this paragraph (2), 15%
11 of these funds shall be allocated to programs described in
12 subparagraph (C) of this paragraph (2), and 25% of these
13 funds, but in no event more than \$50,000,000, shall be
14 allocated to programs described in subparagraph (D) of
15 this paragraph (2). The allocation of funds among
16 subparagraphs (A), (B), ~~or~~ (C), and (E) of this paragraph
17 (2) may be changed if the Agency or administrator, through
18 delegated authority, determines incentives in subparagraph
19 ~~subparagraphs~~ (A), (B), ~~or~~ (C), or (E) of this paragraph
20 (2) have not been adequately subscribed to fully utilize
21 the Illinois Power Agency Renewable Energy Resources Fund.
22 The determination of reallocation shall include
23 consideration of input obtained ~~input~~ through a
24 stakeholder process. The program offerings described in
25 subparagraphs (A) through (E) ~~(D)~~ of this paragraph (2)
26 shall also be implemented through contracts funded from

1 such additional amounts as are allocated to one or more of
2 the programs in the long-term renewable resources
3 procurement plans as specified in subsection (c) of
4 Section 1-75 of this Act and subparagraph (O) of paragraph
5 (1) of such subsection (c).

6 Contracts that will be paid with funds in the Illinois
7 Power Agency Renewable Energy Resources Fund shall be
8 executed by the Agency. Contracts that will be paid with
9 funds collected by an electric utility shall be executed
10 by the electric utility.

11 Contracts under the Illinois Solar for All Program
12 shall include an approach, as set forth in the long-term
13 renewable resources procurement plans, to ensure the
14 wholesale market value of the energy is credited to
15 participating low-income customers or organizations and to
16 ensure tangible economic benefits flow directly to program
17 participants, except in the case of low-income
18 multi-family housing where the low-income customer does
19 not directly pay for energy. Priority shall be given to
20 projects that demonstrate meaningful involvement of
21 low-income community members in designing the initial
22 proposals. Acceptable proposals to implement projects must
23 demonstrate the applicant's ability to conduct initial
24 community outreach, education, and recruitment of
25 low-income participants in the community. Projects must
26 include job training opportunities if available, and shall

1 endeavor to coordinate with the job training programs
2 described in paragraph (1) of subsection (a) of Section
3 16-108.12 of the Public Utilities Act.

4 The Agency shall make every effort to ensure that
5 small and emerging businesses, particularly those located
6 in low-income and environmental justice communities are
7 able to participate in the Illinois Solar for All Program.
8 These efforts may include, but shall not be limited to,
9 proactive support from the program administrator,
10 different or preferred access to subprograms and
11 administrator-identified customers or grassroots
12 education provider-identified customers, and different
13 incentive levels. The Agency shall report on progress and
14 barriers to participation of small and emerging businesses
15 in the Illinois Solar for All Program at least once a year.
16 The report shall be made available on the Agency's website
17 and, in years when the Agency is updating its long-term
18 renewable resources procurement plan, included in that
19 plan.

20 (A) Low-income single-family and small multifamily
21 solar distributed generation incentive. This program
22 will provide incentives to low-income customers,
23 either directly or through solar providers, to
24 increase the participation of low-income households in
25 photovoltaic on-site distributed generation at
26 residential buildings containing one to 4 units.

1 Companies participating in this program that install
2 solar panels shall commit to hiring job trainees for a
3 portion of their low-income installations, and an
4 administrator shall facilitate partnering the
5 companies that install solar panels with entities that
6 provide solar panel installation job training. It is a
7 goal of this program that a minimum of 25% of the
8 incentives for this program be allocated to projects
9 located within environmental justice communities. The
10 Agency shall reserve a portion of this program for
11 projects that promote energy sovereignty through
12 ownership of projects by low-income households,
13 not-for-profit organizations providing services to
14 low-income households, affordable housing owners, or
15 community-based limited liability companies providing
16 services to low-income households. To count as
17 promoting energy sovereignty, 49% of the ownership
18 interest of the project must be held by low-income
19 households, not-for-profit organizations providing
20 direct services to low-income households, affordable
21 housing owners, or community-based limited liability
22 companies providing services to low-income households,
23 by no later than 6 years after the device is
24 interconnected at the distribution system level of the
25 utility and energized. Incentives for projects that
26 promote energy sovereignty may be higher than

1 incentives for equivalent projects that do not promote
2 energy sovereignty under this same program. Contracts
3 entered into under this paragraph may be entered into
4 with an entity that will develop and administer the
5 program and shall also include contracts for renewable
6 energy credits from the photovoltaic distributed
7 generation that is the subject of the program, as set
8 forth in the long-term renewable resources procurement
9 plan.

10 (B) Low-Income Community Solar Project Initiative.
11 Incentives shall be offered to low-income customers,
12 either directly or through developers, to increase the
13 participation of low-income subscribers of community
14 solar projects. The developer of each project shall
15 identify its partnership with community stakeholders
16 regarding the location, development, and participation
17 in the project, provided that nothing shall preclude a
18 project from including an anchor tenant that does not
19 qualify as low-income. ~~Incentives should also be~~
20 ~~offered to community solar projects that are 100%~~
21 ~~low-income subscriber owned, which includes low-income~~
22 ~~households, not for profit organizations, and~~
23 ~~affordable housing owners.~~ Companies participating in
24 this program that develop or install solar projects
25 shall commit to hiring job trainees for a portion of
26 their low-income installations, and an administrator

1 shall facilitate partnering the companies that install
2 solar projects with entities that provide solar
3 installation and related job training. It is a goal of
4 this program that a minimum of 25% of the incentives
5 for this program be allocated to community
6 photovoltaic projects in environmental justice
7 communities. The Agency shall reserve a portion of
8 this program for projects that promote energy
9 sovereignty through ownership of projects by
10 low-income households, not-for-profit organizations
11 providing services to low-income households,
12 affordable housing owners, or community-based limited
13 liability companies providing services to low-income
14 households. To count as promoting energy sovereignty,
15 49% of the ownership interest of the project must be
16 held by low-income subscribers, not-for-profit
17 organizations providing direct services to low-income
18 households, affordable housing owners, or
19 community-based limited liability companies providing
20 services to low-income households, by no later than 6
21 years after the device is interconnected at the
22 distribution system level of the utility and
23 energized. Incentives for projects that promote energy
24 sovereignty may be higher than incentives for
25 equivalent projects that do not promote energy
26 sovereignty under this same program. Contracts entered

1 into under this paragraph may be entered into with
2 developers and shall also include contracts for
3 renewable energy credits related to the program.

4 (C) Incentives for non-profits and public
5 facilities. Under this program funds shall be used to
6 support on-site photovoltaic distributed renewable
7 energy generation devices to serve the load associated
8 with not-for-profit customers and to support
9 photovoltaic distributed renewable energy generation
10 that uses photovoltaic technology to serve the load
11 associated with public sector customers taking service
12 at public buildings. Companies participating in this
13 program that develop or install solar projects shall
14 commit to hiring job trainees for a portion of their
15 low-income installations, and an administrator shall
16 facilitate partnering the companies that install solar
17 projects with entities that provide solar installation
18 and related job training. It is a goal of this program
19 that at least 25% of the incentives for this program be
20 allocated to projects located in environmental justice
21 communities. Contracts entered into under this
22 paragraph may be entered into with an entity that will
23 develop and administer the program or with developers
24 and shall also include contracts for renewable energy
25 credits related to the program.

26 (D) Low-Income Community Solar Pilot Projects.

1 Under this program, persons, including, but not
2 limited to, electric utilities, shall propose pilot
3 community solar projects. Community solar projects
4 proposed under this subparagraph (D) may exceed 2,000
5 kilowatts in nameplate capacity, but the amount paid
6 per project under this program may not exceed
7 \$20,000,000. Pilot projects must result in economic
8 benefits for the members of the community in which the
9 project will be located. The proposed pilot project
10 must include a partnership with at least one
11 community-based organization. Approved pilot projects
12 shall be competitively bid by the Agency, subject to
13 fair and equitable guidelines developed by the Agency.
14 Funding available under this subparagraph (D) may not
15 be distributed solely to a utility, and at least some
16 funds under this subparagraph (D) must include a
17 project partnership that includes community ownership
18 by the project subscribers. Contracts entered into
19 under this paragraph may be entered into with an
20 entity that will develop and administer the program or
21 with developers and shall also include contracts for
22 renewable energy credits related to the program. A
23 project proposed by a utility that is implemented
24 under this subparagraph (D) shall not be included in
25 the utility's rate base ~~ratebase~~.

26 (E) Low-income large multifamily solar incentive.

1 This program shall provide incentives to low-income
2 customers, either directly or through solar providers,
3 to increase the participation of low-income households
4 in photovoltaic on-site distributed generation at
5 residential buildings with 5 or more units. Companies
6 participating in this program that develop or install
7 solar projects shall commit to hiring job trainees for
8 a portion of their low-income installations, and an
9 administrator shall facilitate partnering the
10 companies that install solar projects with entities
11 that provide solar installation and related job
12 training. It is a goal of this program that a minimum
13 of 25% of the incentives for this program be allocated
14 to projects located within environmental justice
15 communities. The Agency shall reserve a portion of
16 this program for projects that promote energy
17 sovereignty through ownership of projects by
18 low-income households, not-for-profit organizations
19 providing services to low-income households,
20 affordable housing owners, or community-based limited
21 liability companies providing services to low-income
22 households. To count as promoting energy sovereignty,
23 49% of the ownership interest of the project must be
24 held by low-income households, not-for-profit
25 organizations providing direct services to low-income
26 households, affordable housing owners, or

1 community-based limited liability companies providing
2 services to low-income households, by no later than 6
3 years after the device is interconnected at the
4 distribution system level of the utility and
5 energized. Incentives for projects that promote energy
6 sovereignty may be higher than incentives for
7 equivalent projects that do not promote energy
8 sovereignty under this same program. Contracts entered
9 into under this paragraph may be entered into with an
10 entity that will develop and administer the program
11 and shall include contracts for renewable energy
12 credits from the photovoltaic distributed generation
13 that is the subject of the program, as set forth in the
14 long-term renewable resources procurement plan.

15 The requirement that a qualified person, as defined in
16 paragraph (1) of subsection (i) of this Section, install
17 photovoltaic devices does not apply to the Illinois Solar
18 for All Program described in this subsection (b).

19 (3) Costs associated with the Illinois Solar for All
20 Program and its components described in paragraph (2) of
21 this subsection (b), including, but not limited to, costs
22 associated with procuring experts, consultants, and the
23 program administrator referenced in this subsection (b)
24 and related incremental costs, costs related to income
25 verification and facilitating customer participation in
26 the program, and costs related to the evaluation of the

1 Illinois Solar for All Program, may be paid for using
2 monies in the Illinois Power Agency Renewable Energy
3 Resources Fund, but the Agency or program administrator
4 shall strive to minimize costs in the implementation of
5 the program. The Agency shall purchase renewable energy
6 credits from generation that is the subject of a contract
7 under subparagraphs (A) through (E) ~~(D)~~ of ~~this~~ paragraph
8 (2) of this subsection (b), and may pay for such renewable
9 energy credits through an upfront payment per installed
10 kilowatt of nameplate capacity paid once the device is
11 interconnected at the distribution system level of the
12 utility and is energized. The payment shall be in exchange
13 for an assignment of all renewable energy credits
14 generated by the system during the first 15 years of
15 operation and shall be structured to overcome barriers to
16 participation in the solar market by the low-income
17 community. The incentives provided for in this Section may
18 be implemented through the pricing of renewable energy
19 credits where the prices paid for the credits are higher
20 than the prices from programs offered under subsection (c)
21 of Section 1-75 of this Act to account for the incentives.
22 The Agency shall ensure collaboration with community
23 agencies, and allocate up to 5% of the funds available
24 under the Illinois Solar for All Program to
25 community-based groups to assist in grassroots education
26 efforts related to the Illinois Solar for All Program. The

1 Agency shall retire any renewable energy credits purchased
2 from this program and the credits shall count towards the
3 obligation under subsection (c) of Section 1-75 of this
4 Act for the electric utility to which the project is
5 interconnected. The Agency may combine the funding for the
6 Adjustable Block Program established in subparagraph (K)
7 of paragraph (1) of subsection (c) of Section 1-75 and the
8 Illinois Solar for All Program to purchase renewable
9 energy credits from new photovoltaic projects that would
10 be eligible for either program so long as: the annual
11 ratepayer funds collected to purchase renewable resources
12 pursuant to subsection (c) of Section 1-75 is at least
13 double the amount collected in the 2019-2020 delivery
14 year, no more than 20% of any individual block within the
15 Adjustable Block Program is allocated to Solar for
16 All-eligible projects, and the funding sources for both
17 programs are the same for projects so funded. Any
18 renewable energy credits purchased from this program in
19 combination with the Adjustable Block Program shall count
20 toward the obligation for new photovoltaic projects under
21 subparagraph (C) of paragraph (1) of subsection (c) of
22 Section 1-75 of this Act. Any photovoltaic projects
23 selected for this program in combination with the
24 Adjustable Block Program are subject to the requirements
25 of the Illinois Solar for All Program and may receive
26 Illinois Solar for All Program pricing, with the Illinois

1 Solar for All Program budget covering the difference
2 between the renewable energy credit price from the
3 currently open block of the Adjustable Block Program and
4 the Solar for All renewable energy credit price. Illinois
5 Solar for All subprograms providing funding for
6 installation of distributed renewable energy generation
7 devices shall use funding in this manner from Adjustable
8 Block Program distributed renewable energy generation
9 device blocks. The Illinois Solar for All Low-Income
10 Community Solar subprogram shall use funding in this
11 manner from the Adjustable Block Program community
12 renewable generation project blocks, if such blocks are
13 legally authorized. If no Adjustable Block Program
14 community renewable generation project block is currently
15 legally authorized and if a competitively procured
16 Community Solar Program is legally authorized under
17 Section 1-75 of this Act, then (i) a portion of the
18 utility-held renewable resources budget allocated by the
19 Agency to such competitive Community Solar Program each
20 year shall be reserved for the Solar for All Low-Income
21 Community Solar subprogram as if such budget came from an
22 Adjustable Block Program block for purposes of this
23 paragraph (3) and (ii) the average renewable energy credit
24 price of Community Solar Program selected projects from
25 the prior delivery year (or a shorter period, if a full
26 delivery year of the Community Solar Program has not been

1 completed) shall be used for allocating funding to the
2 Solar for All Low-Income Community Solar subprogram in
3 lieu of the Adjustable Block Program renewable energy
4 credit block price mentioned earlier in this paragraph
5 (3). The Agency shall try to manage program capacities and
6 budgets to make the fullest use of this option to
7 accommodate Solar for All project applications.

8 (4) The Agency shall, consistent with the requirements
9 of this subsection (b), propose the Illinois Solar for All
10 Program terms, conditions, and requirements, including the
11 prices to be paid for renewable energy credits, and which
12 prices may be determined through a formula, through the
13 development, review, and approval of the Agency's
14 long-term renewable resources procurement plan described
15 in subsection (c) of Section 1-75 of this Act and Section
16 16-111.5 of the Public Utilities Act. In the course of the
17 Commission proceeding initiated to review and approve the
18 plan, including the Illinois Solar for All Program
19 proposed by the Agency, a party may propose an additional
20 low-income solar or solar incentive program, or
21 modifications to the programs proposed by the Agency, and
22 the Commission may approve an additional program, or
23 modifications to the Agency's proposed program, if the
24 additional or modified program more effectively maximizes
25 the benefits to low-income customers after taking into
26 account all relevant factors, including, but not limited

1 to, the extent to which a competitive market for
2 low-income solar has developed. Following the Commission's
3 approval of the Illinois Solar for All Program, the Agency
4 or a party may propose adjustments to the program terms,
5 conditions, and requirements, including the price offered
6 to new systems, to ensure the long-term viability and
7 success of the program. The Commission shall review and
8 approve any modifications to the program through the plan
9 revision process described in Section 16-111.5 of the
10 Public Utilities Act.

11 (5) The Agency shall issue a request for
12 qualifications for a third-party program administrator or
13 administrators to administer all or a portion of the
14 Illinois Solar for All Program. The third-party program
15 administrator shall be chosen through a competitive bid
16 process based on selection criteria and requirements
17 developed by the Agency, including, but not limited to,
18 experience in administering low-income energy programs and
19 overseeing statewide clean energy or energy efficiency
20 services. If the Agency retains a program administrator or
21 administrators to implement all or a portion of the
22 Illinois Solar for All Program, each administrator shall
23 periodically submit reports to the Agency and Commission
24 for each program that it administers, at appropriate
25 intervals to be identified by the Agency in its long-term
26 renewable resources procurement plan, provided that the

1 reporting interval is at least quarterly. Administration
2 of the Illinois Solar for All Program shall include
3 facilitation of the partnering of companies that develop
4 or install solar projects through this program or any
5 other Illinois program with graduates of Illinois-based
6 job training programs, particularly graduates who reside
7 in environmental justice communities.

8 (6) The long-term renewable resources procurement plan
9 shall also provide for an independent evaluation of the
10 Illinois Solar for All Program. At least every 2 years,
11 the Agency shall select an independent evaluator to review
12 and report on the Illinois Solar for All Program and the
13 performance of the third-party program administrator of
14 the Illinois Solar for All Program. The evaluation shall
15 be based on objective criteria developed through a public
16 stakeholder process. The process shall include feedback
17 and participation from Illinois Solar for All Program
18 stakeholders, including participants and organizations in
19 environmental justice and historically underserved
20 communities. The report shall include a summary of the
21 evaluation of the Illinois Solar for All Program based on
22 the stakeholder developed objective criteria. The report
23 shall include the number of projects installed; the total
24 installed capacity in kilowatts; the average cost per
25 kilowatt of installed capacity to the extent reasonably
26 obtainable by the Agency; the number of jobs or job

1 opportunities created; economic, social, and environmental
2 benefits created; and the total administrative costs
3 expended by the Agency and program administrator to
4 implement and evaluate the program. The report shall be
5 delivered to the Commission and posted on the Agency's
6 website, and shall be used, as needed, to revise the
7 Illinois Solar for All Program. The Commission shall also
8 consider the results of the evaluation as part of its
9 review of the long-term renewable resources procurement
10 plan under subsection (c) of Section 1-75 of this Act.

11 (7) If additional funding for the programs described
12 in this subsection (b) is available under subsection (k)
13 of Section 16-108 of the Public Utilities Act, then the
14 Agency shall submit a procurement plan to the Commission
15 no later than September 1, 2018, that proposes how the
16 Agency will procure programs on behalf of the applicable
17 utility. After notice and hearing, the Commission shall
18 approve, or approve with modification, the plan no later
19 than November 1, 2018.

20 (8) As part of the development and update of the
21 long-term renewable resources procurement plan authorized
22 by subsection (c) of Section 1-75 of this Act, the Agency
23 shall plan for: (A) actions to refer customers from the
24 Illinois Solar for All Program to electric and natural gas
25 income-qualified energy efficiency programs, and vice
26 versa, with the goal of increasing participation in both

1 of these programs; (B) effective procedures for data
2 sharing, as needed, to effectuate referrals between the
3 Illinois Solar for All Program and both electric and
4 natural gas income-qualified energy efficiency programs,
5 including sharing customer information directly with the
6 utilities, as needed and appropriate; and (C) efforts to
7 identify any existing deferred maintenance programs for
8 which prospective Solar for All customers may be eligible
9 and connect prospective customers for whom deferred
10 maintenance is or may be a barrier to solar installation
11 to those programs.

12 As used in this subsection (b), "low-income households"
13 means persons and families whose income does not exceed 80% of
14 area median income, adjusted for family size and revised every
15 5 years.

16 For the purposes of this subsection (b), the Agency shall
17 define "environmental justice community" based on
18 methodologies and findings established by the Illinois Power
19 Agency and its Administrator for the Illinois Solar for All
20 Program in its initial long-term renewable resources
21 procurement plan and updated by the Illinois Power Agency and
22 its Administrator for the Illinois Solar for All Program as
23 part of the long-term renewable resources procurement plan
24 update as part of long term renewable resources procurement
25 plan development, to ensure, to the extent practicable,
26 compatibility with other agencies' definitions and may, for

1 ~~guidance, look to the definitions used by federal, state, or~~
2 ~~local governments.~~

3 (b-5) After the receipt of all payments required by
4 Section 16-115D of the Public Utilities Act, no additional
5 funds shall be deposited into the Illinois Power Agency
6 Renewable Energy Resources Fund unless directed by order of
7 the Commission.

8 (b-10) After the receipt of all payments required by
9 Section 16-115D of the Public Utilities Act and payment in
10 full of all contracts executed by the Agency under subsections
11 (b) and (i) of this Section, if the balance of the Illinois
12 Power Agency Renewable Energy Resources Fund is under \$5,000,
13 then the Fund shall be inoperative and any remaining funds and
14 any funds submitted to the Fund after that date, shall be
15 transferred to the Supplemental Low-Income Energy Assistance
16 Fund for use in the Low-Income Home Energy Assistance Program,
17 as authorized by the Energy Assistance Act.

18 (c) (Blank).

19 (d) (Blank).

20 (e) All renewable energy credits procured using monies
21 from the Illinois Power Agency Renewable Energy Resources Fund
22 shall be permanently retired.

23 (f) The selection of one or more third-party program
24 managers or administrators, the selection of the independent
25 evaluator, and the procurement processes described in this
26 Section are exempt from the requirements of the Illinois

1 Procurement Code, under Section 20-10 of that Code.

2 (g) All disbursements from the Illinois Power Agency
3 Renewable Energy Resources Fund shall be made only upon
4 warrants of the Comptroller drawn upon the Treasurer as
5 custodian of the Fund upon vouchers signed by the Director or
6 by the person or persons designated by the Director for that
7 purpose. The Comptroller is authorized to draw the warrant
8 upon vouchers so signed. The Treasurer shall accept all
9 warrants so signed and shall be released from liability for
10 all payments made on those warrants.

11 (h) The Illinois Power Agency Renewable Energy Resources
12 Fund shall not be subject to sweeps, administrative charges,
13 or chargebacks, including, but not limited to, those
14 authorized under Section 8h of the State Finance Act, that
15 would in any way result in the transfer of any funds from this
16 Fund to any other fund of this State or in having any such
17 funds utilized for any purpose other than the express purposes
18 set forth in this Section.

19 (h-5) The Agency may assess fees to each bidder to recover
20 the costs incurred in connection with a procurement process
21 held under this Section. Fees collected from bidders shall be
22 deposited into the Renewable Energy Resources Fund.

23 (i) Supplemental procurement process.

24 (1) Within 90 days after the effective date of this
25 amendatory Act of the 98th General Assembly, the Agency
26 shall develop a one-time supplemental procurement plan

1 limited to the procurement of renewable energy credits, if
2 available, from new or existing photovoltaics, including,
3 but not limited to, distributed photovoltaic generation.
4 Nothing in this subsection (i) requires procurement of
5 wind generation through the supplemental procurement.

6 Renewable energy credits procured from new
7 photovoltaics, including, but not limited to, distributed
8 photovoltaic generation, under this subsection (i) must be
9 procured from devices installed by a qualified person. In
10 its supplemental procurement plan, the Agency shall
11 establish contractually enforceable mechanisms for
12 ensuring that the installation of new photovoltaics is
13 performed by a qualified person.

14 For the purposes of this paragraph (1), "qualified
15 person" means a person who performs installations of
16 photovoltaics, including, but not limited to, distributed
17 photovoltaic generation, and who: (A) has completed an
18 apprenticeship as a journeyman electrician from a United
19 States Department of Labor registered electrical
20 apprenticeship and training program and received a
21 certification of satisfactory completion; or (B) does not
22 currently meet the criteria under clause (A) of this
23 paragraph (1), but is enrolled in a United States
24 Department of Labor registered electrical apprenticeship
25 program, provided that the person is directly supervised
26 by a person who meets the criteria under clause (A) of this

1 paragraph (1); or (C) has obtained one of the following
2 credentials in addition to attesting to satisfactory
3 completion of at least 5 years or 8,000 hours of
4 documented hands-on electrical experience: (i) a North
5 American Board of Certified Energy Practitioners (NABCEP)
6 Installer Certificate for Solar PV; (ii) an Underwriters
7 Laboratories (UL) PV Systems Installer Certificate; (iii)
8 an Electronics Technicians Association, International
9 (ETAI) Level 3 PV Installer Certificate; or (iv) an
10 Associate in Applied Science degree from an Illinois
11 Community College Board approved community college program
12 in renewable energy or a distributed generation
13 technology.

14 For the purposes of this paragraph (1), "directly
15 supervised" means that there is a qualified person who
16 meets the qualifications under clause (A) of this
17 paragraph (1) and who is available for supervision and
18 consultation regarding the work performed by persons under
19 clause (B) of this paragraph (1), including a final
20 inspection of the installation work that has been directly
21 supervised to ensure safety and conformity with applicable
22 codes.

23 For the purposes of this paragraph (1), "install"
24 means the major activities and actions required to
25 connect, in accordance with applicable building and
26 electrical codes, the conductors, connectors, and all

1 associated fittings, devices, power outlets, or
2 apparatuses mounted at the premises that are directly
3 involved in delivering energy to the premises' electrical
4 wiring from the photovoltaics, including, but not limited
5 to, to distributed photovoltaic generation.

6 The renewable energy credits procured pursuant to the
7 supplemental procurement plan shall be procured using up
8 to \$30,000,000 from the Illinois Power Agency Renewable
9 Energy Resources Fund. The Agency shall not plan to use
10 funds from the Illinois Power Agency Renewable Energy
11 Resources Fund in excess of the monies on deposit in such
12 fund or projected to be deposited into such fund. The
13 supplemental procurement plan shall ensure adequate,
14 reliable, affordable, efficient, and environmentally
15 sustainable renewable energy resources (including credits)
16 at the lowest total cost over time, taking into account
17 any benefits of price stability.

18 To the extent available, 50% of the renewable energy
19 credits procured from distributed renewable energy
20 generation shall come from devices of less than 25
21 kilowatts in nameplate capacity. Procurement of renewable
22 energy credits from distributed renewable energy
23 generation devices shall be done through multi-year
24 contracts of no less than 5 years. The Agency shall create
25 credit requirements for counterparties. In order to
26 minimize the administrative burden on contracting

1 entities, the Agency shall solicit the use of third
2 parties to aggregate distributed renewable energy. These
3 third parties shall enter into and administer contracts
4 with individual distributed renewable energy generation
5 device owners. An individual distributed renewable energy
6 generation device owner shall have the ability to measure
7 the output of his or her distributed renewable energy
8 generation device.

9 In developing the supplemental procurement plan, the
10 Agency shall hold at least one workshop open to the public
11 within 90 days after the effective date of this amendatory
12 Act of the 98th General Assembly and shall consider any
13 comments made by stakeholders or the public. Upon
14 development of the supplemental procurement plan within
15 this 90-day period, copies of the supplemental procurement
16 plan shall be posted and made publicly available on the
17 Agency's and Commission's websites. All interested parties
18 shall have 14 days following the date of posting to
19 provide comment to the Agency on the supplemental
20 procurement plan. All comments submitted to the Agency
21 shall be specific, supported by data or other detailed
22 analyses, and, if objecting to all or a portion of the
23 supplemental procurement plan, accompanied by specific
24 alternative wording or proposals. All comments shall be
25 posted on the Agency's and Commission's websites. Within
26 14 days following the end of the 14-day review period, the

1 Agency shall revise the supplemental procurement plan as
2 necessary based on the comments received and file its
3 revised supplemental procurement plan with the Commission
4 for approval.

5 (2) Within 5 days after the filing of the supplemental
6 procurement plan at the Commission, any person objecting
7 to the supplemental procurement plan shall file an
8 objection with the Commission. Within 10 days after the
9 filing, the Commission shall determine whether a hearing
10 is necessary. The Commission shall enter its order
11 confirming or modifying the supplemental procurement plan
12 within 90 days after the filing of the supplemental
13 procurement plan by the Agency.

14 (3) The Commission shall approve the supplemental
15 procurement plan of renewable energy credits to be
16 procured from new or existing photovoltaics, including,
17 but not limited to, distributed photovoltaic generation,
18 if the Commission determines that it will ensure adequate,
19 reliable, affordable, efficient, and environmentally
20 sustainable electric service in the form of renewable
21 energy credits at the lowest total cost over time, taking
22 into account any benefits of price stability.

23 (4) The supplemental procurement process under this
24 subsection (i) shall include each of the following
25 components:

26 (A) Procurement administrator. The Agency may

1 retain a procurement administrator in the manner set
2 forth in item (2) of subsection (a) of Section 1-75 of
3 this Act to conduct the supplemental procurement or
4 may elect to use the same procurement administrator
5 administering the Agency's annual procurement under
6 Section 1-75.

7 (B) Procurement monitor. The procurement monitor
8 retained by the Commission pursuant to Section
9 16-111.5 of the Public Utilities Act shall:

10 (i) monitor interactions among the procurement
11 administrator and bidders and suppliers;

12 (ii) monitor and report to the Commission on
13 the progress of the supplemental procurement
14 process;

15 (iii) provide an independent confidential
16 report to the Commission regarding the results of
17 the procurement events;

18 (iv) assess compliance with the procurement
19 plan approved by the Commission for the
20 supplemental procurement process;

21 (v) preserve the confidentiality of supplier
22 and bidding information in a manner consistent
23 with all applicable laws, rules, regulations, and
24 tariffs;

25 (vi) provide expert advice to the Commission
26 and consult with the procurement administrator

1 regarding issues related to procurement process
2 design, rules, protocols, and policy-related
3 matters;

4 (vii) consult with the procurement
5 administrator regarding the development and use of
6 benchmark criteria, standard form contracts,
7 credit policies, and bid documents; and

8 (viii) perform, with respect to the
9 supplemental procurement process, any other
10 procurement monitor duties specifically delineated
11 within subsection (i) of this Section.

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

1 and agreement to the standard form contract developed
2 pursuant to item (D) of this paragraph (4). The
3 procurement administrator shall then identify and
4 register bidders to participate in the procurement
5 event.

6 (D) Standard contract forms and credit terms and
7 instruments. The procurement administrator, in
8 consultation with the Agency, the Commission, and
9 other interested parties and subject to Commission
10 oversight, shall develop and provide standard contract
11 forms for the supplier contracts that meet generally
12 accepted industry practices as well as include any
13 applicable State of Illinois terms and conditions that
14 are required for contracts entered into by an agency
15 of the State of Illinois. Standard credit terms and
16 instruments that meet generally accepted industry
17 practices shall be similarly developed. Contracts for
18 new photovoltaics shall include a provision attesting
19 that the supplier will use a qualified person for the
20 installation of the device pursuant to paragraph (1)
21 of subsection (i) of this Section. The procurement
22 administrator shall make available to the Commission
23 all written comments it receives on the contract
24 forms, credit terms, or instruments. If the
25 procurement administrator cannot reach agreement with
26 the parties as to the contract terms and conditions,

1 the procurement administrator must notify the
2 Commission of any disputed terms and the Commission
3 shall resolve the dispute. The terms of the contracts
4 shall not be subject to negotiation by winning
5 bidders, and the bidders must agree to the terms of the
6 contract in advance so that winning bids are selected
7 solely on the basis of price.

8 (E) Requests for proposals; competitive
9 procurement process. The procurement administrator
10 shall design and issue requests for proposals to
11 supply renewable energy credits in accordance with the
12 supplemental procurement plan, as approved by the
13 Commission. The requests for proposals shall set forth
14 a procedure for sealed, binding commitment bidding
15 with pay-as-bid settlement, and provision for
16 selection of bids on the basis of price, provided,
17 however, that no bid shall be accepted if it exceeds
18 the benchmark developed pursuant to item (F) of this
19 paragraph (4).

20 (F) Benchmarks. Benchmarks for each product to be
21 procured shall be developed by the procurement
22 administrator in consultation with Commission staff,
23 the Agency, and the procurement monitor for use in
24 this supplemental procurement.

25 (G) A plan for implementing contingencies in the
26 event of supplier default, Commission rejection of

1 results, or any other cause.

2 (5) Within 2 business days after opening the sealed
3 bids, the procurement administrator shall submit a
4 confidential report to the Commission. The report shall
5 contain the results of the bidding for each of the
6 products along with the procurement administrator's
7 recommendation for the acceptance and rejection of bids
8 based on the price benchmark criteria and other factors
9 observed in the process. The procurement monitor also
10 shall submit a confidential report to the Commission
11 within 2 business days after opening the sealed bids. The
12 report shall contain the procurement monitor's assessment
13 of bidder behavior in the process as well as an assessment
14 of the procurement administrator's compliance with the
15 procurement process and rules. The Commission shall review
16 the confidential reports submitted by the procurement
17 administrator and procurement monitor and shall accept or
18 reject the recommendations of the procurement
19 administrator within 2 business days after receipt of the
20 reports.

21 (6) Within 3 business days after the Commission
22 decision approving the results of a procurement event, the
23 Agency shall enter into binding contractual arrangements
24 with the winning suppliers using the standard form
25 contracts.

26 (7) The names of the successful bidders and the

1 average of the winning bid prices for each contract type
2 and for each contract term shall be made available to the
3 public within 2 days after the supplemental procurement
4 event. The Commission, the procurement monitor, the
5 procurement administrator, the Agency, and all
6 participants in the procurement process shall maintain the
7 confidentiality of all other supplier and bidding
8 information in a manner consistent with all applicable
9 laws, rules, regulations, and tariffs. Confidential
10 information, including the confidential reports submitted
11 by the procurement administrator and procurement monitor
12 pursuant to this Section, shall not be made publicly
13 available and shall not be discoverable by any party in
14 any proceeding, absent a compelling demonstration of need,
15 nor shall those reports be admissible in any proceeding
16 other than one for law enforcement purposes.

17 (8) The supplemental procurement provided in this
18 subsection (i) shall not be subject to the requirements
19 and limitations of subsections (c) and (d) of this
20 Section.

21 (9) Expenses incurred in connection with the
22 procurement process held pursuant to this Section,
23 including, but not limited to, the cost of developing the
24 supplemental procurement plan, the procurement
25 administrator, procurement monitor, and the cost of the
26 retirement of renewable energy credits purchased pursuant

1 to the supplemental procurement shall be paid for from the
2 Illinois Power Agency Renewable Energy Resources Fund. The
3 Agency shall enter into an interagency agreement with the
4 Commission to reimburse the Commission for its costs
5 associated with the procurement monitor for the
6 supplemental procurement process.

7 (Source: P.A. 98-672, eff. 6-30-14; 99-906, eff. 6-1-17.)

8 (20 ILCS 3855/1-75)

9 Sec. 1-75. Planning and Procurement Bureau. The Planning
10 and Procurement Bureau has the following duties and
11 responsibilities:

12 (a) The Planning and Procurement Bureau shall each year,
13 beginning in 2008, develop procurement plans and conduct
14 competitive procurement processes in accordance with the
15 requirements of Section 16-111.5 of the Public Utilities Act
16 for the eligible retail customers of electric utilities that
17 on December 31, 2005 provided electric service to at least
18 100,000 customers in Illinois. Beginning with the delivery
19 year commencing on June 1, 2017, the Planning and Procurement
20 Bureau shall develop plans and processes for the procurement
21 of zero emission credits from zero emission facilities in
22 accordance with the requirements of subsection (d-5) of this
23 Section. The Planning and Procurement Bureau shall also
24 develop procurement plans and conduct competitive procurement
25 processes in accordance with the requirements of Section

1 16-111.5 of the Public Utilities Act for the eligible retail
2 customers of small multi-jurisdictional electric utilities
3 that (i) on December 31, 2005 served less than 100,000
4 customers in Illinois and (ii) request a procurement plan for
5 their Illinois jurisdictional load. This Section shall not
6 apply to a small multi-jurisdictional utility until such time
7 as a small multi-jurisdictional utility requests the Agency to
8 prepare a procurement plan for their Illinois jurisdictional
9 load. For the purposes of this Section, the term "eligible
10 retail customers" has the same definition as found in Section
11 16-111.5(a) of the Public Utilities Act.

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

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

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

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

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

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

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

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

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

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

26 (A) direct previous experience administering a

1 large-scale competitive procurement process;

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

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

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

10 (E) expertise in credit and contract protocols;

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

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

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

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

5 (A) failure to satisfy qualification criteria;

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

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

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

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

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

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

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

24 (c) Renewable portfolio standard.

25 (1) (A) The Agency shall develop a long-term renewable
26 resources procurement plan that shall include procurement

1 programs and competitive procurement events necessary to
2 meet the goals set forth in this subsection (c). The
3 initial long-term renewable resources procurement plan
4 shall be released for comment no later than 160 days after
5 June 1, 2017 (the effective date of Public Act 99-906).
6 The Agency shall review, and may revise on an expedited
7 basis, the long-term renewable resources procurement plan
8 at least every 2 years, which shall be conducted in
9 conjunction with the procurement plan under Section
10 16-111.5 of the Public Utilities Act to the extent
11 practicable to minimize administrative expense. No later
12 than 90 days after the effective date of this amendatory
13 Act of the 102nd General Assembly, the Agency shall
14 release for comment a revision to the long-term renewable
15 resources procurement plan, updating only elements of the
16 most recently approved plan as needed to comply with this
17 amendatory Act of the 102nd General Assembly. The
18 long-term renewable resources procurement plans shall be
19 subject to review and approval by the Commission under
20 Section 16-111.5 of the Public Utilities Act.

21 (B) Subject to subparagraph (F) of this paragraph (1),
22 the long-term renewable resources procurement plan shall
23 include the goals for procurement of renewable energy
24 credits to meet at least the following overall
25 percentages: 13% by the 2017 delivery year; increasing by
26 at least 1.5% each delivery year thereafter to at least

1 25% by the 2025 delivery year; increasing by at least 4%
2 each delivery year after the 2025 delivery year to at
3 least 45% by 2030; increasing by at least 3% each delivery
4 year after the 2030 delivery year to at least 60% by 2035,
5 75% by 2040, and 90% by 2045; increasing by at least 2%
6 each delivery year after the 2045 delivery year to 100% by
7 the 2050 delivery year and continuing at 100% ~~no less than~~
8 ~~25%~~ for each delivery year thereafter. In the event of a
9 conflict between these goals and the new wind and new
10 photovoltaic procurement requirements described in items
11 (i) through (iii) of subparagraph (C) of this paragraph
12 (1), the long-term plan shall prioritize compliance with
13 the new wind and new photovoltaic procurement requirements
14 described in items (i) through (iii) of subparagraph (C)
15 of this paragraph (1) over the annual percentage targets
16 described in this subparagraph (B). The Agency shall not
17 comply with the annual percentage targets described in
18 this subparagraph (B) by procuring renewable energy
19 credits on the spot market that are unlikely to lead to the
20 development of new renewable resources.

21 For the delivery year beginning June 1, 2017, the
22 procurement plan shall include cost-effective renewable
23 energy resources equal to at least 13% of each utility's
24 load for eligible retail customers and 13% of the
25 applicable portion of each utility's load for retail
26 customers who are not eligible retail customers, which

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

4 For the delivery year beginning June 1, 2018, the
5 procurement plan shall include cost-effective renewable
6 energy resources equal to at least 14.5% of each utility's
7 load for eligible retail customers and 14.5% of the
8 applicable portion of each utility's load for retail
9 customers who are not eligible retail customers, which
10 applicable portion shall equal 75% of the utility's load
11 for retail customers who are not eligible retail customers
12 on February 28, 2017.

13 For the delivery year beginning June 1, 2019, and for
14 each year thereafter, the procurement plans shall include
15 cost-effective renewable energy resources equal to a
16 minimum percentage of each utility's load for all retail
17 customers as follows: 16% by June 1, 2019; increasing by
18 1.5% each year thereafter to 25% by June 1, 2025;
19 increasing by at least 4% each year thereafter to at least
20 45% by June 1, 2030; increasing by at least 3% each year
21 thereafter to at least 90% by June 1, 2045; increasing by
22 at least 2% each year thereafter to at least 100% by June
23 1, 2050 ~~and 25% by June 1, 2026~~ and each year thereafter.

24 For each delivery year, the Agency shall first
25 recognize each utility's obligations for that delivery
26 year under existing contracts. Any renewable energy

1 credits under existing contracts, including renewable
2 energy credits as part of renewable energy resources,
3 shall be used to meet the goals set forth in this
4 subsection (c) for the delivery year.

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

11 at least 5,000,000 renewable energy credits from
12 new wind and new photovoltaic projects for each
13 delivery year by the end of the delivery year
14 beginning June 1, 2020, unless the project has delays
15 in the establishment of an operating interconnection
16 with the applicable transmission or distribution
17 system as a result of the actions or inactions of the
18 transmission or distribution provider, or other causes
19 for force majeure as outlined in the procurement
20 contract, in which case, not later than June 1, 2022;

21 at least 13,000,000 renewable energy credits from
22 new wind and new photovoltaic projects for each
23 delivery year by the end of the delivery year
24 beginning June 1, 2021;

25 at least 18,000,000 renewable energy credits from
26 new wind and new photovoltaic projects for each

1 delivery year by the end of the delivery year
2 beginning June 1, 2022;

3 at least 23,000,000 renewable energy credits from
4 new wind and new photovoltaic projects for each
5 delivery year by the end of the delivery year
6 beginning June 1, 2023;

7 at least 28,000,000 renewable energy credits from
8 new wind and new photovoltaic projects for each
9 delivery year by the end of the delivery year
10 beginning June 1, 2024;

11 at least 33,000,000 renewable energy credits from
12 new wind and new photovoltaic projects for each
13 delivery year by the end of the delivery year
14 beginning June 1, 2025;

15 at least 38,000,000 renewable energy credits from
16 new wind and new photovoltaic projects for each
17 delivery year by the end of the delivery year
18 beginning June 1, 2026;

19 at least 43,000,000 renewable energy credits from
20 new wind and new photovoltaic projects for each
21 delivery year by the end of the delivery year
22 beginning June 1, 2027;

23 at least 48,000,000 renewable energy credits from
24 new wind and new photovoltaic projects for each
25 delivery year by the end of the delivery year
26 beginning June 1, 2028;

1 at least 53,000,000 renewable energy credits from
2 new wind and new photovoltaic projects for each
3 delivery year by the end of the delivery year
4 beginning June 1, 2029; and

5 at least 58,000,000 renewable energy credits from
6 new wind and new photovoltaic projects for each
7 delivery year by the end of the delivery year
8 beginning June 1, 2030.

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 Of the renewable energy credits procured from
14 new wind and new photovoltaic projects for each
15 delivery year ~~At least 2,000,000 renewable energy~~
16 ~~credits for each delivery year shall come from new~~
17 ~~photovoltaic projects; of that amount, to the~~
18 ~~extent possible, the Agency shall procure 50% from~~
19 ~~new wind projects and 50% from new photovoltaic~~
20 ~~projects. Of the amount to be procured from new~~
21 ~~photovoltaic projects, the Agency shall procure,~~
22 ~~to the extent reasonably practicable: at least 33%~~
23 ~~50% from~~ distributed and community solar
24 photovoltaic projects using the programs ~~program~~
25 outlined in subparagraphs ~~subparagraph~~ (K) and (N)
26 of this paragraph (1) through the 2021 delivery

1 year, increasing ratably beginning in the 2022
2 delivery year to at least 50% by the 2038 delivery
3 year and for each delivery year thereafter from
4 ~~distributed renewable energy generation devices or~~
5 ~~community renewable generation projects;~~ at least
6 40% from utility-scale solar projects; at least 7%
7 ~~2%~~ from brownfield site photovoltaic projects that
8 are not community renewable generation projects;
9 and the remainder shall be determined through the
10 long-term planning process described in
11 subparagraph (A) of this paragraph (1).

12 In developing the long-term renewable resources
13 procurement plan, the Agency shall consider other
14 approaches, in addition to competitive procurements, that
15 can be used to procure renewable energy credits from
16 brownfield site photovoltaic projects and thereby help
17 return blighted or contaminated land to productive use
18 while enhancing public health and the well-being of
19 Illinois residents, including those in environmental
20 justice communities, as defined using existing
21 methodologies and findings used by the Illinois Power
22 Agency and its Administrator in its Illinois Solar for All
23 Program.

24 Of the amount of renewable energy credits to be
25 procured from either distributed or community solar
26 photovoltaic projects using the programs outlined in

1 subparagraph (K) of this paragraph (1), the long-term plan
2 developed through the process described in subparagraph
3 (A) of this paragraph (1) shall use the following initial
4 breakdown, which may be adjusted upon review by the Agency
5 and approval by the Commission:

6 (i) at least 25% from distributed renewable energy
7 generation devices with a nameplate capacity of no
8 more than 25 kilowatts;

9 (ii) at least 25% from distributed renewable
10 energy generation devices with a nameplate capacity of
11 more than 25 kilowatts and no more than 2,000
12 kilowatts;

13 (iii) at least 25% from photovoltaic community
14 renewable generation projects; and

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 ratable procurement of new renewable resources
19 discussed in this subparagraph (C) shall involve annual
20 procurements of new wind and new photovoltaic projects
21 and, in the case of the Adjustable Block Program created
22 by subparagraph (K) of this paragraph (1), the annual
23 release of new blocks of capacity each year with the goal
24 of encouraging stability and steady growth in the
25 renewable resources market and avoiding boom-bust cycles.

26 ~~(ii) By the end of the 2025 delivery year:~~

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

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

19 ~~(iii) By the end of the 2030 delivery year:~~

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

23 ~~At least 4,000,000 renewable energy credits~~
24 ~~for each delivery year shall come from new~~
25 ~~photovoltaic projects; of that amount, to the~~
26 ~~extent possible, the Agency shall procure: at~~

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

12 For purposes of this Section:

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

18 "New photovoltaic projects" means photovoltaic
19 renewable energy facilities that are energized
20 after June 1, 2017. Photovoltaic projects
21 developed under Section 1-56 of this Act shall not
22 apply towards the new photovoltaic project
23 requirements in this subparagraph (C) unless they
24 are purchased in combination with the Adjustable
25 Block Program established in subparagraph (K) of
26 this paragraph (1), as described in paragraph

1 (3.5) of subsection (b) of Section 1-56 of this
2 Act.

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

1 contractual obligations entered into by or through the
2 Agency prior to June 1, 2017 (the effective date of Public
3 Act 99-906).

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

25 Notwithstanding the requirements of this subsection
26 (c), the total of renewable energy resources procured

1 under the procurement plan for any single year shall be
2 subject to the limitations of this subparagraph (E). Until
3 the delivery year beginning June 1, 2023, such ~~Such~~
4 procurement shall be reduced for all retail customers
5 based on the amount necessary to limit the annual
6 estimated average net increase due to the costs of these
7 resources included in the amounts paid by eligible retail
8 customers in connection with electric service to no more
9 than the greater of 2.67% ~~2.015%~~ of the amount paid per
10 kilowatthour by those customers during the year ending May
11 31, 2009 ~~2007~~ or the incremental amount per kilowatthour
12 paid for these resources in 2011. Beginning with the
13 delivery year beginning June 1, 2023, such procurement
14 shall be reduced for all retail customers based on the
15 amount necessary to limit the annual estimated average net
16 increase due to the costs of these resources included in
17 the amounts paid by eligible retail customers in
18 connection with electric service to no more than the
19 greater of 4.88% of the amount paid per kilowatt hour by
20 those customers during the year ending May 31, 2009 or the
21 incremental amount per kilowatt hour paid for these
22 resources in 2011. To arrive at a maximum dollar amount of
23 renewable energy resources to be procured for the
24 particular delivery year, the resulting per kilowatthour
25 amount shall be applied to the actual amount of
26 kilowatthours of electricity delivered, or applicable

1 portion of such amount as specified in paragraph (1) of
2 this subsection (c), as applicable, by the electric
3 utility in the delivery year immediately prior to the
4 procurement to all retail customers in its service
5 territory. The calculations required by this subparagraph
6 (E) shall be made only once for each delivery year at the
7 time that the renewable energy resources are procured.
8 Once the determination as to the amount of renewable
9 energy resources to procure is made based on the
10 calculations set forth in this subparagraph (E) and the
11 contracts procuring those amounts are executed, no
12 subsequent rate impact determinations shall be made and no
13 adjustments to those contract amounts shall be allowed.
14 All costs incurred under such contracts shall be fully
15 recoverable by the electric utility as provided in this
16 Section.

17 (F) If the limitation on the amount of renewable
18 energy resources procured in subparagraph (E) of this
19 paragraph (1) prevents the Agency from meeting all of the
20 goals in this subsection (c), the Agency's long-term plan
21 shall prioritize compliance with the requirements of this
22 subsection (c) regarding renewable energy credits in the
23 following order:

24 (i) renewable energy credits under existing
25 contractual obligations;

26 (i-5) funding for the Illinois Solar for All

1 Program, as described in subparagraph (O) of this
2 paragraph (1);

3 (ii) renewable energy credits necessary to comply
4 with the new wind and new photovoltaic procurement
5 requirements described in items (i) through (iii) of
6 subparagraph (C) of this paragraph (1); and

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

9 (G) The following provisions shall apply to the
10 Agency's procurement of renewable energy credits under
11 this subsection (c):

12 (i) Notwithstanding whether a long-term renewable
13 resources procurement plan has been approved, the
14 Agency shall conduct an initial forward procurement
15 for renewable energy credits from new utility-scale
16 wind projects within 160 days after June 1, 2017 (the
17 effective date of Public Act 99-906). For the purposes
18 of this initial forward procurement, the Agency shall
19 solicit 15-year contracts for delivery of 1,000,000
20 renewable energy credits delivered annually from new
21 utility-scale wind projects to begin delivery on June
22 1, 2019, if available, but not later than June 1, 2021,
23 unless the project has delays in the establishment of
24 an operating interconnection with the applicable
25 transmission or distribution system as a result of the
26 actions or inactions of the transmission or

1 distribution provider, or other causes for force
2 majeure as outlined in the procurement contract, in
3 which case, not later than June 1, 2022. Payments to
4 suppliers of renewable energy credits shall commence
5 upon delivery. Renewable energy credits procured under
6 this initial procurement shall be included in the
7 Agency's long-term plan and shall apply to all
8 renewable energy goals in this subsection (c).

9 (ii) Notwithstanding whether a long-term renewable
10 resources procurement plan has been approved, the
11 Agency shall conduct an initial forward procurement
12 for renewable energy credits from new utility-scale
13 solar projects and brownfield site photovoltaic
14 projects within one year after June 1, 2017 (the
15 effective date of Public Act 99-906). For the purposes
16 of this initial forward procurement, the Agency shall
17 solicit 15-year contracts for delivery of 1,000,000
18 renewable energy credits delivered annually from new
19 utility-scale solar projects and brownfield site
20 photovoltaic projects to begin delivery on June 1,
21 2019, if available, but not later than June 1, 2021,
22 unless the project has delays in the establishment of
23 an operating interconnection with the applicable
24 transmission or distribution system as a result of the
25 actions or inactions of the transmission or
26 distribution provider, or other causes for force

1 majeure as outlined in the procurement contract, in
2 which case, not later than June 1, 2022. The Agency may
3 structure this initial procurement in one or more
4 discrete procurement events. Payments to suppliers of
5 renewable energy credits shall commence upon delivery.
6 Renewable energy credits procured under this initial
7 procurement shall be included in the Agency's
8 long-term plan and shall apply to all renewable energy
9 goals in this subsection (c).

10 (iii) Notwithstanding whether the Commission has
11 approved the periodic long-term renewable resources
12 procurement plan revision described in Section
13 16-111.5 of the Public Utilities Act, the Agency shall
14 conduct at least one subsequent forward procurement
15 for renewable energy credits from new utility-scale
16 wind projects, new utility-scale solar, and new
17 brownfield site photovoltaic projects within 120 days
18 after the effective date of this amendatory Act of the
19 102nd General Assembly in quantities needed to meet
20 the requirements of subparagraph (C) through the
21 delivery year beginning June 1, 2021. The Agency shall
22 also release additional blocks of capacity into the
23 Adjustable Block Program, as needed to sustain the
24 market for distributed renewable energy generation
25 devices with nameplate capacities both smaller and
26 larger than 25 kilowatts through the subsequent

1 long-term renewable resources procurement plan
2 revision process, within 120 days after the effective
3 date of this amendatory Act of the 102nd General
4 Assembly notwithstanding whether the Commission has
5 approved the periodic long-term renewable resources
6 procurement plan revision described in Section
7 16-111.5 of the Public Utilities Act. ~~Subsequent~~
8 ~~forward procurements for utility scale wind projects~~
9 ~~shall solicit at least 1,000,000 renewable energy~~
10 ~~credits delivered annually per procurement event and~~
11 ~~shall be planned, scheduled, and designed such that~~
12 ~~the cumulative amount of renewable energy credits~~
13 ~~delivered from all new wind projects in each delivery~~
14 ~~year shall not exceed the Agency's projection of the~~
15 ~~cumulative amount of renewable energy credits that~~
16 ~~will be delivered from all new photovoltaic projects,~~
17 ~~including utility scale and distributed photovoltaic~~
18 ~~devices, in the same delivery year at the time~~
19 ~~scheduled for wind contract delivery.~~

20 ~~(iv) If, at any time after the time set for~~
21 ~~delivery of renewable energy credits pursuant to the~~
22 ~~initial procurements in items (i) and (ii) of this~~
23 ~~subparagraph (G), the cumulative amount of renewable~~
24 ~~energy credits projected to be delivered from all new~~
25 ~~wind projects in a given delivery year exceeds the~~
26 ~~cumulative amount of renewable energy credits~~

1 ~~projected to be delivered from all new photovoltaic~~
2 ~~projects in that delivery year by 200,000 or more~~
3 ~~renewable energy credits, then the Agency shall within~~
4 ~~60 days adjust the procurement programs in the~~
5 ~~long term renewable resources procurement plan to~~
6 ~~ensure that the projected cumulative amount of~~
7 ~~renewable energy credits to be delivered from all new~~
8 ~~wind projects does not exceed the projected cumulative~~
9 ~~amount of renewable energy credits to be delivered~~
10 ~~from all new photovoltaic projects by 200,000 or more~~
11 ~~renewable energy credits, provided that nothing in~~
12 ~~this Section shall preclude the projected cumulative~~
13 ~~amount of renewable energy credits to be delivered~~
14 ~~from all new photovoltaic projects from exceeding the~~
15 ~~projected cumulative amount of renewable energy~~
16 ~~credits to be delivered from all new wind projects in~~
17 ~~each delivery year and provided further that nothing~~
18 ~~in this item (iv) shall require the curtailment of an~~
19 ~~executed contract. The Agency shall update, on a~~
20 ~~quarterly basis, its projection of the renewable~~
21 ~~energy credits to be delivered from all projects in~~
22 ~~each delivery year. Notwithstanding anything to the~~
23 ~~contrary, the Agency may adjust the timing of~~
24 ~~procurement events conducted under this subparagraph~~
25 ~~(C). The long term renewable resources procurement~~
26 ~~plan shall set forth the process by which the~~

1 ~~adjustments may be made.~~

2 (iv) ~~(v)~~ All procurements under this subparagraph
3 (G) shall comply with the geographic requirements in
4 subparagraph (I) of this paragraph (1) and shall
5 follow the procurement processes and procedures
6 described in this Section and Section 16-111.5 of the
7 Public Utilities Act to the extent practicable, and
8 these processes and procedures may be expedited to
9 accommodate the schedule established by this
10 subparagraph (G).

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

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

1 megawatthour of energy produced from the facility.

2 The informational filing shall identify each
3 facility that was eligible to satisfy the alternative
4 retail electric supplier's obligations under Section
5 16-115D of the Public Utilities Act as described in
6 this item (i).

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

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

1 limitations:

2 For the delivery year beginning June 1, 2018,
3 the maximum amount of renewable energy credits to
4 be supplied by an alternative retail electric
5 supplier under this subparagraph (H) shall be 68%
6 multiplied by 25% multiplied by 14.5% multiplied
7 by the amount of metered electricity
8 (megawatt-hours) delivered by the alternative
9 retail electric supplier to Illinois retail
10 customers during the delivery year ending May 31,
11 2016.

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

26 For each delivery year, the total amount of

1 renewable energy credits supplied by all alternative
2 retail electric suppliers under this subparagraph (H)
3 shall not exceed 9% of the Illinois target renewable
4 energy credit quantity. The Illinois target renewable
5 energy credit quantity for the delivery year beginning
6 June 1, 2018 is 14.5% multiplied by the total amount of
7 metered electricity (megawatt-hours) delivered in the
8 delivery year immediately preceding that delivery
9 year, provided that the 14.5% shall increase by 1.5%
10 each delivery year thereafter to 25% by the delivery
11 year beginning June 1, 2025, and thereafter the 25%
12 value shall apply to each delivery year.

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

1 provided that the 14.5% shall increase by 1.5% each
2 delivery year thereafter to 25% by the delivery year
3 beginning June 1, 2025, and thereafter the 25% value
4 shall apply to each delivery year.

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

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

1 facilities located in states adjacent to Illinois if the
2 generator demonstrates and the Agency determines that the
3 operation of such facility or facilities will help promote
4 the State's interest in the health, safety, and welfare of
5 its residents based on the public interest criteria
6 described above. To ensure that the public interest
7 criteria are applied to the procurement and given full
8 effect, the Agency's long-term procurement plan shall
9 describe in detail how each public interest factor shall
10 be considered and weighted for facilities located in
11 states adjacent to Illinois.

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

1 supplier of the credits must return 110% of all payments
2 received under the contract. Amounts returned under the
3 requirements of this subparagraph (J) shall be retained by
4 the utility and all of these amounts shall be used for the
5 procurement of additional renewable energy credits from
6 new wind or new photovoltaic resources as defined in this
7 subsection (c). The long-term plan shall provide that
8 these renewable energy credits shall be procured in the
9 next procurement event.

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

18 (K) The long-term renewable resources procurement plan
19 developed by the Agency in accordance with subparagraph
20 (A) of this paragraph (1) shall include an Adjustable
21 Block program for the procurement of renewable energy
22 credits from new photovoltaic projects that are
23 distributed renewable energy generation devices ~~or new~~
24 ~~photovoltaic community renewable generation projects~~. The
25 Adjustable Block program shall be designed to provide for
26 the steady, predictable, and sustainable growth of new

1 solar photovoltaic development in Illinois. To this end,
2 the Adjustable Block program shall provide a transparent
3 annual schedule of prices and quantities to enable the
4 photovoltaic market to scale up and for renewable energy
5 credit prices to adjust at a predictable rate over time.
6 The prices set by the Adjustable Block program can be
7 reflected as a set value or as the product of a formula.

8 The Adjustable Block program shall include for each
9 category of eligible projects: a schedule of standard
10 block purchase prices to be offered; a series of steps,
11 with associated nameplate capacity and purchase prices
12 that adjust from step to step; and automatic opening of
13 the next step as soon as the nameplate capacity and
14 available purchase prices for an open step are fully
15 committed or reserved. Only projects energized on or after
16 June 1, 2017 shall be eligible for the Adjustable Block
17 program. The Agency shall develop program features and
18 implementation processes that create consistent market
19 signals, making the program predictable and sustainable
20 for solar industry companies, thus allowing them to scale
21 up long-term hiring and investment activities. For each
22 block group the Agency shall determine the number of
23 blocks, the amount of generation capacity in each block,
24 and the purchase price for each block, provided that the
25 purchase price provided and the total amount of generation
26 in all blocks for all block groups shall be sufficient to

1 meet the goals in this subsection (c). The Agency shall
2 establish program eligibility requirements that ensure
3 that projects that enter the program are sufficiently
4 mature to indicate a demonstrable path to completion. The
5 Agency may periodically review its prior decisions
6 establishing the number of blocks, the amount of
7 generation capacity in each block, and the purchase price
8 for each block, and may propose, on an expedited basis,
9 changes to these previously set values, including but not
10 limited to redistributing these amounts and the available
11 funds as necessary and appropriate, subject to Commission
12 approval as part of the periodic plan revision process
13 described in Section 16-111.5 of the Public Utilities Act.
14 The Agency may define different block sizes, purchase
15 prices, or other distinct terms and conditions for
16 projects located in different utility service territories
17 if the Agency deems it necessary to meet the goals in this
18 subsection (c).

19 The Adjustable Block program shall include at least
20 the following block groups ~~in at least the following~~
21 ~~amounts~~, which may be adjusted upon review by the Agency
22 and approval by the Commission as described in this
23 subparagraph (K):

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

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

9 (iii) other block groups as specified by the
10 Agency and approved by the Commission in the long-term
11 renewable resources procurement plan in order to meet
12 the goals of this subsection (c) ~~At least 25% from~~
13 ~~photovoltaic community renewable generation projects.~~

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

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

24 The Adjustable Block program shall reserve 15% of each
25 block's capacity at the block's pricing to be available
26 for qualified vendors that are participants in the

1 Illinois Clean Energy Black, Indigenous, and People of
2 Color Contractor Accelerator, as described in the Clean
3 Jobs, Workforce and Contractor Equity Act, and a total of
4 40% of each block's capacity at the block's price to be
5 available for qualified vendors that score no less than
6 105 points in the equity points system described in
7 subparagraphs (A) through (H) of paragraph (7) of this
8 subsection (c). Nothing in this paragraph shall prohibit
9 the opening of additional blocks for the unreserved
10 capacity of each block. Beginning with the first update to
11 the Long-Term Renewable Resources Procurement Plan after
12 December 31, 2024, the Agency shall review the reserved
13 capacity level for future blocks. In developing its annual
14 budgets, the Agency shall project the amount of
15 development in each block, at the prices of each block,
16 expected to occur in the budget timeframe.

17 Immediately upon the effective date of this amendatory
18 Act of the 102nd General Assembly, the Adjustable Block
19 Program shall stop accepting applications from community
20 renewable generation projects and shall stop allocating
21 capacity remaining in open or future blocks to community
22 renewable generation projects.

23 (L) The procurement of photovoltaic renewable energy
24 credits under the Adjustable Block Program established
25 under ~~items (i) through (iv)~~ of subparagraph (K) and the
26 Community Solar Program established under subparagraph (N)

1 of this paragraph (1) shall be subject to the following
2 contract and payment terms:

3 (i) The Agency shall procure contracts of at least
4 15 years in length.

5 (ii) For those renewable energy credits that
6 qualify and are procured from projects with a
7 nameplate capacity of no more than 10 kilowatts ~~under~~
8 ~~item (i) of subparagraph (K) of this paragraph (1),~~
9 the renewable energy credit purchase price shall be
10 paid in full by the contracting utilities at the time
11 that the facility producing the renewable energy
12 credits is interconnected at the distribution system
13 level of the utility and energized. The electric
14 utility shall receive and retire all renewable energy
15 credits generated by the project for the first 15
16 years of operation.

17 (iii) For those renewable energy credits that
18 qualify and are procured from projects with a
19 nameplate capacity of more than 10 kilowatts but no
20 more than 200 kilowatts or, if approved at the
21 recommendation of the Agency in its long-term plan,
22 from projects that include a community ownership
23 component or are owned by a nonprofit or public entity
24 ~~under item (ii) and (iii) of subparagraph (K) of this~~
25 ~~paragraph (1) and any additional categories of~~
26 ~~distributed generation included in the long term~~

1 ~~renewable resources procurement plan and approved by~~
2 ~~the Commission,~~ 20 percent of the renewable energy
3 credit purchase price shall be paid by the contracting
4 utilities at the time that the facility producing the
5 renewable energy credits is interconnected at the
6 distribution system level of the utility and
7 energized. The remaining portion shall be paid ratably
8 over the subsequent 4-year period. The electric
9 utility shall receive and retire all renewable energy
10 credits generated by the project for the first 15
11 years of operation.

12 (iv) For those renewable energy credits that
13 qualify and are procured from all other projects under
14 subparagraph (K) or (N) of this paragraph (1), the
15 renewable energy credit purchase price shall be paid
16 by the contracting utilities over the 15-year life of
17 the contract. The electric utility shall receive and
18 retire all renewable energy credits generated by the
19 project for the first 15 years of operation.

20 (v) ~~(iv)~~ Each contract shall include provisions to
21 ensure the delivery of the renewable energy credits
22 for the full term of the contract.

23 (vi) ~~(v)~~ The utility shall be the counterparty to
24 the contracts executed under this subparagraph (L)
25 that are approved by the Commission under the process
26 described in Section 16-111.5 of the Public Utilities

1 Act. No contract shall be executed for an amount that
2 is less than one renewable energy credit per year.

3 (vii) ~~(vi)~~ If, at any time, approved applications
4 for the Adjustable Block program exceed funds
5 collected by the electric utility or would cause the
6 Agency to exceed the limitation described in
7 subparagraph (E) of this paragraph (1) on the amount
8 of renewable energy resources that may be procured,
9 then the Agency shall consider future uncommitted
10 funds to be reserved for these contracts on a
11 first-come, first-served basis, with the delivery of
12 renewable energy credits required beginning at the
13 time that the reserved funds become available.

14 (viii) ~~(vii)~~ Nothing in this Section shall require
15 the utility to advance any payment or pay any amounts
16 that exceed, in a given delivery year, (i) the actual
17 amount of revenues collected by the utility in the
18 delivery year and unspent available revenues from
19 prior delivery years, in both cases under paragraph
20 (6) of this subsection (c) and subsection (k) of
21 Section 16-108 of the Public Utilities Act and (ii)
22 other utility-held funds authorized for renewables
23 procurement by order of the Illinois Commerce
24 Commission. Contracts ~~, and contracts~~ executed under
25 this Section shall expressly incorporate this
26 limitation.

1 (ix) Notwithstanding items (ii), (iii), and (iv)
2 of this subparagraph (L), the Agency shall not be
3 restricted from offering additional payment structures
4 if it determines that such adjustments will better
5 achieve the goals of this subsection (c), as
6 prioritized in subparagraph (F) of this paragraph (1)
7 of this subsection (c). Any such adjustments shall be
8 approved by the Commission as a long-term plan
9 amendment under Section 16-111.5 of the Public
10 Utilities Act.

11 (x) Notwithstanding other requirements of this
12 subparagraph (L), no modification shall be required to
13 Adjustable Block Program contracts if they were
14 already executed before new contract forms are
15 implemented under the revised long-term plan that
16 follows this amendatory Act of the 102nd General
17 Assembly, as described in subparagraph (A) of this
18 paragraph (1).

19 (M) The Agency shall be authorized to retain one or
20 more experts or expert consulting firms to develop,
21 administer, implement, operate, and evaluate the
22 Adjustable Block program described in subparagraph (K) of
23 this paragraph (1), and the Agency shall retain the
24 consultant or consultants in the same manner, to the
25 extent practicable, as the Agency retains others to
26 administer provisions of this Act, including, but not

1 limited to, the procurement administrator. The selection
2 of experts and expert consulting firms and the procurement
3 process described in this subparagraph (M) are exempt from
4 the requirements of Section 20-10 of the Illinois
5 Procurement Code, under Section 20-10 of that Code. The
6 Agency shall strive to minimize administrative expenses in
7 the implementation of the Adjustable Block program.

8 The Agency and its consultant or consultants shall
9 monitor block activity, share program activity with
10 stakeholders and conduct regularly scheduled meetings to
11 discuss program activity and market conditions. If
12 necessary, the Agency may make prospective administrative
13 adjustments to the Adjustable Block program design, such
14 as redistributing available funds or making adjustments to
15 purchase prices as necessary to achieve the goals of this
16 subsection (c). Program modifications to any price,
17 capacity block, or other program element that do not
18 deviate from the Commission's approved value by more than
19 25% shall take effect immediately and are not subject to
20 Commission review and approval. Program modifications to
21 any price, capacity block, or other program element that
22 deviate more than 25% from the Commission's approved value
23 must be approved by the Commission as a long-term plan
24 amendment under Section 16-111.5 of the Public Utilities
25 Act. The Agency shall consider stakeholder feedback when
26 making adjustments to the Adjustable Block design and

1 shall notify stakeholders in advance of any planned
2 changes.

3 Immediately upon the effective date of this amendatory
4 Act of the 102nd General Assembly, the Agency shall
5 consider whether changes to Adjustable Block Program
6 elements of less than 25% can and should be adopted to
7 bring the Adjustable Block Program in line with the
8 updated goals and targets of this subsection (c).

9 (N) The long-term renewable resources procurement plan
10 required by this subsection (c) shall include a Community
11 Solar Program for solar photovoltaic community renewable
12 generation projects and may include additional community
13 renewable generation programs or procurements open to
14 other or additional renewable technology ~~program~~. The
15 Agency shall establish the terms, conditions, and ~~program~~
16 requirements for the Community Solar Program and for any
17 other program or procurement for community renewable
18 generation projects with a goal to expand renewable energy
19 generating facility access to a broader group of energy
20 consumers, to ensure robust participation opportunities
21 for residential and small commercial customers and those
22 who cannot install renewable energy on their own
23 properties, create opportunities for subscribers to
24 participate in local renewables projects in both urban and
25 rural communities across the State, enable communities to
26 self-organize their own renewables projects, and increase

1 community ownership of renewables projects. Any plan
2 approved by the Commission shall allow subscriptions to
3 community renewable generation projects to be portable and
4 transferable. For purposes of this subparagraph (N):

5 "Community" means:

6 (i) a social unit in which people come
7 together regularly to effect change;

8 (ii) a social unit in which participants are
9 marked by a cooperative spirit, a common purpose,
10 or shared interests or characteristics; or

11 (iii) a space understood by its residents to
12 be delineated through geographic boundaries or
13 landmarks.

14 "Community benefit" means:

15 (i) a range of services and activities that
16 provide affirmative, economic, environmental,
17 social, cultural, or physical value to a
18 community; or

19 (ii) a mechanism that enables economic
20 development, high-quality employment, and
21 education opportunities for local workers and
22 residents, or formal monitoring and oversight
23 structures such that community members may ensure
24 that those services and activities respond to
25 local knowledge and needs.

26 "Community ownership" means an arrangement in

1 which:

2 (i) an electric generating facility is, or
3 over time will be, in significant part, owned
4 collectively by members of the community to which
5 an electric generating facility provides benefits;

6 (ii) members of that community participate in
7 decisions regarding the governance, operation,
8 maintenance, and upgrades of and to that facility;

9 and

10 (iii) members of that community benefit from
11 regular use of that facility.

12 "Portable",~~—"portable"~~ means that subscriptions
13 may be retained by the subscriber even if the
14 subscriber relocates or changes its address within the
15 same utility service territory.

16 "Stakeholder" means any person or entity with a
17 declared or conceivable interest in a project.

18 "Transferable"; ~~and "transferable"~~ means that a
19 subscriber may assign or sell subscriptions to another
20 person within the same utility service territory.

21 The Community Solar Program established under this
22 subparagraph (N) shall be designed to give preference to
23 the procurement of renewable energy credits from projects
24 that meet one or more of the following community criteria
25 for a portion of the overall renewable energy credits to
26 be procured under the Community Solar Program:

- 1 (i) include community ownership;
2 (ii) are put forward by approved vendors or
3 companies that take higher numbers of the equity
4 actions described in paragraph (7) of this subsection
5 (c);
6 (iii) provide additional community benefit, beyond
7 project participation as a subscriber;
8 (iv) ensure meaningful involvement in project
9 organization and development by nonprofit
10 organizations, public entities, or community members;
11 (v) increase the geographic diversity of projects
12 in the Community Solar Program;
13 (vi) are also brownfield site photovoltaic
14 projects;
15 (vii) ensure engagement in project operations and
16 management by nonprofit organizations, public
17 entities, or community members; or
18 (viii) serve only local subscribers.

19 Terms and guidance within these criteria that are not
20 defined in this subparagraph (N) shall be defined by the
21 Agency, with stakeholder input, during the development of
22 the Agency's long-term renewable resources procurement
23 plan.

24 The Community Solar Program shall procure renewable
25 energy credits in the following manner:

- 26 (1) For a portion of the overall renewable energy

1 credits to be procured under the Community Solar
2 Program, the Agency shall initiate a request for
3 projects that serve a minimum of 50% residential and
4 small business subscribers and maximize the community
5 criteria in this subparagraph (N). The Agency shall
6 score all projects submitted under this request for
7 projects based on their ability to meet the community
8 criteria. Both projects that better meet individual
9 criteria as well as projects that address a higher
10 number of criteria shall receive a higher score. The
11 Agency shall also consider renewable energy credit
12 price when qualifying and scoring projects. The Agency
13 shall select the highest scoring projects to advance,
14 subject to budget availability, reserving a portion of
15 the capacity selected through the request for those
16 projects that include a community ownership component.

17 (2) Once projects that maximize the community
18 criteria have been selected, the Agency shall initiate
19 a procurement for the remaining renewable energy
20 credits from photovoltaic community renewable
21 generation projects needed to meet the goals of
22 subparagraph (C) of this paragraph (1). The Agency
23 shall strive to procure renewable energy credits
24 through the Community Solar Program 4 times per
25 delivery year. This manner of procuring renewable
26 energy credits for the Community Solar Program may be

1 adjusted upon review by the Agency and approval by the
2 Commission through the long-term renewable resources
3 procurement plan update process in order to better
4 meet the goals of this subsection (c) and the
5 requirements of this subparagraph (N).

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

11 The Agency shall procure ~~purchase~~ renewable energy
12 credits from subscribed shares of photovoltaic community
13 renewable generation projects through the Community Solar
14 Program described in this subparagraph (N) ~~Adjustable~~
15 ~~Block program described in subparagraph (K) of this~~
16 ~~paragraph (1)~~ or through the Illinois Solar for All
17 Program described in Section 1-56 of this Act. The Agency
18 shall procure renewable energy credits from unsubscribed
19 shares of photovoltaic community renewable generation
20 projects that have achieved a subscription level of 80% or
21 higher at the average winning price from the most recent
22 procurement of renewable energy credits from utility-scale
23 solar photovoltaic projects or another amount established
24 through the long-term planning process described in
25 subparagraph (A) of this paragraph (1) of this subsection
26 (c). The electric utility shall purchase any unsubscribed

1 energy from community renewable generation projects that
2 are Qualifying Facilities ("QF") under the electric
3 utility's tariff for purchasing the output from QFs under
4 Public Utilities Regulatory Policies Act of 1978.

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

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

1 subsection (b) of Section 1-56 of this Act; provided that
2 for the delivery years beginning June 1, 2017, June 1,
3 2021, and June 1, 2025, the long-term renewable resources
4 procurement plan shall allocate 10% of the funds available
5 under the plan for the applicable delivery year, or
6 \$20,000,000 per delivery year, whichever is greater, and
7 \$10,000,000 of such funds in such year shall be used by an
8 electric utility that serves more than 3,000,000 retail
9 customers in the State to implement a Commission-approved
10 plan under Section 16-108.12 of the Public Utilities Act.
11 In making the determinations required under this
12 subparagraph (O), the Commission shall consider the
13 experience and performance under the programs and any
14 evaluation reports. The Commission shall also provide for
15 an independent evaluation of those programs on a periodic
16 basis that are funded under this subparagraph (O).

17 (P) The Agency shall give preference to the
18 procurement of renewable energy credits from new
19 utility-scale photovoltaic and wind projects that provide
20 additional land use and environmental benefits such as:

21 (i) agriculture-friendly benefits;

22 (ii) pollinator-friendly site practices as
23 identified in the Pollinator-Friendly Solar Site Act;

24 (iii) brownfield redevelopment, through location
25 at sites regulated under any of the programs
26 identified as a brownfield site photovoltaic project

1 under Section 1-10;

2 (iv) vegetative buffers, which are areas
3 consisting of perennial vegetation, excluding invasive
4 plants and noxious weeds, adjacent to a body of water
5 that protects the water resources from runoff
6 pollution, and stabilizes soils, shores, and banks to
7 protect or provide riparian corridors;

8 (v) commitment to land use practices that result
9 in carbon sequestration;

10 (vi) land use, design, siting, and construction
11 practices that minimize interference with natural
12 habitat and wildlife; and

13 (vii) other land use or environmental benefits
14 identified by the Agency with input from stakeholders
15 received during the long-term renewable resources
16 procurement plan revision process.

17 (1.5) No Later than May 31, 2022, all Illinois
18 electric cooperatives and municipal utilities shall
19 develop a plan to ensure that their members and customers
20 have access to renewable energy on a reasonably equivalent
21 basis to all other residents in the State, including the
22 overall percentage goals listed in subparagraph (A) of
23 paragraph (1) of this Section and the carbon-free
24 resources goals of subsection (k) of this Section 1-75.
25 These plans shall be developed through a public process
26 involving municipal utility and cooperative members,

1 customers, and other members of the public, and shall be
2 filed with the Illinois Commerce Commission at least every
3 2 years.

4 (2) (Blank).

5 (3) (Blank).

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

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

1 (2) of this subsection (c), the Agency shall increase its
2 spending on the purchase of renewable energy resources to
3 be procured by the electric utility for the next plan year
4 by an amount equal to the amounts collected by the utility
5 under the alternative compliance payment rate or rates in
6 the prior year ending May 31.

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

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

25 In meeting the renewable energy requirements of this
26 subsection (c), to the extent feasible and consistent with

1 State and federal law, the renewable energy credit
2 procurements, Adjustable Block solar program, and
3 community renewable generation program, and Illinois Solar
4 for All Program shall provide employment opportunities for
5 all segments of the population and workforce, including
6 black, indigenous, and people of color-owned
7 ~~minority-owned~~ and women-owned ~~female-owned~~ business
8 enterprises, as well as black, indigenous, and people of
9 color-owned and women-owned worker-owned cooperatives or
10 other such employee-owned entities, and shall not,
11 consistent with State and federal law, discriminate based
12 on race or socioeconomic status.

13 Specifically, as the Agency conducts competitive
14 procurement processes and implements programs to procure
15 renewable energy credits identified in the long-term
16 renewable resources procurement plan, the Agency must give
17 preference to the procurement of renewable energy credits
18 from those entities, including approved vendors,
19 companies, nonprofit organizations, and worker-owned
20 cooperatives, as described in the equity actions points
21 calculation in this paragraph (7). Entities from whom the
22 Agency procures renewable energy credits shall comply with
23 submitting an annual report of elements described in the
24 equity actions points calculation in this paragraph (7)
25 for the first 3 years after the year of the procurement
26 event in which renewable energy credits were procured on

1 June 1 of each applicable year. For the purposes of this
2 subsection (c):

3 "BIPOC" and "black, indigenous, and people of color"
4 are identical in meaning and have the same definition as
5 used in the Clean Jobs, Workforce and Contractor Equity
6 Act.

7 "Labor peace agreement" means an agreement between an
8 entity and any labor organization recognized under the
9 National Labor Relations Act, referred to in this Act as a
10 bona fide labor organization, that may prohibit labor
11 organizations and members from engaging in picketing, work
12 stoppages, boycotts, and any other economic interference
13 with the entity. This agreement means that the entity has
14 agreed not to disrupt efforts by the bona fide labor
15 organization to communicate with, and attempt to organize
16 and represent, the entity's employees. The agreement shall
17 provide a bona fide labor organization access at
18 reasonable times to areas in which the entity's employees
19 work, for the purpose of meeting with employees to discuss
20 their right to representation, employment rights under
21 State law, and terms and conditions of employment. This
22 type of agreement shall not mandate a particular method of
23 election or certification of the bona fide labor
24 organization.

25 "Energy worker" has the meaning set forth in Section
26 20-10 of the Energy Community Reinvestment Act.

1 The Illinois Power Agency, using alternative bidding
2 procedures as provided for in subsection (i) of Section
3 20-10 of the Illinois Procurement Code, shall track and
4 award equity actions in bids for the renewable energy
5 credit procurements, Adjustable Block solar program,
6 community renewable generation program, and Illinois Solar
7 for All Program using a points system totaling a maximum
8 of 260 points. This system shall consider both equity
9 actions to meet the goals described in paragraph (7), and
10 the bid prices, as follows:

11 (A) Hiring Equity Action (up to 20 points):
12 awarded based on the percentage of the company's or
13 entity's workforce (measured by full-time equivalents
14 as defined by the Government Accountability Office of
15 the United States Congress) who are BIPOC and who are
16 paid at or above the prevailing wage; one point shall
17 be awarded for each 5% of the workforce which is
18 composed of BIPOC who are also paid at or above the
19 prevailing wage, up to a maximum of 20 points.

20 (B) Clean Jobs Workforce Hubs Action and Returning
21 Residents Action (up to 20 points): awarded based on
22 the percentage of the workers associated with the
23 project who are graduates or trainees from the Clean
24 Jobs Workforce Hubs Network Program, or the Returning
25 Residents Clean Jobs Training Program, or equivalent
26 certification, and paid at or above the prevailing

1 wage; one point shall be awarded for each 5% of the
2 workforce which is composed of Clean Jobs Workforce
3 Hubs Network Program graduates or trainees or
4 Returning Residents Clean Jobs Training Program
5 graduates or trainees who are also paid a living wage,
6 up to a maximum of 20 points.

7 (C) Minority Business Enterprise Action (30
8 points): being an entity defined as a minority-owned
9 business under Section 2 of the Business Enterprise
10 for Minorities, Women, and Persons with Disabilities
11 Act or (ii) an entity, including a business, a
12 nonprofit, or a worker-owned cooperative registered
13 with other state, regional, or local programs intended
14 to certify minority-owned businesses.

15 (D) Contracting Equity Action (20 points): awarded
16 based on the percentage of the company's or entity's
17 subcontractors or vendors that are BIPOC-owned
18 businesses, defined as a minority owned-business or a
19 woman-owned business under Section 2 of the Business
20 Enterprise for Minorities, Women, and Persons with
21 Disabilities Act, or awarded based on the percentage
22 of the subcontracted workers associated with the
23 project, including from all subcontractors and vendors
24 that are Black, indigenous, and people of color who
25 are paid at or above the prevailing wage; 5 points
26 shall be awarded for each 10% of either subcontractors

1 or subcontractors' workers who are Black, indigenous,
2 and people of color, whichever is greater, up to a
3 maximum of 20 points. Bids may not be eligible for
4 points under this subsection unless they plan to use
5 subcontractors. If a company or entity does not use
6 subcontractors, points awarded for the Contracting
7 Equity Action shall be equivalent to the point value
8 awarded for the Hiring Equity Action under
9 subparagraph (A).

10 (E) Expanding Clean Energy Entrepreneurship Action
11 (20 points): awarded to entities who are current or
12 former participant contractors in the Expanding Clean
13 Energy Entrepreneurship and Contractor Incubators
14 Network Program or current or former participants in
15 the Illinois Clean Energy Black, Indigenous, and
16 People of Color Primes Contractor Accelerator Program.

17 (F) Community Benefits Action (15 points): (i) for
18 projects 100 kW in size or larger, project has an
19 executed Community Benefits Agreement that could
20 include, but is not limited to, a commitment to hire
21 local workers, union workers, energy workers
22 transitioning to clean energy jobs, Clean Jobs
23 Workforce Hubs Network Program graduates, or current
24 or former participant contractors in the Expanding
25 Clean Energy Entrepreneurship and Contractor
26 Incubators Network Program a commitment to pay workers

1 at or above the prevailing wage, and a commitment to
2 give communities ownership opportunities in clean
3 energy projects; and (ii) for projects under 100 kW in
4 size, companies pay their workforces at or above the
5 prevailing wage.

6 (G) Small Business Action (15 points): company's
7 workforce is composed of 3 or fewer full-time
8 employees (measured by full-time equivalents as
9 defined by the Government Accountability Office of the
10 United States Congress).

11 (H) Labor Peace Agreement Action (10 points): (i)
12 for a bidder with 20 or more employees: the bidder
13 attests that the bidder has entered into a labor peace
14 agreement, will abide by the terms of the agreement,
15 and will submit a copy of the page of the labor peace
16 agreement that contains the signatures of the union
17 representative and the installer, or (ii) for a bidder
18 that is a party to a labor peace agreement with a bona
19 fide labor organization that currently represents, or
20 is actively seeking to represent energy efficiency
21 installers and other workers in Illinois, or (iii) the
22 bidder submits an attestation affirming that the
23 bidder will use best efforts to use union labor in the
24 bidder's projects and in the construction or retrofit
25 of the facilities associated with the bidder's
26 renewable energy operations, where applicable.

1 (I) Price of bid (130 points): as scored by the
2 Illinois Power Agency.

3 Bids scoring fewer than 135 points shall not be
4 awarded contracts.

5 (8) To the greatest extent practical, the Agency shall
6 give preference to the procurement of renewable energy
7 credits from proposed utility-scale projects that are
8 located in Clean Energy Empowerment Zones as defined in
9 the Energy Community Reinvestment Act. If this paragraph
10 (8) conflicts with other provisions of law or the Agency
11 determines that full compliance with this paragraph (8)
12 would be unreasonably costly or administratively
13 impractical, the Agency shall be authorized to propose
14 alternative approaches to achieve development of renewable
15 energy resources in Clean Energy Empowerment Zones or seek
16 an exemption from this requirement from the Commission.

17 (d) Clean coal portfolio standard.

18 (1) The procurement plans shall include electricity
19 generated using clean coal. Each utility shall enter into
20 one or more sourcing agreements with the initial clean
21 coal facility, as provided in paragraph (3) of this
22 subsection (d), covering electricity generated by the
23 initial clean coal facility representing at least 5% of
24 each utility's total supply to serve the load of eligible
25 retail customers in 2015 and each year thereafter, as
26 described in paragraph (3) of this subsection (d), subject

1 to the limits specified in paragraph (2) of this
2 subsection (d). It is the goal of the State that by January
3 1, 2025, 25% of the electricity used in the State shall be
4 generated by cost-effective clean coal facilities. For
5 purposes of this subsection (d), "cost-effective" means
6 that the expenditures pursuant to such sourcing agreements
7 do not cause the limit stated in paragraph (2) of this
8 subsection (d) to be exceeded and do not exceed cost-based
9 benchmarks, which shall be developed to assess all
10 expenditures pursuant to such sourcing agreements covering
11 electricity generated by clean coal facilities, other than
12 the initial clean coal facility, by the procurement
13 administrator, in consultation with the Commission staff,
14 Agency staff, and the procurement monitor and shall be
15 subject to Commission review and approval.

16 A utility party to a sourcing agreement shall
17 immediately retire any emission credits that it receives
18 in connection with the electricity covered by such
19 agreement.

20 Utilities shall maintain adequate records documenting
21 the purchases under the sourcing agreement to comply with
22 this subsection (d) and shall file an accounting with the
23 load forecast that must be filed with the Agency by July 15
24 of each year, in accordance with subsection (d) of Section
25 16-111.5 of the Public Utilities Act.

26 A utility shall be deemed to have complied with the

1 clean coal portfolio standard specified in this subsection
2 (d) if the utility enters into a sourcing agreement as
3 required by this subsection (d).

4 (2) For purposes of this subsection (d), the required
5 execution of sourcing agreements with the initial clean
6 coal facility for a particular year shall be measured as a
7 percentage of the actual amount of electricity
8 (megawatt-hours) supplied by the electric utility to
9 eligible retail customers in the planning year ending
10 immediately prior to the agreement's execution. For
11 purposes of this subsection (d), the amount paid per
12 kilowatthour means the total amount paid for electric
13 service expressed on a per kilowatthour basis. For
14 purposes of this subsection (d), the total amount paid for
15 electric service includes without limitation amounts paid
16 for supply, transmission, distribution, surcharges and
17 add-on taxes.

18 Notwithstanding the requirements of this subsection
19 (d), the total amount paid under sourcing agreements with
20 clean coal facilities pursuant to the procurement plan for
21 any given year shall be reduced by an amount necessary to
22 limit the annual estimated average net increase due to the
23 costs of these resources included in the amounts paid by
24 eligible retail customers in connection with electric
25 service to:

26 (A) in 2010, no more than 0.5% of the amount paid

1 per kilowatthour by those customers during the year
2 ending May 31, 2009;

3 (B) in 2011, the greater of an additional 0.5% of
4 the amount paid per kilowatthour by those customers
5 during the year ending May 31, 2010 or 1% of the amount
6 paid per kilowatthour by those customers during the
7 year ending May 31, 2009;

8 (C) in 2012, the greater of an additional 0.5% of
9 the amount paid per kilowatthour by those customers
10 during the year ending May 31, 2011 or 1.5% of the
11 amount paid per kilowatthour by those customers during
12 the year ending May 31, 2009;

13 (D) in 2013, the greater of an additional 0.5% of
14 the amount paid per kilowatthour by those customers
15 during the year ending May 31, 2012 or 2% of the amount
16 paid per kilowatthour by those customers during the
17 year ending May 31, 2009; and

18 (E) thereafter, the total amount paid under
19 sourcing agreements with clean coal facilities
20 pursuant to the procurement plan for any single year
21 shall be reduced by an amount necessary to limit the
22 estimated average net increase due to the cost of
23 these resources included in the amounts paid by
24 eligible retail customers in connection with electric
25 service to no more than the greater of (i) 2.015% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2009 or (ii) the
2 incremental amount per kilowatthour paid for these
3 resources in 2013. These requirements may be altered
4 only as provided by statute.

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

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

1 requirements of paragraph (4) of this subsection (d) and
2 shall be executed within 90 days after any such approval
3 by the General Assembly. The Agency and the Commission
4 shall have authority to inspect all books and records
5 associated with the initial clean coal facility during the
6 term of such a sourcing agreement. A utility's sourcing
7 agreement for electricity produced by the initial clean
8 coal facility shall include:

9 (A) a formula contractual price (the "contract
10 price") approved pursuant to paragraph (4) of this
11 subsection (d), which shall:

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

22 (ii) provide that all miscellaneous net
23 revenue, including but not limited to net revenue
24 from the sale of emission allowances, if any,
25 substitute natural gas, if any, grants or other
26 support provided by the State of Illinois or the

1 United States Government, firm transmission
2 rights, if any, by-products produced by the
3 facility, energy or capacity derived from the
4 facility and not covered by a sourcing agreement
5 pursuant to paragraph (3) of this subsection (d)
6 or item (5) of subsection (d) of Section 16-115 of
7 the Public Utilities Act, whether generated from
8 the synthesis gas derived from coal, from SNG, or
9 from natural gas, shall be credited against the
10 revenue requirement for this initial clean coal
11 facility;

12 (B) power purchase provisions, which shall:

13 (i) provide that the utility party to such
14 sourcing agreement shall pay the contract price
15 for electricity delivered under such sourcing
16 agreement;

17 (ii) require delivery of electricity to the
18 regional transmission organization market of the
19 utility that is party to such sourcing agreement;

20 (iii) require the utility party to such
21 sourcing agreement to buy from the initial clean
22 coal facility in each hour an amount of energy
23 equal to all clean coal energy made available from
24 the initial clean coal facility during such hour
25 times a fraction, the numerator of which is such
26 utility's retail market sales of electricity

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

15 (iv) be considered pre-existing contracts in
16 such utility's procurement plans for eligible
17 retail customers;

18 (C) contract for differences provisions, which
19 shall:

20 (i) require the utility party to such sourcing
21 agreement to contract with the initial clean coal
22 facility in each hour with respect to an amount of
23 energy equal to all clean coal energy made
24 available from the initial clean coal facility
25 during such hour times a fraction, the numerator
26 of which is such utility's retail market sales of

1 electricity (expressed in kilowatthours sold) in
2 the utility's service territory in the State
3 during the prior calendar month and the
4 denominator of which is the total retail market
5 sales of electricity (expressed in kilowatthours
6 sold) in the State by utilities during such prior
7 month and the sales of electricity (expressed in
8 kilowatthours sold) in the State by alternative
9 retail electric suppliers during such prior month
10 that are subject to the requirements of this
11 subsection (d) and paragraph (5) of subsection (d)
12 of Section 16-115 of the Public Utilities Act,
13 provided that the amount paid by the utility in
14 any year will be limited by paragraph (2) of this
15 subsection (d);

16 (ii) provide that the utility's payment
17 obligation in respect of the quantity of
18 electricity determined pursuant to the preceding
19 clause (i) shall be limited to an amount equal to
20 (1) the difference between the contract price
21 determined pursuant to subparagraph (A) of
22 paragraph (3) of this subsection (d) and the
23 day-ahead price for electricity delivered to the
24 regional transmission organization market of the
25 utility that is party to such sourcing agreement
26 (or any successor delivery point at which such

1 utility's supply obligations are financially
2 settled on an hourly basis) (the "reference
3 price") on the day preceding the day on which the
4 electricity is delivered to the initial clean coal
5 facility busbar, multiplied by (2) the quantity of
6 electricity determined pursuant to the preceding
7 clause (i); and

8 (iii) not require the utility to take physical
9 delivery of the electricity produced by the
10 facility;

11 (D) general provisions, which shall:

12 (i) specify a term of no more than 30 years,
13 commencing on the commercial operation date of the
14 facility;

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

23 (iii) provide that all costs associated with
24 the initial clean coal facility will be
25 periodically reported to the Federal Energy
26 Regulatory Commission and to purchasers in

1 accordance with applicable laws governing
2 cost-based wholesale power contracts;

3 (iv) permit the Illinois Power Agency to
4 assume ownership of the initial clean coal
5 facility, without monetary consideration and
6 otherwise on reasonable terms acceptable to the
7 Agency, if the Agency so requests no less than 3
8 years prior to the end of the stated contract
9 term;

10 (v) require the owner of the initial clean
11 coal facility to provide documentation to the
12 Commission each year, starting in the facility's
13 first year of commercial operation, accurately
14 reporting the quantity of carbon emissions from
15 the facility that have been captured and
16 sequestered and report any quantities of carbon
17 released from the site or sites at which carbon
18 emissions were sequestered in prior years, based
19 on continuous monitoring of such sites. If, in any
20 year after the first year of commercial operation,
21 the owner of the facility fails to demonstrate
22 that the initial clean coal facility captured and
23 sequestered at least 50% of the total carbon
24 emissions that the facility would otherwise emit
25 or that sequestration of emissions from prior
26 years has failed, resulting in the release of

1 carbon dioxide into the atmosphere, the owner of
2 the facility must offset excess emissions. Any
3 such carbon offsets must be permanent, additional,
4 verifiable, real, located within the State of
5 Illinois, and legally and practicably enforceable.
6 The cost of such offsets for the facility that are
7 not recoverable shall not exceed \$15 million in
8 any given year. No costs of any such purchases of
9 carbon offsets may be recovered from a utility or
10 its customers. All carbon offsets purchased for
11 this purpose and any carbon emission credits
12 associated with sequestration of carbon from the
13 facility must be permanently retired. The initial
14 clean coal facility shall not forfeit its
15 designation as a clean coal facility if the
16 facility fails to fully comply with the applicable
17 carbon sequestration requirements in any given
18 year, provided the requisite offsets are
19 purchased. However, the Attorney General, on
20 behalf of the People of the State of Illinois, may
21 specifically enforce the facility's sequestration
22 requirement and the other terms of this contract
23 provision. Compliance with the sequestration
24 requirements and offset purchase requirements
25 specified in paragraph (3) of this subsection (d)
26 shall be reviewed annually by an independent

1 expert retained by the owner of the initial clean
2 coal facility, with the advance written approval
3 of the Attorney General. The Commission may, in
4 the course of the review specified in item (vii),
5 reduce the allowable return on equity for the
6 facility if the facility willfully fails to comply
7 with the carbon capture and sequestration
8 requirements set forth in this item (v);

9 (vi) include limits on, and accordingly
10 provide for modification of, the amount the
11 utility is required to source under the sourcing
12 agreement consistent with paragraph (2) of this
13 subsection (d);

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

1 whether any adjustments have been proposed, and
2 shall be completed within 9 months;

3 (viii) limit the utility's obligation to such
4 amount as the utility is allowed to recover
5 through tariffs filed with the Commission,
6 provided that neither the clean coal facility nor
7 the utility waives any right to assert federal
8 pre-emption or any other argument in response to a
9 purported disallowance of recovery costs;

10 (ix) limit the utility's or alternative retail
11 electric supplier's obligation to incur any
12 liability until such time as the facility is in
13 commercial operation and generating power and
14 energy and such power and energy is being
15 delivered to the facility busbar;

16 (x) provide that the owner or owners of the
17 initial clean coal facility, which is the
18 counterparty to such sourcing agreement, shall
19 have the right from time to time to elect whether
20 the obligations of the utility party thereto shall
21 be governed by the power purchase provisions or
22 the contract for differences provisions;

23 (xi) append documentation showing that the
24 formula rate and contract, insofar as they relate
25 to the power purchase provisions, have been
26 approved by the Federal Energy Regulatory

1 Commission pursuant to Section 205 of the Federal
2 Power Act;

3 (xii) provide that any changes to the terms of
4 the contract, insofar as such changes relate to
5 the power purchase provisions, are subject to
6 review under the public interest standard applied
7 by the Federal Energy Regulatory Commission
8 pursuant to Sections 205 and 206 of the Federal
9 Power Act; and

10 (xiii) conform with customary lender
11 requirements in power purchase agreements used as
12 the basis for financing non-utility generators.

13 (4) Effective date of sourcing agreements with the
14 initial clean coal facility. Any proposed sourcing
15 agreement with the initial clean coal facility shall not
16 become effective unless the following reports are prepared
17 and submitted and authorizations and approvals obtained:

18 (i) Facility cost report. The owner of the initial
19 clean coal facility shall submit to the Commission,
20 the Agency, and the General Assembly a front-end
21 engineering and design study, a facility cost report,
22 method of financing (including but not limited to
23 structure and associated costs), and an operating and
24 maintenance cost quote for the facility (collectively
25 "facility cost report"), which shall be prepared in
26 accordance with the requirements of this paragraph (4)

1 of subsection (d) of this Section, and shall provide
2 the Commission and the Agency access to the work
3 papers, relied upon documents, and any other backup
4 documentation related to the facility cost report.

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

1 (iii) General Assembly approval. The proposed
2 sourcing agreements shall not take effect unless,
3 based on the facility cost report and the Commission's
4 report, the General Assembly enacts authorizing
5 legislation approving (A) the projected price, stated
6 in cents per kilowatthour, to be charged for
7 electricity generated by the initial clean coal
8 facility, (B) the projected impact on residential and
9 small business customers' bills over the life of the
10 sourcing agreements, and (C) the maximum allowable
11 return on equity for the project; and

12 (iv) Commission review. If the General Assembly
13 enacts authorizing legislation pursuant to
14 subparagraph (iii) approving a sourcing agreement, the
15 Commission shall, within 90 days of such enactment,
16 complete a review of such sourcing agreement. During
17 such time period, the Commission shall implement any
18 directive of the General Assembly, resolve any
19 disputes between the parties to the sourcing agreement
20 concerning the terms of such agreement, approve the
21 form of such agreement, and issue an order finding
22 that the sourcing agreement is prudent and reasonable.
23 The facility cost report shall be prepared as follows:

24 (A) The facility cost report shall be prepared by
25 duly licensed engineering and construction firms
26 detailing the estimated capital costs payable to one

1 or more contractors or suppliers for the engineering,
2 procurement and construction of the components
3 comprising the initial clean coal facility and the
4 estimated costs of operation and maintenance of the
5 facility. The facility cost report shall include:

6 (i) an estimate of the capital cost of the
7 core plant based on one or more front end
8 engineering and design studies for the
9 gasification island and related facilities. The
10 core plant shall include all civil, structural,
11 mechanical, electrical, control, and safety
12 systems.

13 (ii) an estimate of the capital cost of the
14 balance of the plant, including any capital costs
15 associated with sequestration of carbon dioxide
16 emissions and all interconnects and interfaces
17 required to operate the facility, such as
18 transmission of electricity, construction or
19 backfeed power supply, pipelines to transport
20 substitute natural gas or carbon dioxide, potable
21 water supply, natural gas supply, water supply,
22 water discharge, landfill, access roads, and coal
23 delivery.

24 The quoted construction costs shall be expressed
25 in nominal dollars as of the date that the quote is
26 prepared and shall include capitalized financing costs

1 during construction, taxes, insurance, and other
2 owner's costs, and an assumed escalation in materials
3 and labor beyond the date as of which the construction
4 cost quote is expressed.

5 (B) The front end engineering and design study for
6 the gasification island and the cost study for the
7 balance of plant shall include sufficient design work
8 to permit quantification of major categories of
9 materials, commodities and labor hours, and receipt of
10 quotes from vendors of major equipment required to
11 construct and operate the clean coal facility.

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

1 operator or operators.

2 The operating and maintenance cost quote
3 (including the cost of the front end engineering and
4 design study) shall be expressed in nominal dollars as
5 of the date that the quote is prepared and shall
6 include taxes, insurance, and other owner's costs, and
7 an assumed escalation in materials and labor beyond
8 the date as of which the operating and maintenance
9 cost quote is expressed.

10 (D) The facility cost report shall also include an
11 analysis of the initial clean coal facility's ability
12 to deliver power and energy into the applicable
13 regional transmission organization markets and an
14 analysis of the expected capacity factor for the
15 initial clean coal facility.

16 (E) Amounts paid to third parties unrelated to the
17 owner or owners of the initial clean coal facility to
18 prepare the core plant construction cost quote,
19 including the front end engineering and design study,
20 and the operating and maintenance cost quote will be
21 reimbursed through Coal Development Bonds.

22 (5) Re-powering and retrofitting coal-fired power
23 plants previously owned by Illinois utilities to qualify
24 as clean coal facilities. During the 2009 procurement
25 planning process and thereafter, the Agency and the
26 Commission shall consider sourcing agreements covering

1 electricity generated by power plants that were previously
2 owned by Illinois utilities and that have been or will be
3 converted into clean coal facilities, as defined by
4 Section 1-10 of this Act. Pursuant to such procurement
5 planning process, the owners of such facilities may
6 propose to the Agency sourcing agreements with utilities
7 and alternative retail electric suppliers required to
8 comply with subsection (d) of this Section and item (5) of
9 subsection (d) of Section 16-115 of the Public Utilities
10 Act, covering electricity generated by such facilities. In
11 the case of sourcing agreements that are power purchase
12 agreements, the contract price for electricity sales shall
13 be established on a cost of service basis. In the case of
14 sourcing agreements that are contracts for differences,
15 the contract price from which the reference price is
16 subtracted shall be established on a cost of service
17 basis. The Agency and the Commission may approve any such
18 utility sourcing agreements that do not exceed cost-based
19 benchmarks developed by the procurement administrator, in
20 consultation with the Commission staff, Agency staff and
21 the procurement monitor, subject to Commission review and
22 approval. The Commission shall have authority to inspect
23 all books and records associated with these clean coal
24 facilities during the term of any such contract.

25 (6) Costs incurred under this subsection (d) or
26 pursuant to a contract entered into under this subsection

1 (d) shall be deemed prudently incurred and reasonable in
2 amount and the electric utility shall be entitled to full
3 cost recovery pursuant to the tariffs filed with the
4 Commission.

5 (d-5) Zero emission standard.

6 (1) Beginning with the delivery year commencing on
7 June 1, 2017, the Agency shall, for electric utilities
8 that serve at least 100,000 retail customers in this
9 State, procure contracts with zero emission facilities
10 that are reasonably capable of generating cost-effective
11 zero emission credits in an amount approximately equal to
12 16% of the actual amount of electricity delivered by each
13 electric utility to retail customers in the State during
14 calendar year 2014. For an electric utility serving fewer
15 than 100,000 retail customers in this State that
16 requested, under Section 16-111.5 of the Public Utilities
17 Act, that the Agency procure power and energy for all or a
18 portion of the utility's Illinois load for the delivery
19 year commencing June 1, 2016, the Agency shall procure
20 contracts with zero emission facilities that are
21 reasonably capable of generating cost-effective zero
22 emission credits in an amount approximately equal to 16%
23 of the portion of power and energy to be procured by the
24 Agency for the utility. The duration of the contracts
25 procured under this subsection (d-5) shall be for a term
26 of 10 years ending May 31, 2027. The quantity of zero

1 emission credits to be procured under the contracts shall
2 be all of the zero emission credits generated by the zero
3 emission facility in each delivery year; however, if the
4 zero emission facility is owned by more than one entity,
5 then the quantity of zero emission credits to be procured
6 under the contracts shall be the amount of zero emission
7 credits that are generated from the portion of the zero
8 emission facility that is owned by the winning supplier.

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

13 The procurement process shall be subject to the
14 following provisions:

15 (A) Those zero emission facilities that intend to
16 participate in the procurement shall submit to the
17 Agency the following eligibility information for each
18 zero emission facility on or before the date
19 established by the Agency:

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

22 (ii) the amount of power generated annually
23 for each of the years 2005 through 2015, and the
24 projected zero emission credits to be generated
25 over the remaining useful life of the zero
26 emission facility, which shall be used to

1 determine the capability of each facility;

2 (iii) the annual zero emission facility cost
3 projections, expressed on a per megawatthour
4 basis, over the next 6 delivery years, which shall
5 include the following: operation and maintenance
6 expenses; fully allocated overhead costs, which
7 shall be allocated using the methodology developed
8 by the Institute for Nuclear Power Operations;
9 fuel expenditures; non-fuel capital expenditures;
10 spent fuel expenditures; a return on working
11 capital; the cost of operational and market risks
12 that could be avoided by ceasing operation; and
13 any other costs necessary for continued
14 operations, provided that "necessary" means, for
15 purposes of this item (iii), that the costs could
16 reasonably be avoided only by ceasing operations
17 of the zero emission facility; and

18 (iv) a commitment to continue operating, for
19 the duration of the contract or contracts executed
20 under the procurement held under this subsection
21 (d-5), the zero emission facility that produces
22 the zero emission credits to be procured in the
23 procurement.

24 The information described in item (iii) of this
25 subparagraph (A) may be submitted on a confidential
26 basis and shall be treated and maintained by the

1 Agency, the procurement administrator, and the
2 Commission as confidential and proprietary and exempt
3 from disclosure under subparagraphs (a) and (g) of
4 paragraph (1) of Section 7 of the Freedom of
5 Information Act. The Office of Attorney General shall
6 have access to, and maintain the confidentiality of,
7 such information pursuant to Section 6.5 of the
8 Attorney General Act.

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

26 (i) Social Cost of Carbon: The Social Cost of

1 Carbon is \$16.50 per megawatthour, which is based
2 on the U.S. Interagency Working Group on Social
3 Cost of Carbon's price in the August 2016
4 Technical Update using a 3% discount rate,
5 adjusted for inflation for each year of the
6 program. Beginning with the delivery year
7 commencing June 1, 2023, the price per
8 megawatthour shall increase by \$1 per
9 megawatthour, and continue to increase by an
10 additional \$1 per megawatthour each delivery year
11 thereafter.

12 (ii) Baseline market price index: The baseline
13 market price index for the consecutive 12-month
14 period ending May 31, 2016 is \$31.40 per
15 megawatthour, which is based on the sum of (aa)
16 the average day-ahead energy price across all
17 hours of such 12-month period at the PJM
18 Interconnection LLC Northern Illinois Hub, (bb)
19 50% multiplied by the Base Residual Auction, or
20 its successor, capacity price for the rest of the
21 RTO zone group determined by PJM Interconnection
22 LLC, divided by 24 hours per day, and (cc) 50%
23 multiplied by the Planning Resource Auction, or
24 its successor, capacity price for Zone 4
25 determined by the Midcontinent Independent System
26 Operator, Inc., divided by 24 hours per day.

1 (iii) Market price index: The market price
2 index for a delivery year shall be the sum of
3 projected energy prices and projected capacity
4 prices determined as follows:

5 (aa) Projected energy prices: the
6 projected energy prices for the applicable
7 delivery year shall be calculated once for the
8 year using the forward market price for the
9 PJM Interconnection, LLC Northern Illinois
10 Hub. The forward market price shall be
11 calculated as follows: the energy forward
12 prices for each month of the applicable
13 delivery year averaged for each trade date
14 during the calendar year immediately preceding
15 that delivery year to produce a single energy
16 forward price for the delivery year. The
17 forward market price calculation shall use
18 data published by the Intercontinental
19 Exchange, or its successor.

20 (bb) Projected capacity prices:

21 (I) For the delivery years commencing
22 June 1, 2017, June 1, 2018, and June 1,
23 2019, the projected capacity price shall
24 be equal to the sum of (1) 50% multiplied
25 by the Base Residual Auction, or its
26 successor, price for the rest of the RTO

1 zone group as determined by PJM
2 Interconnection LLC, divided by 24 hours
3 per day and, (2) 50% multiplied by the
4 resource auction price determined in the
5 resource auction administered by the
6 Midcontinent Independent System Operator,
7 Inc., in which the largest percentage of
8 load cleared for Local Resource Zone 4,
9 divided by 24 hours per day, and where
10 such price is determined by the
11 Midcontinent Independent System Operator,
12 Inc.

13 (II) For the delivery year commencing
14 June 1, 2020, and each year thereafter,
15 the projected capacity price shall be
16 equal to the sum of (1) 50% multiplied by
17 the Base Residual Auction, or its
18 successor, price for the ComEd zone as
19 determined by PJM Interconnection LLC,
20 divided by 24 hours per day, and (2) 50%
21 multiplied by the resource auction price
22 determined in the resource auction
23 administered by the Midcontinent
24 Independent System Operator, Inc., in
25 which the largest percentage of load
26 cleared for Local Resource Zone 4, divided

1 by 24 hours per day, and where such price
2 is determined by the Midcontinent
3 Independent System Operator, Inc.

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

5 "Rest of the RTO" and "ComEd Zone" shall have
6 the meaning ascribed to them by PJM
7 Interconnection, LLC.

8 "RTO" means regional transmission
9 organization.

10 (C) No later than 45 days after June 1, 2017 (the
11 effective date of Public Act 99-906), the Agency shall
12 publish its proposed zero emission standard
13 procurement plan. The plan shall be consistent with
14 the provisions of this paragraph (1) and shall provide
15 that winning bids shall be selected based on public
16 interest criteria that include, but are not limited
17 to, minimizing carbon dioxide emissions that result
18 from electricity consumed in Illinois and minimizing
19 sulfur dioxide, nitrogen oxide, and particulate matter
20 emissions that adversely affect the residents ~~citizens~~
21 of this State. In particular, the selection of winning
22 bids shall take into account the incremental
23 environmental benefits resulting from the procurement,
24 such as any existing environmental benefits that are
25 preserved by the procurements held under Public Act
26 99-906 and would cease to exist if the procurements

1 were not held, including the preservation of zero
2 emission facilities. The plan shall also describe in
3 detail how each public interest factor shall be
4 considered and weighted in the bid selection process
5 to ensure that the public interest criteria are
6 applied to the procurement and given full effect.

7 For purposes of developing the plan, the Agency
8 shall consider any reports issued by a State agency,
9 board, or commission under House Resolution 1146 of
10 the 98th General Assembly and paragraph (4) of
11 subsection (d) of this Section, as well as publicly
12 available analyses and studies performed by or for
13 regional transmission organizations that serve the
14 State and their independent market monitors.

15 Upon publishing of the zero emission standard
16 procurement plan, copies of the plan shall be posted
17 and made publicly available on the Agency's website.
18 All interested parties shall have 10 days following
19 the date of posting to provide comment to the Agency on
20 the plan. All comments shall be posted to the Agency's
21 website. Following the end of the comment period, but
22 no more than 60 days later than June 1, 2017 (the
23 effective date of Public Act 99-906), the Agency shall
24 revise the plan as necessary based on the comments
25 received and file its zero emission standard
26 procurement plan with the Commission.

1 If the Commission determines that the plan will
2 result in the procurement of cost-effective zero
3 emission credits, then the Commission shall, after
4 notice and hearing, but no later than 45 days after the
5 Agency filed the plan, approve the plan or approve
6 with modification. For purposes of this subsection
7 (d-5), "cost effective" means the projected costs of
8 procuring zero emission credits from zero emission
9 facilities do not cause the limit stated in paragraph
10 (2) of this subsection to be exceeded.

11 (C-5) As part of the Commission's review and
12 acceptance or rejection of the procurement results,
13 the Commission shall, in its public notice of
14 successful bidders:

15 (i) identify how the winning bids satisfy the
16 public interest criteria described in subparagraph
17 (C) of this paragraph (1) of minimizing carbon
18 dioxide emissions that result from electricity
19 consumed in Illinois and minimizing sulfur
20 dioxide, nitrogen oxide, and particulate matter
21 emissions that adversely affect the residents
22 ~~citizens~~ of this State;

23 (ii) specifically address how the selection of
24 winning bids takes into account the incremental
25 environmental benefits resulting from the
26 procurement, including any existing environmental

1 benefits that are preserved by the procurements
2 held under Public Act 99-906 and would have ceased
3 to exist if the procurements had not been held,
4 such as the preservation of zero emission
5 facilities;

6 (iii) quantify the environmental benefit of
7 preserving the resources identified in item (ii)
8 of this subparagraph (C-5), including the
9 following:

10 (aa) the value of avoided greenhouse gas
11 emissions measured as the product of the zero
12 emission facilities' output over the contract
13 term multiplied by the U.S. Environmental
14 Protection Agency eGrid subregion carbon
15 dioxide emission rate and the U.S. Interagency
16 Working Group on Social Cost of Carbon's price
17 in the August 2016 Technical Update using a 3%
18 discount rate, adjusted for inflation for each
19 delivery year; and

20 (bb) the costs of replacement with other
21 zero carbon dioxide resources, including wind
22 and photovoltaic, based upon the simple
23 average of the following:

24 (I) the price, or if there is more
25 than one price, the average of the prices,
26 paid for renewable energy credits from new

1 utility-scale wind projects in the
2 procurement events specified in item (i)
3 of subparagraph (G) of paragraph (1) of
4 subsection (c) of this Section; and

5 (II) the price, or if there is more
6 than one price, the average of the prices,
7 paid for renewable energy credits from new
8 utility-scale solar projects and
9 brownfield site photovoltaic projects in
10 the procurement events specified in item
11 (ii) of subparagraph (G) of paragraph (1)
12 of subsection (c) of this Section and,
13 after January 1, 2015, renewable energy
14 credits from photovoltaic distributed
15 generation projects in procurement events
16 held under subsection (c) of this Section.

17 Each utility shall enter into binding contractual
18 arrangements with the winning suppliers.

19 The procurement described in this subsection
20 (d-5), including, but not limited to, the execution of
21 all contracts procured, shall be completed no later
22 than May 10, 2017. Based on the effective date of
23 Public Act 99-906, the Agency and Commission may, as
24 appropriate, modify the various dates and timelines
25 under this subparagraph and subparagraphs (C) and (D)
26 of this paragraph (1). The procurement and plan

1 approval processes required by this subsection (d-5)
2 shall be conducted in conjunction with the procurement
3 and plan approval processes required by subsection (c)
4 of this Section and Section 16-111.5 of the Public
5 Utilities Act, to the extent practicable.
6 Notwithstanding whether a procurement event is
7 conducted under Section 16-111.5 of the Public
8 Utilities Act, the Agency shall immediately initiate a
9 procurement process on June 1, 2017 (the effective
10 date of Public Act 99-906).

11 (D) Following the procurement event described in
12 this paragraph (1) and consistent with subparagraph
13 (B) of this paragraph (1), the Agency shall calculate
14 the payments to be made under each contract for the
15 next delivery year based on the market price index for
16 that delivery year. The Agency shall publish the
17 payment calculations no later than May 25, 2017 and
18 every May 25 thereafter.

19 (E) Notwithstanding the requirements of this
20 subsection (d-5), the contracts executed under this
21 subsection (d-5) shall provide that the zero emission
22 facility may, as applicable, suspend or terminate
23 performance under the contracts in the following
24 instances:

25 (i) A zero emission facility shall be excused
26 from its performance under the contract for any

1 cause beyond the control of the resource,
2 including, but not restricted to, acts of God,
3 flood, drought, earthquake, storm, fire,
4 lightning, epidemic, war, riot, civil disturbance
5 or disobedience, labor dispute, labor or material
6 shortage, sabotage, acts of public enemy,
7 explosions, orders, regulations or restrictions
8 imposed by governmental, military, or lawfully
9 established civilian authorities, which, in any of
10 the foregoing cases, by exercise of commercially
11 reasonable efforts the zero emission facility
12 could not reasonably have been expected to avoid,
13 and which, by the exercise of commercially
14 reasonable efforts, it has been unable to
15 overcome. In such event, the zero emission
16 facility shall be excused from performance for the
17 duration of the event, including, but not limited
18 to, delivery of zero emission credits, and no
19 payment shall be due to the zero emission facility
20 during the duration of the event.

21 (ii) A zero emission facility shall be
22 permitted to terminate the contract if legislation
23 is enacted into law by the General Assembly that
24 imposes or authorizes a new tax, special
25 assessment, or fee on the generation of
26 electricity, the ownership or leasehold of a

1 generating unit, or the privilege or occupation of
2 such generation, ownership, or leasehold of
3 generation units by a zero emission facility.
4 However, the provisions of this item (ii) do not
5 apply to any generally applicable tax, special
6 assessment or fee, or requirements imposed by
7 federal law.

8 (iii) A zero emission facility shall be
9 permitted to terminate the contract in the event
10 that the resource requires capital expenditures in
11 excess of \$40,000,000 that were neither known nor
12 reasonably foreseeable at the time it executed the
13 contract and that a prudent owner or operator of
14 such resource would not undertake.

15 (iv) A zero emission facility shall be
16 permitted to terminate the contract in the event
17 the Nuclear Regulatory Commission terminates the
18 resource's license.

19 (F) If the zero emission facility elects to
20 terminate a contract under subparagraph (E) of this
21 paragraph (1), then the Commission shall reopen the
22 docket in which the Commission approved the zero
23 emission standard procurement plan under subparagraph
24 (C) of this paragraph (1) and, after notice and
25 hearing, enter an order acknowledging the contract
26 termination election if such termination is consistent

1 with the provisions of this subsection (d-5).

2 (2) For purposes of this subsection (d-5), the amount
3 paid per kilowatthour means the total amount paid for
4 electric service expressed on a per kilowatthour basis.
5 For purposes of this subsection (d-5), the total amount
6 paid for electric service includes, without limitation,
7 amounts paid for supply, transmission, distribution,
8 surcharges, and add-on taxes.

9 Notwithstanding the requirements of this subsection
10 (d-5), the contracts executed under this subsection (d-5)
11 shall provide that the total of zero emission credits
12 procured under a procurement plan shall be subject to the
13 limitations of this paragraph (2). For each delivery year,
14 the contractual volume receiving payments in such year
15 shall be reduced for all retail customers based on the
16 amount necessary to limit the net increase that delivery
17 year to the costs of those credits included in the amounts
18 paid by eligible retail customers in connection with
19 electric service to no more than 1.65% of the amount paid
20 per kilowatthour by eligible retail customers during the
21 year ending May 31, 2009. The result of this computation
22 shall apply to and reduce the procurement for all retail
23 customers, and all those customers shall pay the same
24 single, uniform cents per kilowatthour charge under
25 subsection (k) of Section 16-108 of the Public Utilities
26 Act. To arrive at a maximum dollar amount of zero emission

1 credits to be paid for the particular delivery year, the
2 resulting per kilowatthour amount shall be applied to the
3 actual amount of kilowatthours of electricity delivered by
4 the electric utility in the delivery year immediately
5 prior to the procurement, to all retail customers in its
6 service territory. Unpaid contractual volume for any
7 delivery year shall be paid in any subsequent delivery
8 year in which such payments can be made without exceeding
9 the amount specified in this paragraph (2). The
10 calculations required by this paragraph (2) shall be made
11 only once for each procurement plan year. Once the
12 determination as to the amount of zero emission credits to
13 be paid is made based on the calculations set forth in this
14 paragraph (2), no subsequent rate impact determinations
15 shall be made and no adjustments to those contract amounts
16 shall be allowed. All costs incurred under those contracts
17 and in implementing this subsection (d-5) shall be
18 recovered by the electric utility as provided in this
19 Section.

20 No later than June 30, 2019, the Commission shall
21 review the limitation on the amount of zero emission
22 credits procured under this subsection (d-5) and report to
23 the General Assembly its findings as to whether that
24 limitation unduly constrains the procurement of
25 cost-effective zero emission credits.

26 (3) Six years after the execution of a contract under

1 this subsection (d-5), the Agency shall determine whether
2 the actual zero emission credit payments received by the
3 supplier over the 6-year period exceed the Average ZEC
4 Payment. In addition, at the end of the term of a contract
5 executed under this subsection (d-5), or at the time, if
6 any, a zero emission facility's contract is terminated
7 under subparagraph (E) of paragraph (1) of this subsection
8 (d-5), then the Agency shall determine whether the actual
9 zero emission credit payments received by the supplier
10 over the term of the contract exceed the Average ZEC
11 Payment, after taking into account any amounts previously
12 credited back to the utility under this paragraph (3). If
13 the Agency determines that the actual zero emission credit
14 payments received by the supplier over the relevant period
15 exceed the Average ZEC Payment, then the supplier shall
16 credit the difference back to the utility. The amount of
17 the credit shall be remitted to the applicable electric
18 utility no later than 120 days after the Agency's
19 determination, which the utility shall reflect as a credit
20 on its retail customer bills as soon as practicable;
21 however, the credit remitted to the utility shall not
22 exceed the total amount of payments received by the
23 facility under its contract.

24 For purposes of this Section, the Average ZEC Payment
25 shall be calculated by multiplying the quantity of zero
26 emission credits delivered under the contract times the

1 average contract price. The average contract price shall
2 be determined by subtracting the amount calculated under
3 subparagraph (B) of this paragraph (3) from the amount
4 calculated under subparagraph (A) of this paragraph (3),
5 as follows:

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

9 (B) The average of the market price indices, as
10 defined in subparagraph (B) of paragraph (1) of this
11 subsection (d-5), during the term of the contract,
12 minus the baseline market price index, as defined in
13 subparagraph (B) of paragraph (1) of this subsection
14 (d-5).

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

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

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

23 (6) Electric utilities shall be entitled to recover
24 all of the costs associated with the procurement of zero
25 emission credits through an automatic adjustment clause
26 tariff in accordance with subsection (k) and (m) of

1 Section 16-108 of the Public Utilities Act, and the
2 contracts executed under this subsection (d-5) shall
3 provide that the utilities' payment obligations under such
4 contracts shall be reduced if an adjustment is required
5 under subsection (m) of Section 16-108 of the Public
6 Utilities Act.

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

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

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

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

19 (h) The Agency shall assess fees to each bidder to recover
20 the costs incurred in connection with a competitive
21 procurement process.

22 (i) A renewable energy credit, carbon emission credit, or
23 zero emission credit can only be used once to comply with a
24 single portfolio or other standard as set forth in subsection
25 (c), subsection (d), or subsection (d-5) of this Section,
26 respectively. A renewable energy credit, carbon emission

1 credit, or zero emission credit cannot be used to satisfy the
2 requirements of more than one standard. If more than one type
3 of credit is issued for the same megawatt hour of energy, only
4 one credit can be used to satisfy the requirements of a single
5 standard. After such use, the credit must be retired together
6 with any other credits issued for the same megawatt hour of
7 energy.

8 (j) Renewable energy supply.

9 (1) Beginning with the energy to be delivered in the
10 delivery year commencing on June 1, 2023, the Agency shall
11 assess the feasibility of procuring cost-effective,
12 long-term contracts for energy supply from renewable
13 energy projects, in accordance with the requirements of
14 Section 16-111.5 of the Public Utilities Act for the
15 eligible retail customers of electric utilities that on
16 December 31, 2005 provided electric service to at least
17 100,000 customers in Illinois.

18 (2) Long-term contracts as described in this
19 subsection (j) shall refer to contracts that are
20 preferably no less than a 15-year period, but in no case
21 less than a 5-year period.

22 (3) The Agency shall evaluate energy supply
23 procurements that enable greater achievement, or more
24 cost-effective achievement, of the renewable energy goals
25 in this Section, including through coordination or
26 bundling with procurements of renewable energy credits, or

1 capacity from renewable energy resources, as provided
2 under subparagraph (P) of subsection (c) of this Section,
3 or capacity from renewable energy resources, as provided
4 under subsection (k) of this Section.

5 (4) The Agency shall include in its annual procurement
6 plan the results of this assessment and any recommended
7 procurements. The Agency shall, at a minimum, reevaluate
8 its assessment every 3 years, incorporating new
9 information from updated data, including, but not limited
10 to, the results of its procurements, competitive market
11 trends, and energy procurements in other states.

12 (k) Capacity procurement.

13 (1) This Section grants the Illinois Power Agency the
14 sole authority to conduct auctions for the purpose of
15 procuring capacity if a public utility in the State elects
16 to use the Fixed Resource Requirement Alternative as
17 provided for in the Open Access Transmission Tariff,
18 Reliability Assurance Agreement, and manuals of PJM
19 Interconnection, LLC or its successors, and that election
20 is approved by the Illinois Commerce Commission. Where the
21 election is approved by the Illinois Commerce Commission,
22 the Illinois Power Agency shall develop a procurement plan
23 for the procurement of capacity in amounts necessary to
24 ensure the public utility's resource adequacy pursuant to
25 PJM's federally-mandated requirements. The Agency is
26 authorized to conduct Capacity Procurement auctions as

1 necessary to meet the public utility's resource
2 obligations while achieving the objectives set forth in
3 this Section for the duration of the public utility's
4 election of the Fixed Resource Requirement Alternative.

5 (2) The draft procurement plan is subject to public
6 comment, as required by Section 16-111.5 of the Public
7 Utilities Act.

8 (3) The Agency shall design the Capacity Procurement
9 Plan to achieve the following objectives:

10 (i) Through one or more auctions which procure
11 capacity for one or more years, meets the public
12 utility's resource obligation under the Fixed Resource
13 Requirement Alternative while maximizing benefits that
14 meet the State's public interest in the health, safety
15 and welfare of its residents, including, but not
16 limited to: significantly reduced emissions in the
17 State from power generation sources; consumer savings;
18 and those interests described in subparagraph (I) of
19 paragraph (1) of subsection (c) of Section 1-75 of the
20 Illinois Power Agency Act.

21 (ii) Implements a limiter on auction payments to
22 all resources that are not renewable energy resources,
23 demand response, or energy efficiency resources. The
24 limiter shall be imposed on all other resources such
25 that total payments under the auction ensure consumer
26 savings at an amount no less than 5% below a baseline

1 of previous years' payments.

2 (iii) Implements a limiter on participating
3 carbon-emitting resources such that emissions decrease
4 below a baseline of previous years' emissions.

5 (4) As part of its Capacity Procurement plans, the
6 Agency may implement an auction for an optional bundled
7 product which includes payments to resources that provide
8 both capacity and renewable energy credits. Renewable
9 energy resources that are not eligible to participate in
10 auctions pursuant to subparagraph (J) of paragraph (1) of
11 subsection (c) of Section 1-75 of the Illinois Power
12 Agency Act are not eligible to participate in auctions
13 conducted to implement Capacity Procurement plans.

14 (Source: P.A. 100-863, eff. 8-14-18; 101-81, eff. 7-12-19;
15 101-113, eff. 1-1-20.)

16 Section 90-20. The State Finance Act is amended by adding
17 Sections 5.935, 5.936, 5.937 and as follows:

18 (30 ILCS 105/5.935 new)

19 Sec. 5.935. The Energy Community Reinvestment Fund.

20 (30 ILCS 105/5.936 new)

21 Sec. 5.936. The Illinois Commerce Commission Intervenor
22 Compensation Fund.

1 (30 ILCS 105/5.937 new)

2 Sec. 5.937. The Illinois Clean Energy Jobs and Justice
3 Fund.

4 Section 90-25. The Illinois Income Tax Act is amended by
5 changing Section 201 as follows:

6 (35 ILCS 5/201)

7 (Text of Section without the changes made by P.A. 101-8,
8 which did not take effect (see Section 99 of P.A. 101-8))

9 Sec. 201. Tax imposed.

10 (a) In general. A tax measured by net income is hereby
11 imposed on every individual, corporation, trust and estate for
12 each taxable year ending after July 31, 1969 on the privilege
13 of earning or receiving income in or as a resident of this
14 State. Such tax shall be in addition to all other occupation or
15 privilege taxes imposed by this State or by any municipal
16 corporation or political subdivision thereof.

17 (b) Rates. The tax imposed by subsection (a) of this
18 Section shall be determined as follows, except as adjusted by
19 subsection (d-1):

20 (1) In the case of an individual, trust or estate, for
21 taxable years ending prior to July 1, 1989, an amount
22 equal to 2 1/2% of the taxpayer's net income for the
23 taxable year.

24 (2) In the case of an individual, trust or estate, for

1 taxable years beginning prior to July 1, 1989 and ending
2 after June 30, 1989, an amount equal to the sum of (i) 2
3 1/2% of the taxpayer's net income for the period prior to
4 July 1, 1989, as calculated under Section 202.3, and (ii)
5 3% of the taxpayer's net income for the period after June
6 30, 1989, as calculated under Section 202.3.

7 (3) In the case of an individual, trust or estate, for
8 taxable years beginning after June 30, 1989, and ending
9 prior to January 1, 2011, an amount equal to 3% of the
10 taxpayer's net income for the taxable year.

11 (4) In the case of an individual, trust, or estate,
12 for taxable years beginning prior to January 1, 2011, and
13 ending after December 31, 2010, an amount equal to the sum
14 of (i) 3% of the taxpayer's net income for the period prior
15 to January 1, 2011, as calculated under Section 202.5, and
16 (ii) 5% of the taxpayer's net income for the period after
17 December 31, 2010, as calculated under Section 202.5.

18 (5) In the case of an individual, trust, or estate,
19 for taxable years beginning on or after January 1, 2011,
20 and ending prior to January 1, 2015, an amount equal to 5%
21 of the taxpayer's net income for the taxable year.

22 (5.1) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2015, and
24 ending after December 31, 2014, an amount equal to the sum
25 of (i) 5% of the taxpayer's net income for the period prior
26 to January 1, 2015, as calculated under Section 202.5, and

1 (ii) 3.75% of the taxpayer's net income for the period
2 after December 31, 2014, as calculated under Section
3 202.5.

4 (5.2) In the case of an individual, trust, or estate,
5 for taxable years beginning on or after January 1, 2015,
6 and ending prior to July 1, 2017, an amount equal to 3.75%
7 of the taxpayer's net income for the taxable year.

8 (5.3) In the case of an individual, trust, or estate,
9 for taxable years beginning prior to July 1, 2017, and
10 ending after June 30, 2017, an amount equal to the sum of
11 (i) 3.75% of the taxpayer's net income for the period
12 prior to July 1, 2017, as calculated under Section 202.5,
13 and (ii) 4.95% of the taxpayer's net income for the period
14 after June 30, 2017, as calculated under Section 202.5.

15 (5.4) In the case of an individual, trust, or estate,
16 for taxable years beginning on or after July 1, 2017, an
17 amount equal to 4.95% of the taxpayer's net income for the
18 taxable year.

19 (6) In the case of a corporation, for taxable years
20 ending prior to July 1, 1989, an amount equal to 4% of the
21 taxpayer's net income for the taxable year.

22 (7) In the case of a corporation, for taxable years
23 beginning prior to July 1, 1989 and ending after June 30,
24 1989, an amount equal to the sum of (i) 4% of the
25 taxpayer's net income for the period prior to July 1,
26 1989, as calculated under Section 202.3, and (ii) 4.8% of

1 the taxpayer's net income for the period after June 30,
2 1989, as calculated under Section 202.3.

3 (8) In the case of a corporation, for taxable years
4 beginning after June 30, 1989, and ending prior to January
5 1, 2011, an amount equal to 4.8% of the taxpayer's net
6 income for the taxable year.

7 (9) In the case of a corporation, for taxable years
8 beginning prior to January 1, 2011, and ending after
9 December 31, 2010, an amount equal to the sum of (i) 4.8%
10 of the taxpayer's net income for the period prior to
11 January 1, 2011, as calculated under Section 202.5, and
12 (ii) 7% of the taxpayer's net income for the period after
13 December 31, 2010, as calculated under Section 202.5.

14 (10) In the case of a corporation, for taxable years
15 beginning on or after January 1, 2011, and ending prior to
16 January 1, 2015, an amount equal to 7% of the taxpayer's
17 net income for the taxable year.

18 (11) In the case of a corporation, for taxable years
19 beginning prior to January 1, 2015, and ending after
20 December 31, 2014, an amount equal to the sum of (i) 7% of
21 the taxpayer's net income for the period prior to January
22 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
23 of the taxpayer's net income for the period after December
24 31, 2014, as calculated under Section 202.5.

25 (12) In the case of a corporation, for taxable years
26 beginning on or after January 1, 2015, and ending prior to

1 July 1, 2017, an amount equal to 5.25% of the taxpayer's
2 net income for the taxable year.

3 (13) In the case of a corporation, for taxable years
4 beginning prior to July 1, 2017, and ending after June 30,
5 2017, an amount equal to the sum of (i) 5.25% of the
6 taxpayer's net income for the period prior to July 1,
7 2017, as calculated under Section 202.5, and (ii) 7% of
8 the taxpayer's net income for the period after June 30,
9 2017, as calculated under Section 202.5.

10 (14) In the case of a corporation, for taxable years
11 beginning on or after July 1, 2017, an amount equal to 7%
12 of the taxpayer's net income for the taxable year.

13 The rates under this subsection (b) are subject to the
14 provisions of Section 201.5.

15 (b-5) Surcharge; sale or exchange of assets, properties,
16 and intangibles of organization gaming licensees. For each of
17 taxable years 2019 through 2027, a surcharge is imposed on all
18 taxpayers on income arising from the sale or exchange of
19 capital assets, depreciable business property, real property
20 used in the trade or business, and Section 197 intangibles (i)
21 of an organization licensee under the Illinois Horse Racing
22 Act of 1975 and (ii) of an organization gaming licensee under
23 the Illinois Gambling Act. The amount of the surcharge is
24 equal to the amount of federal income tax liability for the
25 taxable year attributable to those sales and exchanges. The
26 surcharge imposed shall not apply if:

1 (1) the organization gaming license, organization
2 license, or racetrack property is transferred as a result
3 of any of the following:

4 (A) bankruptcy, a receivership, or a debt
5 adjustment initiated by or against the initial
6 licensee or the substantial owners of the initial
7 licensee;

8 (B) cancellation, revocation, or termination of
9 any such license by the Illinois Gaming Board or the
10 Illinois Racing Board;

11 (C) a determination by the Illinois Gaming Board
12 that transfer of the license is in the best interests
13 of Illinois gaming;

14 (D) the death of an owner of the equity interest in
15 a licensee;

16 (E) the acquisition of a controlling interest in
17 the stock or substantially all of the assets of a
18 publicly traded company;

19 (F) a transfer by a parent company to a wholly
20 owned subsidiary; or

21 (G) the transfer or sale to or by one person to
22 another person where both persons were initial owners
23 of the license when the license was issued; or

24 (2) the controlling interest in the organization
25 gaming license, organization license, or racetrack
26 property is transferred in a transaction to lineal

1 descendants in which no gain or loss is recognized or as a
2 result of a transaction in accordance with Section 351 of
3 the Internal Revenue Code in which no gain or loss is
4 recognized; or

5 (3) live horse racing was not conducted in 2010 at a
6 racetrack located within 3 miles of the Mississippi River
7 under a license issued pursuant to the Illinois Horse
8 Racing Act of 1975.

9 The transfer of an organization gaming license,
10 organization license, or racetrack property by a person other
11 than the initial licensee to receive the organization gaming
12 license is not subject to a surcharge. The Department shall
13 adopt rules necessary to implement and administer this
14 subsection.

15 (c) Personal Property Tax Replacement Income Tax.
16 Beginning on July 1, 1979 and thereafter, in addition to such
17 income tax, there is also hereby imposed the Personal Property
18 Tax Replacement Income Tax measured by net income on every
19 corporation (including Subchapter S corporations), partnership
20 and trust, for each taxable year ending after June 30, 1979.
21 Such taxes are imposed on the privilege of earning or
22 receiving income in or as a resident of this State. The
23 Personal Property Tax Replacement Income Tax shall be in
24 addition to the income tax imposed by subsections (a) and (b)
25 of this Section and in addition to all other occupation or
26 privilege taxes imposed by this State or by any municipal

1 corporation or political subdivision thereof.

2 (d) Additional Personal Property Tax Replacement Income
3 Tax Rates. The personal property tax replacement income tax
4 imposed by this subsection and subsection (c) of this Section
5 in the case of a corporation, other than a Subchapter S
6 corporation and except as adjusted by subsection (d-1), shall
7 be an additional amount equal to 2.85% of such taxpayer's net
8 income for the taxable year, except that beginning on January
9 1, 1981, and thereafter, the rate of 2.85% specified in this
10 subsection shall be reduced to 2.5%, and in the case of a
11 partnership, trust or a Subchapter S corporation shall be an
12 additional amount equal to 1.5% of such taxpayer's net income
13 for the taxable year.

14 (d-1) Rate reduction for certain foreign insurers. In the
15 case of a foreign insurer, as defined by Section 35A-5 of the
16 Illinois Insurance Code, whose state or country of domicile
17 imposes on insurers domiciled in Illinois a retaliatory tax
18 (excluding any insurer whose premiums from reinsurance assumed
19 are 50% or more of its total insurance premiums as determined
20 under paragraph (2) of subsection (b) of Section 304, except
21 that for purposes of this determination premiums from
22 reinsurance do not include premiums from inter-affiliate
23 reinsurance arrangements), beginning with taxable years ending
24 on or after December 31, 1999, the sum of the rates of tax
25 imposed by subsections (b) and (d) shall be reduced (but not
26 increased) to the rate at which the total amount of tax imposed

1 under this Act, net of all credits allowed under this Act,
2 shall equal (i) the total amount of tax that would be imposed
3 on the foreign insurer's net income allocable to Illinois for
4 the taxable year by such foreign insurer's state or country of
5 domicile if that net income were subject to all income taxes
6 and taxes measured by net income imposed by such foreign
7 insurer's state or country of domicile, net of all credits
8 allowed or (ii) a rate of zero if no such tax is imposed on
9 such income by the foreign insurer's state of domicile. For
10 the purposes of this subsection (d-1), an inter-affiliate
11 includes a mutual insurer under common management.

12 (1) For the purposes of subsection (d-1), in no event
13 shall the sum of the rates of tax imposed by subsections
14 (b) and (d) be reduced below the rate at which the sum of:

15 (A) the total amount of tax imposed on such
16 foreign insurer under this Act for a taxable year, net
17 of all credits allowed under this Act, plus

18 (B) the privilege tax imposed by Section 409 of
19 the Illinois Insurance Code, the fire insurance
20 company tax imposed by Section 12 of the Fire
21 Investigation Act, and the fire department taxes
22 imposed under Section 11-10-1 of the Illinois
23 Municipal Code,

24 equals 1.25% for taxable years ending prior to December
25 31, 2003, or 1.75% for taxable years ending on or after
26 December 31, 2003, of the net taxable premiums written for

1 the taxable year, as described by subsection (1) of
2 Section 409 of the Illinois Insurance Code. This paragraph
3 will in no event increase the rates imposed under
4 subsections (b) and (d).

5 (2) Any reduction in the rates of tax imposed by this
6 subsection shall be applied first against the rates
7 imposed by subsection (b) and only after the tax imposed
8 by subsection (a) net of all credits allowed under this
9 Section other than the credit allowed under subsection (i)
10 has been reduced to zero, against the rates imposed by
11 subsection (d).

12 This subsection (d-1) is exempt from the provisions of
13 Section 250.

14 (e) Investment credit. A taxpayer shall be allowed a
15 credit against the Personal Property Tax Replacement Income
16 Tax for investment in qualified property.

17 (1) A taxpayer shall be allowed a credit equal to .5%
18 of the basis of qualified property placed in service
19 during the taxable year, provided such property is placed
20 in service on or after July 1, 1984. There shall be allowed
21 an additional credit equal to .5% of the basis of
22 qualified property placed in service during the taxable
23 year, provided such property is placed in service on or
24 after July 1, 1986, and the taxpayer's base employment
25 within Illinois has increased by 1% or more over the
26 preceding year as determined by the taxpayer's employment

1 records filed with the Illinois Department of Employment
2 Security. Taxpayers who are new to Illinois shall be
3 deemed to have met the 1% growth in base employment for the
4 first year in which they file employment records with the
5 Illinois Department of Employment Security. The provisions
6 added to this Section by Public Act 85-1200 (and restored
7 by Public Act 87-895) shall be construed as declaratory of
8 existing law and not as a new enactment. If, in any year,
9 the increase in base employment within Illinois over the
10 preceding year is less than 1%, the additional credit
11 shall be limited to that percentage times a fraction, the
12 numerator of which is .5% and the denominator of which is
13 1%, but shall not exceed .5%. The investment credit shall
14 not be allowed to the extent that it would reduce a
15 taxpayer's liability in any tax year below zero, nor may
16 any credit for qualified property be allowed for any year
17 other than the year in which the property was placed in
18 service in Illinois. For tax years ending on or after
19 December 31, 1987, and on or before December 31, 1988, the
20 credit shall be allowed for the tax year in which the
21 property is placed in service, or, if the amount of the
22 credit exceeds the tax liability for that year, whether it
23 exceeds the original liability or the liability as later
24 amended, such excess may be carried forward and applied to
25 the tax liability of the 5 taxable years following the
26 excess credit years if the taxpayer (i) makes investments

1 which cause the creation of a minimum of 2,000 full-time
2 equivalent jobs in Illinois, (ii) is located in an
3 enterprise zone established pursuant to the Illinois
4 Enterprise Zone Act and (iii) is certified by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity) as
7 complying with the requirements specified in clause (i)
8 and (ii) by July 1, 1986. The Department of Commerce and
9 Community Affairs (now Department of Commerce and Economic
10 Opportunity) shall notify the Department of Revenue of all
11 such certifications immediately. For tax years ending
12 after December 31, 1988, the credit shall be allowed for
13 the tax year in which the property is placed in service,
14 or, if the amount of the credit exceeds the tax liability
15 for that year, whether it exceeds the original liability
16 or the liability as later amended, such excess may be
17 carried forward and applied to the tax liability of the 5
18 taxable years following the excess credit years. The
19 credit shall be applied to the earliest year for which
20 there is a liability. If there is credit from more than one
21 tax year that is available to offset a liability, earlier
22 credit shall be applied first.

23 (2) The term "qualified property" means property
24 which:

25 (A) is tangible, whether new or used, including
26 buildings and structural components of buildings and

1 signs that are real property, but not including land
2 or improvements to real property that are not a
3 structural component of a building such as
4 landscaping, sewer lines, local access roads, fencing,
5 parking lots, and other appurtenances;

6 (B) is depreciable pursuant to Section 167 of the
7 Internal Revenue Code, except that "3-year property"
8 as defined in Section 168(c)(2)(A) of that Code is not
9 eligible for the credit provided by this subsection
10 (e);

11 (C) is acquired by purchase as defined in Section
12 179(d) of the Internal Revenue Code;

13 (D) is used in Illinois by a taxpayer who is
14 primarily engaged in manufacturing, or in mining coal
15 or fluorite, or in retailing, or was placed in service
16 on or after July 1, 2006 in a River Edge Redevelopment
17 Zone established pursuant to the River Edge
18 Redevelopment Zone Act; and

19 (E) has not previously been used in Illinois in
20 such a manner and by such a person as would qualify for
21 the credit provided by this subsection (e) or
22 subsection (f).

23 (3) For purposes of this subsection (e),
24 "manufacturing" means the material staging and production
25 of tangible personal property by procedures commonly
26 regarded as manufacturing, processing, fabrication, or

1 assembling which changes some existing material into new
2 shapes, new qualities, or new combinations. For purposes
3 of this subsection (e) the term "mining" shall have the
4 same meaning as the term "mining" in Section 613(c) of the
5 Internal Revenue Code. For purposes of this subsection
6 (e), the term "retailing" means the sale of tangible
7 personal property for use or consumption and not for
8 resale, or services rendered in conjunction with the sale
9 of tangible personal property for use or consumption and
10 not for resale. For purposes of this subsection (e),
11 "tangible personal property" has the same meaning as when
12 that term is used in the Retailers' Occupation Tax Act,
13 and, for taxable years ending after December 31, 2008,
14 does not include the generation, transmission, or
15 distribution of electricity.

16 (4) The basis of qualified property shall be the basis
17 used to compute the depreciation deduction for federal
18 income tax purposes.

19 (5) If the basis of the property for federal income
20 tax depreciation purposes is increased after it has been
21 placed in service in Illinois by the taxpayer, the amount
22 of such increase shall be deemed property placed in
23 service on the date of such increase in basis.

24 (6) The term "placed in service" shall have the same
25 meaning as under Section 46 of the Internal Revenue Code.

26 (7) If during any taxable year, any property ceases to

1 be qualified property in the hands of the taxpayer within
2 48 months after being placed in service, or the situs of
3 any qualified property is moved outside Illinois within 48
4 months after being placed in service, the Personal
5 Property Tax Replacement Income Tax for such taxable year
6 shall be increased. Such increase shall be determined by
7 (i) recomputing the investment credit which would have
8 been allowed for the year in which credit for such
9 property was originally allowed by eliminating such
10 property from such computation and, (ii) subtracting such
11 recomputed credit from the amount of credit previously
12 allowed. For the purposes of this paragraph (7), a
13 reduction of the basis of qualified property resulting
14 from a redetermination of the purchase price shall be
15 deemed a disposition of qualified property to the extent
16 of such reduction.

17 (8) Unless the investment credit is extended by law,
18 the basis of qualified property shall not include costs
19 incurred after December 31, 2018, except for costs
20 incurred pursuant to a binding contract entered into on or
21 before December 31, 2018.

22 (9) Each taxable year ending before December 31, 2000,
23 a partnership may elect to pass through to its partners
24 the credits to which the partnership is entitled under
25 this subsection (e) for the taxable year. A partner may
26 use the credit allocated to him or her under this

1 paragraph only against the tax imposed in subsections (c)
2 and (d) of this Section. If the partnership makes that
3 election, those credits shall be allocated among the
4 partners in the partnership in accordance with the rules
5 set forth in Section 704(b) of the Internal Revenue Code,
6 and the rules promulgated under that Section, and the
7 allocated amount of the credits shall be allowed to the
8 partners for that taxable year. The partnership shall make
9 this election on its Personal Property Tax Replacement
10 Income Tax return for that taxable year. The election to
11 pass through the credits shall be irrevocable.

12 For taxable years ending on or after December 31,
13 2000, a partner that qualifies its partnership for a
14 subtraction under subparagraph (I) of paragraph (2) of
15 subsection (d) of Section 203 or a shareholder that
16 qualifies a Subchapter S corporation for a subtraction
17 under subparagraph (S) of paragraph (2) of subsection (b)
18 of Section 203 shall be allowed a credit under this
19 subsection (e) equal to its share of the credit earned
20 under this subsection (e) during the taxable year by the
21 partnership or Subchapter S corporation, determined in
22 accordance with the determination of income and
23 distributive share of income under Sections 702 and 704
24 and Subchapter S of the Internal Revenue Code. This
25 paragraph is exempt from the provisions of Section 250.

26 (f) Investment credit; Enterprise Zone; River Edge

1 Redevelopment Zone.

2 (1) A taxpayer shall be allowed a credit against the
3 tax imposed by subsections (a) and (b) of this Section for
4 investment in qualified property which is placed in
5 service in an Enterprise Zone created pursuant to the
6 Illinois Enterprise Zone Act or, for property placed in
7 service on or after July 1, 2006, a River Edge
8 Redevelopment Zone established pursuant to the River Edge
9 Redevelopment Zone Act. For partners, shareholders of
10 Subchapter S corporations, and owners of limited liability
11 companies, if the liability company is treated as a
12 partnership for purposes of federal and State income
13 taxation, there shall be allowed a credit under this
14 subsection (f) to be determined in accordance with the
15 determination of income and distributive share of income
16 under Sections 702 and 704 and Subchapter S of the
17 Internal Revenue Code. The credit shall be .5% of the
18 basis for such property. The credit shall be available
19 only in the taxable year in which the property is placed in
20 service in the Enterprise Zone or River Edge Redevelopment
21 Zone and shall not be allowed to the extent that it would
22 reduce a taxpayer's liability for the tax imposed by
23 subsections (a) and (b) of this Section to below zero. For
24 tax years ending on or after December 31, 1985, the credit
25 shall be allowed for the tax year in which the property is
26 placed in service, or, if the amount of the credit exceeds

1 the tax liability for that year, whether it exceeds the
2 original liability or the liability as later amended, such
3 excess may be carried forward and applied to the tax
4 liability of the 5 taxable years following the excess
5 credit year. The credit shall be applied to the earliest
6 year for which there is a liability. If there is credit
7 from more than one tax year that is available to offset a
8 liability, the credit accruing first in time shall be
9 applied first.

10 (2) The term qualified property means property which:

11 (A) is tangible, whether new or used, including
12 buildings and structural components of buildings;

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c)(2)(A) of that Code is not
16 eligible for the credit provided by this subsection
17 (f);

18 (C) is acquired by purchase as defined in Section
19 179(d) of the Internal Revenue Code;

20 (D) is used in the Enterprise Zone or River Edge
21 Redevelopment Zone by the taxpayer; and

22 (E) has not been previously used in Illinois in
23 such a manner and by such a person as would qualify for
24 the credit provided by this subsection (f) or
25 subsection (e).

26 (3) The basis of qualified property shall be the basis

1 used to compute the depreciation deduction for federal
2 income tax purposes.

3 (4) If the basis of the property for federal income
4 tax depreciation purposes is increased after it has been
5 placed in service in the Enterprise Zone or River Edge
6 Redevelopment Zone by the taxpayer, the amount of such
7 increase shall be deemed property placed in service on the
8 date of such increase in basis.

9 (5) The term "placed in service" shall have the same
10 meaning as under Section 46 of the Internal Revenue Code.

11 (6) If during any taxable year, any property ceases to
12 be qualified property in the hands of the taxpayer within
13 48 months after being placed in service, or the situs of
14 any qualified property is moved outside the Enterprise
15 Zone or River Edge Redevelopment Zone within 48 months
16 after being placed in service, the tax imposed under
17 subsections (a) and (b) of this Section for such taxable
18 year shall be increased. Such increase shall be determined
19 by (i) recomputing the investment credit which would have
20 been allowed for the year in which credit for such
21 property was originally allowed by eliminating such
22 property from such computation, and (ii) subtracting such
23 recomputed credit from the amount of credit previously
24 allowed. For the purposes of this paragraph (6), a
25 reduction of the basis of qualified property resulting
26 from a redetermination of the purchase price shall be

1 deemed a disposition of qualified property to the extent
2 of such reduction.

3 (7) There shall be allowed an additional credit equal
4 to 0.5% of the basis of qualified property placed in
5 service during the taxable year in a River Edge
6 Redevelopment Zone, provided such property is placed in
7 service on or after July 1, 2006, and the taxpayer's base
8 employment within Illinois has increased by 1% or more
9 over the preceding year as determined by the taxpayer's
10 employment records filed with the Illinois Department of
11 Employment Security. Taxpayers who are new to Illinois
12 shall be deemed to have met the 1% growth in base
13 employment for the first year in which they file
14 employment records with the Illinois Department of
15 Employment Security. If, in any year, the increase in base
16 employment within Illinois over the preceding year is less
17 than 1%, the additional credit shall be limited to that
18 percentage times a fraction, the numerator of which is
19 0.5% and the denominator of which is 1%, but shall not
20 exceed 0.5%.

21 (8) For taxable years beginning on or after January 1,
22 2021, there shall be allowed an Enterprise Zone
23 construction jobs credit against the taxes imposed under
24 subsections (a) and (b) of this Section as provided in
25 Section 13 of the Illinois Enterprise Zone Act.

26 The credit or credits may not reduce the taxpayer's

1 liability to less than zero. If the amount of the credit or
2 credits exceeds the taxpayer's liability, the excess may
3 be carried forward and applied against the taxpayer's
4 liability in succeeding calendar years in the same manner
5 provided under paragraph (4) of Section 211 of this Act.
6 The credit or credits shall be applied to the earliest
7 year for which there is a tax liability. If there are
8 credits from more than one taxable year that are available
9 to offset a liability, the earlier credit shall be applied
10 first.

11 For partners, shareholders of Subchapter S
12 corporations, and owners of limited liability companies,
13 if the liability company is treated as a partnership for
14 the purposes of federal and State income taxation, there
15 shall be allowed a credit under this Section to be
16 determined in accordance with the determination of income
17 and distributive share of income under Sections 702 and
18 704 and Subchapter S of the Internal Revenue Code.

19 The total aggregate amount of credits awarded under
20 the Blue Collar Jobs Act (Article 20 of Public Act 101-9
21 ~~this amendatory Act of the 101st General Assembly~~) shall
22 not exceed \$20,000,000 in any State fiscal year.

23 This paragraph (8) is exempt from the provisions of
24 Section 250.

25 (g) (Blank).

26 (h) Investment credit; High Impact Business.

1 (1) Subject to subsections (b) and (b-5) of Section
2 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
3 be allowed a credit against the tax imposed by subsections
4 (a) and (b) of this Section for investment in qualified
5 property which is placed in service by a Department of
6 Commerce and Economic Opportunity designated High Impact
7 Business. The credit shall be .5% of the basis for such
8 property. The credit shall not be available (i) until the
9 minimum investments in qualified property set forth in
10 subdivision (a)(3)(A) of Section 5.5 of the Illinois
11 Enterprise Zone Act have been satisfied or (ii) until the
12 time authorized in subsection (b-5) of the Illinois
13 Enterprise Zone Act for entities designated as High Impact
14 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
15 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
16 Act, and shall not be allowed to the extent that it would
17 reduce a taxpayer's liability for the tax imposed by
18 subsections (a) and (b) of this Section to below zero. The
19 credit applicable to such investments shall be taken in
20 the taxable year in which such investments have been
21 completed. The credit for additional investments beyond
22 the minimum investment by a designated high impact
23 business authorized under subdivision (a)(3)(A) of Section
24 5.5 of the Illinois Enterprise Zone Act shall be available
25 only in the taxable year in which the property is placed in
26 service and shall not be allowed to the extent that it

1 would reduce a taxpayer's liability for the tax imposed by
2 subsections (a) and (b) of this Section to below zero. For
3 tax years ending on or after December 31, 1987, the credit
4 shall be allowed for the tax year in which the property is
5 placed in service, or, if the amount of the credit exceeds
6 the tax liability for that year, whether it exceeds the
7 original liability or the liability as later amended, such
8 excess may be carried forward and applied to the tax
9 liability of the 5 taxable years following the excess
10 credit year. The credit shall be applied to the earliest
11 year for which there is a liability. If there is credit
12 from more than one tax year that is available to offset a
13 liability, the credit accruing first in time shall be
14 applied first.

15 Changes made in this subdivision (h) (1) by Public Act
16 88-670 restore changes made by Public Act 85-1182 and
17 reflect existing law.

18 (2) The term qualified property means property which:

19 (A) is tangible, whether new or used, including
20 buildings and structural components of buildings;

21 (B) is depreciable pursuant to Section 167 of the
22 Internal Revenue Code, except that "3-year property"
23 as defined in Section 168(c) (2) (A) of that Code is not
24 eligible for the credit provided by this subsection
25 (h);

26 (C) is acquired by purchase as defined in Section

1 179(d) of the Internal Revenue Code; and

2 (D) is not eligible for the Enterprise Zone
3 Investment Credit provided by subsection (f) of this
4 Section.

5 (3) The basis of qualified property shall be the basis
6 used to compute the depreciation deduction for federal
7 income tax purposes.

8 (4) If the basis of the property for federal income
9 tax depreciation purposes is increased after it has been
10 placed in service in a federally designated Foreign Trade
11 Zone or Sub-Zone located in Illinois by the taxpayer, the
12 amount of such increase shall be deemed property placed in
13 service on the date of such increase in basis.

14 (5) The term "placed in service" shall have the same
15 meaning as under Section 46 of the Internal Revenue Code.

16 (6) If during any taxable year ending on or before
17 December 31, 1996, any property ceases to be qualified
18 property in the hands of the taxpayer within 48 months
19 after being placed in service, or the situs of any
20 qualified property is moved outside Illinois within 48
21 months after being placed in service, the tax imposed
22 under subsections (a) and (b) of this Section for such
23 taxable year shall be increased. Such increase shall be
24 determined by (i) recomputing the investment credit which
25 would have been allowed for the year in which credit for
26 such property was originally allowed by eliminating such

1 property from such computation, and (ii) subtracting such
2 recomputed credit from the amount of credit previously
3 allowed. For the purposes of this paragraph (6), a
4 reduction of the basis of qualified property resulting
5 from a redetermination of the purchase price shall be
6 deemed a disposition of qualified property to the extent
7 of such reduction.

8 (7) Beginning with tax years ending after December 31,
9 1996, if a taxpayer qualifies for the credit under this
10 subsection (h) and thereby is granted a tax abatement and
11 the taxpayer relocates its entire facility in violation of
12 the explicit terms and length of the contract under
13 Section 18-183 of the Property Tax Code, the tax imposed
14 under subsections (a) and (b) of this Section shall be
15 increased for the taxable year in which the taxpayer
16 relocated its facility by an amount equal to the amount of
17 credit received by the taxpayer under this subsection (h).

18 (h-5) High Impact Business construction ~~constructions~~ jobs
19 credit. For taxable years beginning on or after January 1,
20 2021, there shall also be allowed a High Impact Business
21 construction jobs credit against the tax imposed under
22 subsections (a) and (b) of this Section as provided in
23 subsections (i) and (j) of Section 5.5 of the Illinois
24 Enterprise Zone Act.

25 The credit or credits may not reduce the taxpayer's
26 liability to less than zero. If the amount of the credit or

1 credits exceeds the taxpayer's liability, the excess may be
2 carried forward and applied against the taxpayer's liability
3 in succeeding calendar years in the manner provided under
4 paragraph (4) of Section 211 of this Act. The credit or credits
5 shall be applied to the earliest year for which there is a tax
6 liability. If there are credits from more than one taxable
7 year that are available to offset a liability, the earlier
8 credit shall be applied first.

9 For partners, shareholders of Subchapter S corporations,
10 and owners of limited liability companies, if the liability
11 company is treated as a partnership for the purposes of
12 federal and State income taxation, there shall be allowed a
13 credit under this Section to be determined in accordance with
14 the determination of income and distributive share of income
15 under Sections 702 and 704 and Subchapter S of the Internal
16 Revenue Code.

17 The total aggregate amount of credits awarded under the
18 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
19 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
20 \$20,000,000 in any State fiscal year.

21 This subsection (h-5) is exempt from the provisions of
22 Section 250.

23 (i) Credit for Personal Property Tax Replacement Income
24 Tax. For tax years ending prior to December 31, 2003, a credit
25 shall be allowed against the tax imposed by subsections (a)
26 and (b) of this Section for the tax imposed by subsections (c)

1 and (d) of this Section. This credit shall be computed by
2 multiplying the tax imposed by subsections (c) and (d) of this
3 Section by a fraction, the numerator of which is base income
4 allocable to Illinois and the denominator of which is Illinois
5 base income, and further multiplying the product by the tax
6 rate imposed by subsections (a) and (b) of this Section.

7 Any credit earned on or after December 31, 1986 under this
8 subsection which is unused in the year the credit is computed
9 because it exceeds the tax liability imposed by subsections
10 (a) and (b) for that year (whether it exceeds the original
11 liability or the liability as later amended) may be carried
12 forward and applied to the tax liability imposed by
13 subsections (a) and (b) of the 5 taxable years following the
14 excess credit year, provided that no credit may be carried
15 forward to any year ending on or after December 31, 2003. This
16 credit shall be applied first to the earliest year for which
17 there is a liability. If there is a credit under this
18 subsection from more than one tax year that is available to
19 offset a liability the earliest credit arising under this
20 subsection shall be applied first.

21 If, during any taxable year ending on or after December
22 31, 1986, the tax imposed by subsections (c) and (d) of this
23 Section for which a taxpayer has claimed a credit under this
24 subsection (i) is reduced, the amount of credit for such tax
25 shall also be reduced. Such reduction shall be determined by
26 recomputing the credit to take into account the reduced tax

1 imposed by subsections (c) and (d). If any portion of the
2 reduced amount of credit has been carried to a different
3 taxable year, an amended return shall be filed for such
4 taxable year to reduce the amount of credit claimed.

5 (j) Training expense credit. Beginning with tax years
6 ending on or after December 31, 1986 and prior to December 31,
7 2003, a taxpayer shall be allowed a credit against the tax
8 imposed by subsections (a) and (b) under this Section for all
9 amounts paid or accrued, on behalf of all persons employed by
10 the taxpayer in Illinois or Illinois residents employed
11 outside of Illinois by a taxpayer, for educational or
12 vocational training in semi-technical or technical fields or
13 semi-skilled or skilled fields, which were deducted from gross
14 income in the computation of taxable income. The credit
15 against the tax imposed by subsections (a) and (b) shall be
16 1.6% of such training expenses. For partners, shareholders of
17 subchapter S corporations, and owners of limited liability
18 companies, if the liability company is treated as a
19 partnership for purposes of federal and State income taxation,
20 there shall be allowed a credit under this subsection (j) to be
21 determined in accordance with the determination of income and
22 distributive share of income under Sections 702 and 704 and
23 subchapter S of the Internal Revenue Code.

24 Any credit allowed under this subsection which is unused
25 in the year the credit is earned may be carried forward to each
26 of the 5 taxable years following the year for which the credit

1 is first computed until it is used. This credit shall be
2 applied first to the earliest year for which there is a
3 liability. If there is a credit under this subsection from
4 more than one tax year that is available to offset a liability,
5 the earliest credit arising under this subsection shall be
6 applied first. No carryforward credit may be claimed in any
7 tax year ending on or after December 31, 2003.

8 (k) Research and development credit. For tax years ending
9 after July 1, 1990 and prior to December 31, 2003, and
10 beginning again for tax years ending on or after December 31,
11 2004, and ending prior to January 1, 2027, a taxpayer shall be
12 allowed a credit against the tax imposed by subsections (a)
13 and (b) of this Section for increasing research activities in
14 this State. The credit allowed against the tax imposed by
15 subsections (a) and (b) shall be equal to 6 1/2% of the
16 qualifying expenditures for increasing research activities in
17 this State. For partners, shareholders of subchapter S
18 corporations, and owners of limited liability companies, if
19 the liability company is treated as a partnership for purposes
20 of federal and State income taxation, there shall be allowed a
21 credit under this subsection to be determined in accordance
22 with the determination of income and distributive share of
23 income under Sections 702 and 704 and subchapter S of the
24 Internal Revenue Code.

25 For purposes of this subsection, "qualifying expenditures"
26 means the qualifying expenditures as defined for the federal

1 credit for increasing research activities which would be
2 allowable under Section 41 of the Internal Revenue Code and
3 which are conducted in this State, "qualifying expenditures
4 for increasing research activities in this State" means the
5 excess of qualifying expenditures for the taxable year in
6 which incurred over qualifying expenditures for the base
7 period, "qualifying expenditures for the base period" means
8 the average of the qualifying expenditures for each year in
9 the base period, and "base period" means the 3 taxable years
10 immediately preceding the taxable year for which the
11 determination is being made.

12 Any credit in excess of the tax liability for the taxable
13 year may be carried forward. A taxpayer may elect to have the
14 unused credit shown on its final completed return carried over
15 as a credit against the tax liability for the following 5
16 taxable years or until it has been fully used, whichever
17 occurs first; provided that no credit earned in a tax year
18 ending prior to December 31, 2003 may be carried forward to any
19 year ending on or after December 31, 2003.

20 If an unused credit is carried forward to a given year from
21 2 or more earlier years, that credit arising in the earliest
22 year will be applied first against the tax liability for the
23 given year. If a tax liability for the given year still
24 remains, the credit from the next earliest year will then be
25 applied, and so on, until all credits have been used or no tax
26 liability for the given year remains. Any remaining unused

1 credit or credits then will be carried forward to the next
2 following year in which a tax liability is incurred, except
3 that no credit can be carried forward to a year which is more
4 than 5 years after the year in which the expense for which the
5 credit is given was incurred.

6 No inference shall be drawn from Public Act 91-644 ~~this~~
7 ~~amendatory Act of the 91st General Assembly~~ in construing this
8 Section for taxable years beginning before January 1, 1999.

9 It is the intent of the General Assembly that the research
10 and development credit under this subsection (k) shall apply
11 continuously for all tax years ending on or after December 31,
12 2004 and ending prior to January 1, 2027, including, but not
13 limited to, the period beginning on January 1, 2016 and ending
14 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
15 ~~amendatory Act of the 100th General Assembly~~. All actions
16 taken in reliance on the continuation of the credit under this
17 subsection (k) by any taxpayer are hereby validated.

18 (l) Environmental Remediation Tax Credit.

19 (i) For tax years ending after December 31, 1997 and
20 on or before December 31, 2001, a taxpayer shall be
21 allowed a credit against the tax imposed by subsections
22 (a) and (b) of this Section for certain amounts paid for
23 unreimbursed eligible remediation costs, as specified in
24 this subsection. For purposes of this Section,
25 "unreimbursed eligible remediation costs" means costs
26 approved by the Illinois Environmental Protection Agency

1 ("Agency") under Section 58.14 of the Environmental
2 Protection Act that were paid in performing environmental
3 remediation at a site for which a No Further Remediation
4 Letter was issued by the Agency and recorded under Section
5 58.10 of the Environmental Protection Act. The credit must
6 be claimed for the taxable year in which Agency approval
7 of the eligible remediation costs is granted. The credit
8 is not available to any taxpayer if the taxpayer or any
9 related party caused or contributed to, in any material
10 respect, a release of regulated substances on, in, or
11 under the site that was identified and addressed by the
12 remedial action pursuant to the Site Remediation Program
13 of the Environmental Protection Act. After the Pollution
14 Control Board rules are adopted pursuant to the Illinois
15 Administrative Procedure Act for the administration and
16 enforcement of Section 58.9 of the Environmental
17 Protection Act, determinations as to credit availability
18 for purposes of this Section shall be made consistent with
19 those rules. For purposes of this Section, "taxpayer"
20 includes a person whose tax attributes the taxpayer has
21 succeeded to under Section 381 of the Internal Revenue
22 Code and "related party" includes the persons disallowed a
23 deduction for losses by paragraphs (b), (c), and (f)(1) of
24 Section 267 of the Internal Revenue Code by virtue of
25 being a related taxpayer, as well as any of its partners.
26 The credit allowed against the tax imposed by subsections

1 (a) and (b) shall be equal to 25% of the unreimbursed
2 eligible remediation costs in excess of \$100,000 per site,
3 except that the \$100,000 threshold shall not apply to any
4 site contained in an enterprise zone as determined by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity). The
7 total credit allowed shall not exceed \$40,000 per year
8 with a maximum total of \$150,000 per site. For partners
9 and shareholders of subchapter S corporations, there shall
10 be allowed a credit under this subsection to be determined
11 in accordance with the determination of income and
12 distributive share of income under Sections 702 and 704
13 and subchapter S of the Internal Revenue Code.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. The
18 term "unused credit" does not include any amounts of
19 unreimbursed eligible remediation costs in excess of the
20 maximum credit per site authorized under paragraph (i).
21 This credit shall be applied first to the earliest year
22 for which there is a liability. If there is a credit under
23 this subsection from more than one tax year that is
24 available to offset a liability, the earliest credit
25 arising under this subsection shall be applied first. A
26 credit allowed under this subsection may be sold to a

1 buyer as part of a sale of all or part of the remediation
2 site for which the credit was granted. The purchaser of a
3 remediation site and the tax credit shall succeed to the
4 unused credit and remaining carry-forward period of the
5 seller. To perfect the transfer, the assignor shall record
6 the transfer in the chain of title for the site and provide
7 written notice to the Director of the Illinois Department
8 of Revenue of the assignor's intent to sell the
9 remediation site and the amount of the tax credit to be
10 transferred as a portion of the sale. In no event may a
11 credit be transferred to any taxpayer if the taxpayer or a
12 related party would not be eligible under the provisions
13 of subsection (i).

14 (iii) For purposes of this Section, the term "site"
15 shall have the same meaning as under Section 58.2 of the
16 Environmental Protection Act.

17 (m) Education expense credit. Beginning with tax years
18 ending after December 31, 1999, a taxpayer who is the
19 custodian of one or more qualifying pupils shall be allowed a
20 credit against the tax imposed by subsections (a) and (b) of
21 this Section for qualified education expenses incurred on
22 behalf of the qualifying pupils. The credit shall be equal to
23 25% of qualified education expenses, but in no event may the
24 total credit under this subsection claimed by a family that is
25 the custodian of qualifying pupils exceed (i) \$500 for tax
26 years ending prior to December 31, 2017, and (ii) \$750 for tax

1 years ending on or after December 31, 2017. In no event shall a
2 credit under this subsection reduce the taxpayer's liability
3 under this Act to less than zero. Notwithstanding any other
4 provision of law, for taxable years beginning on or after
5 January 1, 2017, no taxpayer may claim a credit under this
6 subsection (m) if the taxpayer's adjusted gross income for the
7 taxable year exceeds (i) \$500,000, in the case of spouses
8 filing a joint federal tax return or (ii) \$250,000, in the case
9 of all other taxpayers. This subsection is exempt from the
10 provisions of Section 250 of this Act.

11 For purposes of this subsection:

12 "Qualifying pupils" means individuals who (i) are
13 residents of the State of Illinois, (ii) are under the age of
14 21 at the close of the school year for which a credit is
15 sought, and (iii) during the school year for which a credit is
16 sought were full-time pupils enrolled in a kindergarten
17 through twelfth grade education program at any school, as
18 defined in this subsection.

19 "Qualified education expense" means the amount incurred on
20 behalf of a qualifying pupil in excess of \$250 for tuition,
21 book fees, and lab fees at the school in which the pupil is
22 enrolled during the regular school year.

23 "School" means any public or nonpublic elementary or
24 secondary school in Illinois that is in compliance with Title
25 VI of the Civil Rights Act of 1964 and attendance at which
26 satisfies the requirements of Section 26-1 of the School Code,

1 except that nothing shall be construed to require a child to
2 attend any particular public or nonpublic school to qualify
3 for the credit under this Section.

4 "Custodian" means, with respect to qualifying pupils, an
5 Illinois resident who is a parent, the parents, a legal
6 guardian, or the legal guardians of the qualifying pupils.

7 (n) River Edge Redevelopment Zone site remediation tax
8 credit.

9 (i) For tax years ending on or after December 31,
10 2006, a taxpayer shall be allowed a credit against the tax
11 imposed by subsections (a) and (b) of this Section for
12 certain amounts paid for unreimbursed eligible remediation
13 costs, as specified in this subsection. For purposes of
14 this Section, "unreimbursed eligible remediation costs"
15 means costs approved by the Illinois Environmental
16 Protection Agency ("Agency") under Section 58.14a of the
17 Environmental Protection Act that were paid in performing
18 environmental remediation at a site within a River Edge
19 Redevelopment Zone for which a No Further Remediation
20 Letter was issued by the Agency and recorded under Section
21 58.10 of the Environmental Protection Act. The credit must
22 be claimed for the taxable year in which Agency approval
23 of the eligible remediation costs is granted. The credit
24 is not available to any taxpayer if the taxpayer or any
25 related party caused or contributed to, in any material
26 respect, a release of regulated substances on, in, or

1 under the site that was identified and addressed by the
2 remedial action pursuant to the Site Remediation Program
3 of the Environmental Protection Act. Determinations as to
4 credit availability for purposes of this Section shall be
5 made consistent with rules adopted by the Pollution
6 Control Board pursuant to the Illinois Administrative
7 Procedure Act for the administration and enforcement of
8 Section 58.9 of the Environmental Protection Act. For
9 purposes of this Section, "taxpayer" includes a person
10 whose tax attributes the taxpayer has succeeded to under
11 Section 381 of the Internal Revenue Code and "related
12 party" includes the persons disallowed a deduction for
13 losses by paragraphs (b), (c), and (f)(1) of Section 267
14 of the Internal Revenue Code by virtue of being a related
15 taxpayer, as well as any of its partners. The credit
16 allowed against the tax imposed by subsections (a) and (b)
17 shall be equal to 25% of the unreimbursed eligible
18 remediation costs in excess of \$100,000 per site.

19 (ii) A credit allowed under this subsection that is
20 unused in the year the credit is earned may be carried
21 forward to each of the 5 taxable years following the year
22 for which the credit is first earned until it is used. This
23 credit shall be applied first to the earliest year for
24 which there is a liability. If there is a credit under this
25 subsection from more than one tax year that is available
26 to offset a liability, the earliest credit arising under

1 this subsection shall be applied first. A credit allowed
2 under this subsection may be sold to a buyer as part of a
3 sale of all or part of the remediation site for which the
4 credit was granted. The purchaser of a remediation site
5 and the tax credit shall succeed to the unused credit and
6 remaining carry-forward period of the seller. To perfect
7 the transfer, the assignor shall record the transfer in
8 the chain of title for the site and provide written notice
9 to the Director of the Illinois Department of Revenue of
10 the assignor's intent to sell the remediation site and the
11 amount of the tax credit to be transferred as a portion of
12 the sale. In no event may a credit be transferred to any
13 taxpayer if the taxpayer or a related party would not be
14 eligible under the provisions of subsection (i).

15 (iii) For purposes of this Section, the term "site"
16 shall have the same meaning as under Section 58.2 of the
17 Environmental Protection Act.

18 (o) For each of taxable years during the Compassionate Use
19 of Medical Cannabis Program, a surcharge is imposed on all
20 taxpayers on income arising from the sale or exchange of
21 capital assets, depreciable business property, real property
22 used in the trade or business, and Section 197 intangibles of
23 an organization registrant under the Compassionate Use of
24 Medical Cannabis Program Act. The amount of the surcharge is
25 equal to the amount of federal income tax liability for the
26 taxable year attributable to those sales and exchanges. The

1 surcharge imposed does not apply if:

2 (1) the medical cannabis cultivation center
3 registration, medical cannabis dispensary registration, or
4 the property of a registration is transferred as a result
5 of any of the following:

6 (A) bankruptcy, a receivership, or a debt
7 adjustment initiated by or against the initial
8 registration or the substantial owners of the initial
9 registration;

10 (B) cancellation, revocation, or termination of
11 any registration by the Illinois Department of Public
12 Health;

13 (C) a determination by the Illinois Department of
14 Public Health that transfer of the registration is in
15 the best interests of Illinois qualifying patients as
16 defined by the Compassionate Use of Medical Cannabis
17 Program Act;

18 (D) the death of an owner of the equity interest in
19 a registrant;

20 (E) the acquisition of a controlling interest in
21 the stock or substantially all of the assets of a
22 publicly traded company;

23 (F) a transfer by a parent company to a wholly
24 owned subsidiary; or

25 (G) the transfer or sale to or by one person to
26 another person where both persons were initial owners

1 of the registration when the registration was issued;

2 or

3 (2) the cannabis cultivation center registration,
4 medical cannabis dispensary registration, or the
5 controlling interest in a registrant's property is
6 transferred in a transaction to lineal descendants in
7 which no gain or loss is recognized or as a result of a
8 transaction in accordance with Section 351 of the Internal
9 Revenue Code in which no gain or loss is recognized.

10 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,
11 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;
12 revised 11-18-20.)

13 (Text of Section with the changes made by P.A. 101-8,
14 which did not take effect (see Section 99 of P.A. 101-8))

15 Sec. 201. Tax imposed.

16 (a) In general. A tax measured by net income is hereby
17 imposed on every individual, corporation, trust and estate for
18 each taxable year ending after July 31, 1969 on the privilege
19 of earning or receiving income in or as a resident of this
20 State. Such tax shall be in addition to all other occupation or
21 privilege taxes imposed by this State or by any municipal
22 corporation or political subdivision thereof.

23 (b) Rates. The tax imposed by subsection (a) of this
24 Section shall be determined as follows, except as adjusted by
25 subsection (d-1):

1 (1) In the case of an individual, trust or estate, for
2 taxable years ending prior to July 1, 1989, an amount
3 equal to 2 1/2% of the taxpayer's net income for the
4 taxable year.

5 (2) In the case of an individual, trust or estate, for
6 taxable years beginning prior to July 1, 1989 and ending
7 after June 30, 1989, an amount equal to the sum of (i) 2
8 1/2% of the taxpayer's net income for the period prior to
9 July 1, 1989, as calculated under Section 202.3, and (ii)
10 3% of the taxpayer's net income for the period after June
11 30, 1989, as calculated under Section 202.3.

12 (3) In the case of an individual, trust or estate, for
13 taxable years beginning after June 30, 1989, and ending
14 prior to January 1, 2011, an amount equal to 3% of the
15 taxpayer's net income for the taxable year.

16 (4) In the case of an individual, trust, or estate,
17 for taxable years beginning prior to January 1, 2011, and
18 ending after December 31, 2010, an amount equal to the sum
19 of (i) 3% of the taxpayer's net income for the period prior
20 to January 1, 2011, as calculated under Section 202.5, and
21 (ii) 5% of the taxpayer's net income for the period after
22 December 31, 2010, as calculated under Section 202.5.

23 (5) In the case of an individual, trust, or estate,
24 for taxable years beginning on or after January 1, 2011,
25 and ending prior to January 1, 2015, an amount equal to 5%
26 of the taxpayer's net income for the taxable year.

1 (5.1) In the case of an individual, trust, or estate,
2 for taxable years beginning prior to January 1, 2015, and
3 ending after December 31, 2014, an amount equal to the sum
4 of (i) 5% of the taxpayer's net income for the period prior
5 to January 1, 2015, as calculated under Section 202.5, and
6 (ii) 3.75% of the taxpayer's net income for the period
7 after December 31, 2014, as calculated under Section
8 202.5.

9 (5.2) In the case of an individual, trust, or estate,
10 for taxable years beginning on or after January 1, 2015,
11 and ending prior to July 1, 2017, an amount equal to 3.75%
12 of the taxpayer's net income for the taxable year.

13 (5.3) In the case of an individual, trust, or estate,
14 for taxable years beginning prior to July 1, 2017, and
15 ending after June 30, 2017, an amount equal to the sum of
16 (i) 3.75% of the taxpayer's net income for the period
17 prior to July 1, 2017, as calculated under Section 202.5,
18 and (ii) 4.95% of the taxpayer's net income for the period
19 after June 30, 2017, as calculated under Section 202.5.

20 (5.4) In the case of an individual, trust, or estate,
21 for taxable years beginning on or after July 1, 2017 and
22 beginning prior to January 1, 2021, an amount equal to
23 4.95% of the taxpayer's net income for the taxable year.

24 (5.5) In the case of an individual, trust, or estate,
25 for taxable years beginning on or after January 1, 2021,
26 an amount calculated under the rate structure set forth in

1 Section 201.1.

2 (6) In the case of a corporation, for taxable years
3 ending prior to July 1, 1989, an amount equal to 4% of the
4 taxpayer's net income for the taxable year.

5 (7) In the case of a corporation, for taxable years
6 beginning prior to July 1, 1989 and ending after June 30,
7 1989, an amount equal to the sum of (i) 4% of the
8 taxpayer's net income for the period prior to July 1,
9 1989, as calculated under Section 202.3, and (ii) 4.8% of
10 the taxpayer's net income for the period after June 30,
11 1989, as calculated under Section 202.3.

12 (8) In the case of a corporation, for taxable years
13 beginning after June 30, 1989, and ending prior to January
14 1, 2011, an amount equal to 4.8% of the taxpayer's net
15 income for the taxable year.

16 (9) In the case of a corporation, for taxable years
17 beginning prior to January 1, 2011, and ending after
18 December 31, 2010, an amount equal to the sum of (i) 4.8%
19 of the taxpayer's net income for the period prior to
20 January 1, 2011, as calculated under Section 202.5, and
21 (ii) 7% of the taxpayer's net income for the period after
22 December 31, 2010, as calculated under Section 202.5.

23 (10) In the case of a corporation, for taxable years
24 beginning on or after January 1, 2011, and ending prior to
25 January 1, 2015, an amount equal to 7% of the taxpayer's
26 net income for the taxable year.

1 (11) In the case of a corporation, for taxable years
2 beginning prior to January 1, 2015, and ending after
3 December 31, 2014, an amount equal to the sum of (i) 7% of
4 the taxpayer's net income for the period prior to January
5 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
6 of the taxpayer's net income for the period after December
7 31, 2014, as calculated under Section 202.5.

8 (12) In the case of a corporation, for taxable years
9 beginning on or after January 1, 2015, and ending prior to
10 July 1, 2017, an amount equal to 5.25% of the taxpayer's
11 net income for the taxable year.

12 (13) In the case of a corporation, for taxable years
13 beginning prior to July 1, 2017, and ending after June 30,
14 2017, an amount equal to the sum of (i) 5.25% of the
15 taxpayer's net income for the period prior to July 1,
16 2017, as calculated under Section 202.5, and (ii) 7% of
17 the taxpayer's net income for the period after June 30,
18 2017, as calculated under Section 202.5.

19 (14) In the case of a corporation, for taxable years
20 beginning on or after July 1, 2017 and beginning prior to
21 January 1, 2021, an amount equal to 7% of the taxpayer's
22 net income for the taxable year.

23 (15) In the case of a corporation, for taxable years
24 beginning on or after January 1, 2021, an amount equal to
25 7.99% of the taxpayer's net income for the taxable year.

26 The rates under this subsection (b) are subject to the

1 provisions of Section 201.5.

2 (b-5) Surcharge; sale or exchange of assets, properties,
3 and intangibles of organization gaming licensees. For each of
4 taxable years 2019 through 2027, a surcharge is imposed on all
5 taxpayers on income arising from the sale or exchange of
6 capital assets, depreciable business property, real property
7 used in the trade or business, and Section 197 intangibles (i)
8 of an organization licensee under the Illinois Horse Racing
9 Act of 1975 and (ii) of an organization gaming licensee under
10 the Illinois Gambling Act. The amount of the surcharge is
11 equal to the amount of federal income tax liability for the
12 taxable year attributable to those sales and exchanges. The
13 surcharge imposed shall not apply if:

14 (1) the organization gaming license, organization
15 license, or racetrack property is transferred as a result
16 of any of the following:

17 (A) bankruptcy, a receivership, or a debt
18 adjustment initiated by or against the initial
19 licensee or the substantial owners of the initial
20 licensee;

21 (B) cancellation, revocation, or termination of
22 any such license by the Illinois Gaming Board or the
23 Illinois Racing Board;

24 (C) a determination by the Illinois Gaming Board
25 that transfer of the license is in the best interests
26 of Illinois gaming;

1 (D) the death of an owner of the equity interest in
2 a licensee;

3 (E) the acquisition of a controlling interest in
4 the stock or substantially all of the assets of a
5 publicly traded company;

6 (F) a transfer by a parent company to a wholly
7 owned subsidiary; or

8 (G) the transfer or sale to or by one person to
9 another person where both persons were initial owners
10 of the license when the license was issued; or

11 (2) the controlling interest in the organization
12 gaming license, organization license, or racetrack
13 property is transferred in a transaction to lineal
14 descendants in which no gain or loss is recognized or as a
15 result of a transaction in accordance with Section 351 of
16 the Internal Revenue Code in which no gain or loss is
17 recognized; or

18 (3) live horse racing was not conducted in 2010 at a
19 racetrack located within 3 miles of the Mississippi River
20 under a license issued pursuant to the Illinois Horse
21 Racing Act of 1975.

22 The transfer of an organization gaming license,
23 organization license, or racetrack property by a person other
24 than the initial licensee to receive the organization gaming
25 license is not subject to a surcharge. The Department shall
26 adopt rules necessary to implement and administer this

1 subsection.

2 (c) Personal Property Tax Replacement Income Tax.
3 Beginning on July 1, 1979 and thereafter, in addition to such
4 income tax, there is also hereby imposed the Personal Property
5 Tax Replacement Income Tax measured by net income on every
6 corporation (including Subchapter S corporations), partnership
7 and trust, for each taxable year ending after June 30, 1979.
8 Such taxes are imposed on the privilege of earning or
9 receiving income in or as a resident of this State. The
10 Personal Property Tax Replacement Income Tax shall be in
11 addition to the income tax imposed by subsections (a) and (b)
12 of this Section and in addition to all other occupation or
13 privilege taxes imposed by this State or by any municipal
14 corporation or political subdivision thereof.

15 (d) Additional Personal Property Tax Replacement Income
16 Tax Rates. The personal property tax replacement income tax
17 imposed by this subsection and subsection (c) of this Section
18 in the case of a corporation, other than a Subchapter S
19 corporation and except as adjusted by subsection (d-1), shall
20 be an additional amount equal to 2.85% of such taxpayer's net
21 income for the taxable year, except that beginning on January
22 1, 1981, and thereafter, the rate of 2.85% specified in this
23 subsection shall be reduced to 2.5%, and in the case of a
24 partnership, trust or a Subchapter S corporation shall be an
25 additional amount equal to 1.5% of such taxpayer's net income
26 for the taxable year.

1 (d-1) Rate reduction for certain foreign insurers. In the
2 case of a foreign insurer, as defined by Section 35A-5 of the
3 Illinois Insurance Code, whose state or country of domicile
4 imposes on insurers domiciled in Illinois a retaliatory tax
5 (excluding any insurer whose premiums from reinsurance assumed
6 are 50% or more of its total insurance premiums as determined
7 under paragraph (2) of subsection (b) of Section 304, except
8 that for purposes of this determination premiums from
9 reinsurance do not include premiums from inter-affiliate
10 reinsurance arrangements), beginning with taxable years ending
11 on or after December 31, 1999, the sum of the rates of tax
12 imposed by subsections (b) and (d) shall be reduced (but not
13 increased) to the rate at which the total amount of tax imposed
14 under this Act, net of all credits allowed under this Act,
15 shall equal (i) the total amount of tax that would be imposed
16 on the foreign insurer's net income allocable to Illinois for
17 the taxable year by such foreign insurer's state or country of
18 domicile if that net income were subject to all income taxes
19 and taxes measured by net income imposed by such foreign
20 insurer's state or country of domicile, net of all credits
21 allowed or (ii) a rate of zero if no such tax is imposed on
22 such income by the foreign insurer's state of domicile. For
23 the purposes of this subsection (d-1), an inter-affiliate
24 includes a mutual insurer under common management.

25 (1) For the purposes of subsection (d-1), in no event
26 shall the sum of the rates of tax imposed by subsections

1 (b) and (d) be reduced below the rate at which the sum of:

2 (A) the total amount of tax imposed on such
3 foreign insurer under this Act for a taxable year, net
4 of all credits allowed under this Act, plus

5 (B) the privilege tax imposed by Section 409 of
6 the Illinois Insurance Code, the fire insurance
7 company tax imposed by Section 12 of the Fire
8 Investigation Act, and the fire department taxes
9 imposed under Section 11-10-1 of the Illinois
10 Municipal Code,

11 equals 1.25% for taxable years ending prior to December
12 31, 2003, or 1.75% for taxable years ending on or after
13 December 31, 2003, of the net taxable premiums written for
14 the taxable year, as described by subsection (1) of
15 Section 409 of the Illinois Insurance Code. This paragraph
16 will in no event increase the rates imposed under
17 subsections (b) and (d).

18 (2) Any reduction in the rates of tax imposed by this
19 subsection shall be applied first against the rates
20 imposed by subsection (b) and only after the tax imposed
21 by subsection (a) net of all credits allowed under this
22 Section other than the credit allowed under subsection (i)
23 has been reduced to zero, against the rates imposed by
24 subsection (d).

25 This subsection (d-1) is exempt from the provisions of
26 Section 250.

1 (e) Investment credit. A taxpayer shall be allowed a
2 credit against the Personal Property Tax Replacement Income
3 Tax for investment in qualified property.

4 (1) A taxpayer shall be allowed a credit equal to .5%
5 of the basis of qualified property placed in service
6 during the taxable year, provided such property is placed
7 in service on or after July 1, 1984. There shall be allowed
8 an additional credit equal to .5% of the basis of
9 qualified property placed in service during the taxable
10 year, provided such property is placed in service on or
11 after July 1, 1986, and the taxpayer's base employment
12 within Illinois has increased by 1% or more over the
13 preceding year as determined by the taxpayer's employment
14 records filed with the Illinois Department of Employment
15 Security. Taxpayers who are new to Illinois shall be
16 deemed to have met the 1% growth in base employment for the
17 first year in which they file employment records with the
18 Illinois Department of Employment Security. The provisions
19 added to this Section by Public Act 85-1200 (and restored
20 by Public Act 87-895) shall be construed as declaratory of
21 existing law and not as a new enactment. If, in any year,
22 the increase in base employment within Illinois over the
23 preceding year is less than 1%, the additional credit
24 shall be limited to that percentage times a fraction, the
25 numerator of which is .5% and the denominator of which is
26 1%, but shall not exceed .5%. The investment credit shall

1 not be allowed to the extent that it would reduce a
2 taxpayer's liability in any tax year below zero, nor may
3 any credit for qualified property be allowed for any year
4 other than the year in which the property was placed in
5 service in Illinois. For tax years ending on or after
6 December 31, 1987, and on or before December 31, 1988, the
7 credit shall be allowed for the tax year in which the
8 property is placed in service, or, if the amount of the
9 credit exceeds the tax liability for that year, whether it
10 exceeds the original liability or the liability as later
11 amended, such excess may be carried forward and applied to
12 the tax liability of the 5 taxable years following the
13 excess credit years if the taxpayer (i) makes investments
14 which cause the creation of a minimum of 2,000 full-time
15 equivalent jobs in Illinois, (ii) is located in an
16 enterprise zone established pursuant to the Illinois
17 Enterprise Zone Act and (iii) is certified by the
18 Department of Commerce and Community Affairs (now
19 Department of Commerce and Economic Opportunity) as
20 complying with the requirements specified in clause (i)
21 and (ii) by July 1, 1986. The Department of Commerce and
22 Community Affairs (now Department of Commerce and Economic
23 Opportunity) shall notify the Department of Revenue of all
24 such certifications immediately. For tax years ending
25 after December 31, 1988, the credit shall be allowed for
26 the tax year in which the property is placed in service,

1 or, if the amount of the credit exceeds the tax liability
2 for that year, whether it exceeds the original liability
3 or the liability as later amended, such excess may be
4 carried forward and applied to the tax liability of the 5
5 taxable years following the excess credit years. The
6 credit shall be applied to the earliest year for which
7 there is a liability. If there is credit from more than one
8 tax year that is available to offset a liability, earlier
9 credit shall be applied first.

10 (2) The term "qualified property" means property
11 which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings and
14 signs that are real property, but not including land
15 or improvements to real property that are not a
16 structural component of a building such as
17 landscaping, sewer lines, local access roads, fencing,
18 parking lots, and other appurtenances;

19 (B) is depreciable pursuant to Section 167 of the
20 Internal Revenue Code, except that "3-year property"
21 as defined in Section 168(c)(2)(A) of that Code is not
22 eligible for the credit provided by this subsection
23 (e);

24 (C) is acquired by purchase as defined in Section
25 179(d) of the Internal Revenue Code;

26 (D) is used in Illinois by a taxpayer who is

1 primarily engaged in manufacturing, or in mining coal
2 or fluorite, or in retailing, or was placed in service
3 on or after July 1, 2006 in a River Edge Redevelopment
4 Zone established pursuant to the River Edge
5 Redevelopment Zone Act; and

6 (E) has not previously been used in Illinois in
7 such a manner and by such a person as would qualify for
8 the credit provided by this subsection (e) or
9 subsection (f).

10 (3) For purposes of this subsection (e),
11 "manufacturing" means the material staging and production
12 of tangible personal property by procedures commonly
13 regarded as manufacturing, processing, fabrication, or
14 assembling which changes some existing material into new
15 shapes, new qualities, or new combinations. For purposes
16 of this subsection (e) the term "mining" shall have the
17 same meaning as the term "mining" in Section 613(c) of the
18 Internal Revenue Code. For purposes of this subsection
19 (e), the term "retailing" means the sale of tangible
20 personal property for use or consumption and not for
21 resale, or services rendered in conjunction with the sale
22 of tangible personal property for use or consumption and
23 not for resale. For purposes of this subsection (e),
24 "tangible personal property" has the same meaning as when
25 that term is used in the Retailers' Occupation Tax Act,
26 and, for taxable years ending after December 31, 2008,

1 does not include the generation, transmission, or
2 distribution of electricity.

3 (4) The basis of qualified property shall be the basis
4 used to compute the depreciation deduction for federal
5 income tax purposes.

6 (5) If the basis of the property for federal income
7 tax depreciation purposes is increased after it has been
8 placed in service in Illinois by the taxpayer, the amount
9 of such increase shall be deemed property placed in
10 service on the date of such increase in basis.

11 (6) The term "placed in service" shall have the same
12 meaning as under Section 46 of the Internal Revenue Code.

13 (7) If during any taxable year, any property ceases to
14 be qualified property in the hands of the taxpayer within
15 48 months after being placed in service, or the situs of
16 any qualified property is moved outside Illinois within 48
17 months after being placed in service, the Personal
18 Property Tax Replacement Income Tax for such taxable year
19 shall be increased. Such increase shall be determined by
20 (i) recomputing the investment credit which would have
21 been allowed for the year in which credit for such
22 property was originally allowed by eliminating such
23 property from such computation and, (ii) subtracting such
24 recomputed credit from the amount of credit previously
25 allowed. For the purposes of this paragraph (7), a
26 reduction of the basis of qualified property resulting

1 from a redetermination of the purchase price shall be
2 deemed a disposition of qualified property to the extent
3 of such reduction.

4 (8) Unless the investment credit is extended by law,
5 the basis of qualified property shall not include costs
6 incurred after December 31, 2018, except for costs
7 incurred pursuant to a binding contract entered into on or
8 before December 31, 2018.

9 (9) Each taxable year ending before December 31, 2000,
10 a partnership may elect to pass through to its partners
11 the credits to which the partnership is entitled under
12 this subsection (e) for the taxable year. A partner may
13 use the credit allocated to him or her under this
14 paragraph only against the tax imposed in subsections (c)
15 and (d) of this Section. If the partnership makes that
16 election, those credits shall be allocated among the
17 partners in the partnership in accordance with the rules
18 set forth in Section 704(b) of the Internal Revenue Code,
19 and the rules promulgated under that Section, and the
20 allocated amount of the credits shall be allowed to the
21 partners for that taxable year. The partnership shall make
22 this election on its Personal Property Tax Replacement
23 Income Tax return for that taxable year. The election to
24 pass through the credits shall be irrevocable.

25 For taxable years ending on or after December 31,
26 2000, a partner that qualifies its partnership for a

1 subtraction under subparagraph (I) of paragraph (2) of
2 subsection (d) of Section 203 or a shareholder that
3 qualifies a Subchapter S corporation for a subtraction
4 under subparagraph (S) of paragraph (2) of subsection (b)
5 of Section 203 shall be allowed a credit under this
6 subsection (e) equal to its share of the credit earned
7 under this subsection (e) during the taxable year by the
8 partnership or Subchapter S corporation, determined in
9 accordance with the determination of income and
10 distributive share of income under Sections 702 and 704
11 and Subchapter S of the Internal Revenue Code. This
12 paragraph is exempt from the provisions of Section 250.

13 (f) Investment credit; Enterprise Zone; River Edge
14 Redevelopment Zone; Clean Energy Empowerment Zone.

15 (1) A taxpayer shall be allowed a credit against the
16 tax imposed by subsections (a) and (b) of this Section for
17 investment in qualified property which is placed in
18 service in an Enterprise Zone created pursuant to the
19 Illinois Enterprise Zone Act or, for property placed in
20 service on or after July 1, 2006, a River Edge
21 Redevelopment Zone established pursuant to the River Edge
22 Redevelopment Zone Act, or for investment in renewable
23 energy enterprises located in Clean Energy Empowerment
24 Zones created pursuant to the Energy Community
25 Reinvestment Act. For partners, shareholders of Subchapter
26 S corporations, and owners of limited liability companies,

1 if the liability company is treated as a partnership for
2 purposes of federal and State income taxation, there shall
3 be allowed a credit under this subsection (f) to be
4 determined in accordance with the determination of income
5 and distributive share of income under Sections 702 and
6 704 and Subchapter S of the Internal Revenue Code. The
7 credit shall be .5% of the basis for such property. The
8 credit shall be available only in the taxable year in
9 which the property is placed in service in the Enterprise
10 Zone or River Edge Redevelopment Zone and shall not be
11 allowed to the extent that it would reduce a taxpayer's
12 liability for the tax imposed by subsections (a) and (b)
13 of this Section to below zero. For tax years ending on or
14 after December 31, 1985, the credit shall be allowed for
15 the tax year in which the property is placed in service,
16 or, if the amount of the credit exceeds the tax liability
17 for that year, whether it exceeds the original liability
18 or the liability as later amended, such excess may be
19 carried forward and applied to the tax liability of the 5
20 taxable years following the excess credit year. The credit
21 shall be applied to the earliest year for which there is a
22 liability. If there is credit from more than one tax year
23 that is available to offset a liability, the credit
24 accruing first in time shall be applied first.

25 (2) The term qualified property means property which:

26 (A) is tangible, whether new or used, including

1 buildings and structural components of buildings;

2 (B) is depreciable pursuant to Section 167 of the
3 Internal Revenue Code, except that "3-year property"
4 as defined in Section 168(c)(2)(A) of that Code is not
5 eligible for the credit provided by this subsection
6 (f);

7 (C) is acquired by purchase as defined in Section
8 179(d) of the Internal Revenue Code;

9 (D) is used in the Enterprise Zone or River Edge
10 Redevelopment Zone by the taxpayer; and

11 (E) has not been previously used in Illinois in
12 such a manner and by such a person as would qualify for
13 the credit provided by this subsection (f) or
14 subsection (e).

15 (3) The basis of qualified property shall be the basis
16 used to compute the depreciation deduction for federal
17 income tax purposes.

18 (4) If the basis of the property for federal income
19 tax depreciation purposes is increased after it has been
20 placed in service in the Enterprise Zone or River Edge
21 Redevelopment Zone by the taxpayer, the amount of such
22 increase shall be deemed property placed in service on the
23 date of such increase in basis.

24 (5) The term "placed in service" shall have the same
25 meaning as under Section 46 of the Internal Revenue Code.

26 (6) If during any taxable year, any property ceases to

1 be qualified property in the hands of the taxpayer within
2 48 months after being placed in service, or the situs of
3 any qualified property is moved outside the Enterprise
4 Zone or River Edge Redevelopment Zone within 48 months
5 after being placed in service, the tax imposed under
6 subsections (a) and (b) of this Section for such taxable
7 year shall be increased. Such increase shall be determined
8 by (i) recomputing the investment credit which would have
9 been allowed for the year in which credit for such
10 property was originally allowed by eliminating such
11 property from such computation, and (ii) subtracting such
12 recomputed credit from the amount of credit previously
13 allowed. For the purposes of this paragraph (6), a
14 reduction of the basis of qualified property resulting
15 from a redetermination of the purchase price shall be
16 deemed a disposition of qualified property to the extent
17 of such reduction.

18 (7) There shall be allowed an additional credit equal
19 to 0.5% of the basis of qualified property placed in
20 service during the taxable year in a River Edge
21 Redevelopment Zone, provided such property is placed in
22 service on or after July 1, 2006, and the taxpayer's base
23 employment within Illinois has increased by 1% or more
24 over the preceding year as determined by the taxpayer's
25 employment records filed with the Illinois Department of
26 Employment Security. Taxpayers who are new to Illinois

1 shall be deemed to have met the 1% growth in base
2 employment for the first year in which they file
3 employment records with the Illinois Department of
4 Employment Security. If, in any year, the increase in base
5 employment within Illinois over the preceding year is less
6 than 1%, the additional credit shall be limited to that
7 percentage times a fraction, the numerator of which is
8 0.5% and the denominator of which is 1%, but shall not
9 exceed 0.5%.

10 (8) For taxable years beginning on or after January 1,
11 2021, there shall be allowed an Enterprise Zone
12 construction jobs credit against the taxes imposed under
13 subsections (a) and (b) of this Section as provided in
14 Section 13 of the Illinois Enterprise Zone Act.

15 The credit or credits may not reduce the taxpayer's
16 liability to less than zero. If the amount of the credit or
17 credits exceeds the taxpayer's liability, the excess may
18 be carried forward and applied against the taxpayer's
19 liability in succeeding calendar years in the same manner
20 provided under paragraph (4) of Section 211 of this Act.
21 The credit or credits shall be applied to the earliest
22 year for which there is a tax liability. If there are
23 credits from more than one taxable year that are available
24 to offset a liability, the earlier credit shall be applied
25 first.

26 For partners, shareholders of Subchapter S

1 corporations, and owners of limited liability companies,
2 if the liability company is treated as a partnership for
3 the purposes of federal and State income taxation, there
4 shall be allowed a credit under this Section to be
5 determined in accordance with the determination of income
6 and distributive share of income under Sections 702 and
7 704 and Subchapter S of the Internal Revenue Code.

8 The total aggregate amount of credits awarded under
9 the Blue Collar Jobs Act (Article 20 of Public Act 101-9
10 ~~this amendatory Act of the 101st General Assembly~~) shall
11 not exceed \$20,000,000 in any State fiscal year.

12 This paragraph (8) is exempt from the provisions of
13 Section 250.

14 (g) (Blank).

15 (h) Investment credit; High Impact Business.

16 (1) Subject to subsections (b) and (b-5) of Section
17 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
18 be allowed a credit against the tax imposed by subsections
19 (a) and (b) of this Section for investment in qualified
20 property which is placed in service by a Department of
21 Commerce and Economic Opportunity designated High Impact
22 Business. The credit shall be .5% of the basis for such
23 property. The credit shall not be available (i) until the
24 minimum investments in qualified property set forth in
25 subdivision (a)(3)(A) of Section 5.5 of the Illinois
26 Enterprise Zone Act have been satisfied or (ii) until the

1 time authorized in subsection (b-5) of the Illinois
2 Enterprise Zone Act for entities designated as High Impact
3 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
4 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
5 Act, and shall not be allowed to the extent that it would
6 reduce a taxpayer's liability for the tax imposed by
7 subsections (a) and (b) of this Section to below zero. The
8 credit applicable to such investments shall be taken in
9 the taxable year in which such investments have been
10 completed. The credit for additional investments beyond
11 the minimum investment by a designated high impact
12 business authorized under subdivision (a)(3)(A) of Section
13 5.5 of the Illinois Enterprise Zone Act shall be available
14 only in the taxable year in which the property is placed in
15 service and shall not be allowed to the extent that it
16 would reduce a taxpayer's liability for the tax imposed by
17 subsections (a) and (b) of this Section to below zero. For
18 tax years ending on or after December 31, 1987, the credit
19 shall be allowed for the tax year in which the property is
20 placed in service, or, if the amount of the credit exceeds
21 the tax liability for that year, whether it exceeds the
22 original liability or the liability as later amended, such
23 excess may be carried forward and applied to the tax
24 liability of the 5 taxable years following the excess
25 credit year. The credit shall be applied to the earliest
26 year for which there is a liability. If there is credit

1 from more than one tax year that is available to offset a
2 liability, the credit accruing first in time shall be
3 applied first.

4 Changes made in this subdivision (h) (1) by Public Act
5 88-670 restore changes made by Public Act 85-1182 and
6 reflect existing law.

7 (2) The term qualified property means property which:

8 (A) is tangible, whether new or used, including
9 buildings and structural components of buildings;

10 (B) is depreciable pursuant to Section 167 of the
11 Internal Revenue Code, except that "3-year property"
12 as defined in Section 168(c) (2) (A) of that Code is not
13 eligible for the credit provided by this subsection
14 (h);

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code; and

17 (D) is not eligible for the Enterprise Zone
18 Investment Credit provided by subsection (f) of this
19 Section.

20 (3) The basis of qualified property shall be the basis
21 used to compute the depreciation deduction for federal
22 income tax purposes.

23 (4) If the basis of the property for federal income
24 tax depreciation purposes is increased after it has been
25 placed in service in a federally designated Foreign Trade
26 Zone or Sub-Zone located in Illinois by the taxpayer, the

1 amount of such increase shall be deemed property placed in
2 service on the date of such increase in basis.

3 (5) The term "placed in service" shall have the same
4 meaning as under Section 46 of the Internal Revenue Code.

5 (6) If during any taxable year ending on or before
6 December 31, 1996, any property ceases to be qualified
7 property in the hands of the taxpayer within 48 months
8 after being placed in service, or the situs of any
9 qualified property is moved outside Illinois within 48
10 months after being placed in service, the tax imposed
11 under subsections (a) and (b) of this Section for such
12 taxable year shall be increased. Such increase shall be
13 determined by (i) recomputing the investment credit which
14 would have been allowed for the year in which credit for
15 such property was originally allowed by eliminating such
16 property from such computation, and (ii) subtracting such
17 recomputed credit from the amount of credit previously
18 allowed. For the purposes of this paragraph (6), a
19 reduction of the basis of qualified property resulting
20 from a redetermination of the purchase price shall be
21 deemed a disposition of qualified property to the extent
22 of such reduction.

23 (7) Beginning with tax years ending after December 31,
24 1996, if a taxpayer qualifies for the credit under this
25 subsection (h) and thereby is granted a tax abatement and
26 the taxpayer relocates its entire facility in violation of

1 the explicit terms and length of the contract under
2 Section 18-183 of the Property Tax Code, the tax imposed
3 under subsections (a) and (b) of this Section shall be
4 increased for the taxable year in which the taxpayer
5 relocated its facility by an amount equal to the amount of
6 credit received by the taxpayer under this subsection (h).

7 (h-5) High Impact Business construction ~~constructions~~ jobs
8 credit. For taxable years beginning on or after January 1,
9 2021, there shall also be allowed a High Impact Business
10 construction jobs credit against the tax imposed under
11 subsections (a) and (b) of this Section as provided in
12 subsections (i) and (j) of Section 5.5 of the Illinois
13 Enterprise Zone Act.

14 The credit or credits may not reduce the taxpayer's
15 liability to less than zero. If the amount of the credit or
16 credits exceeds the taxpayer's liability, the excess may be
17 carried forward and applied against the taxpayer's liability
18 in succeeding calendar years in the manner provided under
19 paragraph (4) of Section 211 of this Act. The credit or credits
20 shall be applied to the earliest year for which there is a tax
21 liability. If there are credits from more than one taxable
22 year that are available to offset a liability, the earlier
23 credit shall be applied first.

24 For partners, shareholders of Subchapter S corporations,
25 and owners of limited liability companies, if the liability
26 company is treated as a partnership for the purposes of

1 federal and State income taxation, there shall be allowed a
2 credit under this Section to be determined in accordance with
3 the determination of income and distributive share of income
4 under Sections 702 and 704 and Subchapter S of the Internal
5 Revenue Code.

6 The total aggregate amount of credits awarded under the
7 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
8 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
9 \$20,000,000 in any State fiscal year.

10 This subsection (h-5) is exempt from the provisions of
11 Section 250.

12 (i) Credit for Personal Property Tax Replacement Income
13 Tax. For tax years ending prior to December 31, 2003, a credit
14 shall be allowed against the tax imposed by subsections (a)
15 and (b) of this Section for the tax imposed by subsections (c)
16 and (d) of this Section. This credit shall be computed by
17 multiplying the tax imposed by subsections (c) and (d) of this
18 Section by a fraction, the numerator of which is base income
19 allocable to Illinois and the denominator of which is Illinois
20 base income, and further multiplying the product by the tax
21 rate imposed by subsections (a) and (b) of this Section.

22 Any credit earned on or after December 31, 1986 under this
23 subsection which is unused in the year the credit is computed
24 because it exceeds the tax liability imposed by subsections
25 (a) and (b) for that year (whether it exceeds the original
26 liability or the liability as later amended) may be carried

1 forward and applied to the tax liability imposed by
2 subsections (a) and (b) of the 5 taxable years following the
3 excess credit year, provided that no credit may be carried
4 forward to any year ending on or after December 31, 2003. This
5 credit shall be applied first to the earliest year for which
6 there is a liability. If there is a credit under this
7 subsection from more than one tax year that is available to
8 offset a liability the earliest credit arising under this
9 subsection shall be applied first.

10 If, during any taxable year ending on or after December
11 31, 1986, the tax imposed by subsections (c) and (d) of this
12 Section for which a taxpayer has claimed a credit under this
13 subsection (i) is reduced, the amount of credit for such tax
14 shall also be reduced. Such reduction shall be determined by
15 recomputing the credit to take into account the reduced tax
16 imposed by subsections (c) and (d). If any portion of the
17 reduced amount of credit has been carried to a different
18 taxable year, an amended return shall be filed for such
19 taxable year to reduce the amount of credit claimed.

20 (j) Training expense credit. Beginning with tax years
21 ending on or after December 31, 1986 and prior to December 31,
22 2003, a taxpayer shall be allowed a credit against the tax
23 imposed by subsections (a) and (b) under this Section for all
24 amounts paid or accrued, on behalf of all persons employed by
25 the taxpayer in Illinois or Illinois residents employed
26 outside of Illinois by a taxpayer, for educational or

1 vocational training in semi-technical or technical fields or
2 semi-skilled or skilled fields, which were deducted from gross
3 income in the computation of taxable income. The credit
4 against the tax imposed by subsections (a) and (b) shall be
5 1.6% of such training expenses. For partners, shareholders of
6 subchapter S corporations, and owners of limited liability
7 companies, if the liability company is treated as a
8 partnership for purposes of federal and State income taxation,
9 there shall be allowed a credit under this subsection (j) to be
10 determined in accordance with the determination of income and
11 distributive share of income under Sections 702 and 704 and
12 subchapter S of the Internal Revenue Code.

13 Any credit allowed under this subsection which is unused
14 in the year the credit is earned may be carried forward to each
15 of the 5 taxable years following the year for which the credit
16 is first computed until it is used. This credit shall be
17 applied first to the earliest year for which there is a
18 liability. If there is a credit under this subsection from
19 more than one tax year that is available to offset a liability,
20 the earliest credit arising under this subsection shall be
21 applied first. No carryforward credit may be claimed in any
22 tax year ending on or after December 31, 2003.

23 (k) Research and development credit. For tax years ending
24 after July 1, 1990 and prior to December 31, 2003, and
25 beginning again for tax years ending on or after December 31,
26 2004, and ending prior to January 1, 2027, a taxpayer shall be

1 allowed a credit against the tax imposed by subsections (a)
2 and (b) of this Section for increasing research activities in
3 this State. The credit allowed against the tax imposed by
4 subsections (a) and (b) shall be equal to 6 1/2% of the
5 qualifying expenditures for increasing research activities in
6 this State. For partners, shareholders of subchapter S
7 corporations, and owners of limited liability companies, if
8 the liability company is treated as a partnership for purposes
9 of federal and State income taxation, there shall be allowed a
10 credit under this subsection to be determined in accordance
11 with the determination of income and distributive share of
12 income under Sections 702 and 704 and subchapter S of the
13 Internal Revenue Code.

14 For purposes of this subsection, "qualifying expenditures"
15 means the qualifying expenditures as defined for the federal
16 credit for increasing research activities which would be
17 allowable under Section 41 of the Internal Revenue Code and
18 which are conducted in this State, "qualifying expenditures
19 for increasing research activities in this State" means the
20 excess of qualifying expenditures for the taxable year in
21 which incurred over qualifying expenditures for the base
22 period, "qualifying expenditures for the base period" means
23 the average of the qualifying expenditures for each year in
24 the base period, and "base period" means the 3 taxable years
25 immediately preceding the taxable year for which the
26 determination is being made.

1 Any credit in excess of the tax liability for the taxable
2 year may be carried forward. A taxpayer may elect to have the
3 unused credit shown on its final completed return carried over
4 as a credit against the tax liability for the following 5
5 taxable years or until it has been fully used, whichever
6 occurs first; provided that no credit earned in a tax year
7 ending prior to December 31, 2003 may be carried forward to any
8 year ending on or after December 31, 2003.

9 If an unused credit is carried forward to a given year from
10 2 or more earlier years, that credit arising in the earliest
11 year will be applied first against the tax liability for the
12 given year. If a tax liability for the given year still
13 remains, the credit from the next earliest year will then be
14 applied, and so on, until all credits have been used or no tax
15 liability for the given year remains. Any remaining unused
16 credit or credits then will be carried forward to the next
17 following year in which a tax liability is incurred, except
18 that no credit can be carried forward to a year which is more
19 than 5 years after the year in which the expense for which the
20 credit is given was incurred.

21 No inference shall be drawn from Public Act 91-644 ~~this~~
22 ~~amendatory Act of the 91st General Assembly~~ in construing this
23 Section for taxable years beginning before January 1, 1999.

24 It is the intent of the General Assembly that the research
25 and development credit under this subsection (k) shall apply
26 continuously for all tax years ending on or after December 31,

1 2004 and ending prior to January 1, 2027, including, but not
2 limited to, the period beginning on January 1, 2016 and ending
3 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
4 ~~amendatory Act of the 100th General Assembly~~. All actions
5 taken in reliance on the continuation of the credit under this
6 subsection (k) by any taxpayer are hereby validated.

7 (l) Environmental Remediation Tax Credit.

8 (i) For tax years ending after December 31, 1997 and
9 on or before December 31, 2001, a taxpayer shall be
10 allowed a credit against the tax imposed by subsections
11 (a) and (b) of this Section for certain amounts paid for
12 unreimbursed eligible remediation costs, as specified in
13 this subsection. For purposes of this Section,
14 "unreimbursed eligible remediation costs" means costs
15 approved by the Illinois Environmental Protection Agency
16 ("Agency") under Section 58.14 of the Environmental
17 Protection Act that were paid in performing environmental
18 remediation at a site for which a No Further Remediation
19 Letter was issued by the Agency and recorded under Section
20 58.10 of the Environmental Protection Act. The credit must
21 be claimed for the taxable year in which Agency approval
22 of the eligible remediation costs is granted. The credit
23 is not available to any taxpayer if the taxpayer or any
24 related party caused or contributed to, in any material
25 respect, a release of regulated substances on, in, or
26 under the site that was identified and addressed by the

1 remedial action pursuant to the Site Remediation Program
2 of the Environmental Protection Act. After the Pollution
3 Control Board rules are adopted pursuant to the Illinois
4 Administrative Procedure Act for the administration and
5 enforcement of Section 58.9 of the Environmental
6 Protection Act, determinations as to credit availability
7 for purposes of this Section shall be made consistent with
8 those rules. For purposes of this Section, "taxpayer"
9 includes a person whose tax attributes the taxpayer has
10 succeeded to under Section 381 of the Internal Revenue
11 Code and "related party" includes the persons disallowed a
12 deduction for losses by paragraphs (b), (c), and (f)(1) of
13 Section 267 of the Internal Revenue Code by virtue of
14 being a related taxpayer, as well as any of its partners.
15 The credit allowed against the tax imposed by subsections
16 (a) and (b) shall be equal to 25% of the unreimbursed
17 eligible remediation costs in excess of \$100,000 per site,
18 except that the \$100,000 threshold shall not apply to any
19 site contained in an enterprise zone as determined by the
20 Department of Commerce and Community Affairs (now
21 Department of Commerce and Economic Opportunity). The
22 total credit allowed shall not exceed \$40,000 per year
23 with a maximum total of \$150,000 per site. For partners
24 and shareholders of subchapter S corporations, there shall
25 be allowed a credit under this subsection to be determined
26 in accordance with the determination of income and

1 distributive share of income under Sections 702 and 704
2 and subchapter S of the Internal Revenue Code.

3 (ii) A credit allowed under this subsection that is
4 unused in the year the credit is earned may be carried
5 forward to each of the 5 taxable years following the year
6 for which the credit is first earned until it is used. The
7 term "unused credit" does not include any amounts of
8 unreimbursed eligible remediation costs in excess of the
9 maximum credit per site authorized under paragraph (i).
10 This credit shall be applied first to the earliest year
11 for which there is a liability. If there is a credit under
12 this subsection from more than one tax year that is
13 available to offset a liability, the earliest credit
14 arising under this subsection shall be applied first. A
15 credit allowed under this subsection may be sold to a
16 buyer as part of a sale of all or part of the remediation
17 site for which the credit was granted. The purchaser of a
18 remediation site and the tax credit shall succeed to the
19 unused credit and remaining carry-forward period of the
20 seller. To perfect the transfer, the assignor shall record
21 the transfer in the chain of title for the site and provide
22 written notice to the Director of the Illinois Department
23 of Revenue of the assignor's intent to sell the
24 remediation site and the amount of the tax credit to be
25 transferred as a portion of the sale. In no event may a
26 credit be transferred to any taxpayer if the taxpayer or a

1 related party would not be eligible under the provisions
2 of subsection (i).

3 (iii) For purposes of this Section, the term "site"
4 shall have the same meaning as under Section 58.2 of the
5 Environmental Protection Act.

6 (m) Education expense credit. Beginning with tax years
7 ending after December 31, 1999, a taxpayer who is the
8 custodian of one or more qualifying pupils shall be allowed a
9 credit against the tax imposed by subsections (a) and (b) of
10 this Section for qualified education expenses incurred on
11 behalf of the qualifying pupils. The credit shall be equal to
12 25% of qualified education expenses, but in no event may the
13 total credit under this subsection claimed by a family that is
14 the custodian of qualifying pupils exceed (i) \$500 for tax
15 years ending prior to December 31, 2017, and (ii) \$750 for tax
16 years ending on or after December 31, 2017. In no event shall a
17 credit under this subsection reduce the taxpayer's liability
18 under this Act to less than zero. Notwithstanding any other
19 provision of law, for taxable years beginning on or after
20 January 1, 2017, no taxpayer may claim a credit under this
21 subsection (m) if the taxpayer's adjusted gross income for the
22 taxable year exceeds (i) \$500,000, in the case of spouses
23 filing a joint federal tax return or (ii) \$250,000, in the case
24 of all other taxpayers. This subsection is exempt from the
25 provisions of Section 250 of this Act.

26 For purposes of this subsection:

1 "Qualifying pupils" means individuals who (i) are
2 residents of the State of Illinois, (ii) are under the age of
3 21 at the close of the school year for which a credit is
4 sought, and (iii) during the school year for which a credit is
5 sought were full-time pupils enrolled in a kindergarten
6 through twelfth grade education program at any school, as
7 defined in this subsection.

8 "Qualified education expense" means the amount incurred on
9 behalf of a qualifying pupil in excess of \$250 for tuition,
10 book fees, and lab fees at the school in which the pupil is
11 enrolled during the regular school year.

12 "School" means any public or nonpublic elementary or
13 secondary school in Illinois that is in compliance with Title
14 VI of the Civil Rights Act of 1964 and attendance at which
15 satisfies the requirements of Section 26-1 of the School Code,
16 except that nothing shall be construed to require a child to
17 attend any particular public or nonpublic school to qualify
18 for the credit under this Section.

19 "Custodian" means, with respect to qualifying pupils, an
20 Illinois resident who is a parent, the parents, a legal
21 guardian, or the legal guardians of the qualifying pupils.

22 (n) River Edge Redevelopment Zone site remediation tax
23 credit.

24 (i) For tax years ending on or after December 31,
25 2006, a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) of this Section for

1 certain amounts paid for unreimbursed eligible remediation
2 costs, as specified in this subsection. For purposes of
3 this Section, "unreimbursed eligible remediation costs"
4 means costs approved by the Illinois Environmental
5 Protection Agency ("Agency") under Section 58.14a of the
6 Environmental Protection Act that were paid in performing
7 environmental remediation at a site within a River Edge
8 Redevelopment Zone for which a No Further Remediation
9 Letter was issued by the Agency and recorded under Section
10 58.10 of the Environmental Protection Act. The credit must
11 be claimed for the taxable year in which Agency approval
12 of the eligible remediation costs is granted. The credit
13 is not available to any taxpayer if the taxpayer or any
14 related party caused or contributed to, in any material
15 respect, a release of regulated substances on, in, or
16 under the site that was identified and addressed by the
17 remedial action pursuant to the Site Remediation Program
18 of the Environmental Protection Act. Determinations as to
19 credit availability for purposes of this Section shall be
20 made consistent with rules adopted by the Pollution
21 Control Board pursuant to the Illinois Administrative
22 Procedure Act for the administration and enforcement of
23 Section 58.9 of the Environmental Protection Act. For
24 purposes of this Section, "taxpayer" includes a person
25 whose tax attributes the taxpayer has succeeded to under
26 Section 381 of the Internal Revenue Code and "related

1 party" includes the persons disallowed a deduction for
2 losses by paragraphs (b), (c), and (f)(1) of Section 267
3 of the Internal Revenue Code by virtue of being a related
4 taxpayer, as well as any of its partners. The credit
5 allowed against the tax imposed by subsections (a) and (b)
6 shall be equal to 25% of the unreimbursed eligible
7 remediation costs in excess of \$100,000 per site.

8 (ii) A credit allowed under this subsection that is
9 unused in the year the credit is earned may be carried
10 forward to each of the 5 taxable years following the year
11 for which the credit is first earned until it is used. This
12 credit shall be applied first to the earliest year for
13 which there is a liability. If there is a credit under this
14 subsection from more than one tax year that is available
15 to offset a liability, the earliest credit arising under
16 this subsection shall be applied first. A credit allowed
17 under this subsection may be sold to a buyer as part of a
18 sale of all or part of the remediation site for which the
19 credit was granted. The purchaser of a remediation site
20 and the tax credit shall succeed to the unused credit and
21 remaining carry-forward period of the seller. To perfect
22 the transfer, the assignor shall record the transfer in
23 the chain of title for the site and provide written notice
24 to the Director of the Illinois Department of Revenue of
25 the assignor's intent to sell the remediation site and the
26 amount of the tax credit to be transferred as a portion of

1 the sale. In no event may a credit be transferred to any
2 taxpayer if the taxpayer or a related party would not be
3 eligible under the provisions of subsection (i).

4 (iii) For purposes of this Section, the term "site"
5 shall have the same meaning as under Section 58.2 of the
6 Environmental Protection Act.

7 (o) For each of taxable years during the Compassionate Use
8 of Medical Cannabis Program, a surcharge is imposed on all
9 taxpayers on income arising from the sale or exchange of
10 capital assets, depreciable business property, real property
11 used in the trade or business, and Section 197 intangibles of
12 an organization registrant under the Compassionate Use of
13 Medical Cannabis Program Act. The amount of the surcharge is
14 equal to the amount of federal income tax liability for the
15 taxable year attributable to those sales and exchanges. The
16 surcharge imposed does not apply if:

17 (1) the medical cannabis cultivation center
18 registration, medical cannabis dispensary registration, or
19 the property of a registration is transferred as a result
20 of any of the following:

21 (A) bankruptcy, a receivership, or a debt
22 adjustment initiated by or against the initial
23 registration or the substantial owners of the initial
24 registration;

25 (B) cancellation, revocation, or termination of
26 any registration by the Illinois Department of Public

1 Health;

2 (C) a determination by the Illinois Department of
3 Public Health that transfer of the registration is in
4 the best interests of Illinois qualifying patients as
5 defined by the Compassionate Use of Medical Cannabis
6 Program Act;

7 (D) the death of an owner of the equity interest in
8 a registrant;

9 (E) the acquisition of a controlling interest in
10 the stock or substantially all of the assets of a
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly
13 owned subsidiary; or

14 (G) the transfer or sale to or by one person to
15 another person where both persons were initial owners
16 of the registration when the registration was issued;
17 or

18 (2) the cannabis cultivation center registration,
19 medical cannabis dispensary registration, or the
20 controlling interest in a registrant's property is
21 transferred in a transaction to lineal descendants in
22 which no gain or loss is recognized or as a result of a
23 transaction in accordance with Section 351 of the Internal
24 Revenue Code in which no gain or loss is recognized.

25 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
26 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;

1 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

2 Section 90-30. The Retailers' Occupation Tax Act is
3 amended by adding Section 5k-5 as follows:

4 (35 ILCS 120/5k-5 new)

5 Sec. 5k-5. Building materials exemption; Clean Energy
6 Empowerment Zone. Each retailer who makes a sale of building
7 materials to be incorporated into renewable energy projects in
8 a Clean Energy Empowerment Zone established under the Energy
9 Community Reinvestment Act may deduct receipts from such sales
10 when calculating the tax imposed by this Act. A renewable
11 energy enterprise or other entity shall not make tax-free
12 purchases under this Section unless it has an active exemption
13 certificate at the time of purchase, which shall be issued by
14 the Department in a form prescribed by the Department. The
15 Department shall adopt by rule all other requirements
16 necessary for the implementation and operation of this
17 Section.

18 Section 90-35. The School Code is amended by adding
19 Section 2-3.182 as follows:

20 (105 ILCS 5/2-3.182 new)

21 Sec. 2-3.182. Clean energy jobs curriculum.

22 (a) The General Assembly recognizes that clean energy is a

1 growing and important sector of the State's economy and that
2 significant job opportunity exists in the sector. Consistent
3 with the Clean Jobs, Workforce and Contractor Equity Act, the
4 Board shall participate in the development of the clean energy
5 jobs curriculum convened by the Department of Commerce and
6 Economic Opportunity. The Board shall identify and
7 collaboratively with stakeholders identified by the Board
8 develop curriculum based on anticipated clean energy job
9 availability and growth including participation from
10 stakeholders engaged in delivering existing clean energy jobs
11 workforce development programs in Illinois, specifically those
12 programs tailored to members of economically disadvantaged
13 communities, members of environmental justice communities,
14 communities of color, persons with a criminal record, persons
15 who are or were in the child welfare system, displaced energy
16 workers, and members of any of these groups who are also women
17 or transgender persons, as well as including youth. Clean
18 energy jobs considered shall be consistent with "clean energy
19 jobs" as defined in the Clean Jobs, Workforce and Contractor
20 Equity Act, including, but not limited to, solar photovoltaic,
21 solar thermal, wind energy, energy efficiency, site
22 assessment, sales, and back office.

23 (b) In the development of the clean energy jobs
24 curriculum, the Board shall consider broad occupational
25 training applicable to the general construction sector as well
26 as sector-specific skills, including training on the

1 manufacture and installation of healthier building materials
2 that contain fewer hazardous chemicals.

3 (c) Consideration should be given to inclusion of skills
4 applicable to trainees for whom secondary and higher education
5 has not been available.

6 Section 90-40. The Public Utilities Act is amended by
7 changing Sections 2-107, 8-103B, 9-220.3, 9-227, 10-104,
8 16-107, 16-107.5, 16-107.6, 16-111.5, and 16-128B and by
9 adding Sections 4-604, 4-605, 8-104.1, 8-512, 9-222.1B,
10 16-105.17, 16-107.7, 16-107.8, 16-108, 16-108.5, 16-108.9,
11 16-108.18, 16-111.10, and 16-131 as follows:

12 (220 ILCS 5/2-107) (from Ch. 111 2/3, par. 2-107)

13 Sec. 2-107. The office of the Commission shall be in
14 Springfield, but the Commission may, with the approval of the
15 Governor, establish and maintain branch offices at places
16 other than the seat of government. Such office shall be open
17 for business between the hours of 8:30 a.m. and 5:00 p.m.
18 throughout the year, and one or more responsible persons to be
19 designated by the executive director shall be on duty at all
20 times in immediate charge thereof.

21 The Commission shall hold stated meetings at least once a
22 month and may hold such special meetings as it may deem
23 necessary at any place within the State. At each regular and
24 special meeting that is open to the public, members of the

1 public shall be afforded time, subject to reasonable
2 constraints, to make comments to or to ask questions of the
3 Commission. In any contested or rulemaking proceeding, at the
4 request of any party or at least 5 members of the public, the
5 Commission shall hold at least one public hearing, at a time
6 and place accessible and convenient for affected customers to
7 participate, where members of the public are invited to
8 participate and present public comments in accordance with 2
9 Ill. Adm. Code 1700.10. The hearing must take place at least 30
10 days prior to the Commission's final order on the case.

11 The Commission shall provide a web site and a toll-free
12 telephone number to accept comments from Illinois residents
13 regarding any matter under the auspices of the Commission or
14 before the Commission. The Commission staff shall report, in a
15 manner established by the Commission that is consistent with
16 the Commission's rules regarding ex parte communications, to
17 the full Commission comments and suggestions received through
18 both venues before all relevant votes of the Commission.

19 The Commission may, for the authentication of its records,
20 process and proceedings, adopt, keep and use a common seal, of
21 which seal judicial notice shall be taken in all courts of this
22 State; and any process, notice, order or other paper which the
23 Commission may be authorized by law to issue shall be deemed
24 sufficient if signed and certified by the Chairman of the
25 Commission or his or her designee, either by hand or by
26 facsimile, and with such seal attached; and all acts, orders,

1 proceedings, rules, entries, minutes, schedules and records of
2 the Commission, and all reports and documents filed with the
3 Commission, may be proved in any court of this State by a copy
4 thereof, certified to by the Chairman of the Commission, with
5 the seal of the Commission attached.

6 Notwithstanding any other provision of this Section, the
7 Commission's established procedures for accepting testimony
8 from Illinois residents on matters pending before the
9 Commission shall be consistent with the Commission's rules
10 regarding ex parte communications and due process.

11 (Source: P.A. 95-127, eff. 8-13-07.)

12 (220 ILCS 5/4-604 new)

13 Sec. 4-604. Electric and natural gas public utilities
14 ethical conduct and transparency.

15 (a) It is the policy of this State that, as regulated,
16 monopoly entities providing essential services, public
17 utilities must adhere to the highest standards of ethical
18 conduct. Recent events have demonstrated that at least one
19 public utility in this State has not adhered to the standards
20 of conduct expected by the State, and as such, has failed to
21 ensure safe, reliable service for customers at reasonable,
22 affordable rates. The General Assembly finds this breach of
23 the public trust, which has resulted in unreasonable rates for
24 some public utility customers, to be exceptionally concerning.

25 (b) It is in the public interest to ensure ethical public

1 utility conduct of the highest standards. It is therefore
2 necessary for the public interest, safety, and welfare of the
3 State and of public utility customers to develop rigorous
4 ethical standards with limitations on and heightened scrutiny
5 of public utility actions, expenditures and contracting, and
6 to provide increased transparency to ensure ethical public
7 utility conduct. The standards set forth in this Section and
8 in the Illinois Administrative Code rules implementing this
9 Section shall apply, to the extent practicable, to electric
10 and natural gas public utilities and their holding or parent
11 companies, affiliates, and service companies. The Commission
12 shall have the authority to create rules and emergency rules,
13 where applicable, to effectuate this Section.

14 (c) Public Utility Ethics Inspector. To ensure public
15 utilities meet the highest level of ethical standards,
16 including, but not limited to, those standards described in
17 this Section, the Commission shall, within 60 days after the
18 effective date of this amendatory Act of the 102nd General
19 Assembly, establish an Accountability Division at the
20 Commission, and shall create a new position at the Commission
21 of Public Utility Ethics Inspector whose responsibilities
22 shall include:

23 (1) hire and oversee independent monitors, as
24 described in subsection (d);

25 (2) oversee development and publication of annual
26 ethics audits of electric and natural gas public utilities

1 by independent monitors;

2 (3) supervise each independent monitor's monitoring,
3 auditing, investigation, enforcement, reporting, and
4 disciplinary activities, in addition to any other actions
5 required of the independent monitors. In the event an
6 independent monitor or the Public Utility Ethics Inspector
7 finds a public utility has not complied with the standards
8 set forth in this Section, or with administrative rules
9 implementing this Section, the Public Utility Ethics
10 Inspector shall detail such deficiencies in a report to
11 the Commission and shall include a recommendation for
12 Commission action. The Public Utility Ethics Inspector
13 shall report to the Executive Director of the Illinois
14 Commerce Commission. The Public Utility Ethics Inspector
15 shall have the authority to hire additional staff for the
16 Accountability Division as deemed necessary to fulfill the
17 duties of this Section.

18 (d) Independent monitors. Within 90 days after the
19 employment of the Public Utility Ethics Inspector by the
20 Commission, the Public Utility Ethics Inspector shall
21 establish new positions at the Illinois Commerce Commission
22 within the Accountability Division of independent monitors for
23 each public utility in the State. The role of the independent
24 monitors shall be to oversee electric and natural gas public
25 utilities' compliance with the standards described in this
26 Section, with 83 Illinois Administrative Code, and with any

1 other portion of the Code or any statutory obligation
2 regarding standards of ethical conduct. The independent
3 monitors may also have other duties as deemed appropriate by
4 the Public Utility Ethics Inspector. Independent monitors
5 shall:

6 (1) Work in coordination with the public utility's
7 Chief Compliance and Ethics Officer, as described in
8 subsection (e), to ensure the public utility complies with
9 the standards of conduct described in this Section, in the
10 Illinois Administrative Code, and any other applicable
11 authority, through investigation, enforcement, reporting,
12 and disciplinary activities.

13 (2) Document violations of the standards in this
14 Section or in related sections of the Illinois
15 Administrative Code and, in coordination with the
16 utility's Chief Compliance and Ethics Officer, ensure
17 appropriate internal disciplinary actions and transparent
18 reporting to the Commission. In the event of violations of
19 the standards in this Section or in related sections of
20 the Illinois Administrative Code where the public utility
21 does not take disciplinary action, or where that action is
22 not aligned with the recommendation of the independent
23 monitor, the independent monitor shall, within 30 days,
24 report the violation, the independent monitor's
25 recommended disciplinary action, and the public utility's
26 actual disciplinary action, to the Public Utilities Ethics

1 Inspector, who shall, within 30 days, file a report with
2 the Commission describing the violation and related
3 recommendations.

4 (3) Recommend to the public utility any new internal
5 controls, policies, practices or procedures the public
6 utility should undertake in order to ensure compliance
7 with this Section and with related sections of the
8 Illinois Administrative Code.

9 (4) At least annually, the independent monitor for a
10 public utility shall publish an ethics audit to be filed
11 with the Commission. The ethics audit shall describe the
12 public utility's internal controls, policies, practices,
13 and procedures to comply with the standards in this
14 Section and in the Illinois Administrative Code, and shall
15 document all instances of noncompliance. If internal
16 disciplinary actions were taken related to ethical conduct
17 governed by this Section or related Illinois
18 Administrative Code, the report shall also describe the
19 conduct and the responsive disciplinary actions taken. The
20 independent monitor shall also describe any
21 recommendations the independent monitor has made to the
22 public utility regarding standards of ethics, and the
23 public utility's responses to those recommendations. The
24 report shall be made public and redactions shall be
25 limited to the maximum extent practicable. Only
26 information which is critical to system security shall be

1 redacted; information in which the public utility claims a
2 business interest shall not be deemed confidential or
3 redacted.

4 (e) Chief Compliance and Ethics Officers. Within 60 days
5 after the effective date of this amendatory Act of the 102nd
6 General Assembly, each public utility in the State shall
7 establish a new position of Chief Compliance and Ethics
8 Officer. The Chief Compliance and Ethics Officer shall be
9 employed by the public utility but shall serve as a liaison
10 between the public utility and the public utility's
11 independent monitor. The Chief Compliance and Ethics Officer
12 shall be responsible for ensuring the public utility complies
13 with the highest standards of ethical conduct, including, but
14 not limited to, complying with the standards described in this
15 Section, in the Illinois Administrative Code, and in any other
16 applicable authority. The Chief Compliance and Ethics Officer
17 shall oversee the creation and implementation of training for
18 every director, officer, employee, contractor, consultant,
19 lobbyist, vendor, agent, and business partner of the public
20 utility on applicable ethics guidelines. The Chief Compliance
21 and Ethics Officer shall oversee the creation and
22 implementation of a centralized reporting system for which
23 every director, officer, employee, contractor, consultant,
24 lobbyist, vendor, agent, and business partner shall have
25 training and submission access. The reporting system shall, at
26 minimum, be used to document every instance of communication

1 with a public official or their staff, and shall be designed to
2 ensure efficient review by the independent monitor for
3 potential violations of the standards in this Section and in
4 the Illinois Administrative Code. The Chief Compliance and
5 Ethics Officer shall oversee the ongoing monitoring of all
6 contractors, consultants or vendors who are contracted for the
7 purpose of carrying out lobbying or other duties that involve
8 interacting with public officials or their staff to ensure
9 their continued compliance with the applicable ethical
10 standards and to ensure they are providing value to the
11 business.

12 The Chief Compliance and Ethics Officer shall establish at
13 the public utility internal controls, codes, policies,
14 procedures, practices, and reporting to comply with the
15 standards in this Section and in the Illinois Administrative
16 Code, including, but not limited to:

17 (i) A public utility shall ensure it has a system of
18 financial and accounting procedures, internal controls,
19 and practices reasonably designed to ensure the
20 maintenance of fair and accurate books, records, and
21 accounts. This system should be designed to provide
22 reasonable assurances that transactions are recorded as
23 necessary to permit preparation of financial statements in
24 conformity with generally accepted accounting principles
25 or any other criteria applicable to such statements, and
26 to maintain accountability for assets.

1 (ii) A public utility shall conduct periodic risk
2 assessments and shall enforce, amend, and implement new
3 internal controls, policies, procedures and practices
4 based on those assessments.

5 (iii) A public utility shall implement mechanisms
6 designed to ensure that its compliance code, internal
7 controls, policies and procedures are effectively
8 communicated to all directors, officers, employees,
9 contractors, consultants, lobbyists, vendors, agents and
10 business partners.

11 (iv) A public utility shall ensure that its directors
12 and senior management provide strong, explicit, and
13 visible support and commitment to its corporate policy
14 against violations of U.S. and state law.

15 (v) A public utility shall implement mechanisms
16 designed to effectively enforce its compliance code,
17 controls, policies, practices and procedures, including
18 appropriately providing incentive for compliance and
19 disciplining violations. Such procedures, controls,
20 policies, and practices shall be applied consistently and
21 fairly, regardless of the position held by, or the
22 importance of, the director, officer, or employee.

23 (vi) A public utility shall implement procedures to
24 ensure that, where misconduct is discovered, reasonable
25 steps are taken to remedy the harm resulting from such
26 misconduct, including disciplinary action, reporting to

1 the Commission, and assessing and modifying as appropriate
2 the internal controls, code, policies, practices and
3 procedures necessary to ensure the compliance program is
4 effective.

5 The Chief Compliance and Ethics Officer shall be
6 responsible for reporting to the public utility's independent
7 monitor any conduct that is in violation of the standards set
8 forth in this Section or in violation of sections of the
9 Illinois Administrative Code implementing these rules and any
10 other authority governing the public utility's ethical
11 conduct, including disciplinary action taken in response. In
12 coordination with the public utility's independent monitor,
13 the Chief Compliance and Ethics Officer shall be responsible
14 for internal disciplinary actions at the public utility for
15 violations of such standards.

16 At least annually, the Chief Compliance and Ethics
17 Officer, in coordination with the independent monitor, shall
18 review the utility's internal controls, policies, practices
19 and procedures for their continued effectiveness to ensure the
20 highest standards of ethical conduct among the public
21 utility's directors, officers, employees, contractors,
22 consultants, lobbyists, vendors, agents and business partners.

23 (f) A public utility shall, within 90 days after this
24 amendatory act of the 102nd General Assembly, develop and
25 implement internal controls, policies, and procedures to
26 achieve the following objectives:

1 (i) No public utility may allow a contractor,
2 consultant, or vendor who is contracted for the purpose of
3 carrying out lobbying pursuant to the Lobbyist
4 Registration Act or other duties that involve interacting
5 with elected officials or their staff to subcontract any
6 portion of that work.

7 (ii) Electric and natural gas public utilities shall
8 require contractors, consultants, or vendors who are
9 contracted for the purpose of carrying out lobbying
10 pursuant to the Lobbyist Registration Act or other duties
11 that involve interacting with public officials or their
12 staff to provide detailed invoices and reports describing
13 activities taken and amounts billed for such activities,
14 including: 1) time spent; 2) amount charged for activity,
15 if any; 3) all person(s) involved; 4) summary description
16 of discussions or exchanges, oral, written, electronic, or
17 otherwise; and 5) anything of value requested or
18 solicited, or provided to public officials or their staff,
19 including hiring requests. Such invoices and reports shall
20 be entered into a database accessible by, at minimum, the
21 Chief Compliance and Ethics Officer and the public
22 utility's independent monitor. No contracts shall be paid
23 without a detailed invoice. Where anything of value is
24 requested, received, given, or exchanged with a public
25 official or their staff, such invoice or report must be
26 explicitly reviewed by the independent monitor and the

1 Chief Compliance and Ethics Officer within 45 days after
2 the activity. No invoice related to the request, receipt,
3 gift, or exchange of something of value shall be paid
4 until that review is complete and the activity is
5 determined to be in compliance with ethical standards.

6 (iii) The hiring of contractors, consultants or
7 vendors who are contracted for the purpose of carrying out
8 lobbying pursuant to the Lobbyist Registration Act or
9 other duties that involve interacting with public
10 officials or their staff shall be reviewed and approved by
11 the Chief Compliance and Ethics Officer. The Chief
12 Compliance and Ethics Officer shall not approve any
13 contract or engagement until it has found there are no
14 conflicts of interest related to public officials. The
15 Chief Compliance and Ethics Officer shall oversee annual
16 or more frequent audits of every contractor, consultant,
17 or vendor who is contracted for the purpose of carrying
18 out lobbying or other duties that involve interacting with
19 public officials or their staff for continued review of
20 potential conflicts of interest related to elected
21 officials. The Chief Compliance and Ethics Officer shall
22 ensure that every contractor, consultant and vendor is
23 providing value to the business and providing detailed
24 invoices describing work done pursuant to paragraph (ii)
25 subsection (f).

26 (iv) All requests for anything of value made to a

1 public utility or its directors, officers, employees,
2 contractors, consultants, lobbyists, vendors, agents and
3 business partners by a public official or their staff
4 shall be recorded in a database accessible by the
5 independent monitor and the Company's Chief Ethics and
6 Compliance Officer within 2 business days after the
7 request. No action may be taken in response to such a
8 request until the request has been reviewed and approved
9 by the independent monitor and the Chief Ethics and
10 Compliance Officer.

11 (g) The Commission shall, within 60 days after the
12 effective date of this Amendatory Act of the 102nd General
13 Assembly, initiate an emergency rulemaking to add additional
14 requirements to Title 83 of the Illinois Administrative Code
15 to accomplish the following objectives:

16 (i) No director, officer, employee, contractor,
17 consultant, lobbyist, vendor, agent, representative, or
18 business partner of a public utility may meet privately
19 with any Commissioner or employee of the Illinois Commerce
20 Commission regarding any topic or issue anticipated to be
21 the subject of a contested hearing within the next 365
22 days. Any such anticipated meetings shall be open to the
23 public and communicated to consumer, community, and
24 environmental advocates.

25 (ii) Communication between any director, officer,
26 employee, contractor, consultant, lobbyist, vendor, agent,

1 representative, or business partner of a public utility
2 and any Commissioner or employee of the Illinois Commerce
3 Commission on a topic or issue anticipated to be the
4 subject of a contested hearing within the next 365 days
5 shall be reported in a publicly available central
6 database.

7 (h) All reports from the Public Utilities Ethics Inspector
8 to the Commission shall be made public and redactions shall be
9 limited to the maximum extent practicable. Only information
10 which is critical to system security shall be redacted;
11 information in which the public utility claims a business
12 interest shall not be deemed confidential or redacted. The
13 Public Utilities Ethics Inspector shall establish a procedure
14 for making unredacted reports available to interested
15 stakeholders who establish good cause that receipt of an
16 unredacted report is in the public interest.

17 Adoption and implementation of these emergency rules is
18 deemed to be necessary for the public interest, safety, and
19 welfare.

20 (i) Noncompliance. In the event the Public Utility Ethics
21 Inspector finds a public utility does not comply with any
22 portion of this Section, or with the rules effectuated by this
23 Section, the Public Utility Ethics Inspector shall issue a
24 Report to the Commission detailing the public utility's
25 deficiencies. The Commission shall have authority to open an
26 investigation and shall order remediation and penalties as

1 appropriate.

2 (j) Each year, each public utility in the State shall
3 remit amounts necessary for the State to pay the wages,
4 overhead, travel expenses, and other costs of that public
5 utility's independent monitor as well as that public utility's
6 proportional share, by number of customers, of the Public
7 Utility Ethics Inspector's wages, overhead, travel expenses,
8 and other costs. These expenses shall not be recoverable in
9 rates.

10 (k) A public utility's costs of complying with these
11 requirements, including wages and other operating expenses,
12 shall not be recoverable in rates.

13 (l) Where a public utility is the subject of a federal or
14 State criminal investigation, or where the Commission
15 initiates an investigation against a public utility for any
16 violation of the standards set forth in this Section or
17 Illinois Administrative Rules implementing this Section, the
18 utility's costs related to such investigation shall not be
19 recoverable in rates.

20 (220 ILCS 5/4-605 new)

21 Sec. 4-605. Restitution for misconduct.

22 (a) It is the policy of this State that public utility
23 ethical and criminal misconduct shall not be tolerated. The
24 General Assembly finds it necessary to collect restitution, to
25 be distributed as described in subsection (d), from a public

1 utility who has been found guilty of violations of criminal
2 law or who has entered into a Deferred Prosecution Agreement
3 that details violations of criminal law.

4 (b) In light of such violations, the Illinois Commerce
5 Commission shall, within 150 days after the effective date of
6 this amendatory Act of the 102nd General Assembly, initiate an
7 investigation into amounts necessary to be refunded to
8 customers to restore funds to the State and to ratepayers that
9 were collected by the electric public utility Commonwealth
10 Edison Company as a result of ethical misconduct. The
11 investigation shall conclude no later than 270 days following
12 initiation, and shall be conducted as a contested proceeding.
13 The investigation shall calculate benefits received by the
14 public utility that were instituted as a result of illegal and
15 unethical conduct, as set forth in the Deferred Prosecution
16 Agreement of July 16, 2020 between the United States Attorney
17 for the Northern District of Illinois and Commonwealth Edison
18 Company, for passage of the Energy Infrastructure
19 Modernization Act of 2011. The amount shall be no less than the
20 total return on equity recovered for investments in
21 infrastructure made pursuant to paragraph (1) of subsection
22 (b) of Section 16-108.5 of this Act.

23 (c) Pursuant to subsection (d), the investigation shall
24 calculate a schedule for remittance to state funds and to
25 ratepayers, over a period of no more than 4 years, to be paid
26 by the public utility from profits, returns, or shareholder

1 dollars. No costs related to the investigation, restitution,
2 or refunds may be recoverable through rates.

3 (d) Funds collected pursuant to this Section shall be
4 repaid by the public utility in the following manner:

5 (1) 25% shall be contributed to expand the Percentage
6 of Income Payment Program;

7 (2) 25%, or no less than \$20 million annually, shall
8 be contributed to the Energy Community Reinvestment Fund
9 to support the Jobs and Environmental Justice Grant
10 Program, as described in the Expanding Clean Energy
11 Entrepreneurship Program of the Clean Jobs, Workforce and
12 Contractor Equity Act; and

13 (3) the remaining percentage of funds collected shall
14 be provided as a per-kilowatt-hour credit to the public
15 utility's ratepayers.

16 (220 ILCS 5/8-103B)

17 Sec. 8-103B. Energy efficiency and demand-response
18 measures.

19 (a) It is the policy of the State that electric utilities
20 are required to use cost-effective energy efficiency and
21 demand-response measures to reduce delivery load. Requiring
22 investment in cost-effective energy efficiency and
23 demand-response measures will reduce direct and indirect costs
24 to consumers by decreasing environmental impacts and by
25 avoiding or delaying the need for new generation,

1 transmission, and distribution infrastructure. It serves the
2 public interest to allow electric utilities to recover costs
3 for reasonably and prudently incurred expenditures for energy
4 efficiency and demand-response measures. As used in this
5 Section, "cost-effective" means that the measures satisfy the
6 total resource cost test. The low-income measures described in
7 subsection (c) of this Section shall not be required to meet
8 the total resource cost test. For purposes of this Section,
9 the terms "energy-efficiency", "demand-response", "electric
10 utility", and "total resource cost test" have the meanings set
11 forth in the Illinois Power Agency Act. "Black, indigenous,
12 and people of color" and "BIPOC" means people who are members
13 of the groups described in subparagraphs (a) through (e) of
14 paragraph (A) of subsection (1) of Section 2 of the Business
15 Enterprise for Minorities, Women, and Persons with
16 Disabilities Act. "Expanding Clean Energy Entrepreneurship and
17 Contractor Incubator Network Program," "Clean Energy Black,
18 Indigenous, and People of Color Primes Contractor
19 Accelerator," "Returning Resident Clean Energy Training
20 Program," and "Clean Energy Workforce Training Hubs Program"
21 are as set forth in the Clean Jobs, Workforce and Contractor
22 Equity Act.

23 (a-5) This Section applies to electric utilities serving
24 more than 500,000 retail customers in the State for those
25 multi-year plans commencing after December 31, 2017.

26 (b) For purposes of this Section, electric utilities

1 subject to this Section that serve more than 3,000,000 retail
2 customers in the State shall be deemed to have achieved a
3 cumulative persisting annual savings of 6.6% from energy
4 efficiency measures and programs implemented during the period
5 beginning January 1, 2012 and ending December 31, 2017, which
6 percent is based on the deemed average weather normalized
7 sales of electric power and energy during calendar years 2014,
8 2015, and 2016 of 88,000,000 MWhs. ~~For the purposes of this~~
9 ~~subsection (b) and subsection (b-5), the 88,000,000 MWhs of~~
10 ~~deemed electric power and energy sales shall be reduced by the~~
11 ~~number of MWhs equal to the sum of the annual consumption of~~
12 ~~customers that are exempt from subsections (a) through (j) of~~
13 ~~this Section under subsection (l) of this Section, as averaged~~
14 ~~across the calendar years 2014, 2015, and 2016.~~ After 2017,
15 the deemed value of cumulative persisting annual savings from
16 energy efficiency measures and programs implemented during the
17 period beginning January 1, 2012 and ending December 31, 2017,
18 shall be reduced each year, as follows, and the applicable
19 value shall be applied to and count toward the utility's
20 achievement of the cumulative persisting annual savings goals
21 set forth in subsection (b-5):

22 (1) 5.8% deemed cumulative persisting annual savings
23 for the year ending December 31, 2018;

24 (2) 5.2% deemed cumulative persisting annual savings
25 for the year ending December 31, 2019;

26 (3) 4.5% deemed cumulative persisting annual savings

- 1 for the year ending December 31, 2020;
- 2 (4) 4.0% deemed cumulative persisting annual savings
- 3 for the year ending December 31, 2021;
- 4 (5) 3.5% deemed cumulative persisting annual savings
- 5 for the year ending December 31, 2022;
- 6 (6) 3.1% deemed cumulative persisting annual savings
- 7 for the year ending December 31, 2023;
- 8 (7) 2.8% deemed cumulative persisting annual savings
- 9 for the year ending December 31, 2024;
- 10 (8) 2.5% deemed cumulative persisting annual savings
- 11 for the year ending December 31, 2025;
- 12 (9) 2.3% deemed cumulative persisting annual savings
- 13 for the year ending December 31, 2026;
- 14 (10) 2.1% deemed cumulative persisting annual savings
- 15 for the year ending December 31, 2027;
- 16 (11) 1.8% deemed cumulative persisting annual savings
- 17 for the year ending December 31, 2028;
- 18 (12) 1.7% deemed cumulative persisting annual savings
- 19 for the year ending December 31, 2029; ~~and~~
- 20 (13) 1.5% deemed cumulative persisting annual savings
- 21 for the year ending December 31, 2030;~~;~~
- 22 (14) 1.3% deemed cumulative persisting annual savings
- 23 for the year ending December 31, 2031;
- 24 (15) 1.1% deemed cumulative persisting annual savings
- 25 for the year ending December 31, 2032;
- 26 (16) 0.9% deemed cumulative persisting annual savings

1 for the year ending December 31, 2033;

2 (17) 0.7% deemed cumulative persisting annual savings
3 for the year ending December 31, 2034;

4 (18) 0.5% deemed cumulative persisting annual savings
5 for the year ending December 31, 2035;

6 (19) 0.4% deemed cumulative persisting annual savings
7 for the year ending December 31, 2036;

8 (20) 0.3% deemed cumulative persisting annual savings
9 for the year ending December 31, 2037;

10 (21) 0.2% deemed cumulative persisting annual savings
11 for the year ending December 31, 2038;

12 (22) 0.1% deemed cumulative persisting annual savings
13 for the year ending December 31, 2039; and

14 (23) 0.0% deemed cumulative persisting annual savings
15 for the year ending December 31, 2040 and all subsequent
16 years.

17 For purposes of this Section, "cumulative persisting
18 annual savings" means the total electric energy savings in a
19 given year from measures installed in that year or in previous
20 years, but no earlier than January 1, 2012, that are still
21 operational and providing savings in that year because the
22 measures have not yet reached the end of their useful lives.

23 (b-5) Beginning in 2018, electric utilities subject to
24 this Section that serve more than 3,000,000 retail customers
25 in the State shall achieve the following cumulative persisting
26 annual savings goals, as modified by subsection (f) of this

1 Section and as compared to the deemed baseline of 88,000,000
2 MWhs of electric power and energy sales set forth in
3 subsection (b), ~~as reduced by the number of MWhs equal to the~~
4 ~~sum of the annual consumption of customers that are exempt~~
5 ~~from subsections (a) through (j) of this Section under~~
6 ~~subsection (l) of this Section as averaged across the calendar~~
7 ~~years 2014, 2015, and 2016,~~ through the implementation of
8 energy efficiency measures during the applicable year and in
9 prior years, but no earlier than January 1, 2012:

10 (1) 7.8% cumulative persisting annual savings for the
11 year ending December 31, 2018;

12 (2) 9.1% cumulative persisting annual savings for the
13 year ending December 31, 2019;

14 (3) 10.4% cumulative persisting annual savings for the
15 year ending December 31, 2020;

16 (4) 11.8% cumulative persisting annual savings for the
17 year ending December 31, 2021;

18 (5) 13.1% cumulative persisting annual savings for the
19 year ending December 31, 2022;

20 (6) 14.4% cumulative persisting annual savings for the
21 year ending December 31, 2023;

22 (7) 15.7% cumulative persisting annual savings for the
23 year ending December 31, 2024;

24 (8) 17% cumulative persisting annual savings for the
25 year ending December 31, 2025;

26 (9) 17.9% cumulative persisting annual savings for the

1 year ending December 31, 2026;

2 (10) 18.8% cumulative persisting annual savings for
3 the year ending December 31, 2027;

4 (11) 19.7% cumulative persisting annual savings for
5 the year ending December 31, 2028;

6 (12) 20.6% cumulative persisting annual savings for
7 the year ending December 31, 2029; and

8 (13) 21.5% cumulative persisting annual savings for
9 the year ending December 31, 2030.

10 No later than December 31, 2021, the Illinois Commerce
11 Commission shall establish additional cumulative persisting
12 annual savings goals for the years 2031 through 2035. No later
13 than December 31, 2024, the Illinois Commerce Commission shall
14 establish additional cumulative persisting annual savings
15 goals for the years 2036 through 2040. The Commission shall
16 also establish additional cumulative persisting annual savings
17 goals every 5 years thereafter to ensure utilities always have
18 goals that extend at least 11 years into the future. The
19 cumulative persisting annual savings goals beyond the year
20 2030 shall increase by 0.9 percentage points per year, absent
21 a Commission decision to initiate a proceeding to consider
22 establishing goals that increase by more or less than that
23 amount. Such a proceeding must be conducted in accordance with
24 the procedures described in subsection (f) of this Section. If
25 such a proceeding is initiated, the cumulative persisting
26 annual savings goals established by the Commission through

1 that proceeding shall reflect the Commission's best estimate
2 of the maximum amount of additional savings that are forecast
3 to be cost-effectively achievable unless such best estimates
4 would result in goals that represent less than 0.5 percentage
5 point annual increases in total cumulative persisting annual
6 savings. The Commission may only establish goals that
7 represent less than 0.5 percentage point annual increases in
8 cumulative persisting annual savings if it can demonstrate,
9 based on clear and convincing evidence and through independent
10 analysis, that 0.5 percentage point increases are not
11 cost-effectively achievable. The Commission shall inform its
12 decision based on an energy efficiency potential study that
13 conforms to the requirements of subsection (f-5) of this
14 Section.

15 (b-10) For purposes of this Section, electric utilities
16 subject to this Section that serve less than 3,000,000 retail
17 customers but more than 500,000 retail customers in the State
18 shall be deemed to have achieved a cumulative persisting
19 annual savings of 6.6% from energy efficiency measures and
20 programs implemented during the period beginning January 1,
21 2012 and ending December 31, 2017, which is based on the deemed
22 average weather normalized sales of electric power and energy
23 during calendar years 2014, 2015, and 2016 of 36,900,000 MWhs.
24 ~~For the purposes of this subsection (b-10) and subsection~~
25 ~~(b-15), the 36,900,000 MWhs of deemed electric power and~~
26 ~~energy sales shall be reduced by the number of MWhs equal to~~

1 ~~the sum of the annual consumption of customers that are exempt~~
2 ~~from subsections (a) through (j) of this Section under~~
3 ~~subsection (1) of this Section, as averaged across the~~
4 ~~calendar years 2014, 2015, and 2016.~~ After 2017, the deemed
5 value of cumulative persisting annual savings from energy
6 efficiency measures and programs implemented during the period
7 beginning January 1, 2012 and ending December 31, 2017, shall
8 be reduced each year, as follows, and the applicable value
9 shall be applied to and count toward the utility's achievement
10 of the cumulative persisting annual savings goals set forth in
11 subsection (b-15):

12 (1) 5.8% deemed cumulative persisting annual savings
13 for the year ending December 31, 2018;

14 (2) 5.2% deemed cumulative persisting annual savings
15 for the year ending December 31, 2019;

16 (3) 4.5% deemed cumulative persisting annual savings
17 for the year ending December 31, 2020;

18 (4) 4.0% deemed cumulative persisting annual savings
19 for the year ending December 31, 2021;

20 (5) 3.5% deemed cumulative persisting annual savings
21 for the year ending December 31, 2022;

22 (6) 3.1% deemed cumulative persisting annual savings
23 for the year ending December 31, 2023;

24 (7) 2.8% deemed cumulative persisting annual savings
25 for the year ending December 31, 2024;

26 (8) 2.5% deemed cumulative persisting annual savings

1 for the year ending December 31, 2025;

2 (9) 2.3% deemed cumulative persisting annual savings
3 for the year ending December 31, 2026;

4 (10) 2.1% deemed cumulative persisting annual savings
5 for the year ending December 31, 2027;

6 (11) 1.8% deemed cumulative persisting annual savings
7 for the year ending December 31, 2028;

8 (12) 1.7% deemed cumulative persisting annual savings
9 for the year ending December 31, 2029; ~~and~~

10 (13) 1.5% deemed cumulative persisting annual savings
11 for the year ending December 31, 2030;~~;~~

12 (14) 1.3% deemed cumulative persisting annual savings
13 for the year ending December 31, 2031;

14 (15) 1.1% deemed cumulative persisting annual savings
15 for the year ending December 31, 2032;

16 (16) 0.9% deemed cumulative persisting annual savings
17 for the year ending December 31, 2033;

18 (17) 0.7% deemed cumulative persisting annual savings
19 for the year ending December 31, 2034;

20 (18) 0.5% deemed cumulative persisting annual savings
21 for the year ending December 31, 2035;

22 (19) 0.4% deemed cumulative persisting annual savings
23 for the year ending December 31, 2036;

24 (20) 0.3% deemed cumulative persisting annual savings
25 for the year ending December 31, 2037;

26 (21) 0.2% deemed cumulative persisting annual savings

1 for the year ending December 31, 2038;

2 (22) 0.1% deemed cumulative persisting annual savings
3 for the year ending December 31, 2039; and

4 (23) 0.0% deemed cumulative persisting annual savings
5 for the year ending December 31, 2040 and all subsequent
6 years.

7 (b-15) Beginning in 2018, electric utilities subject to
8 this Section that serve less than 3,000,000 retail customers
9 but more than 500,000 retail customers in the State shall
10 achieve the following cumulative persisting annual savings
11 goals, ~~as modified by subsection (b-20) and subsection (f) of~~
12 ~~this Section and as compared to the deemed baseline as reduced~~
13 ~~by the number of MWhs equal to the sum of the annual~~
14 ~~consumption of customers that are exempt from subsections (a)~~
15 ~~through (j) of this Section under subsection (1) of this~~
16 ~~Section as averaged across the calendar years 2014, 2015, and~~
17 ~~2016,~~ through the implementation of energy efficiency measures
18 during the applicable year and in prior years, but no earlier
19 than January 1, 2012:

20 (1) 7.4% cumulative persisting annual savings for the
21 year ending December 31, 2018;

22 (2) 8.2% cumulative persisting annual savings for the
23 year ending December 31, 2019;

24 (3) 9.0% cumulative persisting annual savings for the
25 year ending December 31, 2020;

26 (4) 9.8% cumulative persisting annual savings for the

1 year ending December 31, 2021;

2 (5) 10.6% cumulative persisting annual savings for the
3 year ending December 31, 2022;

4 (6) 11.4% cumulative persisting annual savings for the
5 year ending December 31, 2023;

6 (7) 12.2% cumulative persisting annual savings for the
7 year ending December 31, 2024;

8 (8) 13% cumulative persisting annual savings for the
9 year ending December 31, 2025;

10 (9) 13.6% cumulative persisting annual savings for the
11 year ending December 31, 2026;

12 (10) 14.2% cumulative persisting annual savings for
13 the year ending December 31, 2027;

14 (11) 14.8% cumulative persisting annual savings for
15 the year ending December 31, 2028;

16 (12) 15.4% cumulative persisting annual savings for
17 the year ending December 31, 2029; and

18 (13) 16% cumulative persisting annual savings for the
19 year ending December 31, 2030.

20 No later than December 31, 2021, the Illinois Commerce
21 Commission shall establish additional cumulative persisting
22 annual savings goals for the years 2031 through 2035. No later
23 than December 31, 2024, the Illinois Commerce Commission shall
24 establish additional cumulative persisting annual savings
25 goals for the years 2036 through 2040. The Commission shall
26 also establish additional cumulative persisting annual savings

1 goals every 5 years thereafter to ensure utilities always have
2 goals that extend at least 11 years into the future. The
3 cumulative persisting annual savings goals beyond the year
4 2030 shall increase by 0.6 percentage points per year, absent
5 a Commission decision to initiate a proceeding to consider
6 establishing goals that increase by more or less than that
7 amount. Such a proceeding must be conducted in accordance with
8 the procedures described in subsection (f) of this Section. If
9 such a proceeding is initiated, the cumulative persisting
10 annual savings goals established by the Commission through
11 that proceeding shall reflect the Commission's best estimate
12 of the maximum amount of additional savings that are forecast
13 to be cost-effectively achievable unless such best estimates
14 would result in goals that represent less than 0.4 percentage
15 point annual increases in total cumulative persisting annual
16 savings. The Commission may only establish goals that
17 represent less than 0.4 percentage point annual increases in
18 cumulative persisting annual savings if it can demonstrate,
19 based on clear and convincing evidence and through independent
20 analysis, that 0.4 percentage point increases are not
21 cost-effectively achievable. The Commission shall inform its
22 decision based on an energy efficiency potential study that
23 conforms to the requirements of subsection (f-5) of this
24 Section.

25 ~~The difference between the cumulative persisting annual~~
26 ~~savings goal for the applicable calendar year and the~~

1 ~~cumulative persisting annual savings goal for the immediately~~
2 ~~preceding calendar year is 0.8% for the period of January 1,~~
3 ~~2018 through December 31, 2025 and 0.6% for the period of~~
4 ~~January 1, 2026 through December 31, 2030.~~

5 (b-20) Each electric utility subject to this Section may
6 include cost-effective voltage optimization measures in its
7 plans submitted under subsections (f) and (g) of this Section,
8 and the costs incurred by a utility to implement the measures
9 under a Commission-approved plan shall be recovered under the
10 provisions of Article IX or Section 16-108.5 of this Act. For
11 purposes of this Section, the measure life of voltage
12 optimization measures shall be 15 years. The measure life
13 period is independent of the depreciation rate of the voltage
14 optimization assets deployed. Utilities may claim savings from
15 voltage optimization on circuits for more than 15 years if
16 they can demonstrate that they have made additional
17 investments necessary to enable voltage optimization savings
18 to continue beyond 15 years. Such demonstrations must be
19 subject to the review of independent evaluation.

20 Within 270 days after June 1, 2017 (the effective date of
21 Public Act 99-906), an electric utility that serves less than
22 3,000,000 retail customers but more than 500,000 retail
23 customers in the State shall file a plan with the Commission
24 that identifies the cost-effective voltage optimization
25 investment the electric utility plans to undertake through
26 December 31, 2024. The Commission, after notice and hearing,

1 shall approve or approve with modification the plan within 120
2 days after the plan's filing and, in the order approving or
3 approving with modification the plan, the Commission shall
4 adjust the applicable cumulative persisting annual savings
5 goals set forth in subsection (b-15) to reflect any amount of
6 cost-effective energy savings approved by the Commission that
7 is greater than or less than the following cumulative
8 persisting annual savings values attributable to voltage
9 optimization for the applicable year:

10 (1) 0.0% of cumulative persisting annual savings for
11 the year ending December 31, 2018;

12 (2) 0.17% of cumulative persisting annual savings for
13 the year ending December 31, 2019;

14 (3) 0.17% of cumulative persisting annual savings for
15 the year ending December 31, 2020;

16 (4) 0.33% of cumulative persisting annual savings for
17 the year ending December 31, 2021;

18 (5) 0.5% of cumulative persisting annual savings for
19 the year ending December 31, 2022;

20 (6) 0.67% of cumulative persisting annual savings for
21 the year ending December 31, 2023;

22 (7) 0.83% of cumulative persisting annual savings for
23 the year ending December 31, 2024; and

24 (8) 1.0% of cumulative persisting annual savings for
25 the year ending December 31, 2025 and all subsequent
26 years.

1 (b-25) In the event an electric utility jointly offers an
2 energy efficiency measure or program with a gas utility under
3 plans approved under this Section and Section 8-104 of this
4 Act, the electric utility may continue offering the program,
5 including the gas energy efficiency measures, in the event the
6 gas utility discontinues funding the program. In that event,
7 the energy savings value associated with such other fuels
8 shall be converted to electric energy savings on an equivalent
9 Btu basis for the premises. However, the electric utility
10 shall prioritize programs for low-income residential customers
11 to the extent practicable. An electric utility may recover the
12 costs of offering the gas energy efficiency measures under
13 this subsection (b-25).

14 For those energy efficiency measures or programs that save
15 both electricity and other fuels but are not jointly offered
16 with a gas utility under plans approved under this Section and
17 Section 8-104 or not offered with an affiliated gas utility
18 under paragraph (6) of subsection (f) of Section 8-104 of this
19 Act, the electric utility may count savings of fuels other
20 than electricity toward the achievement of its annual savings
21 goal, and the energy savings value associated with such other
22 fuels shall be converted to electric energy savings on an
23 equivalent Btu basis at the premises.

24 In no event shall more than 10% of each year's applicable
25 annual total savings requirement ~~incremental goal~~ as defined
26 in paragraph (7.5) ~~(7)~~ of subsection (g) of this Section be met

1 through savings of fuels other than electricity.

2 (b-27) Beginning in 2022, an electric utility may offer
3 and promote measures that electrify space heating, water
4 heating, cooling, drying, cooking, industrial processes, and
5 other building and industrial end uses that would otherwise be
6 served by combustion of fossil fuel at the premises, provided
7 that the electrification measures reduce total energy
8 consumption at the premises. The electric utility may count
9 the reduction in energy consumption at the premises toward
10 achievement of its annual savings goals. The reduction in
11 energy consumption at the premises shall be calculated as the
12 difference between: (A) the reduction in Btu consumption of
13 fossil fuels as a result of electrification, converted to
14 kilowatt-hour equivalents by dividing by 3,412 Btu's per
15 kilowatt hour; and (B) the increase in kilowatt hours of
16 electricity consumption resulting from the displacement of
17 fossil fuel consumption as a result of electrification. An
18 electric utility may recover the costs of offering and
19 promoting electrification measures under this subsection
20 (b-27).

21 In no event shall electrification savings counted toward
22 each year's applicable annual total savings requirement, as
23 defined in paragraph (7.5) of subsection (g) of this Section,
24 be greater than:

25 (1) 5% per year for each year from 2022 through 2025;

26 (2) 10% per year for each year from 2026 through 2029;

1 and

2 (3) 15% per year for 2030 and all subsequent years.

3 In addition, a minimum of 25% of all electrification savings
4 counted toward a utility's applicable annual total savings
5 requirement must be from electrification of end uses in
6 low-income housing. The limitations on electrification savings
7 that may be counted toward a utility's annual savings goals
8 are separate from and in addition to the subsection (b-25)
9 limitations governing the counting of the other fuel savings
10 resulting from efficiency measures and programs.

11 As part of the annual informational filing to the
12 Commission that is required under paragraph (9) of subsection
13 (g) of this Section, each utility shall identify the specific
14 electrification measures offered under this subsection (b-27);
15 the quantity of each electrification measure that was
16 installed by its customers; the average total cost, average
17 utility cost, average reduction in fossil fuel consumption,
18 and average increase in electricity consumption associated
19 with each electrification measure; the portion of
20 installations of each electrification measure that were in
21 low-income single-family housing, low-income multifamily
22 housing, non-low-income single-family housing, non-low-income
23 multifamily housing, commercial buildings, and industrial
24 facilities; and the quantity of savings associated with each
25 measure category in each customer category that are being
26 counted toward the utility's applicable annual total savings

1 requirement.

2 (c) Electric utilities shall be responsible for overseeing
3 the design, development, and filing of energy efficiency plans
4 with the Commission and may, as part of that implementation,
5 outsource various aspects of program development and
6 implementation. A minimum of 10%, for electric utilities that
7 serve more than 3,000,000 retail customers in the State, and a
8 minimum of 7%, for electric utilities that serve less than
9 3,000,000 retail customers but more than 500,000 retail
10 customers in the State, of the utility's entire portfolio
11 funding level for a given year shall be used to procure
12 cost-effective energy efficiency measures from units of local
13 government, municipal corporations, school districts, public
14 housing, ~~and~~ community college districts, and buildings owned
15 by nonprofit organizations, provided that a minimum percentage
16 of available funds shall be used to procure energy efficiency
17 from public housing, which percentage shall be equal to public
18 housing's share of public building energy consumption.

19 The utilities shall also implement energy efficiency
20 measures targeted at low-income households, which, for
21 purposes of this Section, shall be defined as households at or
22 below 80% of area median income, and expenditures to implement
23 the measures shall be no less than \$40,000,000 ~~\$25,000,000~~ per
24 year for electric utilities that serve more than 3,000,000
25 retail customers in the State and no less than \$13,000,000
26 ~~\$8,350,000~~ per year for electric utilities that serve less

1 than 3,000,000 retail customers but more than 500,000 retail
2 customers in the State. The ratio of spending on efficiency
3 programs targeted at low-income multifamily buildings to
4 spending on efficiency programs targeted at low-income
5 single-family buildings shall be designed to achieve levels of
6 savings from each building type that are approximately
7 proportional to the magnitude of cost-effective lifetime
8 savings potential in each building type.

9 The utilities shall work to bundle low-income energy
10 efficiency offerings with other programs that serve low-income
11 households to maximize the benefits going to these households.
12 The utilities shall market and implement low-income energy
13 efficiency programs in coordination with low-income assistance
14 programs, Solar for All, and weatherization whenever
15 practicable. The program implementer shall walk the customer
16 through the enrollment process for any programs for which the
17 customer is eligible. The utilities shall also pilot targeting
18 customers with high arrearages, high energy intensity (ratio
19 of energy usage divided by home or unit square footage), or
20 energy assistance programs with energy efficiency offerings,
21 and then track reduction in arrearages as a result of the
22 targeting. This targeting and bundling of low-income energy
23 programs shall be offered to both low-income single-family and
24 multifamily customers (owners and residents).

25 The utilities shall also implement a health and safety
26 fund of a minimum of 0.5% of the total portfolio budget, for

1 electric utilities that serve more than 3,000,000 retail
2 customers in the State, and a minimum of 0.5% of the total
3 portfolio budget, for electric utilities that serve less than
4 3,000,000 retail customers but more than 500,000 retail
5 customers in the State, of the utility's entire portfolio
6 funding level for a given year, that shall be used for the
7 purpose of making grants for technical assistance,
8 construction, reconstruction, improvement, or repair of
9 buildings to facilitate their participation in the energy
10 efficiency programs targeted at low-income single-family and
11 multifamily households. These funds may also be used for the
12 purpose of making grants for technical assistance,
13 construction, reconstruction, improvement, or repair of the
14 following buildings to facilitate their participation in the
15 energy efficiency programs created by this Section: (1)
16 buildings that are owned or operated by registered 501(c)(3)
17 public charities; and (2) day care centers, day care homes, or
18 group day care homes, as defined under 89 Ill. Adm. Code Part
19 406, 407, or 408, respectively. Utilities shall also ensure
20 that thermal insulating materials used for energy efficiency
21 programs targeted at low-income single-family and multifamily
22 households do not contain any substance that is a Category 1
23 respiratory sensitizer as defined by Appendix A to 29 CFR
24 1910.1200 (Health Hazard Criteria: A.4 Respiratory or Skin
25 Sensitization) that was intentionally added or is present at
26 greater than 0.1% (1000 ppm) by weight in the product.

1 Each electric utility shall assess opportunities to
2 implement cost-effective energy efficiency measures and
3 programs through a public housing authority or authorities
4 located in its service territory. If such opportunities are
5 identified, the utility shall propose such measures and
6 programs to address the opportunities. Expenditures to address
7 such opportunities shall be credited toward the minimum
8 procurement and expenditure requirements set forth in this
9 subsection (c).

10 Implementation of energy efficiency measures and programs
11 targeted at low-income households should be contracted, when
12 it is practicable, to independent third parties that have
13 demonstrated capabilities to serve such households, with a
14 preference for not-for-profit entities and government agencies
15 that have existing relationships with or experience serving
16 low-income communities in the State.

17 Each electric utility shall develop and implement
18 reporting procedures that address and assist in determining
19 the amount of energy savings that can be applied to the
20 low-income procurement and expenditure requirements set forth
21 in this subsection (c). Each electric utility shall also track
22 the types and quantities or volumes of insulation and air
23 sealing materials, and their associated energy saving
24 benefits, installed in energy efficiency programs targeted at
25 low-income single-family and multifamily households.

26 The electric utilities shall participate in ~~also convene~~ a

1 low-income energy efficiency accountability ~~advisory~~ committee
2 ("the committee"), which will directly inform ~~to assist in~~ the
3 design, implementation, and evaluation of the low-income and
4 public-housing energy efficiency programs. The committee shall
5 be comprised of the electric utilities subject to the
6 requirements of this Section, the gas utilities subject to the
7 requirements of Section 8-104.1 ~~8-104~~ of this Act, the
8 utilities' low-income energy efficiency implementation
9 contractors, nonprofit organizations, community action
10 agencies, advocacy groups, State and local governmental
11 agencies, public-housing organizations, and representatives of
12 community-based organizations, especially those living in or
13 working with environmental justice communities and BIPOC
14 communities. The committee shall be composed of 2
15 geographically differentiated subcommittees: one for
16 stakeholders in northern Illinois and one for stakeholders in
17 central and southern Illinois. The subcommittees shall meet
18 together at least twice per year.

19 There shall be one statewide leadership committee led by
20 and composed of community-based organizations that are
21 representative of BIPOC and environmental justice communities
22 and that includes equitable representation from BIPOC
23 communities. The leadership committee shall be composed of an
24 equal number of representatives from the 2 subcommittees. The
25 subcommittees shall address specific programs and issues, with
26 the leadership committee convening targeted workgroups as

1 needed. The leadership committee may elect to work with an
2 independent facilitator to solicit and organize feedback,
3 recommendations and meeting participation from a wide variety
4 of community-based stakeholders. If a facilitator is used,
5 they shall be fair and responsive to the needs of all
6 stakeholders involved in the committee.

7 All committee meetings must be accessible, with rotating
8 locations if meetings are held in-person, virtual
9 participation options, and materials and agendas circulated
10 well in advance.

11 There shall also be opportunities for direct input by
12 committee members outside of committee meetings, such as via
13 individual meetings, surveys, emails and calls, to ensure
14 robust participation by stakeholders with limited capacity and
15 ability to attend committee meetings. Committee meetings shall
16 emphasize opportunities to bundle and coordinate delivery of
17 low-income energy efficiency with other programs that serve
18 low-income communities, such as Solar for All and bill payment
19 assistance programs. Meetings shall include educational
20 opportunities for stakeholders to learn more about these
21 additional offerings, and the committee shall assist in
22 figuring out the best methods for coordinated delivery and
23 implementation of offerings when serving low-income
24 communities. The committee shall directly and equitably
25 influence and inform utility low-income and public-housing
26 energy efficiency programs and priorities. Participating

1 utilities shall implement recommendations from the committee
2 whenever possible.

3 Participating utilities shall track and report how input
4 from the committee has led to new approaches and changes in
5 their energy efficiency portfolios. This reporting shall occur
6 at committee meetings and in quarterly energy efficiency
7 reports to the Stakeholder Advisory Group and Illinois
8 Commerce Commission, and other relevant reporting mechanisms.

9 Participating utilities shall also report on relevant equity
10 data and metrics requested by the committee, such as energy
11 burden data, geographic, racial, and other relevant
12 demographic data on where programs are being delivered and
13 what populations programs are serving.

14 The Illinois Commerce Commission shall oversee and have
15 relevant staff participate in the committee. The committee
16 shall have a budget of 0.25% of each utility's entire
17 efficiency portfolio funding for a given year. The budget
18 shall be overseen by the Commission. The budget shall be used
19 to provide grants for community-based organizations serving on
20 the leadership committee, stipends for community-based
21 organizations participating in the committee, grants for
22 community-based organizations to do energy efficiency outreach
23 and education, and relevant meeting needs as determined by the
24 leadership committee. The education and outreach shall
25 include, but is not limited to, basic energy efficiency
26 education, information about low-income energy efficiency

1 programs, and information on the committee's purpose,
2 structure, and activities.

3 (d) Notwithstanding any other provision of law to the
4 contrary, a utility providing approved energy efficiency
5 measures and, if applicable, demand-response measures in the
6 State shall be permitted to recover all reasonable and
7 prudently incurred costs of those measures from all retail
8 customers, except as provided in subsection (1) of this
9 Section, as follows, provided that nothing in this subsection

10 (d) permits the double recovery of such costs from customers:

11 (1) The utility may recover its costs through an
12 automatic adjustment clause tariff filed with and approved
13 by the Commission. The tariff shall be established outside
14 the context of a general rate case. Each year the
15 Commission shall initiate a review to reconcile any
16 amounts collected with the actual costs and to determine
17 the required adjustment to the annual tariff factor to
18 match annual expenditures. To enable the financing of the
19 incremental capital expenditures, including regulatory
20 assets, for electric utilities that serve less than
21 3,000,000 retail customers but more than 500,000 retail
22 customers in the State, the utility's actual year-end
23 capital structure that includes a common equity ratio,
24 excluding goodwill, of up to and including 50% of the
25 total capital structure shall be deemed reasonable and
26 used to set rates.

1 (2) A utility may recover its costs through an energy
2 efficiency formula rate approved by the Commission under a
3 filing under subsections (f) and (g) of this Section,
4 which shall specify the cost components that form the
5 basis of the rate charged to customers with sufficient
6 specificity to operate in a standardized manner and be
7 updated annually with transparent information that
8 reflects the utility's actual costs to be recovered during
9 the applicable rate year, which is the period beginning
10 with the first billing day of January and extending
11 through the last billing day of the following December.
12 The energy efficiency formula rate shall be implemented
13 through a tariff filed with the Commission under
14 subsections (f) and (g) of this Section that is consistent
15 with the provisions of this paragraph (2) and that shall
16 be applicable to all delivery services customers. The
17 Commission shall conduct an investigation of the tariff in
18 a manner consistent with the provisions of this paragraph
19 (2), subsections (f) and (g) of this Section, and the
20 provisions of Article IX of this Act to the extent they do
21 not conflict with this paragraph (2). The energy
22 efficiency formula rate approved by the Commission shall
23 remain in effect at the discretion of the utility and
24 shall do the following:

25 (A) Provide for the recovery of the utility's
26 actual costs incurred under this Section that are

1 prudently incurred and reasonable in amount consistent
2 with Commission practice and law. The sole fact that a
3 cost differs from that incurred in a prior calendar
4 year or that an investment is different from that made
5 in a prior calendar year shall not imply the
6 imprudence or unreasonableness of that cost or
7 investment.

8 (B) Reflect the utility's actual year-end capital
9 structure for the applicable calendar year, excluding
10 goodwill, subject to a determination of prudence and
11 reasonableness consistent with Commission practice and
12 law. To enable the financing of the incremental
13 capital expenditures, including regulatory assets, for
14 electric utilities that serve less than 3,000,000
15 retail customers but more than 500,000 retail
16 customers in the State, a participating electric
17 utility's actual year-end capital structure that
18 includes a common equity ratio, excluding goodwill, of
19 up to and including 50% of the total capital structure
20 shall be deemed reasonable and used to set rates.

21 (C) Include a cost of equity, which shall be
22 calculated as the sum of the following:

23 (i) the average for the applicable calendar
24 year of the monthly average yields of 30-year U.S.
25 Treasury bonds published by the Board of Governors
26 of the Federal Reserve System in its weekly H.15

1 Statistical Release or successor publication; and

2 (ii) 580 basis points.

3 At such time as the Board of Governors of the
4 Federal Reserve System ceases to include the monthly
5 average yields of 30-year U.S. Treasury bonds in its
6 weekly H.15 Statistical Release or successor
7 publication, the monthly average yields of the U.S.
8 Treasury bonds then having the longest duration
9 published by the Board of Governors in its weekly H.15
10 Statistical Release or successor publication shall
11 instead be used for purposes of this paragraph (2).

12 (D) Permit and set forth protocols, subject to a
13 determination of prudence and reasonableness
14 consistent with Commission practice and law, for the
15 following:

16 (i) recovery of incentive compensation expense
17 that is based on the achievement of operational
18 metrics, including metrics related to budget
19 controls, outage duration and frequency, safety,
20 customer service, efficiency and productivity, and
21 environmental compliance; however, this protocol
22 shall not apply if such expense related to costs
23 incurred under this Section is recovered under
24 Article IX or Section 16-108.5 of this Act;
25 incentive compensation expense that is based on
26 net income or an affiliate's earnings per share

1 shall not be recoverable under the energy
2 efficiency formula rate;

3 (ii) recovery of pension and other
4 post-employment benefits expense, provided that
5 such costs are supported by an actuarial study;
6 however, this protocol shall not apply if such
7 expense related to costs incurred under this
8 Section is recovered under Article IX or Section
9 16-108.5 of this Act;

10 (iii) recovery of existing regulatory assets
11 over the periods previously authorized by the
12 Commission;

13 (iv) as described in subsection (e),
14 amortization of costs incurred under this Section;
15 and

16 (v) projected, weather normalized billing
17 determinants for the applicable rate year.

18 (E) Provide for an annual reconciliation, as
19 described in paragraph (3) of this subsection (d),
20 less any deferred taxes related to the reconciliation,
21 with interest at an annual rate of return equal to the
22 utility's weighted average cost of capital, including
23 a revenue conversion factor calculated to recover or
24 refund all additional income taxes that may be payable
25 or receivable as a result of that return, of the energy
26 efficiency revenue requirement reflected in rates for

1 each calendar year, beginning with the calendar year
2 in which the utility files its energy efficiency
3 formula rate tariff under this paragraph (2), with
4 what the revenue requirement would have been had the
5 actual cost information for the applicable calendar
6 year been available at the filing date.

7 The utility shall file, together with its tariff, the
8 projected costs to be incurred by the utility during the
9 rate year under the utility's multi-year plan approved
10 under subsections (f) and (g) of this Section, including,
11 but not limited to, the projected capital investment costs
12 and projected regulatory asset balances with
13 correspondingly updated depreciation and amortization
14 reserves and expense, that shall populate the energy
15 efficiency formula rate and set the initial rates under
16 the formula.

17 The Commission shall review the proposed tariff in
18 conjunction with its review of a proposed multi-year plan,
19 as specified in paragraph (5) of subsection (g) of this
20 Section. The review shall be based on the same evidentiary
21 standards, including, but not limited to, those concerning
22 the prudence and reasonableness of the costs incurred by
23 the utility, the Commission applies in a hearing to review
24 a filing for a general increase in rates under Article IX
25 of this Act. The initial rates shall take effect beginning
26 with the January monthly billing period following the

1 Commission's approval.

2 The tariff's rate design and cost allocation across
3 customer classes shall be consistent with the utility's
4 automatic adjustment clause tariff in effect on June 1,
5 2017 (the effective date of Public Act 99-906); however,
6 the Commission may revise the tariff's rate design and
7 cost allocation in subsequent proceedings under paragraph
8 (3) of this subsection (d).

9 If the energy efficiency formula rate is terminated,
10 the then current rates shall remain in effect until such
11 time as the energy efficiency costs are incorporated into
12 new rates that are set under this subsection (d) or
13 Article IX of this Act, subject to retroactive rate
14 adjustment, with interest, to reconcile rates charged with
15 actual costs.

16 (3) The provisions of this paragraph (3) shall only
17 apply to an electric utility that has elected to file an
18 energy efficiency formula rate under paragraph (2) of this
19 subsection (d). Subsequent to the Commission's issuance of
20 an order approving the utility's energy efficiency formula
21 rate structure and protocols, and initial rates under
22 paragraph (2) of this subsection (d), the utility shall
23 file, on or before June 1 of each year, with the Chief
24 Clerk of the Commission its updated cost inputs to the
25 energy efficiency formula rate for the applicable rate
26 year and the corresponding new charges, as well as the

1 information described in paragraph (9) of subsection (g)
2 of this Section. Each such filing shall conform to the
3 following requirements and include the following
4 information:

5 (A) The inputs to the energy efficiency formula
6 rate for the applicable rate year shall be based on the
7 projected costs to be incurred by the utility during
8 the rate year under the utility's multi-year plan
9 approved under subsections (f) and (g) of this
10 Section, including, but not limited to, projected
11 capital investment costs and projected regulatory
12 asset balances with correspondingly updated
13 depreciation and amortization reserves and expense.
14 The filing shall also include a reconciliation of the
15 energy efficiency revenue requirement that was in
16 effect for the prior rate year (as set by the cost
17 inputs for the prior rate year) with the actual
18 revenue requirement for the prior rate year
19 (determined using a year-end rate base) that uses
20 amounts reflected in the applicable FERC Form 1 that
21 reports the actual costs for the prior rate year. Any
22 over-collection or under-collection indicated by such
23 reconciliation shall be reflected as a credit against,
24 or recovered as an additional charge to, respectively,
25 with interest calculated at a rate equal to the
26 utility's weighted average cost of capital approved by

1 the Commission for the prior rate year, the charges
2 for the applicable rate year. Such over-collection or
3 under-collection shall be adjusted to remove any
4 deferred taxes related to the reconciliation, for
5 purposes of calculating interest at an annual rate of
6 return equal to the utility's weighted average cost of
7 capital approved by the Commission for the prior rate
8 year, including a revenue conversion factor calculated
9 to recover or refund all additional income taxes that
10 may be payable or receivable as a result of that
11 return. Each reconciliation shall be certified by the
12 participating utility in the same manner that FERC
13 Form 1 is certified. The filing shall also include the
14 charge or credit, if any, resulting from the
15 calculation required by subparagraph (E) of paragraph
16 (2) of this subsection (d).

17 Notwithstanding any other provision of law to the
18 contrary, the intent of the reconciliation is to
19 ultimately reconcile both the revenue requirement
20 reflected in rates for each calendar year, beginning
21 with the calendar year in which the utility files its
22 energy efficiency formula rate tariff under paragraph
23 (2) of this subsection (d), with what the revenue
24 requirement determined using a year-end rate base for
25 the applicable calendar year would have been had the
26 actual cost information for the applicable calendar

1 year been available at the filing date.

2 For purposes of this Section, "FERC Form 1" means
3 the Annual Report of Major Electric Utilities,
4 Licensees and Others that electric utilities are
5 required to file with the Federal Energy Regulatory
6 Commission under the Federal Power Act, Sections 3,
7 4(a), 304 and 209, modified as necessary to be
8 consistent with 83 Ill. Admin. Code Part 415 as of May
9 1, 2011. Nothing in this Section is intended to allow
10 costs that are not otherwise recoverable to be
11 recoverable by virtue of inclusion in FERC Form 1.

12 (B) The new charges shall take effect beginning on
13 the first billing day of the following January billing
14 period and remain in effect through the last billing
15 day of the next December billing period regardless of
16 whether the Commission enters upon a hearing under
17 this paragraph (3).

18 (C) The filing shall include relevant and
19 necessary data and documentation for the applicable
20 rate year. Normalization adjustments shall not be
21 required.

22 Within 45 days after the utility files its annual
23 update of cost inputs to the energy efficiency formula
24 rate, the Commission shall with reasonable notice,
25 initiate a proceeding concerning whether the projected
26 costs to be incurred by the utility and recovered during

1 the applicable rate year, and that are reflected in the
2 inputs to the energy efficiency formula rate, are
3 consistent with the utility's approved multi-year plan
4 under subsections (f) and (g) of this Section and whether
5 the costs incurred by the utility during the prior rate
6 year were prudent and reasonable. The Commission shall
7 also have the authority to investigate the information and
8 data described in paragraph (9) of subsection (g) of this
9 Section, including the proposed adjustment to the
10 utility's return on equity component of its weighted
11 average cost of capital. During the course of the
12 proceeding, each objection shall be stated with
13 particularity and evidence provided in support thereof,
14 after which the utility shall have the opportunity to
15 rebut the evidence. Discovery shall be allowed consistent
16 with the Commission's Rules of Practice, which Rules of
17 Practice shall be enforced by the Commission or the
18 assigned administrative law judge. The Commission shall
19 apply the same evidentiary standards, including, but not
20 limited to, those concerning the prudence and
21 reasonableness of the costs incurred by the utility,
22 during the proceeding as it would apply in a proceeding to
23 review a filing for a general increase in rates under
24 Article IX of this Act. The Commission shall not, however,
25 have the authority in a proceeding under this paragraph
26 (3) to consider or order any changes to the structure or

1 protocols of the energy efficiency formula rate approved
2 under paragraph (2) of this subsection (d). In a
3 proceeding under this paragraph (3), the Commission shall
4 enter its order no later than the earlier of 195 days after
5 the utility's filing of its annual update of cost inputs
6 to the energy efficiency formula rate or December 15. The
7 utility's proposed return on equity calculation, as
8 described in paragraphs (7) through (9) of subsection (g)
9 of this Section, shall be deemed the final, approved
10 calculation on December 15 of the year in which it is filed
11 unless the Commission enters an order on or before
12 December 15, after notice and hearing, that modifies such
13 calculation consistent with this Section. The Commission's
14 determinations of the prudence and reasonableness of the
15 costs incurred, and determination of such return on equity
16 calculation, for the applicable calendar year shall be
17 final upon entry of the Commission's order and shall not
18 be subject to reopening, reexamination, or collateral
19 attack in any other Commission proceeding, case, docket,
20 order, rule, or regulation; however, nothing in this
21 paragraph (3) shall prohibit a party from petitioning the
22 Commission to rehear or appeal to the courts the order
23 under the provisions of this Act.

24 (e) Beginning on June 1, 2017 (the effective date of
25 Public Act 99-906), a utility subject to the requirements of
26 this Section may elect to defer, as a regulatory asset, up to

1 the full amount of its expenditures incurred under this
2 Section for each annual period, including, but not limited to,
3 any expenditures incurred above the funding level set by
4 subsection (f) of this Section for a given year. The total
5 expenditures deferred as a regulatory asset in a given year
6 shall be amortized and recovered over a period that is equal to
7 the weighted average of the energy efficiency measure lives
8 implemented for that year that are reflected in the regulatory
9 asset. The unamortized balance shall be recognized as of
10 December 31 for a given year. The utility shall also earn a
11 return on the total of the unamortized balances of all of the
12 energy efficiency regulatory assets, less any deferred taxes
13 related to those unamortized balances, at an annual rate equal
14 to the utility's weighted average cost of capital that
15 includes, based on a year-end capital structure, the utility's
16 actual cost of debt for the applicable calendar year and a cost
17 of equity, which shall be calculated as the sum of the (i) the
18 average for the applicable calendar year of the monthly
19 average yields of 30-year U.S. Treasury bonds published by the
20 Board of Governors of the Federal Reserve System in its weekly
21 H.15 Statistical Release or successor publication; and (ii)
22 580 basis points, including a revenue conversion factor
23 calculated to recover or refund all additional income taxes
24 that may be payable or receivable as a result of that return.
25 Capital investment costs shall be depreciated and recovered
26 over their useful lives consistent with generally accepted

1 accounting principles. The weighted average cost of capital
2 shall be applied to the capital investment cost balance, less
3 any accumulated depreciation and accumulated deferred income
4 taxes, as of December 31 for a given year.

5 When an electric utility creates a regulatory asset under
6 the provisions of this Section, the costs are recovered over a
7 period during which customers also receive a benefit which is
8 in the public interest. Accordingly, it is the intent of the
9 General Assembly that an electric utility that elects to
10 create a regulatory asset under the provisions of this Section
11 shall recover all of the associated costs as set forth in this
12 Section. After the Commission has approved the prudence and
13 reasonableness of the costs that comprise the regulatory
14 asset, the electric utility shall be permitted to recover all
15 such costs, and the value and recoverability through rates of
16 the associated regulatory asset shall not be limited, altered,
17 impaired, or reduced.

18 (f) Beginning in 2017, each electric utility shall file an
19 energy efficiency plan with the Commission to meet the energy
20 efficiency standards for the next applicable multi-year period
21 beginning January 1 of the year following the filing,
22 according to the schedule set forth in paragraphs (1) through
23 (3) of this subsection (f). If a utility does not file such a
24 plan on or before the applicable filing deadline for the plan,
25 it shall face a penalty of \$100,000 per day until the plan is
26 filed.

1 (1) No later than 30 days after June 1, 2017 (the
2 effective date of Public Act 99-906), each electric
3 utility shall file a 4-year energy efficiency plan
4 commencing on January 1, 2018 that is designed to achieve
5 the cumulative persisting annual savings goals specified
6 in paragraphs (1) through (4) of subsection (b-5) of this
7 Section or in paragraphs (1) through (4) of subsection
8 (b-15) of this Section, as applicable, through
9 implementation of energy efficiency measures; however, the
10 goals may be reduced if the utility's expenditures are
11 limited pursuant to subsection (m) of this Section or, for
12 a utility that serves less than 3,000,000 retail
13 customers, if each of the following conditions are met:
14 (A) the plan's analysis and forecasts of the utility's
15 ability to acquire energy savings demonstrate that
16 achievement of such goals is not cost effective; and (B)
17 the amount of energy savings achieved by the utility as
18 determined by the independent evaluator for the most
19 recent year for which savings have been evaluated
20 preceding the plan filing was less than the average annual
21 amount of savings required to achieve the goals for the
22 applicable 4-year plan period. Except as provided in
23 subsection (m) of this Section, annual increases in
24 cumulative persisting annual savings goals during the
25 applicable 4-year plan period shall not be reduced to
26 amounts that are less than the maximum amount of

1 cumulative persisting annual savings that is forecast to
2 be cost-effectively achievable during the 4-year plan
3 period. The Commission shall review any proposed goal
4 reduction as part of its review and approval of the
5 utility's proposed plan.

6 (2) No later than March 1, 2021, each electric utility
7 shall file a 4-year energy efficiency plan commencing on
8 January 1, 2022 that is designed to achieve the cumulative
9 persisting annual savings goals specified in paragraphs
10 (5) through (8) of subsection (b-5) of this Section or in
11 paragraphs (5) through (8) of subsection (b-15) of this
12 Section, as applicable, through implementation of energy
13 efficiency measures; however, the goals may be reduced if
14 either (1) clear and convincing evidence demonstrates,
15 through independent analysis, that the expenditure limits
16 in subsection (m) of this Section preclude full
17 achievement of the goals or (2) ~~the utility's expenditures~~
18 ~~are limited pursuant to subsection (m) of this Section or,~~
19 each of the following conditions are met: (A) the plan's
20 analysis and forecasts of the utility's ability to acquire
21 energy savings demonstrate by clear and convincing
22 evidence and through independent analysis that achievement
23 of such goals is not cost effective; and (B) the amount of
24 energy savings achieved by the utility as determined by
25 the independent evaluator for the most recent year for
26 which savings have been evaluated preceding the plan

1 filing was less than the average annual amount of savings
2 required to achieve the goals for the applicable 4-year
3 plan period. If there is any significant uncertainty
4 regarding whether achieving the savings goals specified in
5 paragraph (b-5) or (b-15) of this Section is possible both
6 cost-effectively and within the expenditure limits in
7 subsection (m), such savings goals shall not be reduced.

8 Except as provided in subsection (m) of this Section,
9 annual increases in cumulative persisting annual savings
10 goals during the applicable 4-year plan period shall not
11 be reduced to amounts that are less than the maximum
12 amount of cumulative persisting annual savings that is
13 forecast to be cost-effectively achievable during the
14 4-year plan period. The Commission shall review any
15 proposed goal reduction as part of its review and approval
16 of the utility's proposed plan, taking into account the
17 results of the potential study required by subsection
18 (f-5) of this Section.

19 (3) No later than March 1, 2025, each electric utility
20 shall file a 4-year ~~5-year~~ energy efficiency plan
21 commencing on January 1, 2026 that is designed to achieve
22 the cumulative persisting annual savings goals specified
23 in paragraphs (9) through (12) ~~(13)~~ of subsection (b-5) of
24 this Section or in paragraphs (9) through (12) ~~(13)~~ of
25 subsection (b-15) of this Section, as applicable, through
26 implementation of energy efficiency measures; however, the

1 goals may be reduced if either (1) clear and convincing
2 evidence demonstrates, through independent analysis, that
3 the expenditure limits in subsection (m) of this Section
4 preclude full achievement of the goals or (2) ~~the~~
5 ~~utility's expenditures are limited pursuant to subsection~~
6 ~~(m) of this Section or,~~ each of the following conditions
7 are met: (A) the plan's analysis and forecasts of the
8 utility's ability to acquire energy savings demonstrate by
9 clear and convincing evidence and through independent
10 analysis that achievement of such goals is not cost
11 effective; and (B) the amount of energy savings achieved
12 by the utility as determined by the independent evaluator
13 for the most recent year for which savings have been
14 evaluated preceding the plan filing was less than the
15 average annual amount of savings required to achieve the
16 goals for the applicable 4-year ~~5-year~~ plan period. If
17 there is any significant uncertainty regarding whether
18 achieving the savings goals specified in paragraphs (b-5)
19 or (b-15) of this Section is possible both
20 cost-effectively and within the expenditure limits in
21 subsection (m), such savings goals shall not be reduced.
22 Except as provided in subsection (m) of this Section,
23 annual increases in cumulative persisting annual savings
24 goals during the applicable 4-year ~~5-year~~ plan period
25 shall not be reduced to amounts that are less than the
26 maximum amount of cumulative persisting annual savings

1 that is forecast to be cost-effectively achievable during
2 the 4-year ~~5-year~~ plan period. The Commission shall review
3 any proposed goal reduction as part of its review and
4 approval of the utility's proposed plan, taking into
5 account the results of the potential study required by
6 subsection (f-5) of this Section.

7 (4) No later than March 1, 2029, and every 4 years
8 thereafter, each electric utility shall file a 4-year
9 energy efficiency plan commencing on January 1, 2030, and
10 every 4 years thereafter, respectively, that is designed
11 to achieve the cumulative persisting annual savings goals
12 established by the Illinois Commerce Commission pursuant
13 to direction of subsections (b-5) and (b-15) of this
14 Section, as applicable, through implementation of energy
15 efficiency measures; however, the goals may be reduced if
16 either (1) clear and convincing evidence and independent
17 analysis demonstrates that the expenditure limits in
18 subsection (m) of this Section preclude full achievement
19 of the goals or (2) each of the following conditions are
20 met: (A) the plan's analysis and forecasts of the
21 utility's ability to acquire energy savings demonstrate by
22 clear and convincing evidence and through independent
23 analysis that achievement of such goals is not
24 cost-effective; and (B) the amount of energy savings
25 achieved by the utility as determined by the independent
26 evaluator for the most recent year for which savings have

1 been evaluated preceding the plan filing was less than the
2 average annual amount of savings required to achieve the
3 goals for the applicable 4-year plan period. If there is
4 any significant uncertainty regarding whether achieving
5 the savings goals specified in paragraphs (b-5) or (b-15)
6 of this Section is possible both cost-effectively and
7 within the expenditure limits in subsection (m), such
8 savings goals shall not be reduced. Except as provided in
9 subsection (m) of this Section, annual increases in
10 cumulative persisting annual savings goals during the
11 applicable 4-year plan period shall not be reduced to
12 amounts that are less than the maximum amount of
13 cumulative persisting annual savings that is forecast to
14 be cost-effectively achievable during the 4-year plan
15 period. The Commission shall review any proposed goal
16 reduction as part of its review and approval of the
17 utility's proposed plan.

18 Each utility's plan shall set forth the utility's
19 proposals to meet the energy efficiency standards identified
20 in subsection (b-5) or (b-15), as applicable and as such
21 standards may have been modified under this subsection (f),
22 taking into account the unique circumstances of the utility's
23 service territory and results of an energy efficiency
24 potential study as described in subsection (f-5) of this
25 Section. For those plans commencing on January 1, 2018, the
26 Commission shall seek public comment on the utility's plan and

1 shall issue an order approving or disapproving each plan no
2 later than 105 days after June 1, 2017 (the effective date of
3 Public Act 99-906). For those plans commencing after December
4 31, 2021, the Commission shall seek public comment on the
5 utility's plan and shall issue an order approving or
6 disapproving each plan within 6 months after its submission.
7 If the Commission disapproves a plan, the Commission shall,
8 within 30 days, describe in detail the reasons for the
9 disapproval and describe a path by which the utility may file a
10 revised draft of the plan to address the Commission's concerns
11 satisfactorily. If the utility does not refile with the
12 Commission within 60 days, the utility shall be subject to
13 penalties at a rate of \$100,000 per day until the plan is
14 filed. This process shall continue, and penalties shall
15 accrue, until the utility has successfully filed a portfolio
16 of energy efficiency and demand-response measures. Penalties
17 shall be deposited into the Energy Efficiency Trust Fund.

18 (f-5) Energy efficiency potential study. An energy
19 efficiency potential study shall be commissioned and overseen
20 by the Illinois Commerce Commission. The potential study shall
21 be a dual fuel study, addressing both gas and electric
22 efficiency potential, such that the requirements both in this
23 subsection (f-5) and in subsection (j-5) of Section 8-104.1
24 are met in an integrated and cost-efficient manner. The
25 potential study shall be reviewed as part of the approval of a
26 utility's plan filed pursuant to subsection (f) of this

1 Section. The potential study shall be designed and conducted
2 with input from a Potential Study Stakeholder Committee
3 established by the Commission. This Committee shall be
4 composed of representatives from each electric utility, the
5 Illinois Attorney General's office, at least 2 environmental
6 stakeholders, at least one community-based organization, and
7 additional parties representing consumers. The Committee shall
8 provide input, at a minimum, into the scope of work for the
9 studies, the selection of vendors to perform the studies in
10 accordance with appropriate confidentiality and conflict of
11 interest provisions, and draft work products. The Committee
12 shall make best efforts to achieve consensus on the key
13 elements of the potential study, including:

14 (i) savings potential from efficiency measures and
15 program concepts that are known at the time of the study;

16 (ii) likely emergence of new technology or new program
17 concepts that could emerge;

18 (iii) likely savings potential from efficiency
19 measures that may be unique to individual industries or
20 individual facilities; and

21 (iv) the experience of other similar utilities, areas
22 and jurisdictions in maximizing achievement of
23 cost-effective savings.

24 When the Committee is not able to reach consensus, the
25 Commission shall make the final decision.

26 (g) In submitting proposed plans and funding levels under

1 subsection (f) of this Section to meet the savings goals
2 identified in subsection (b-5) or (b-15) of this Section, as
3 applicable, the utility shall:

4 (1) Demonstrate that its proposed energy efficiency
5 measures will achieve the applicable requirements that are
6 identified in subsection (b-5) or (b-15) of this Section,
7 as modified by subsection (f) of this Section.

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

11 (2.5) Demonstrate consideration of program options for
12 (A) advancing new building codes, appliance standards, and
13 municipal regulations governing existing and new building
14 efficiency improvements and (B) supporting efforts to
15 improve compliance with new building codes, appliance
16 standards and municipal regulations, as potentially
17 cost-effective means of acquiring energy savings to count
18 toward savings goals.

19 (3) Demonstrate that its overall portfolio of
20 measures, not including low-income programs described in
21 subsection (c) of this Section, is cost-effective using
22 the total resource cost test or complies with paragraphs
23 (1) through (3) of subsection (f) of this Section and
24 represents a diverse cross-section of opportunities for
25 customers of all rate classes, other than those customers
26 described in subsection (1) of this Section, to

1 participate in the programs. Individual measures need not
2 be cost effective.

3 (3.5) Demonstrate that the utility's plan integrates
4 the delivery of energy efficiency programs with natural
5 gas efficiency programs, programs promoting distributed
6 solar, programs promoting demand response and other
7 efforts to address bill payment issues, including, but not
8 limited to, LIHEAP and the Percentage of Income Payment
9 Plan, to the extent such integration is practical and has
10 the potential to enhance customer engagement, minimize
11 market confusion, or reduce administrative costs.

12 (4) Present a third-party energy efficiency
13 implementation program subject to the following
14 requirements:

15 (A) beginning with the year commencing January 1,
16 2019, electric utilities that serve more than
17 3,000,000 retail customers in the State shall fund
18 third-party energy efficiency programs in an amount
19 that is no less than \$25,000,000 per year, and
20 electric utilities that serve less than 3,000,000
21 retail customers but more than 500,000 retail
22 customers in the State shall fund third-party energy
23 efficiency programs in an amount that is no less than
24 \$8,350,000 per year;

25 (B) during 2018, the utility shall conduct a
26 solicitation process for purposes of requesting

1 proposals from third-party vendors for those
2 third-party energy efficiency programs to be offered
3 during one or more of the years commencing January 1,
4 2019, January 1, 2020, and January 1, 2021; for those
5 multi-year plans commencing on January 1, 2022 and
6 January 1, 2026, the utility shall conduct a
7 solicitation process during 2021 and 2025,
8 respectively, for purposes of requesting proposals
9 from third-party vendors for those third-party energy
10 efficiency programs to be offered during one or more
11 years of the respective multi-year plan period; for
12 each solicitation process, the utility shall identify
13 the sector, technology, or geographical area for which
14 it is seeking requests for proposals; the solicitation
15 process must be either for programs that fill gaps in
16 the utility's program portfolio or for programs that
17 target business sectors, building types, geographies,
18 or other specific parts of its customer base with
19 initiatives that would be more effective at reaching
20 these customer segments than the utilities' programs
21 filed in its energy efficiency plans;

22 (C) the utility shall propose the bidder
23 qualifications, performance measurement process, and
24 contract structure, which must include a performance
25 payment mechanism and general terms and conditions;
26 the proposed qualifications, process, and structure

1 shall be subject to Commission approval; and

2 (D) the utility shall retain an independent third
3 party to score the proposals received through the
4 solicitation process described in this paragraph (4),
5 rank them according to their cost per lifetime
6 kilowatt-hours saved, and assemble the portfolio of
7 third-party programs.

8 The electric utility shall recover all costs
9 associated with Commission-approved, third-party
10 administered programs regardless of the success of those
11 programs.

12 (4.5) Implement cost-effective demand-response
13 measures to reduce peak demand by 0.1% over the prior year
14 for eligible retail customers, as defined in Section
15 16-111.5 of this Act, and for customers that elect hourly
16 service from the utility pursuant to Section 16-107 of
17 this Act, provided those customers have not been declared
18 competitive. This requirement continues until December 31,
19 2026.

20 (5) Include a proposed or revised cost-recovery tariff
21 mechanism, as provided for under subsection (d) of this
22 Section, to fund the proposed energy efficiency and
23 demand-response measures and to ensure the recovery of the
24 prudently and reasonably incurred costs of
25 Commission-approved programs.

26 (6) Provide for an annual independent evaluation of

1 the performance of the cost-effectiveness of the utility's
2 portfolio of measures, as well as a full review of the
3 multi-year plan results of the broader net program impacts
4 and, to the extent practical, for adjustment of the
5 measures on a going-forward basis as a result of the
6 evaluations. The resources dedicated to evaluation shall
7 not exceed 3% of portfolio resources in any given year.

8 (7) For electric utilities that serve more than
9 3,000,000 retail customers in the State:

10 (A) Through December 31, 2025, provide for an
11 adjustment to the return on equity component of the
12 utility's weighted average cost of capital calculated
13 under subsection (d) of this Section:

14 (i) If the independent evaluator determines
15 that the utility achieved a cumulative persisting
16 annual savings that is less than the applicable
17 annual incremental goal, then the return on equity
18 component shall be reduced by a maximum of 200
19 basis points in the event that the utility
20 achieved no more than 75% of such goal. If the
21 utility achieved more than 75% of the applicable
22 annual incremental goal but less than 100% of such
23 goal, then the return on equity component shall be
24 reduced by 8 basis points for each percent by
25 which the utility failed to achieve the goal.

26 (ii) If the independent evaluator determines

1 that the utility achieved a cumulative persisting
2 annual savings that is more than the applicable
3 annual incremental goal, then the return on equity
4 component shall be increased by a maximum of 200
5 basis points in the event that the utility
6 achieved at least 125% of such goal. If the
7 utility achieved more than 100% of the applicable
8 annual incremental goal but less than 125% of such
9 goal, then the return on equity component shall be
10 increased by 8 basis points for each percent by
11 which the utility achieved above the goal. If the
12 applicable annual incremental goal was reduced
13 under paragraphs (1) or (2) of subsection (f) of
14 this Section, then the following adjustments shall
15 be made to the calculations described in this item
16 (ii):

17 (aa) the calculation for determining
18 achievement that is at least 125% of the
19 applicable annual incremental goal shall use
20 the unreduced applicable annual incremental
21 goal to set the value; and

22 (bb) the calculation for determining
23 achievement that is less than 125% but more
24 than 100% of the applicable annual incremental
25 goal shall use the reduced applicable annual
26 incremental goal to set the value for 100%

1 achievement of the goal and shall use the
2 unreduced goal to set the value for 125%
3 achievement. The 8 basis point value shall
4 also be modified, as necessary, so that the
5 200 basis points are evenly apportioned among
6 each percentage point value between 100% and
7 125% achievement.

8 (B) For the period January 1, 2026 through
9 December 31, 2029 and in all subsequent 4-year periods
10 ~~2030~~, provide for an adjustment to the return on
11 equity component of the utility's weighted average
12 cost of capital calculated under subsection (d) of
13 this Section:

14 (i) If the independent evaluator determines
15 that the utility achieved a cumulative persisting
16 annual savings that is less than the applicable
17 annual incremental goal, then the return on equity
18 component shall be reduced by a maximum of 200
19 basis points in the event that the utility
20 achieved no more than 66% of such goal. If the
21 utility achieved more than 66% of the applicable
22 annual incremental goal but less than 100% of such
23 goal, then the return on equity component shall be
24 reduced by 6 basis points for each percent by
25 which the utility failed to achieve the goal.

26 (ii) If the independent evaluator determines

1 that the utility achieved a cumulative persisting
2 annual savings that is more than the applicable
3 annual incremental goal, then the return on equity
4 component shall be increased by a maximum of 200
5 basis points in the event that the utility
6 achieved at least 134% of such goal. If the
7 utility achieved more than 100% of the applicable
8 annual incremental goal but less than 134% of such
9 goal, then the return on equity component shall be
10 increased by 6 basis points for each percent by
11 which the utility achieved above the goal. If the
12 applicable annual incremental goal was reduced
13 under paragraph (3) of subsection (f) of this
14 Section, then the following adjustments shall be
15 made to the calculations described in this item
16 (ii):

17 (aa) the calculation for determining
18 achievement that is at least 134% of the
19 applicable annual incremental goal shall use
20 the unreduced applicable annual incremental
21 goal to set the value; and

22 (bb) the calculation for determining
23 achievement that is less than 134% but more
24 than 100% of the applicable annual incremental
25 goal shall use the reduced applicable annual
26 incremental goal to set the value for 100%

1 achievement of the goal and shall use the
2 unreduced goal to set the value for 134%
3 achievement. The 6 basis point value shall
4 also be modified, as necessary, so that the
5 200 basis points are evenly apportioned among
6 each percentage point value between 100% and
7 134% achievement.

8 (C) Notwithstanding the provisions of
9 subparagraphs (A) and (B) of this paragraph (7), if
10 the applicable annual incremental goal for an electric
11 utility is ever less than 0.6% of deemed average
12 weather normalized sales of electric power and energy
13 during calendar years 2014, 2015, and 2016, an
14 adjustment to the return on equity component of the
15 utility's weighted average cost of capital calculated
16 under subsection (d) of this Section shall be made as
17 follows:

18 (i) If the independent evaluator determines
19 that the utility achieved a cumulative persisting
20 annual savings that is less than would have been
21 achieved had the applicable annual incremental
22 goal been achieved, then the return on equity
23 component shall be reduced by a maximum of 200
24 basis points if the utility achieved no more than
25 75% of its applicable annual total savings
26 requirement as defined in paragraph (7.5) of this

1 subsection. If the utility achieved more than 75%
2 of the applicable annual total savings requirement
3 but less than 100% of such goal, then the return on
4 equity component shall be reduced by 8 basis
5 points for each percent by which the utility
6 failed to achieve the goal.

7 (ii) If the independent evaluator determines
8 that the utility achieved a cumulative persisting
9 annual savings that is more than would have been
10 achieved had the applicable annual incremental
11 goal been achieved, then the return on equity
12 component shall be increased by a maximum of 200
13 basis points if the utility achieved at least 125%
14 of its applicable annual total savings
15 requirement. If the utility achieved more than
16 100% of the applicable annual total savings
17 requirement but less than 125% of such goal, then
18 the return on equity component shall be increased
19 by 8 basis points for each percent by which the
20 utility achieved above the applicable annual total
21 savings requirement. If the applicable annual
22 incremental goal was reduced under paragraphs (1)
23 or (2) of subsection (f) of this Section, then the
24 following adjustments shall be made to the
25 calculations described in this item (ii):

26 (aa) the calculation for determining

1 achievement that is at least 125% of the
2 applicable annual total savings requirement
3 shall use the unreduced applicable annual
4 incremental goal to set the value; and

5 (bb) the calculation for determining
6 achievement that is less than 125% but more
7 than 100% of the applicable annual total
8 savings requirement shall use the reduced
9 applicable annual incremental goal to set the
10 value for 100% achievement of the goal and
11 shall use the unreduced goal to set the value
12 for 125% achievement. The 8 basis point value
13 shall also be modified, as necessary, so that
14 the 200 basis points are evenly apportioned
15 among each percentage point value between 100%
16 and 125% achievement.

17 (7.5) For purposes of this Section, the term
18 "applicable annual incremental goal" means the difference
19 between the cumulative persisting annual savings goal for
20 the calendar year that is the subject of the independent
21 evaluator's determination and the cumulative persisting
22 annual savings goal for the immediately preceding calendar
23 year, as such goals are defined in subsections (b-5) and
24 (b-15) of this Section and as these goals may have been
25 modified as provided for under subsection (b-20) and
26 paragraphs (1) through (3) of subsection (f) of this

1 Section. Under subsections (b), (b-5), (b-10), and (b-15)
2 of this Section, a utility must first replace energy
3 savings from measures that have expired ~~reached the end of~~
4 ~~their measure lives and would otherwise have to be~~
5 ~~replaced to meet the applicable savings goals identified~~
6 ~~in subsection (b-5) or (b-15) of this Section~~ before any
7 progress towards achievement of its applicable annual
8 incremental goal may be counted. Savings may expire
9 because measures installed in previous years have reached
10 the end of their lives, because measures installed in
11 previous years are producing lower savings in the current
12 year than in the previous year, or for other reasons
13 identified by independent evaluators. Notwithstanding
14 anything else set forth in this Section, the difference
15 between the actual annual incremental savings achieved in
16 any given year, including the replacement of energy
17 savings ~~from measures~~ that have expired, and the
18 applicable annual incremental goal shall not affect
19 adjustments to the return on equity for subsequent
20 calendar years under this subsection (g).

21 In this Section, "applicable annual total savings
22 requirement" means the total amount of new annual savings
23 that the utility must achieve in any given year to achieve
24 the applicable annual incremental goal. This is equal to
25 the applicable annual incremental goal plus the total new
26 annual savings that are required to replace savings that

1 expired in or at the end of the previous year.

2 (8) For electric utilities that serve less than
3 3,000,000 retail customers but more than 500,000 retail
4 customers in the State:

5 (A) Through December 31, 2025, the applicable
6 annual incremental goal shall be compared to the
7 annual incremental savings as determined by the
8 independent evaluator.

9 (i) The return on equity component shall be
10 reduced by 8 basis points for each percent by
11 which the utility did not achieve 84.4% of the
12 applicable annual incremental goal.

13 (ii) The return on equity component shall be
14 increased by 8 basis points for each percent by
15 which the utility exceeded 100% of the applicable
16 annual incremental goal.

17 (iii) The return on equity component shall not
18 be increased or decreased if the annual
19 incremental savings as determined by the
20 independent evaluator is greater than 84.4% of the
21 applicable annual incremental goal and less than
22 100% of the applicable annual incremental goal.

23 (iv) The return on equity component shall not
24 be increased or decreased by an amount greater
25 than 200 basis points pursuant to this
26 subparagraph (A).

1 (B) For the period of January 1, 2026 through
2 December 31, 2029 and in all subsequent 4-year periods
3 ~~2030~~, the applicable annual incremental goal shall be
4 compared to the annual incremental savings as
5 determined by the independent evaluator.

6 (i) The return on equity component shall be
7 reduced by 6 basis points for each percent by
8 which the utility did not achieve 100% of the
9 applicable annual incremental goal.

10 (ii) The return on equity component shall be
11 increased by 6 basis points for each percent by
12 which the utility exceeded 100% of the applicable
13 annual incremental goal.

14 (iii) The return on equity component shall not
15 be increased or decreased by an amount greater
16 than 200 basis points pursuant to this
17 subparagraph (B).

18 (C) Notwithstanding provisions in subparagraphs
19 (A) and (B) of paragraph (7) of this subsection, if the
20 applicable annual incremental goal for an electric
21 utility is ever less than 0.6% of deemed average
22 weather normalized sales of electric power and energy
23 during calendar years 2014, 2015 and 2016, an
24 adjustment to the return on equity component of the
25 utility's weighted average cost of capital calculated
26 under subsection (d) of this Section shall be made as

1 follows:

2 (i) The return on equity component shall be
3 reduced by 8 basis points for each percent by
4 which the utility did not achieve 100% of the
5 applicable annual total savings requirement.

6 (ii) The return on equity component shall be
7 increased by 8 basis points for each percent by
8 which the utility exceeded 100% of the applicable
9 annual total savings requirement.

10 (iii) The return on equity component shall not
11 be increased or decreased by an amount greater
12 than 200 basis points pursuant to this
13 subparagraph (C).

14 (D) ~~(C)~~ If the applicable annual incremental goal
15 was reduced under paragraphs (1), (2), ~~or~~ (3), or (4)
16 of subsection (f) of this Section, then the following
17 adjustments shall be made to the calculations
18 described in subparagraphs (A), ~~and~~ (B), and (C) of
19 this paragraph (8):

20 (i) The calculation for determining
21 achievement that is at least 125% or 134%, as
22 applicable, of the applicable annual incremental
23 goal or the applicable annual total savings
24 requirement, as applicable, shall use the
25 unreduced applicable annual incremental goal to
26 set the value.

1 (ii) For the period through December 31, 2025,
2 the calculation for determining achievement that
3 is less than 125% but more than 100% of the
4 applicable annual incremental goal or the
5 applicable annual total savings requirement, as
6 applicable, shall use the reduced applicable
7 annual incremental goal to set the value for 100%
8 achievement of the goal and shall use the
9 unreduced goal to set the value for 125%
10 achievement. The 8 basis point value shall also be
11 modified, as necessary, so that the 200 basis
12 points are evenly apportioned among each
13 percentage point value between 100% and 125%
14 achievement.

15 (iii) For the period of January 1, 2026
16 through December 31, 2029 and all subsequent
17 4-year periods, the calculation for determining
18 achievement that is less than 125% or 134%, as
19 applicable, but more than 100% of the applicable
20 annual incremental goal or the applicable annual
21 total savings requirement, as applicable, shall
22 use the reduced applicable annual incremental goal
23 to set the value for 100% achievement of the goal
24 and shall use the unreduced goal to set the value
25 for 125% achievement. The 6 or 8 basis point
26 values, as applicable, shall also be modified, as

1 necessary, so that the 200 basis points are evenly
2 apportioned among each percentage point value
3 between 100% and 125% or between 100% and 134%
4 achievement, as applicable ~~2030, the calculation~~
5 ~~for determining achievement that is less than 134%~~
6 ~~but more than 100% of the applicable annual~~
7 ~~incremental goal shall use the reduced applicable~~
8 ~~annual incremental goal to set the value for 100%~~
9 ~~achievement of the goal and shall use the~~
10 ~~unreduced goal to set the value for 125%~~
11 ~~achievement. The 6 basis point value shall also be~~
12 ~~modified, as necessary, so that the 200 basis~~
13 ~~points are evenly apportioned among each~~
14 ~~percentage point value between 100% and 134%~~
15 ~~achievement.~~

16 (9) The utility shall submit the energy savings data
17 to the independent evaluator no later than 30 days after
18 the close of the plan year. The independent evaluator
19 shall determine the cumulative persisting annual savings
20 for a given plan year, as well as an estimate of job
21 impacts and other macroeconomic impacts of the efficiency
22 programs for that year, no later than 120 days after the
23 close of the plan year. The utility shall submit an
24 informational filing to the Commission no later than 160
25 days after the close of the plan year that attaches the
26 independent evaluator's final report identifying the

1 cumulative persisting annual savings for the year and
2 calculates, under paragraph (7) or (8) of this subsection
3 (g), as applicable, any resulting change to the utility's
4 return on equity component of the weighted average cost of
5 capital applicable to the next plan year beginning with
6 the January monthly billing period and extending through
7 the December monthly billing period. However, if the
8 utility recovers the costs incurred under this Section
9 under paragraphs (2) and (3) of subsection (d) of this
10 Section, then the utility shall not be required to submit
11 such informational filing, and shall instead submit the
12 information that would otherwise be included in the
13 informational filing as part of its filing under paragraph
14 (3) of such subsection (d) that is due on or before June 1
15 of each year.

16 For those utilities that must submit the informational
17 filing, the Commission may, on its own motion or by
18 petition, initiate an investigation of such filing,
19 provided, however, that the utility's proposed return on
20 equity calculation shall be deemed the final, approved
21 calculation on December 15 of the year in which it is filed
22 unless the Commission enters an order on or before
23 December 15, after notice and hearing, that modifies such
24 calculation consistent with this Section.

25 The adjustments to the return on equity component
26 described in paragraphs (7) and (8) of this subsection (g)

1 shall be applied as described in such paragraphs through a
2 separate tariff mechanism, which shall be filed by the
3 utility under subsections (f) and (g) of this Section.

4 (9.5) The utility must demonstrate how it will ensure
5 that program implementation contractors and energy
6 efficiency installation vendors will meet multiple
7 workforce equity building criteria, including, but not
8 limited to:

9 (i) Ensuring that an amount of program portfolio
10 incentive funding proportional to the population of
11 BIPOC persons within the utility's territory, as
12 updated every 2 years, is administered or installed by
13 energy efficiency installation vendors who meet one of
14 the following criteria:

15 (aa) certified under Section 2 of the Business
16 Enterprise for Minorities, Women, and Persons with
17 Disabilities Act; or

18 (bb) certified by another municipal, state,
19 federal, or other certification for disadvantaged
20 businesses; or

21 (cc) submit an affidavit showing that the
22 vendor meets the eligibility criteria for a
23 certification program such as those in subdivision
24 (aa) or (bb); or

25 (dd) if the vendor is a nonprofit, meet any of
26 the criteria in subdivision (aa), (bb), or (cc) or

1 is controlled by a board of directors that
2 consists of 51% or greater individuals who are
3 minorities, women, or persons with a disability as
4 defined by the Business Enterprise for Minorities,
5 Women, and Persons with a Disability Act.

6 (ii) Ensuring that program implementation
7 contractors and energy efficiency installation vendors
8 pay employees working on energy efficiency programs at
9 or above the prevailing wage rate when such a wage rate
10 has been published by the Illinois Department of Labor
11 and pay employees working on energy efficiency
12 programs at or above the median wage rate for a similar
13 job description in the nearest metropolitan area when
14 there is no applicable published prevailing wage rate.
15 If necessary, utilities may conduct surveys to
16 establish the median wage rate for a given job
17 description. Utilities shall establish reporting
18 procedures for vendors that ensure compliance with
19 this subsection, but are structured to avoid, wherever
20 possible, placing an undue administrative burden on
21 vendors.

22 (iii) Ensuring that program implementation
23 contractor employees and energy efficiency
24 installation vendor employees are proportional to the
25 population of BIPOC persons, within the utility's
26 territory, as updated every 2 years.

1 (iv) Ensuring that 30% or more of the energy
2 efficiency installation vendor employees working for
3 vendors reporting to each program implementation
4 contractor are graduates of or trainees in the Clean
5 Energy Workforce Training Hubs programs, Returning
6 Residents Clean Jobs training programs, or similar
7 programs offering equivalent certifications.

8 (v) Ensuring that vendors who are very small
9 businesses of 5 or fewer full-time employees,
10 businesses that have completed or are participating in
11 the Expanding Clean Energy Entrepreneurship and
12 Contractor Incubator Network Program, and businesses
13 that have completed or are participating in the
14 Illinois Clean Energy Black, Indigenous, and People of
15 Color Primes Contractor Accelerator, receive a
16 substantial portion of program portfolio funding.
17 Utility plans to achieve this shall include efforts to
18 provide the necessary training and administrative
19 support needed for very small businesses to meet
20 utility-mandated training, certification, insurance,
21 and security-related contract requirements.

22 (9.6) Utilities shall collect data necessary to ensure
23 compliance with paragraph (9.5) no less than quarterly and
24 shall communicate progress toward compliance with
25 paragraph (9.5) to program implementation contractors and
26 energy efficiency installation vendors no less than

1 quarterly. When it seems unlikely that the criteria in
2 paragraph (9.5) will be met, utilities shall work with
3 relevant vendors, providing education, training, and other
4 resources needed to ensure compliance and, where
5 necessary, adjusting or terminating work with vendors that
6 cannot assist with compliance.

7 (10) Utilities required to implement efficiency
8 programs under subsections (b-5) and (b-10) shall report
9 annually to the Illinois Commerce Commission and the
10 General Assembly on how hiring, contracting, job training,
11 and other practices related to its energy efficiency
12 programs enhance the diversity of vendors working on such
13 programs. These reports must include data on vendor and
14 employee diversity, including data on the implementation
15 of paragraphs (9.5) and (9.6). If the utility is not
16 meeting the requirements of paragraphs (9.5) and (9.6),
17 the utility shall submit a plan to adjust their activities
18 so that they meet the requirements of paragraphs (9.5) and
19 (9.6) within the following year.

20 (h) No more than 6% of energy efficiency and
21 demand-response program revenue may be allocated for research,
22 development, or pilot deployment of new equipment or measures.

23 (i) When practicable, electric utilities shall incorporate
24 advanced metering infrastructure data into the planning,
25 implementation, and evaluation of energy efficiency measures
26 and programs, subject to the data privacy and confidentiality

1 protections of applicable law.

2 (j) The independent evaluator shall follow the guidelines
3 and use the savings set forth in Commission-approved energy
4 efficiency policy manuals and technical reference manuals, as
5 each may be updated from time to time. Until such time as
6 measure life values for energy efficiency measures implemented
7 for low-income households under subsection (c) of this Section
8 are incorporated into such Commission-approved manuals, the
9 low-income measures shall have the same measure life values
10 that are established for same measures implemented in
11 households that are not low-income households.

12 (k) Notwithstanding any provision of law to the contrary,
13 an electric utility subject to the requirements of this
14 Section may file a tariff cancelling an automatic adjustment
15 clause tariff in effect under this Section or Section 8-103,
16 which shall take effect no later than one business day after
17 the date such tariff is filed. Thereafter, the utility shall
18 be authorized to defer and recover its expenditures incurred
19 under this Section through a new tariff authorized under
20 subsection (d) of this Section or in the utility's next rate
21 case under Article IX or Section 16-108.5 of this Act, with
22 interest at an annual rate equal to the utility's weighted
23 average cost of capital as approved by the Commission in such
24 case. If the utility elects to file a new tariff under
25 subsection (d) of this Section, the utility may file the
26 tariff within 10 days after June 1, 2017 (the effective date of

1 Public Act 99-906), and the cost inputs to such tariff shall be
2 based on the projected costs to be incurred by the utility
3 during the calendar year in which the new tariff is filed and
4 that were not recovered under the tariff that was cancelled as
5 provided for in this subsection. Such costs shall include
6 those incurred or to be incurred by the utility under its
7 multi-year plan approved under subsections (f) and (g) of this
8 Section, including, but not limited to, projected capital
9 investment costs and projected regulatory asset balances with
10 correspondingly updated depreciation and amortization reserves
11 and expense. The Commission shall, after notice and hearing,
12 approve, or approve with modification, such tariff and cost
13 inputs no later than 75 days after the utility filed the
14 tariff, provided that such approval, or approval with
15 modification, shall be consistent with the provisions of this
16 Section to the extent they do not conflict with this
17 subsection (k). The tariff approved by the Commission shall
18 take effect no later than 5 days after the Commission enters
19 its order approving the tariff.

20 No later than 60 days after the effective date of the
21 tariff cancelling the utility's automatic adjustment clause
22 tariff, the utility shall file a reconciliation that
23 reconciles the moneys collected under its automatic adjustment
24 clause tariff with the costs incurred during the period
25 beginning June 1, 2016 and ending on the date that the electric
26 utility's automatic adjustment clause tariff was cancelled. In

1 the event the reconciliation reflects an under-collection, the
2 utility shall recover the costs as specified in this
3 subsection (k). If the reconciliation reflects an
4 over-collection, the utility shall apply the amount of such
5 over-collection as a one-time credit to retail customers'
6 bills.

7 (l) (Blank). ~~For the calendar years covered by a~~
8 ~~multi year plan commencing after December 31, 2017,~~
9 ~~subsections (a) through (j) of this Section do not apply to any~~
10 ~~retail customers of an electric utility that serves more than~~
11 ~~3,000,000 retail customers in the State and whose total~~
12 ~~highest 30 minute demand was more than 10,000 kilowatts, or~~
13 ~~any retail customers of an electric utility that serves less~~
14 ~~than 3,000,000 retail customers but more than 500,000 retail~~
15 ~~customers in the State and whose total highest 15 minute~~
16 ~~demand was more than 10,000 kilowatts. For purposes of this~~
17 ~~subsection (l), "retail customer" has the meaning set forth in~~
18 ~~Section 16 102 of this Act. A determination of whether this~~
19 ~~subsection is applicable to a customer shall be made for each~~
20 ~~multi year plan beginning after December 31, 2017. The~~
21 ~~criteria for determining whether this subsection (l) is~~
22 ~~applicable to a retail customer shall be based on the 12~~
23 ~~consecutive billing periods prior to the start of the first~~
24 ~~year of each such multi year plan.~~

25 (m) Notwithstanding the requirements of this Section, as
26 part of a proceeding to approve a multi-year plan under

1 subsections (f) and (g) of this Section if the multi-year plan
2 has been designed to maximize savings, but does not meet the
3 cost cap limitations of this subsection, the Commission shall
4 reduce the amount of energy efficiency measures implemented
5 for any single year, and whose costs are recovered under
6 subsection (d) of this Section, by an amount necessary to
7 limit the estimated average net increase due to the cost of the
8 measures to no more than

9 (1) 3.5% for each of the 4 years beginning January 1,
10 2018,

11 (2) (blank), ~~3.75% for each of the 4 years beginning~~
12 ~~January 1, 2022, and~~

13 (3) 4% for each of the 4 ~~5~~ years beginning January 1,
14 2022 ~~2026~~,

15 (4) 4.25% for the 4 years beginning January 1, 2026,
16 and

17 (5) 4.25% plus an increase sufficient to account for
18 the rate of inflation between January 1, 2026 and January
19 1 of the first year of each subsequent 4-year plan cycle,
20 of the average amount paid per kilowatthour by residential
21 eligible retail customers during calendar year 2015. An
22 electric utility may plan to spend up to 10% more in any year
23 during an applicable multi-year plan period to
24 cost-effectively achieve additional savings so long as the
25 average over the applicable multi-year plan period does not
26 exceed the percentages defined in items (1) through (5). To

1 determine the total amount that may be spent by an electric
2 utility in any single year, the applicable percentage of the
3 average amount paid per kilowatthour shall be multiplied by
4 the total amount of energy delivered by such electric utility
5 in the calendar year 2015, ~~adjusted to reflect the proportion~~
6 ~~of the utility's load attributable to customers who are exempt~~
7 ~~from subsections (a) through (j) of this Section under~~
8 ~~subsection (l) of this Section.~~ For purposes of this
9 subsection (m), the amount paid per kilowatthour includes,
10 without limitation, estimated amounts paid for supply,
11 transmission, distribution, surcharges, and add-on taxes. For
12 purposes of this Section, "eligible retail customers" shall
13 have the meaning set forth in Section 16-111.5 of this Act.
14 Once the Commission has approved a plan under subsections (f)
15 and (g) of this Section, no subsequent rate impact
16 determinations shall be made.

17 (Source: P.A. 100-840, eff. 8-13-18; 101-81, eff. 7-12-19.)

18 (220 ILCS 5/8-104.1 new)

19 Sec. 8-104.1. Gas utilities; annual savings goals.

20 (a) It is the policy of the State that gas utilities are
21 required to use cost-effective energy efficiency to reduce
22 delivery load. Requiring investment in cost-effective energy
23 efficiency will reduce direct and indirect costs to consumers
24 by decreasing environmental impacts and by reducing the amount
25 of natural gas that needs to be purchased and avoiding or

1 delaying the need for new transmission, distribution, storage
2 and other related infrastructure. It serves the public
3 interest to allow gas utilities to recover costs for
4 reasonably and prudently incurred expenditures for energy
5 efficiency measures.

6 (b) In this Section:

7 "Cost-effective" means that the measures satisfy the total
8 resource cost test that, for purposes of this Section, means a
9 standard that is met if, for an investment in energy
10 efficiency, the benefit-cost ratio is greater than one. The
11 benefit-cost ratio is the ratio of the net present value of the
12 total benefits of the measures to the net present value of the
13 total costs as calculated over the lifetime of the measures.
14 The total resource cost test compares the sum of avoided
15 natural gas utility costs, representing the benefits that
16 accrue to the natural gas system and the participant in the
17 delivery of those efficiency measures and including avoided
18 costs associated with the use of electricity or other fuels,
19 avoided cost associated with reduced water consumption, and
20 avoided costs associated with reduced operation and
21 maintenance costs, as well as other quantifiable societal
22 benefits, to the sum of all incremental costs of end-use
23 measures (including both utility and participant
24 contributions), plus costs to administer, deliver, and
25 evaluate each demand-side measure, to quantify the net savings
26 obtained by substituting demand-side measures for supply

1 resources. In calculating avoided costs, reasonable estimates
2 shall be included for financial costs likely to be imposed by
3 future regulation of emissions of greenhouse gases. In
4 discounting future societal costs and benefits for the purpose
5 of calculating net present values, a societal discount rate
6 based on actual, long-term Treasury bond yields shall be used.
7 The low-income measures described in subsection (f) of this
8 Section shall not be required to meet the total resource cost
9 test.

10 "Cumulative persisting annual savings" means the total gas
11 energy savings in a given year from measures installed in that
12 year or in previous years, but no earlier than January 1, 2022,
13 that are still operational and providing savings in that year
14 because the measures have not yet reached the end of their
15 useful lives.

16 "Energy efficiency" means measures that reduce the amount
17 of energy required to achieve a given end use. "Energy
18 efficiency" also includes measures that reduce the total Btus
19 of electricity and natural gas needed to meet the end use or
20 uses. "Black, indigenous, and people of color" and "BIPOC"
21 means people who are members of the groups described in
22 subparagraphs (a) through (e) of paragraph (A) of subsection
23 (1) of Section 2 of the Business Enterprise for Minorities,
24 Women, and Persons with Disabilities Act. "Expanding Clean
25 Energy Entrepreneurship and Contractor Incubator Network
26 Program," "Clean Energy Black, Indigenous, and People of Color

1 Primes Contractor Accelerator," "Returning Resident Clean
2 Energy Training Program," and "Clean Energy Workforce Training
3 Hubs Program" are as set forth in the Clean Jobs, Workforce and
4 Contractor Equity Act.

5 (c) This Section applies to all gas distribution utilities
6 in the State for those multi-year plans that include energy
7 efficiency programs commencing after December 31, 2022.

8 (d) Beginning in 2023, gas utilities subject to this
9 Section shall achieve the following cumulative persisting
10 annual savings goals, as compared to a deemed baseline
11 equivalent to the utility's average annual therm throughput in
12 2016 through 2020 through the implementation of energy
13 efficiency measures during the applicable year and in prior
14 years, but no earlier than January 1, 2023:

15 (1) 1.2% cumulative persisting annual savings for the
16 year ending December 31, 2023;

17 (2) 2.1% cumulative persisting annual savings for the
18 year ending December 31, 2024;

19 (3) 3.0% cumulative persisting annual savings for the
20 year ending December 31, 2025;

21 (4) 3.9% cumulative persisting annual savings for the
22 year ending December 31, 2026;

23 (5) 4.8% cumulative persisting annual savings for the
24 year ending December 31, 2027;

25 (6) 5.7% cumulative persisting annual savings for the
26 year ending December 31, 2028;

1 (7) 6.6% cumulative persisting annual savings for the
2 year ending December 31, 2029;

3 (8) 7.4% cumulative persisting annual savings for the
4 year ending December 31, 2030;

5 (9) 8.2% cumulative persisting annual savings for the
6 year ending December 31, 2031;

7 (10) 9.0% cumulative persisting annual savings for the
8 year ending December 31, 2032;

9 (11) 9.8% cumulative persisting annual savings for the
10 year ending December 31, 2033;

11 (12) 10.6% cumulative persisting annual savings for
12 the year ending December 31, 2034;

13 (13) 11.4% cumulative persisting annual savings for
14 the year ending December 31, 2035;

15 (14) 12.1% cumulative persisting annual savings for
16 the year ending December 31, 2036; and

17 (15) 12.8% cumulative persisting annual savings for
18 the year ending December 31, 2037.

19 No later than December 31, 2025, the Illinois Commerce
20 Commission shall establish additional cumulative persisting
21 annual savings goals for the years 2037 through 2041. The
22 Commission shall also establish additional cumulative
23 persisting annual savings goals every 5 years thereafter to
24 ensure utilities always have goals that extend at least 11
25 years into the future. The cumulative persisting annual
26 savings goals beyond the year 2035 shall increase by 0.6

1 percentage points per year absent a Commission decision to
2 initiate a proceeding to consider establishing goals that
3 increase by more or less than that amount. Such a proceeding
4 must be conducted in accordance with the procedures described
5 in subsection (f) of this Section. If such a proceeding is
6 initiated, the cumulative persisting annual savings goals
7 established by the Commission through that proceeding shall
8 reflect the Commission's best estimate of the maximum amount
9 of additional gas savings that are forecast to be
10 cost-effectively achievable unless such best estimates would
11 result in goals that represent less than 0.4 percentage point
12 annual increases in total cumulative persisting annual
13 savings. The Commission may only establish goals that
14 represent less than 0.4 percentage point annual increases in
15 cumulative persisting annual savings if it can demonstrate,
16 based on clear and convincing evidence, that 0.4 percentage
17 point increases are not cost-effectively achievable. The
18 Commission shall inform its decision based on an energy
19 efficiency potential study that conforms to the requirements
20 of subsection (j-5) of this Section.

21 (e) If a gas utility jointly offers an energy efficiency
22 measure or program with an electric utility under plans
23 approved under this Section and Section 8-103B of this Act,
24 the gas utility may continue offering the program, including
25 the electric energy efficiency measures, if the electric
26 utility discontinues funding the program. In that event, the

1 energy-savings value associated with such other fuels shall be
2 converted to gas energy savings on an equivalent Btu basis for
3 the premises. However, the gas utility shall prioritize
4 programs for low-income residential customers to the extent
5 practicable. A gas utility may recover the costs of offering
6 the gas energy efficiency measures under this subsection (e).

7 For those energy efficiency measures or programs that save
8 both gas and other fuels but are not jointly offered with an
9 electric utility under plans approved under this Section and
10 Section 8-103B, the gas utility may count savings of fuels
11 other than gas toward the achievement of its annual savings
12 goal, and the energy-savings value associated with such other
13 fuels shall be converted to gas energy savings on an
14 equivalent Btu basis at the premises.

15 In no event shall more than 10% of each year's applicable
16 annual total savings requirement as defined in paragraph (8)
17 of subsection (j) of this Section be met through savings of
18 fuels other than gas.

19 (f) Gas utilities are responsible for overseeing the
20 design, development, and filing of energy efficiency plans
21 with the Commission and may, as part of that implementation,
22 outsource various aspects of program development and
23 implementation. A minimum of 10% of the utility's entire
24 portfolio funding level for a given year shall be used to
25 procure cost-effective energy efficiency measures from units
26 of local government, municipal corporations, school districts,

1 public housing, community college districts, and
2 nonprofit-owned buildings provided that a minimum percentage
3 of available funds shall be used to procure energy efficiency
4 from public housing, which percentage shall be equal to public
5 housing's share of public building energy consumption.

6 The utilities shall also implement energy efficiency
7 measures targeted at low-income single-family and multifamily
8 households, which, as used in this Section, means households
9 at or below 80% of area median income, and expenditures to
10 implement the measures shall be no less than 25% of the
11 utility's total efficiency portfolio budget.

12 At least 70% of spending on programs targeted at
13 low-income households shall go toward integrated whole
14 building efficiency programs, as defined in subsection (g), or
15 individual measures that reduce space heating needs through
16 improvements to the building envelope, heating distribution
17 systems, or heating system controls. In implementing these
18 programs, utilities shall ensure that thermal insulating
19 materials used in the building envelope do not contain any
20 substance that is a Category 1 respiratory sensitizer as
21 defined by Appendix A to 29 CFR 1910.1200 (Health Hazard
22 Criteria: A.4 Respiratory or Skin Sensitization) that was
23 intentionally added or is present at greater than 0.1% (1000
24 ppm) by weight in the product. Programs targeted at low-income
25 households, which address single-family and multifamily
26 buildings shall be treated such that forecast savings to be

1 achieved in each building type are approximately in
2 proportional to the magnitude of cost-effective energy
3 efficiency opportunities in these respective building types.

4 Each gas utility shall assess opportunities to implement
5 cost-effective energy efficiency measures and programs through
6 a public-housing authority or authorities located in its
7 service territory. If such opportunities are identified, the
8 utility shall propose such measures and programs to address
9 the opportunities. Expenditures to address such opportunities
10 shall be credited toward the minimum procurement and
11 expenditure requirements set forth in this subsection (f).

12 Implementation of energy efficiency measures and programs
13 targeted at low-income households shall be contracted, when it
14 is practical, to independent third parties that have
15 demonstrated capabilities to serve such households, with a
16 preference for not-for-profit entities and government agencies
17 that have existing relationships with or experience serving
18 low-income communities in the State.

19 Each gas utility shall develop and implement reporting
20 procedures that address and assist in determining the amount
21 of energy savings that can be applied to the low-income
22 procurement and expenditure requirements set forth in this
23 subsection (f). Each gas utility shall also track the types
24 and quantities or volumes of insulation and air sealing
25 materials, and their associated energy saving benefits,
26 installed in energy efficiency programs targeted at low-income

1 single-family and multifamily households.

2 Each gas utility shall implement a health and safety fund
3 of a minimum of 0.5% of the utility's entire portfolio funding
4 level for a given year, that shall be used for the purpose of
5 making grants for technical assistance, construction,
6 reconstruction, improvement, or repair of buildings to
7 facilitate their participation in the energy efficiency
8 programs targeted at low-income single-family and multifamily
9 households. These funds may also be used for the purpose of
10 making grants for technical assistance, construction,
11 reconstruction, improvement, or repair of the following
12 buildings to facilitate their participation in the energy
13 efficiency programs created by this Section: (1) buildings
14 that are owned or operated by registered 501(c)(3) public
15 charities; and (2) day care centers, day care homes, or group
16 day care homes, as defined by 89 Ill. Adm. Code Part 406, 407,
17 or 408, respectively.

18 The gas utilities shall participate in a low-income energy
19 efficiency accountability committee ("the committee"), which
20 will directly inform the design, implementation, and
21 evaluation of the low-income and public-housing energy
22 efficiency programs. The committee shall be composed of the
23 electric utilities subject to the requirements of Section
24 8-103B of this Act, the gas utilities subject to the
25 requirements of this Section, the utilities' low-income energy
26 efficiency implementation contractors, nonprofit

1 organizations, community action agencies, advocacy groups,
2 State and local governmental agencies, public-housing
3 organizations, and representatives of community-based
4 organizations, especially those living in or working with
5 environmental justice communities and BIPOC communities. The
6 committee shall be composed of a statewide leadership
7 committee and 2 geographically differentiated subcommittees:
8 one for stakeholders in northern Illinois and one for
9 stakeholders in central and southern Illinois. The
10 subcommittees shall meet together at least twice per year.

11 There shall be a statewide leadership committee led by and
12 composed of community-based organizations that are
13 representative of BIPOC and environmental justice communities
14 and that includes equitable representation from BIPOC
15 communities. The leadership committee shall be composed of an
16 equal number of representatives from the 2 subcommittees.

17 The subcommittees shall address specific programs and
18 issues, with the leadership committee convening targeted
19 workgroups as needed. The leadership committee may elect to
20 work with an independent facilitator to solicit and organize
21 feedback, recommendations and meeting participation from a
22 wide variety of community-based stakeholders. If a facilitator
23 is used, they shall be fair and responsive to the needs of all
24 stakeholders involved in the committee.

25 All committee meetings must be accessible, with rotating
26 locations if meetings are held in-person, virtual

1 participation options, and materials and agendas circulated
2 well in advance.

3 There shall also be opportunities for direct input by
4 committee members outside of committee meetings, such as via
5 individual meetings, surveys, emails and calls, to ensure
6 robust participation by stakeholders with limited capacity and
7 ability to attend committee meetings. Committee meetings shall
8 emphasize opportunities to bundle and coordinate delivery of
9 low-income energy efficiency with other programs that serve
10 low-income communities, such as Solar for All and bill payment
11 assistance programs. Meetings shall include educational
12 opportunities for stakeholders to learn more about these
13 additional offerings, and the committee shall assist in
14 figuring out the best methods for coordinated delivery and
15 implementation of offerings when serving low-income
16 communities. The committee shall directly and equitably
17 influence and inform utility low-income and public-housing
18 energy efficiency programs and priorities.

19 Participating utilities shall implement recommendations
20 from the committee whenever possible. Participating utilities
21 shall track and report how input from the committee has led to
22 new approaches and changes in their energy efficiency
23 portfolios. This reporting shall occur at committee meetings
24 and in quarterly energy efficiency reports to the Stakeholder
25 Advisory Group and Illinois Commerce Commission, and other
26 relevant reporting mechanisms. Participating utilities shall

1 also report on relevant equity data and metrics requested by
2 the committee, such as energy burden data, geographic, racial,
3 and other relevant demographic data on where programs are
4 being delivered and what populations programs are serving.

5 The Illinois Commerce Commission shall oversee and have
6 relevant staff participate in the committee. The committee
7 shall have a budget of 0.25% of each utility's entire
8 efficiency portfolio funding for a given year. The budget
9 shall be overseen by the Commission. The budget shall be used
10 to provide grants for community-based organizations serving on
11 the leadership committee, stipends for community-based
12 organizations participating in the committee, grants for
13 community-based organizations to do energy efficiency outreach
14 and education, and relevant meeting needs as determined by the
15 leadership committee. The education and outreach shall
16 include, but is not limited to, basic energy efficiency
17 education, information about low-income energy efficiency
18 programs, and information on the committee's purpose,
19 structure, and activities.

20 (g) At least 50% of the entire efficiency program
21 portfolio budget shall be spent on any combination of (1)
22 heating energy savings from integrated, residential or
23 nonresidential, new or existing whole building efficiency
24 programs; and (2) individual heating measures in residential
25 or nonresidential buildings, new or existing, that reduce the
26 amount of space heating needs through improvements to the

1 efficiency of building envelopes (including, but not limited
2 to, insulation measures, efficient windows and air leakage
3 reduction), improvements to systems for distributing heat
4 (including, but not limited to, duct leakage reduction, duct
5 insulation or pipe insulation) in buildings, improvements to
6 ventilation systems (including, but not limited to heat
7 recovery ventilation and demand control ventilation measures)
8 or improvements to controls of heating equipment (including,
9 but not limited to, advanced thermostats). Spending on
10 efficient furnaces, efficient boilers, or other efficient
11 heating equipment measures outside of or separate from
12 integrated whole building efficiency programs is permitted
13 within the efficiency program portfolio, but does not count
14 toward the minimum spending requirement in this subsection
15 (g). Spending on integrated whole building efficiency programs
16 targeted to low-income customers, as well as spending on
17 individual building envelope, heating distribution system,
18 ventilation system and heating system control measures
19 installed in low-income homes does count toward this
20 requirement. The portion of portfolio spending on program
21 marketing, training of installers, audits of buildings,
22 inspections of work performed, and other administrative and
23 technical expenses that are clearly tied to promotion and
24 delivery of integrated whole building efficiency programs or
25 installation of individual building envelope, heating
26 distribution system, ventilation system or heating system

1 control measures shall count toward this requirement. If this
2 minimum requirement is not met, any performance incentive
3 earned under paragraph (7) of subsection (j) should be reduced
4 by the percentage point level of shortfall in meeting this
5 requirement; if the utility is subject to a performance
6 penalty, then the magnitude of the penalty shall be increased
7 by the percentage point shortfall in meeting this requirement.

8 As used in this subsection (g), "integrated whole building
9 efficiency programs" means programs designed to optimize the
10 heating efficiency of buildings by comprehensively and
11 simultaneously addressing cost-effective energy-savings
12 opportunities associated with heating equipment, heating
13 distribution systems, heating system controls, ventilation
14 systems and building envelopes; such programs may be targeted
15 to existing buildings or to construction of new buildings.

16 (h) Notwithstanding any other provision of law to the
17 contrary, a utility providing approved energy efficiency
18 measures in the State shall be permitted to recover all
19 reasonable and prudently incurred costs of those measures from
20 all distribution system customers, provided that nothing in
21 this subsection (h) permits the double recovery of such costs
22 from customers.

23 (i) Beginning in 2022, each gas utility shall file an
24 energy efficiency plan with the Commission to meet the energy
25 efficiency standards for the next applicable multi-year period
26 beginning January 1 of the year following the filing,

1 according to the schedule set forth in paragraphs (1) through
2 (5) of this subsection (i). If a utility does not file such a
3 plan on or before the applicable filing deadline for the plan,
4 it shall face a penalty of \$100,000 per day until the plan is
5 filed.

6 (1) No later March 1, 2022, each gas utility shall
7 file a 3-year energy efficiency plan commencing on January
8 1, 2023 that is designed to achieve the cumulative
9 persisting annual savings goals specified in paragraphs
10 (1) through (3) of subsection (d) of this Section through
11 implementation of energy efficiency measures; however, the
12 goals may be reduced if the plan's analysis and forecasts
13 of the utility's ability to acquire energy savings
14 demonstrate beyond a reasonable doubt that achievement of
15 such goals is not cost-effective. Annual increases in
16 cumulative persisting annual savings goals during the
17 applicable 3-year plan period shall not be reduced to
18 amounts that are less than the maximum amount of
19 cumulative persisting annual savings that is forecast to
20 be cost-effectively achievable during the 3-year plan
21 period. The Commission shall review any proposed goal
22 reduction as part of its review and approval of the
23 utility's proposed plan, taking into account the results
24 of the potential study required by subsection (j-5) of
25 this Section.

26 (2) No later than March 1, 2025, each gas utility

1 shall file a 4-year energy efficiency plan commencing on
2 January 1, 2026 that is designed to achieve the cumulative
3 persisting annual savings goals specified in paragraphs
4 (4) through (7) of subsection (d) of this Section through
5 implementation of energy efficiency measures; however, the
6 goals may be reduced if each of the following conditions
7 are met: (A) the plan's analysis and forecasts of the
8 utility's ability to acquire energy savings demonstrate
9 beyond a reasonable doubt that achievement of such goals
10 is not cost-effective; and (B) the amount of energy
11 savings achieved by the utility as determined by the
12 independent evaluator for the most recent year for which
13 savings have been evaluated preceding the plan filing was
14 less than the average annual amount of savings required to
15 achieve the goals for the applicable 4-year plan period.
16 Annual increases in cumulative persisting annual savings
17 goals during the applicable 4-year plan period shall not
18 be reduced to amounts that are less than the maximum
19 amount of cumulative persisting annual savings that is
20 forecast to be cost-effectively achievable during the
21 4-year plan period. The Commission shall review any
22 proposed goal reduction as part of its review and approval
23 of the utility's proposed plan, taking into account the
24 results of the potential study required by subsection
25 (j-5) of this Section.

26 (3) No later than March 1, 2029, each gas utility

1 shall file a 4-year energy efficiency plan commencing on
2 January 1, 2030 that is designed to achieve the cumulative
3 persisting annual savings goals specified in paragraphs
4 (8) through (11) of subsection (d) of this Section through
5 implementation of energy efficiency measures; however, the
6 goals may be reduced if each of the following conditions
7 are met: (A) the plan's analysis and forecasts of the
8 utility's ability to acquire energy savings demonstrate
9 beyond a reasonable doubt that achievement of such goals
10 is not cost-effective; and (B) the amount of energy
11 savings achieved by the utility as determined by the
12 independent evaluator for the most recent year for which
13 savings have been evaluated preceding the plan filing was
14 less than the average annual amount of savings required to
15 achieve the goals for the applicable 4-year plan period.
16 Annual increases in cumulative persisting annual savings
17 goals during the applicable 4-year plan period shall not
18 be reduced to amounts that are less than the maximum
19 amount of cumulative persisting annual savings that is
20 forecast to be cost-effectively achievable during the
21 4-year plan period. The Commission shall review any
22 proposed goal reduction as part of its review and approval
23 of the utility's proposed plan, taking into account the
24 results of the potential study required by subsection
25 (j-5) of this Section.

26 (4) No later than March 1, beginning in 2033 and each 4

1 years thereafter, each gas utility shall file a 4-year
2 energy efficiency plan commencing on January 1, beginning
3 in 2034 and each 4-year period thereafter, that is
4 designed to achieve the cumulative persisting annual
5 savings goals specified in paragraphs (12) through (15) of
6 subsection (d), as well as goals for subsequent years that
7 are established by the Illinois Commerce Commission
8 pursuant to direction of subsection (d) of this Section,
9 through implementation of energy efficiency measures;
10 however, the goals may be reduced if each of the following
11 conditions are met: (A) the plan's analysis and forecasts
12 of the utility's ability to acquire energy savings
13 demonstrate beyond a reasonable doubt that achievement of
14 such goals is not cost-effective; and (B) the amount of
15 energy savings achieved by the utility as determined by
16 the independent evaluator for the most recent year for
17 which savings have been evaluated preceding the plan
18 filing was less than the average annual amount of savings
19 required to achieve the goals for the applicable 4-year
20 plan period. Annual increases in cumulative persisting
21 annual savings goals during the applicable 4-year plan
22 period shall not be reduced to amounts that are less than
23 the maximum amount of cumulative persisting annual savings
24 that is forecast to be cost-effectively achievable during
25 the 4-year plan period. The Commission shall review any
26 proposed goal reduction as part of its review and approval

1 of the utility's proposed plan, taking into account the
2 results of the potential study required by subsection
3 (j-5) of this Section.

4 Each utility's plan shall set forth the utility's
5 proposals to meet the energy efficiency standards identified
6 in subsection (d). The Commission shall seek public comment on
7 the utility's plan and shall issue an order approving or
8 disapproving each plan within 6 months after its submission.
9 If the Commission disapproves a plan, the Commission shall,
10 within 30 days, describe in detail the reasons for the
11 disapproval and describe a path by which the utility may file a
12 revised draft of the plan to address the Commission's concerns
13 satisfactorily. If the utility does not refile with the
14 Commission within 60 days, the utility shall be subject to
15 penalties at a rate of \$100,000 per day until the plan is
16 filed. This process shall continue, and penalties shall
17 accrue, until the utility has successfully filed a portfolio
18 of energy efficiency measures. Penalties shall be deposited
19 into the Energy Efficiency Trust Fund.

20 (j) In submitting proposed plans and funding levels under
21 subsection (i) of this Section to meet the savings goals
22 identified in subsection (d), the utility shall:

23 (1) Demonstrate that its proposed energy efficiency
24 measures will achieve the applicable requirements that are
25 identified in subsection (d) of this Section.

26 (2) Demonstrate consideration of program options for

1 (A) advancing new building codes, appliance standards, and
2 municipal regulations governing existing and new building
3 efficiency improvements and (B) supporting efforts to
4 improve compliance with new building codes, appliance
5 standards and municipal regulations, as potentially
6 cost-effective means of acquiring energy savings to count
7 toward savings goals.

8 (3) Demonstrate that its overall portfolio of
9 measures, not including low-income programs described in
10 subsection (f) of this Section, is cost-effective using
11 the total resource cost test, complies with subsection (i)
12 of this Section and represents a diverse cross-section of
13 opportunities for customers of all rate classes, to
14 participate in the programs. Individual measures need not
15 be cost-effective.

16 (3.5) Demonstrate that the utility's plan integrates
17 the delivery of energy efficiency programs with electric
18 efficiency programs and other efforts to address bill
19 payment issues, including, but not limited to, LIHEAP and
20 the Percent Income Payment Plan, to the extent such
21 integration is practical and has the potential to enhance
22 customer engagement, minimize market confusion, or reduce
23 administrative costs.

24 (4) Present a third-party energy efficiency
25 implementation program subject to the following
26 requirements:

1 (A) Beginning with the year commencing January 1,
2 2024, gas utilities shall fund third-party energy
3 efficiency programs in an amount that is no less than
4 10% of total efficiency portfolio budgets per year.

5 (B) For the multi-year plans commencing on January
6 1, 2023, the utility shall conduct a solicitation
7 process during 2023 for purposes of requesting
8 proposals from third-party vendors for those
9 third-party energy efficiency programs to be offered
10 during one or more years of the last 2 years of the
11 2023 to 2025 plan period. For the solicitation
12 process, the utility shall identify the sector,
13 technology, or a geographic area for which it is
14 seeking requests for proposals. The solicitation
15 process must be for programs that fill gaps in the
16 utility's program portfolio or target business
17 sectors, building types, geographies or other specific
18 parts of its customer base with initiatives that would
19 be more effective at reaching these customer segments
20 than the utilities' programs filed in its energy
21 efficiency plans.

22 (C) For multi-year plans commencing on January 1,
23 2026, January 1, 2030, and every 4 years thereafter,
24 the utility shall conduct a solicitation process
25 during 2025, 2029, and every 4 years thereafter,
26 respectively, for purposes of requesting proposals

1 from third-party vendors for those third-party energy
2 efficiency programs to be offered during one or more
3 years of the respective multi-year plan period; for
4 each solicitation process, the utility shall identify
5 the sector, technology, or geographic area for which
6 it is seeking requests for proposals; the solicitation
7 process must be for programs that fill gaps in the
8 utility's program portfolio or target business
9 sectors, building types, geographies or other specific
10 parts of its customer base with initiatives that would
11 be more effective at reaching these customer segments
12 than the utilities' programs filed in its energy
13 efficiency plans.

14 (D) The utility shall propose the bidder
15 qualifications, performance measurement process, and
16 contract structure, which must include a performance
17 payment mechanism and general terms and conditions;
18 the proposed qualifications, process, and structure
19 shall be subject to Commission approval.

20 (E) The utility shall retain an independent third
21 party to score the proposals received through the
22 solicitation process described in this paragraph (4),
23 rank them according to their cost per lifetime
24 kilowatt hours saved, and assemble the portfolio of
25 third-party programs.

26 The gas utility shall recover all costs associated

1 with Commission-approved, third-party administered
2 programs regardless of the success of those programs.

3 (5) Include a proposed or revised cost-recovery
4 mechanism, as provided for under subsection (h) of this
5 Section, to fund the proposed energy efficiency measures
6 and to ensure the recovery of the prudently and reasonably
7 incurred costs of Commission-approved programs.

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

16 (7) Each gas utility shall be eligible to earn a
17 shareholder incentive for effective implementation of its
18 efficiency programs. The incentive shall be tied to each
19 utility's annual energy efficiency spending and its
20 savings relative to its applicable annual total savings
21 requirement as defined in paragraph (8) of this subsection
22 (j). There shall be no incentive if the independent
23 evaluator determines the utility failed to achieve savings
24 equal to at least 85% of its applicable annual total
25 savings requirement. The utility shall earn an incentive
26 equal 0.5% of total annual efficiency spending in the year

1 being evaluated for every one percentage point above 85%
2 up to 100% of its applicable annual total savings
3 requirement that the utility achieved in that year, such
4 that the utility shall earn an incentive equal to 7.5% of
5 spending for meeting 100% of its applicable annual total
6 savings requirement. The utility shall earn an additional
7 0.3% of spending for every one percentage point above 100%
8 of its applicable annual total savings requirement
9 achieved, with a maximum incentive of 15% for achieving
10 125% of its applicable annual total savings requirement.

11 (7.5) In this Section, "applicable annual incremental
12 goal" means the difference between the cumulative
13 persisting annual savings goal for the calendar year that
14 is the subject of the independent evaluator's
15 determination and the cumulative persisting annual savings
16 goal for the immediately preceding calendar year, as such
17 goals are defined in subsection (d) of this Section. Under
18 subsection (d) of this Section, a utility must first
19 replace energy savings from measures that have expired and
20 would otherwise have to be replaced to meet the applicable
21 savings goals identified in subsection (d) of this Section
22 before any progress toward achievement of its applicable
23 annual incremental goal may be counted. Savings may expire
24 because measures installed in previous years have reached
25 the end of their lives, because measures installed in
26 previous years are producing lower savings in the current

1 year than in the previous year or for other reasons
2 identified by independent evaluators. Notwithstanding
3 anything else set forth in this Section, the difference
4 between the actual annual incremental savings achieved in
5 any given year, including the replacement of energy
6 savings that have expired, and the applicable annual
7 incremental goal shall not affect adjustments to the
8 return on equity for subsequent calendar years under this
9 subsection (j).

10 (8) In this Section, "applicable annual total savings
11 requirement" means the total amount of new annual savings
12 that the utility must achieve in any given year to achieve
13 the applicable annual incremental goal. This shall be
14 equal to the applicable annual incremental goal plus the
15 total new annual savings that are required to replace
16 savings that expired in or at the end of the previous year.

17 (9) The utility shall submit the energy-savings data
18 to the independent evaluator no later than 30 days after
19 the close of the plan year. The independent evaluator
20 shall determine the cumulative persisting annual savings
21 and the utility's performance relative to its applicable
22 annual total savings requirement for a given plan year no
23 later than 120 days after the close of the plan year. The
24 independent evaluator must also estimate the job impacts
25 and other macroeconomic impacts of the utility's
26 efficiency programs. The utility shall submit an

1 informational filing to the Commission no later than 160
2 days after the close of the plan year that attaches the
3 independent evaluator's final report identifying the
4 cumulative persisting annual savings for the year and
5 calculates, under paragraph (7) of this subsection (j), as
6 applicable, the magnitude of any shareholder incentive
7 that the utility has earned.

8 (9.5) The utility must demonstrate how it will ensure
9 that program implementation contractors and energy
10 efficiency installation vendors will meet multiple
11 workforce equity building criteria, including, but not
12 limited to:

13 (i) Ensuring that an amount of program portfolio
14 incentive funding proportional to the population of
15 BIPOC persons within the utility's territory, as
16 updated every 2 years, is administered or installed by
17 energy efficiency installation vendors who meet one of
18 the following criteria:

19 (aa) certified under Section 2 of the Business
20 Enterprise for Minorities, Women, and Persons with
21 Disabilities Act; or

22 (bb) certified by another municipal, state,
23 federal, or other certification for disadvantaged
24 businesses; or

25 (cc) submit an affidavit showing that the
26 vendor meets the eligibility criteria for a

1 certification program such as those in subdivision
2 (aa) or (bb); or

3 (dd) if the vendor is a nonprofit, meet any of
4 the criteria in subdivision (aa), (bb), or (cc) or
5 is controlled by a board of directors that
6 consists of 51% or greater BIPOC persons.

7 (ii) Ensuring that program implementation
8 contractors and energy efficiency installation vendors
9 pay employees working on energy efficiency programs at
10 or above the prevailing wage rate when such a wage rate
11 has been published by the Illinois Department of Labor
12 and pay employees working on energy efficiency
13 programs at or above the median wage rate for a similar
14 job description in the nearest metropolitan area when
15 there is no applicable published prevailing wage rate.
16 If necessary, utilities may conduct surveys to
17 establish the median wage rate for a given job
18 description. Utilities shall establish reporting
19 procedures for vendors that ensure compliance with
20 this subsection, but are structured to avoid, wherever
21 possible, placing an undue administrative burden on
22 vendors.

23 (iii) Ensuring that program implementation
24 contractor employees and energy efficiency
25 installation vendor employees are proportional to the
26 population of people of color, as defined in

1 subparagraphs (a) through (e) of paragraph (A)(1) of
2 Section 2 of the Business Enterprise for Minorities,
3 Women, and Persons with Disabilities Act, within the
4 utility's territory, as updated every 2 years.

5 (iv) Ensuring that 30% or more of the energy
6 efficiency installation vendor employees working for
7 vendors reporting to each program implementation
8 contractor are graduates of or trainees in the Clean
9 Energy Workforce Training Hubs programs, Returning
10 Residents Clean Jobs Training programs, or similar
11 programs offering equivalent certifications.

12 (v) Ensuring that vendors who are very small
13 businesses of 5 or fewer full-time employees,
14 businesses that have completed or are participating in
15 the Expanding Clean Energy Entrepreneurship and
16 Contractor Incubator Network Program, and businesses
17 that have completed or are participating in the
18 Illinois Clean Energy Black, Indigenous, and People of
19 Color Primes Contractor Accelerator, receive a
20 substantial portion of program portfolio funding.
21 Utility plans to achieve this shall include efforts to
22 provide the necessary training and administrative
23 support needed for very small businesses to meet
24 utility-mandated training, certification, insurance,
25 and security-related contract requirements.

26 (9.6) Utilities shall collect data necessary to ensure

1 compliance with paragraph (9.5) no less than quarterly and
2 shall communicate progress toward compliance with
3 paragraph (9.5) to program implementation contractors and
4 energy efficiency installation vendors no less than
5 quarterly. When it seems unlikely that the criteria in
6 paragraph (9.5) will be met, utilities shall work with
7 relevant vendors, providing education, training, and other
8 resources needed to ensure compliance and, where
9 necessary, adjusting or terminating work with vendors that
10 cannot assist with compliance.

11 (10) A utility required to implement efficiency
12 programs under this Section shall report annually to the
13 Illinois Commerce Commission and the General Assembly on
14 how hiring, contracting, job training, and other practices
15 related to its energy efficiency programs enhance the
16 diversity of vendors working on such programs. These
17 reports must include data on vendor and employee
18 diversity, including data on the implementation of
19 paragraphs (9.5) and (9.6). If the utility is not meeting
20 the requirements of paragraphs (9.5) and (9.6), the
21 utility shall submit a plan to adjust their activities so
22 that they meet the requirements of paragraphs (9.5) and
23 (9.6) within the following year.

24 (j-5) Energy efficiency potential study. An energy
25 efficiency potential study shall be commissioned and overseen
26 by the Illinois Commerce Commission. The potential study shall

1 be a dual fuel study, addressing both gas and electric
2 efficiency potential, such that the requirements both in this
3 subsection (j-5) and in subsection (f-5) of Section 8-103B are
4 met in an integrated and cost-efficient manner. The potential
5 study shall be designed and conducted with input from a
6 Potential Study Stakeholder Committee established by the
7 Commission. This Committee shall be composed of
8 representatives from each electric utility, the Illinois
9 Attorney General's office, at least 2 environmental
10 stakeholders, at least one community-based organization, and
11 additional parties representing consumers. The Committee shall
12 provide input, at a minimum, into the scope of work for the
13 studies, the selection of vendors to perform the studies in
14 accordance with appropriate confidentiality and conflict of
15 interest provisions, and draft work products. The Committee
16 shall make best efforts to achieve consensus on the key
17 elements of the potential study, including:

18 (i) savings potential from efficiency measures and
19 program concepts that are known at the time of the study;

20 (ii) likely emergence of new technology or new program
21 concepts that could emerge, including proxies for new
22 technologies or program concepts that cannot be
23 specifically named, identified, or characterized at the
24 time of the study;

25 (iii) likely savings potential from efficiency
26 measures that may be unique to individual industries or

1 individual facilities; and

2 (iv) the experience of other similar utilities, areas
3 and jurisdictions in maximizing achievement of
4 cost-effective savings.

5 When the committee is not able to reach consensus, the
6 Commission shall make the final decision.

7 (k) No more than 6% of energy efficiency and
8 demand-response program revenue may be allocated for research,
9 development, or pilot deployment of new equipment or measures.

10 (l) When practical, gas utilities shall incorporate
11 advanced metering infrastructure data into the planning,
12 implementation, and evaluation of energy efficiency measures
13 and programs, subject to the data privacy and confidentiality
14 protections of applicable law.

15 (m) The independent evaluator shall follow the guidelines
16 and use the savings set forth in Commission-approved energy
17 efficiency policy manuals and technical reference manuals, as
18 each may be updated from time to time. Until measure life
19 values for energy efficiency measures implemented for
20 low-income households under subsection (f) of this Section are
21 incorporated into such Commission-approved manuals, the
22 low-income measures shall have the same measure life values
23 that are established for same measures implemented in
24 households that are not low-income households.

1 Sec. 8-512. Renewable energy access plan.

2 (a) It is the policy of this State to promote
3 cost-effective transmission system development that ensures
4 reliability of the electric transmission system, lowers carbon
5 emissions, minimizes long-term costs for consumers, and
6 supports the electric policy goals of this State.

7 The General Assembly finds that:

8 (1) Transmission planning, primarily for reliability
9 purposes, but also for economic and public policy reasons
10 is conducted by regional transmission organizations in
11 which transmission-owning Illinois utilities and other
12 stakeholders are members.

13 (2) Order No. 1000 of the Federal Energy Regulatory
14 Commission requires regional transmission organizations to
15 plan for transmission system needs in light of state
16 public policies, and to accept input from states during
17 the transmission system planning processes.

18 (3) The State of Illinois does not currently have a
19 comprehensive power and environmental policy planning
20 process to identify transmission infrastructure needs that
21 can serve as a vital input into the regional and
22 inter-regional transmission organization planning
23 processes conducted under Order No. 1000 and other laws.

24 (4) This State is an electricity generation and power
25 transmission hub, and can leverage that position to invest
26 in infrastructure that enables new and existing Illinois

1 generators to meet the public policy goals of the State of
2 Illinois and of interconnected states while
3 cost-effectively supporting tens of thousands of jobs in
4 the renewable energy sector in this State.

5 (5) The nation cannot readily access this State's
6 low-cost, clean electric power, and this State is hindered
7 in its ability to develop and support its low-carbon
8 economy and keep electricity prices low in Illinois and
9 interconnected states.

10 (6) Existing transmission infrastructure may constrain
11 the State's achievement of 100% renewable energy by 2050,
12 a carbon-free power sector by 2030, and an expanded use of
13 electric vehicles in a just and equitable way.

14 (7) Transmission system congestion within this State
15 and the regional transmission organizations serving this
16 State limits the ability of this State's existing and new
17 electric generation facilities that do not emit carbon
18 dioxide, including renewable energy resources and zero
19 emission facilities, to serve the public policy goals of
20 this State and other states, which constrains investment
21 in this State.

22 (8) Investment in infrastructure to support existing
23 and new electric generation facilities that do not emit
24 carbon dioxide, including renewable energy resources and
25 zero emission facilities, stimulates significant economic
26 development and job growth in this State, as well as

1 creates environmental and public health benefits in this
2 State.

3 (9) Creating a forward-looking plan for this State's
4 electric transmission infrastructure, as opposed to
5 relying on case-by-case development and repeated marginal
6 upgrades, will achieve a lower-cost system for Illinois'
7 electricity customers. A forward-looking plan can also
8 help integrate and achieve a comprehensive set of
9 objectives and multiple state, regional, and national
10 policy goals.

11 (10) Alternatives to overhead electric transmission
12 lines can achieve cost-effective resolution of system
13 impacts, and warrant investigation of the circumstances
14 those alternatives should be considered and approved. The
15 alternatives are likely to be beneficial as investment in
16 electric transmission infrastructure moves forward.

17 (b) Consistent with the findings identified in subsection
18 (a), the Commission shall open an investigation to deliberate,
19 develop, and adopt a renewable energy access plan no later
20 than December 31, 2022. To assist and support the Commission
21 in the development of the plan, the Commission shall retain
22 the services of technical and policy experts with relevant
23 fields of expertise, solicit technical and policy analysis
24 from the public, and provide for a 120-day open public comment
25 period after publication of a draft report, which shall be
26 published no later than 90 days after the comment period ends.

1 The plan shall, at a minimum, do the following:

2 (1) designate renewable energy access plan zones
3 throughout this State in areas in which renewable energy
4 resources and suitable land areas are sufficient to
5 develop generating capacity from renewable energy
6 technologies;

7 (2) develop a plan to achieve transmission capacity
8 necessary to deliver to electric customers in Illinois and
9 other states, in a manner that is most beneficial and
10 cost-effective to the customers, the electric output from
11 renewable energy technologies in the renewable energy
12 access plan zones;

13 (3) use this State's position as an electricity
14 generation and power transmission hub to create new
15 investment in this State's renewable energy resources;

16 (4) introduce and consider programs, policies, and
17 electric transmission projects that can be adopted within
18 this State and advocated for at regional transmission
19 organizations, that promote the cost-effective delivery of
20 power from renewable energy resources interconnected to
21 the bulk electric system to meet the renewable portfolio
22 standard targets under subsection (c) of Section 1-75 of
23 the Illinois Power Agency Act, and to meet current and
24 future public policy goals of other states, the region, or
25 the nation;

26 (5) introduce and consider proposals to improve

1 regional transmission organizations' regional and
2 interregional system planning processes and an analysis of
3 how those proposals would improve reliability and
4 cost-effective delivery of electricity in Illinois and the
5 region;

6 (6) the Commission's specific findings, based on
7 technical and policy analysis, regarding locations of
8 renewable energy access plan zones, the transmission
9 system developments needed to cost-effectively achieve the
10 public policy goals identified herein, any recommended
11 policies to initiate within this State, or recommended
12 advocacy at regional transmission organizations; and

13 (7) the Commission's conclusions and proposed
14 recommendations based on its analysis.

15 (c) No later than December 31, 2025, and in each
16 odd-numbered year thereafter, the Commission shall open an
17 investigation to deliberate, develop, and adopt an updated
18 renewable energy access plan that, at a minimum, evaluates the
19 implementation and effectiveness of the renewable energy
20 access plan, recommends improvements to the renewable energy
21 access plan, and provides changes to transmission capacity
22 necessary to deliver electric output from the renewable energy
23 access plan zones.

24 (220 ILCS 5/9-220.3)

25 (Section scheduled to be repealed on December 31, 2023)

1 Sec. 9-220.3. Natural gas surcharges authorized.

2 (a) Tariff.

3 (1) Pursuant to Section 9-201 of this Act, a natural
4 gas utility serving more than 700,000 customers may file a
5 tariff for a surcharge which adjusts rates and charges to
6 provide for recovery of costs associated with investments
7 in qualifying infrastructure plant, independent of any
8 other matters related to the utility's revenue
9 requirement.

10 (2) Within 30 days after the effective date of this
11 amendatory Act of the 98th General Assembly, the
12 Commission shall adopt emergency rules to implement the
13 provisions of this amendatory Act of the 98th General
14 Assembly. The utility may file with the Commission tariffs
15 implementing the provisions of this amendatory Act of the
16 98th General Assembly after the effective date of the
17 emergency rules authorized by subsection (i).

18 (3) The Commission shall issue an order approving, or
19 approving with modification to ensure compliance with this
20 Section, the tariff no later than 120 days after such
21 filing of the tariffs filed pursuant to this Section. The
22 utility shall have 7 days following the date of service of
23 the order to notify the Commission in writing whether it
24 will accept any modifications so identified in the order
25 or whether it has elected not to proceed with the tariff.
26 If the order includes no modifications or if the utility

1 notifies the Commission that it will accept such
2 modifications, the tariff shall take effect on the first
3 day of the calendar year in which the Commission issues
4 the order, subject to petitions for rehearing and
5 appellate procedures. After the tariff takes effect, the
6 utility may, upon 10 days' notice to the Commission, file
7 to withdraw the tariff at any time, and the Commission
8 shall approve such filing without suspension or hearing,
9 subject to a final reconciliation as provided in
10 subsection (e) of this Section.

11 (4) When a natural gas utility withdraws the surcharge
12 tariff, the utility shall not recover any additional
13 charges through the surcharge approved pursuant to this
14 Section, subject to the resolution of the final
15 reconciliation pursuant to subsection (e) of this Section.
16 The utility's qualifying infrastructure investment net of
17 accumulated depreciation may be transferred to the natural
18 gas utility's rate base in the utility's next general rate
19 case. The utility's delivery base rates in effect upon
20 withdrawal of the surcharge tariff shall not be adjusted
21 at the time the surcharge tariff is withdrawn.

22 (5) A natural gas utility that is subject to its
23 delivery base rates being fixed at their current rates
24 pursuant to a Commission order entered in Docket No.
25 11-0046, notwithstanding the effective date of its tariff
26 authorized pursuant to this Section, shall reflect in a

1 tariff surcharge only those projects placed in service
2 after the fixed rate period of the merger agreement has
3 expired by its terms.

4 (b) For purposes of this Section, "qualifying
5 infrastructure plant" includes only plant additions placed in
6 service not reflected in the rate base used to establish the
7 utility's delivery base rates. "Costs associated with
8 investments in qualifying infrastructure plant" shall include
9 a return on qualifying infrastructure plant and recovery of
10 depreciation and amortization expense on qualifying
11 infrastructure plant, net of the depreciation included in the
12 utility's base rates on any plant retired in conjunction with
13 the installation of the qualifying infrastructure plant.
14 Collectively the "qualifying infrastructure plant" and "costs
15 associated with investments in qualifying infrastructure
16 plant" are referred to as the "qualifying infrastructure
17 investment" and that are related to one or more of the
18 following:

19 (1) the installation of facilities to retire and
20 replace underground natural gas facilities, including
21 facilities appurtenant to facilities constructed of those
22 materials such as meters, regulators, and services, and
23 that are constructed of cast iron, wrought iron, ductile
24 iron, unprotected coated steel, unprotected bare steel,
25 mechanically coupled steel, copper, Cellulose Acetate
26 Butyrate (CAB) plastic, pre-1973 DuPont Aldyl "A"

1 polyethylene, PVC, or other types of materials identified
2 by a State or federal governmental agency as being prone
3 to leakage;

4 (2) the relocation of meters from inside customers'
5 facilities to outside;

6 (3) the upgrading of the gas distribution system from
7 a low pressure to a medium pressure system, including
8 installation of high-pressure facilities to support the
9 upgrade;

10 (4) modernization investments by a combination
11 utility, as defined in subsection (b) of Section 16-108.5
12 of this Act, to install:

13 (A) advanced gas meters in connection with the
14 installation of advanced electric meters pursuant to
15 Sections 16-108.5 and 16-108.6 of this Act; and

16 (B) the communications hardware and software and
17 associated system software that creates a network
18 between advanced gas meters and utility business
19 systems and allows the collection and distribution of
20 gas-related information to customers and other parties
21 in addition to providing information to the utility
22 itself;

23 (5) replacing high-pressure transmission pipelines and
24 associated facilities identified as having a higher risk
25 of leakage or failure or installing or replacing
26 high-pressure transmission pipelines and associated

1 facilities to establish records and maximum allowable
2 operating pressures;

3 (6) replacing difficult to locate mains and service
4 pipes and associated facilities; and

5 (7) replacing or installing transmission and
6 distribution regulator stations, regulators, valves, and
7 associated facilities to establish over-pressure
8 protection.

9 With respect to the installation of the facilities
10 identified in paragraph (1) of subsection (b) of this Section,
11 the natural gas utility shall determine priorities for such
12 installation with consideration of projects either: (i)
13 integral to a general government public facilities improvement
14 program or (ii) ranked in the highest risk categories in the
15 utility's most recent Distribution Integrity Management Plan
16 where removal or replacement is the remedial measure.

17 (c) Qualifying infrastructure investment, defined in
18 subsection (b) of this Section, recoverable through a tariff
19 authorized by subsection (a) of this Section, shall not
20 include costs or expenses incurred in the ordinary course of
21 business for the ongoing or routine operations of the utility,
22 including, but not limited to:

23 (1) operating and maintenance costs; and

24 (2) costs of facilities that are revenue-producing,
25 which means facilities that are constructed or installed
26 for the purpose of serving new customers.

1 (d) Gas utility commitments. A natural gas utility that
2 has in effect a natural gas surcharge tariff pursuant to this
3 Section shall:

4 (1) recognize that the General Assembly identifies
5 improved public safety and reliability of natural gas
6 facilities as the cornerstone upon which this Section is
7 designed, and qualifying projects should be encouraged,
8 selected, and prioritized based on these factors; and

9 (2) provide information to the Commission as requested
10 to demonstrate that (i) the projects included in the
11 tariff are indeed qualifying projects and (ii) the
12 projects are selected and prioritized taking into account
13 improved public safety and reliability.

14 (3) The amount of qualifying infrastructure investment
15 eligible for recovery under the tariff in the applicable
16 calendar year is limited to the lesser of (i) the actual
17 qualifying infrastructure plant placed in service in the
18 applicable calendar year and (ii) the difference by which
19 total plant additions in the applicable calendar year
20 exceed the baseline amount, and subject to the limitation
21 in subsection (g) of this Section. A natural gas utility
22 can recover the costs of qualifying infrastructure
23 investments through an approved surcharge tariff from the
24 beginning of each calendar year subject to the
25 reconciliation initiated under paragraph (2) of subsection
26 (e) of this Section, during which the Commission may make

1 adjustments to ensure that the limits defined in this
2 paragraph are not exceeded. Further, if total plant
3 additions in a calendar year do not exceed the baseline
4 amount in the applicable calendar year, the Commission,
5 during the reconciliation initiated under paragraph (2) of
6 subsection (e) of this Section for the applicable calendar
7 year, shall adjust the amount of qualifying infrastructure
8 investment eligible for recovery under the tariff to zero.

9 (4) For purposes of this Section, "baseline amount"
10 means an amount equal to the utility's average of total
11 depreciation expense, as reported on page 336, column (b)
12 of the utility's ILCC Form 21, for the calendar years 2006
13 through 2010.

14 (e) Review of investment.

15 (1) The amount of qualifying infrastructure investment
16 shall be shown on an Information Sheet supplemental to the
17 surcharge tariff and filed with the Commission monthly or
18 some other time period at the option of the utility. The
19 Information Sheet shall be accompanied by data showing the
20 calculation of the qualifying infrastructure investment
21 adjustment. Unless otherwise ordered by the Commission,
22 each qualifying infrastructure investment adjustment shown
23 on an Information Sheet shall become effective pursuant to
24 the utility's approved tariffs.

25 (2) For each calendar year in which a surcharge tariff
26 is in effect, the natural gas utility shall file a

1 petition with the Commission to initiate hearings to
2 reconcile amounts billed under each surcharge authorized
3 pursuant to this Section with the actual prudently
4 incurred costs recoverable under this tariff in the
5 preceding year. The petition filed by the natural gas
6 utility shall include testimony and schedules that support
7 the accuracy and the prudence of the qualifying
8 infrastructure investment for the calendar year being
9 reconciled. The petition filed shall also include the
10 number of jobs attributable to the natural gas surcharge
11 tariff as required by rule. The review of the utility's
12 investment shall include identification and review of all
13 plant that was ranked within the highest risk categories
14 in that utility's most recent Distribution Integrity
15 Management Plan.

16 (f) The rate of return applied shall be the overall rate of
17 return authorized by the Commission in the utility's last gas
18 rate case.

19 (g) The cumulative amount of increases billed under the
20 surcharge, since the utility's most recent delivery service
21 rate order, shall not exceed an annual average 4% of the
22 utility's delivery base rate revenues, but shall not exceed
23 5.5% in any given year. On the effective date of new delivery
24 base rates, the surcharge shall be reduced to zero with
25 respect to qualifying infrastructure investment that is
26 transferred to the rate base used to establish the utility's

1 delivery base rates, provided that the utility may continue to
2 charge or refund any reconciliation adjustment determined
3 pursuant to subsection (e) of this Section.

4 (h) If a gas utility obtains a surcharge tariff under this
5 Section 9-220.3, then it and its affiliates are excused from
6 the rate case filing requirements contained in Sections
7 9-220(h) and 9-220(h-1). In the event a natural gas utility,
8 prior to the effective date of this amendatory Act of the 98th
9 General Assembly, made a rate case filing that is still
10 pending on the effective date of this amendatory Act of the
11 98th General Assembly, the natural gas utility may, at the
12 time it files its surcharge tariff with the Commission, also
13 file a notice with the Commission to withdraw its rate case
14 filing. Any affiliate of such natural gas utility may also
15 file to withdraw its rate case filing. Upon receipt of such
16 notice, the Commission shall dismiss the rate case filing with
17 prejudice and such tariffs and the record related thereto
18 shall not be the subject of any further hearing,
19 investigation, or proceeding of any kind related to rates for
20 gas delivery services. Notwithstanding the foregoing, a
21 natural gas utility shall not be permitted to withdraw a rate
22 case filing for which a proposed order recommending a rate
23 reduction is pending. A natural gas utility shall not be
24 permitted to withdraw the gas delivery services tariffs that
25 are the subject of Commission Docket Nos. 12-0511/12-0512
26 (cons.). None of the costs incurred for the withdrawn rate

1 case are recoverable from ratepayers.

2 (i) The Commission shall promulgate rules and regulations
3 to carry out the provisions of this Section under the
4 emergency rulemaking provisions set forth in Section 5-45 of
5 the Illinois Administrative Procedure Act, and such emergency
6 rules shall be effective no later than 30 days after the
7 effective date of this amendatory Act of the 98th General
8 Assembly.

9 (j) Utilities that have elected to recover qualifying
10 infrastructure investment costs pursuant to this Section shall
11 file annually their Distribution Integrity Management Plan
12 (DIMP) with the Commission no later than June 1 of each year
13 the utility has said tariff in effect. The DIMP shall include
14 the following information:

15 (1) Baseline Distribution System Data: Information
16 such as demand, system pressures and flows, and metering
17 infrastructure.

18 (2) Financial Data: historical and projected spending
19 on distribution system infrastructure.

20 (3) Scenario Analysis: Discussion of projected changes
21 in usage over time.

22 (4) Descriptions of all qualifying infrastructure
23 investment proposed for the coming year.

24 (k) Within 45 days after filing, the Commission shall,
25 with reasonable notice, open an investigation to consider
26 whether the Plan meets the objectives set forth in this

1 subsection and contains the information required by subsection
2 (j). The Commission shall issue a final order approving the
3 Plan, with any modifications the Commission deems reasonable
4 and appropriate to achieve the goals of this Section, within
5 270 days after the Plan filing. The investigation shall assess
6 whether the DIMP:

7 (1) ensures optimized use of utility infrastructure
8 assets and resources to minimize total system costs;

9 (2) enables greater customer engagement, empowerment,
10 and options for services;

11 (3) to the maximum extent possible, achieves and or
12 supports the achievement of greenhouse gas emissions
13 reductions as described by Section 9.10 of the
14 Environmental Protection Act; and

15 (4) supports existing Illinois policy goals promoting
16 energy efficiency.

17 The Commission process shall maximize the sharing of
18 information, ensure robust stakeholder participation, and
19 recognize the responsibility of the utility to ultimately
20 manage the grid in a safe, reliable manner.

21 (1) ~~(j)~~ This Section is repealed December 31, 2023.

22 (Source: P.A. 98-57, eff. 7-5-13.)

23 (220 ILCS 5/9-222.1B new)

24 Sec. 9-222.1B. Clean Energy Empowerment Zone exemption. A
25 renewable energy enterprise that is located within a Clean

1 Energy Empowerment Zone established under the Energy Community
2 Reinvestment Act shall be exempt from the additional charges
3 added to the renewable energy enterprise's utility bills as a
4 pass-on of municipal and State utility taxes under Sections
5 9-221 and 9-222 of this Act, to the extent such charges are
6 exempted by ordinance adopted in accordance with paragraph (e)
7 of Section 8-11-2 of the Illinois Municipal Code in the case of
8 municipal utility taxes, and to the extent such charges are
9 exempted by the percentage specified by the Department of
10 Commerce and Economic Opportunity in the case of State utility
11 taxes, provided such renewable energy enterprise meets the
12 following criteria:

13 (1) it (i) makes investments that cause the creation
14 of a minimum of 200 full-time equivalent jobs in Illinois;
15 (ii) makes investments of at least \$175,000,000 that cause
16 the creation of a minimum of 150 full-time equivalent jobs
17 in Illinois; (iii) makes investments that cause the
18 retention of a minimum of 300 full-time equivalent jobs in
19 the manufacturing sector, as defined by the North American
20 Industry Classification System, in an area in Illinois in
21 which the unemployment rate is above 9% and makes an
22 application to the Department within 3 months after the
23 effective date of this amendatory Act of the 102nd General
24 Assembly and certifies relocation of the 300 full-time
25 equivalent jobs within 48 months after the application; or
26 (iv) makes investments that cause the retention of a

1 minimum of 1,000 full-time jobs in Illinois;

2 (2) it is located in a Clean Energy Empowerment Zone
3 established under the Energy Community Reinvestment Act;
4 and

5 (3) it is certified by the Department of Commerce and
6 Economic Opportunity as complying with the requirements
7 specified in clauses (1) and (2) of this Section.

8 The Department of Commerce and Economic Opportunity shall
9 determine the period during which such exemption from the
10 charges imposed under Section 9-222 is in effect which shall
11 not exceed 30 years or the term of the Clean Energy Empowerment
12 Zone, whichever period is shorter, except that the exemption
13 period for a renewable energy enterprise qualifying under item
14 (iii) of clause (1) of this Section shall not exceed 30 years.

15 The Department of Commerce and Economic Opportunity has
16 the power to adopt rules to carry out the provisions of this
17 Section including procedures for complying with the
18 requirements specified in clauses (1) and (2) of this Section
19 and procedures for applying for the exemptions authorized
20 under this Section; to define the amounts and types of
21 eligible investments that a renewable energy enterprise must
22 make in order to receive State utility tax exemptions pursuant
23 to Sections 9-222 and 9-222.1 of this Act; to approve such
24 utility tax exemptions for renewable energy enterprise whose
25 investments are not yet placed in service; and to require that
26 renewable energy enterprise granted tax exemptions repay the

1 exempted tax should the renewable energy enterprise fail to
2 comply with the terms and conditions of the certification.
3 However, no renewable energy enterprise shall be required, as
4 a condition for certification under clause (3) of this
5 Section, to attest that its decision to invest under clause
6 (1) of this Section and to locate under clause (2) of this
7 Section is predicated upon the availability of the exemptions
8 authorized by this Section.

9 A renewable energy enterprise shall be exempt, in whole or
10 in part, from the pass-on charges of municipal utility taxes
11 imposed under Section 9-221, only if it meets the criteria
12 specified in clauses (1) through (3) of this Section and the
13 municipality has adopted an ordinance authorizing the
14 exemption under paragraph (e) of Section 8-11-2 of the
15 Illinois Municipal Code. Upon certification of the renewable
16 energy enterprise by the Department of Commerce and Economic
17 Opportunity, the Department of Commerce and Economic
18 Opportunity shall notify the Department of Revenue of such
19 certification. The Department of Revenue shall notify the
20 public utilities of the exemption status of renewable energy
21 enterprises from the pass-on charges of State and municipal
22 utility taxes. Such exemption status shall be effective within
23 3 months after certification of the renewable energy
24 enterprise.

1 Sec. 9-227. It is the policy of this State to encourage
2 electric and natural gas public utilities to promote the
3 welfare of this State and their communities through donations
4 made from the utility's shareholder profits rather than by
5 using ratepayer funds. Such contributions shall not be
6 recoverable through the public utility's rates. ~~It shall be~~
7 ~~proper for the Commission to consider as an operating expense,~~
8 ~~for the purpose of determining whether a rate or other charge~~
9 ~~or classification is sufficient, donations made by a public~~
10 ~~utility for the public welfare or for charitable scientific,~~
11 ~~religious or educational purposes, provided that such~~
12 ~~donations are reasonable in amount. In determining the~~
13 ~~reasonableness of such donations, the Commission may not~~
14 ~~establish, by rule, a presumption that any particular portion~~
15 ~~of an otherwise reasonable amount may not be considered as an~~
16 ~~operating expense. The Commission shall be prohibited from~~
17 ~~disallowing by rule, as an operating expense, any portion of a~~
18 ~~reasonable donation for public welfare or charitable purposes.~~

19 (Source: P.A. 85-122.)

20 (220 ILCS 5/10-104) (from Ch. 111 2/3, par. 10-104)

21 Sec. 10-104. Public hearings.

22 (a) As used in this Section, "major case" includes:

23 (1) rate cases;

24 (2) rulemakings;

25 (3) other proceedings with a significant effect on

1 rates;

2 (4) large infrastructure projects with significant
3 nonrate impacts on communities near their location;

4 (5) new programs;

5 (6) any planning dockets related to energy efficiency,
6 renewable energy, and interconnection infrastructure; and

7 (7) any other docketed or undocketed proceedings for
8 which the Commission feels that robust public engagement
9 is needed.

10 (b) When the outcome of a major case would have effects
11 statewide, or have any significant effects outside the
12 territory of the utility or utilities involved in the case,
13 the Commission shall hold at least 5 public hearings for the
14 purpose of receiving public comment on each such major case.
15 One of these hearings must be in the Chicago metropolitan
16 area. One of these hearings must be in Springfield. The
17 remaining 3 hearings must be outside of the Chicago
18 metropolitan area and Springfield. One of the hearings shall
19 be held within the county in which the subject matter of the
20 hearing is situated, if it is situated within one county. When
21 the outcome of a major case would have effects only within the
22 territory of one utility, the Commission shall hold at least 5
23 public hearings at a variety of geographic locations within
24 the utility's territory. The locations shall be chosen to give
25 a wide variety of stakeholders the best opportunity to
26 participate in the hearings. The Commission may combine public

1 hearings for multiple major cases into one event at a single
2 venue, where practicable and compliant with all other
3 requirements.

4 (c) The public hearings shall be held at times that make
5 them accessible to the public, including to residents who work
6 during the day. The public hearings shall be held at locations
7 easily accessible, whenever possible, by public
8 transportation. The public hearings shall be held at locations
9 with wheelchair access. Upon request, a sign language
10 interpreter or other equivalent assistance for the hearing
11 impaired shall be provided. Upon request, translation services
12 shall be provided. Translation services may include real-time
13 telephone-based or other real-time translation services. All
14 written materials distributed at public hearings by the
15 Commission or utilities must be available at the hearing in
16 Spanish and, upon request and reasonable notice, other
17 languages. Call-in options shall be provided.

18 (d) At least 3 commissioners shall attend each public
19 hearing in person.

20 (e) Public hearings under this Section are subject to the
21 Open Meetings Act.

22 (f) The Commission may collect a reasonable fee from the
23 affected utility to offset the cost of public hearings,
24 including the cost of staffing. Within 30 days after the
25 effective date of this amendatory Act of the 102nd General
26 Assembly, the Commission shall set the amount of the fee and

1 shall update the amount of the fee no less often than every 3
2 years thereafter. All fees charged and collected by the
3 Commission shall be paid promptly after the receipt of the
4 same, accompanied by a detailed statement thereof, into the
5 Public Utility Fund in the State treasury. ~~All hearings before~~
6 ~~the Commission or any commissioner or administrative law judge~~
7 ~~shall be held within the county in which the subject matter of~~
8 ~~the hearing is situated, or if the subject matter of the~~
9 ~~hearing is situated in more than one county, then at a place or~~
10 ~~places designated by the Commission, or agreed upon by the~~
11 ~~parties in interest, within one or more such counties, or at~~
12 ~~the place which in the judgment of the Commission shall be most~~
13 ~~convenient to the parties to be heard.~~

14 (Source: P.A. 100-840, eff. 8-13-18.)

15 (220 ILCS 5/16-105.17 new)

16 Sec. 16-105.17. Multi-year integrated grid plan.

17 (a) Findings and Purpose. The General Assembly finds that
18 better aligning regulated utility operations, expenditures and
19 investments with public benefit goals including safety;
20 reliability; efficiency; affordability; equity; emissions
21 reductions; and expansion of clean distributed energy
22 resources, is critical to ensuring that Illinois residents and
23 businesses do not suffer economic and environmental harm from
24 the State's energy systems and to maximize the potential
25 benefits from utility expenditures. To that end, it is the

1 policy of the State of Illinois to promote inclusive,
2 comprehensive, transparent, cost-effective distribution
3 system planning that minimizes long-term costs for Illinois
4 customers and supports the achievement of state renewable
5 energy development and other clean energy, public health, and
6 environmental policy goals. Utility distribution system
7 expenditures, programs, investments and policies must be
8 evaluated in coordination with these goals. In particular, the
9 General Assembly finds that:

10 (1) Illinois' electricity distribution system must
11 cost-effectively integrate renewable energy resources,
12 including utility-scale renewable energy resources,
13 community renewable generation and distributed renewable
14 energy resources, support beneficial electrification
15 including electric vehicle use and adoption, promote
16 opportunities for third-party investment in
17 nontraditional, grid-related technologies and resources
18 such as batteries, solar photovoltaic panels and smart
19 thermostats, reduce energy usage generally and especially
20 during times of greatest reliance on fossil fuels, and
21 enhance customer engagement opportunities.

22 (2) Inclusive distribution system planning is an
23 essential tool for the Illinois Commerce Commission,
24 public utilities, and stakeholders to effectively
25 coordinate environmental, consumer, reliability and equity
26 goals at fair and reasonable costs, and for ensuring

1 transparent utility accountability for meeting those
2 goals.

3 (3) Any planning process should advance Illinois
4 energy policy goals while ensuring utility investments are
5 cost-effective. Such a process should maximize the sharing
6 of information, ensure robust stakeholder participation,
7 and recognize the responsibility of the utility to
8 ultimately manage the grid in a safe, reliable manner.

9 (4) Since the passage of the Energy Infrastructure
10 Modernization Act in 2011, Illinois consumers have
11 invested billions of dollars toward electric utility grid
12 modernization. In the absence of a transparent
13 distribution planning process, however, those investments
14 have not served customers' best interests, have failed to
15 promote the expansion of clean distributed energy
16 resources, and have failed to advance equity and
17 environmental justice.

18 (5) The traditional regulatory model rewards utilities
19 for increasing capital expenditures by basing allowed
20 revenues on the value of the rate base, resulting in an
21 incentive for ever-increasing capital investments. The
22 General Assembly is concerned that the existing regulatory
23 model does not align the interests of customers, the
24 State, and utilities because it does not encourage
25 utilities to systematically analyze and consider
26 nontraditional solutions to utility, customer and grid

1 needs that may be more efficient and cost effective, and
2 less environmentally harmful than traditional solutions.
3 Nontraditional solutions include distributed energy
4 resources owned or implemented by customers and
5 independent third parties, controllable load, beneficial
6 electrification, or rate design that rewards efficient
7 energy use, for example.

8 (6) The General Assembly also finds that Illinois
9 utilities' current processes for planning their
10 distribution system are not reasonably accessible or
11 transparent to individuals and communities who pay for and
12 are affected by the utilities' distribution system assets,
13 and that more inclusive and accessible distribution system
14 planning processes would be in the interests of all
15 Illinois residents, but especially those residents
16 historically most negatively impacted by unsafe or
17 environmentally harmful energy infrastructure.

18 (7) The General Assembly finds it would be beneficial
19 to require utilities to demonstrate how their spending
20 promotes identified state energy goals, such as
21 integrating renewable energy; empowering customers;
22 supporting electric vehicles, beneficial electrification
23 and energy storage; achieving equity goals; and
24 maintaining reliability.

25 The General Assembly therefore directs the utilities to
26 implement distribution system planning in order to accelerate

1 progress on Illinois clean energy and environmental goals and
2 hold electric utilities publicly accountable for their
3 performance.

4 (b) Definitions. As used in this Section:

5 "Commission" means the Illinois Commerce Commission.

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

9 "Distributed energy resources" or "DER" means a wide range
10 of technologies that are located on the customer side of the
11 customer's electric meter and can provide value to the
12 distribution system, including, but not limited to,
13 distributed generation, energy storage, electric vehicles, and
14 demand response technologies.

15 "Environmental justice communities" means the definition
16 of that term based on existing methodologies and findings,
17 used and as may be updated by the Illinois Power Agency and its
18 Program Administrator in the Illinois Solar for All Program.

19 (c) Application. This Section applies to electric
20 utilities serving more than 500,000 retail customers in the
21 State.

22 (d) Objectives. The Multi-Year Integrated Grid Plan ("the
23 Plan") shall be designed to:

24 (1) ensure coordination of the State's renewable
25 energy goals, climate and environmental goals, utility
26 distribution system investments, and programs, policies

1 and investments described in this Section to maximize the
2 benefits of each while ensuring utility expenditures are
3 cost-effective;

4 (2) bring the benefits of grid modernization and clean
5 energy, including, but not limited to, deployment of
6 distributed energy resources, to ratepayers in
7 economically disadvantaged and environmental justice
8 communities throughout Illinois, with at least 40% of
9 these benefits being allocated to these ratepayers;

10 (3) enable greater customer engagement, empowerment,
11 and options for energy services;

12 (4) reduce grid congestion, minimize the time and
13 expense associated with interconnection, and increase the
14 capacity of the distribution grid to host increasing
15 levels of distributed energy resources, to facilitate
16 availability and development of distributed energy
17 resources, particularly in locations that enhance consumer
18 and environmental benefits;

19 (5) ensure opportunities for robust public
20 participation through open, transparent planning
21 processes;

22 (6) provide for the analysis of the cost-effectiveness
23 of proposed system investments, which takes into account
24 environmental costs and benefits;

25 (7) to the maximum extent possible, achieve or support
26 the achievement of Illinois environmental goals, including

1 those described in Section 9.10 of the Environmental
2 Protection Act, Section 1-75 of the Illinois Power Agency
3 Act, and emissions reductions required to improve the
4 health, safety and prosperity of all Illinois residents;

5 (8) support existing Illinois policy goals promoting
6 distributed energy resources and investments in renewable
7 energy resources; and

8 (9) provide sufficient public information to the
9 Commission, stakeholders, and market participants in order
10 to enable nonemitting customer-owned or third-party
11 distributed energy resources, acting individually or in
12 aggregate, to seamlessly and easily connect to the grid;
13 provide grid benefits; support grid services; and achieve
14 environmental outcomes, without necessarily requiring
15 utility ownership or unreasonable control over those
16 resources, and enable those resources to act as
17 alternatives to utility capital investments.

18 (e) Plan Development Stakeholder Process. No later than
19 February 1, 2022, the Illinois Commerce Commission shall
20 initiate a series of no fewer than 6 workshops which shall
21 inform the filing requirements for, and contents of, the
22 Multi-Year Integrated Grid Plans to be filed by electric
23 utilities subject to this Section. The series of workshops
24 shall be 11 months in length, concluding no later than
25 December 31, 2022. The workshops shall be facilitated by an
26 independent third-party facilitator selected by Staff of the

1 Illinois Commerce Commission and approved by the Executive
2 Director of the Illinois Commerce Commission.

3 (1) The workshops shall be designed to achieve the
4 following objectives:

5 (i) review utilities' past, current and planned
6 capital investments and all supporting data;

7 (ii) review utilities' historic and projected
8 load;

9 (iii) review how utilities plan to invest in their
10 distribution system in order to meet the system's
11 projected needs;

12 (iv) review locational data on reliability,
13 service quality, program participation and investment,
14 provided by the utilities;

15 (v) integrate input from diverse stakeholders,
16 including representatives from environmental justice
17 communities, geographically diverse communities,
18 low-income representatives, consumer representatives,
19 environmental representatives, organized labor
20 representatives, third-party technology providers, and
21 utilities;

22 (vi) consider proposals from utilities and
23 stakeholders on programs and policies necessary to
24 achieve the objectives in subsection (d) of this
25 Section; and

26 (vii) develop detailed filing requirements

1 applicable to each component of the utilities'
2 Multi-Year Integrated Grid Plan filings under
3 paragraph (2) of subsection (f) of this Section.

4 (2) To the extent any of the information in
5 subparagraphs (i) through (iv) of paragraph (1) of this
6 subsection is designated as confidential because
7 disclosure of such threatens the security of critical
8 system infrastructure, that information shall be redacted
9 as necessary but made available to parties who agree in
10 writing to abide by confidentiality agreements as approved
11 by the Office of General Counsel of the Illinois Commerce
12 Commission. Information appropriately designated as
13 confidential shall only include that which is critical to
14 system security, and shall not include that information in
15 which the electric utility claims a proprietary business
16 interest.

17 (3) Workshops should be organized and facilitated in a
18 manner that encourages representation from diverse
19 stakeholders, ensuring equitable opportunities for
20 participation, without requiring formal intervention or
21 representation by an attorney. Workshops should be held
22 during both day and evening hours, in a variety of
23 locations around the State, and should allow remote
24 participation.

25 (4) Utilities shall provide system data, including
26 data described in subparagraphs (i) through (iv) of

1 paragraph (1) of subsection (e), at a time prior to the
2 start of workshops to allow interested stakeholders to
3 reasonably review data before attending workshops. To
4 facilitate public feedback, the administrator facilitating
5 the workshops shall, throughout the workshop process,
6 develop questions for stakeholder input on topics being
7 considered. This may include, but is not limited to:
8 design of the workshop process, locational data and
9 information provided by utilities, alignment of plans,
10 programs, investments and objectives, and other topics as
11 deemed appropriate by the Commission facilitation staff.
12 Stakeholder feedback shall not be limited to these
13 questions.

14 (5) Workshops shall not be considered settlement
15 negotiations, compromise negotiations, or offers to
16 compromise for the purposes of Illinois Rule of Evidence
17 408. All materials shared as a part of the workshop
18 process shall be made publicly available on a website made
19 available by the Commission.

20 (6) On conclusion of the workshops, the Commission
21 shall open a comment period that allows interested and
22 diverse stakeholders to submit comments and
23 recommendations regarding the utilities' Multi-Year
24 Integrated Grid Plan filings. Based on the workshop
25 process and stakeholder comments and recommendations
26 offered verbally or in writing during the workshops and in

1 writing during the comment period following the workshops,
2 the independent third-party facilitator shall prepare a
3 report, to be submitted to the Commission no later than
4 February 1, 2022, describing the stakeholders,
5 discussions, proposals, and areas of consensus and
6 disagreement from the workshop process, and making
7 recommendations to the Commission regarding the utilities'
8 Multi-Year Integrated Grid Plan filings. Interested
9 stakeholders shall have an opportunity to provide comment
10 on the independent third-party facilitator Report.

11 (7) Based on discussions in the workshops, the Staff
12 Report, and stakeholder comments and recommendations made
13 during and following the workshop process, the Commission
14 shall issue Initiating Orders no later than April 1, 2022,
15 requiring the electric utilities subject to this Section
16 to file the first Multi-Year Integrated Grid Plan no later
17 than June 1, 2022. The Initiating Orders shall specify the
18 requirements applicable to the utilities' Multi-Year
19 Integrated Grid Plans, above and beyond any requirements
20 described in paragraph (2) of subsection (f) of this
21 Section, and shall:

22 (i) analyze and identify specific programs,
23 policies, and initiatives, among those that were
24 raised during the workshop process, that the utilities
25 must implement as a part of their Multi-Year
26 Integrated Grid Plans; and

1 (ii) specify types of analyses and calculations
2 the utilities shall perform, as well as scenarios they
3 must analyze and (where applicable) specific
4 assumptions they must use in the development of their
5 Multi-Year Integrated Grid Plans.

6 (f) Multi-Year Integrated Grid Plan.

7 (1) Design Objectives. Pursuant to this subsection (f)
8 of this Section land the Initiating Orders of the
9 Commission, to be filed no later than April 1, 2022, and
10 for each subsequent Plan thereafter, each electric utility
11 subject to this Section shall, no later than June 1, 2022,
12 submit its first Multi-Year Integrated Grid Plan. While
13 each Multi-Year Integrated Grid Plan will include a
14 long-term, ten-year planning horizon, the Initial Plan
15 shall be in effect from June 1, 2023 through May 31, 2026.

16 Each Plan shall:

17 (i) incorporate requirements established by the
18 Commission in its Initiating Order; and

19 (ii) Propose programs, policies and plans designed
20 to optimize achievement of the objectives set forth in
21 subsection (d) of this Section.

22 To the extent practicable and reasonable, all
23 programs, policies and initiatives proposed by the utility
24 in its plan should be informed by stakeholder input
25 received during the workshop process pursuant to
26 subsection (e) of this Section. Where specific stakeholder

1 input has not been incorporated in proposed programs,
2 policies, and plans, the electric utility shall provide an
3 explanation as to why that input was not incorporated.

4 (2) Plan Components. In order to ensure electric
5 utilities' ability to meet the goals and objectives set
6 forth in this Section, the Multi-Year Integrated Grid
7 Plans must include, at minimum, the following information:

8 (i) Baseline Distribution System Data. A detailed
9 description of the current operating conditions for
10 the distribution system, including a detailed
11 description, with supporting data, of: system
12 conditions, including asset age and useful life,
13 ratings, loadings, and other characteristics, as well
14 as:

15 (A) modeling software currently used and
16 planned software deployments;

17 (B) the distribution system annual loss
18 percentage for the prior year (average of 12
19 monthly loss percentages);

20 (C) the maximum hourly coincident load (kW)
21 for the distribution system as measured at the
22 interface between the transmission and
23 distribution system;

24 (D) total distribution substation capacity in
25 kVa;

26 (E) total distribution transformer capacity in

1 kVa;
2 (F) total miles of overhead distribution wire;
3 (G) total miles of underground distribution
4 wire;
5 (H) current and expected reliability measures;
6 (I) detailed listing of all high-voltage and
7 low-voltage substations and circuits including, at
8 minimum, the following for each substation and
9 circuit: age, remaining useful life, capacity
10 rating, historical peak demand, historical
11 interval data, historic annual peak load growth,
12 forecast future annual peak load growth,
13 historical outages and voltage violations,
14 distribution system reliability events,
15 anticipated or modeled violations, existing and
16 planned visibility and measurement (feeder-level
17 and time) data, monitoring and control
18 capabilities, daytime minimum load, and other
19 characteristics as necessary to allow the
20 Commission and stakeholders to analyze system data
21 for the purposes of achieving the goals of this
22 Section;
23 (J) distributed energy resource deployment by
24 type, size, customer class, and geographic
25 dispersion; and
26 (K) total number and nameplate capacity of

1 distributed energy resources that completed
2 interconnection to the system in each of the prior
3 5 years, including average time to process
4 interconnection applications for each type of
5 resource and interconnection level.

6 (ii) Distribution System Planning Process. A
7 detailed description of the electric utility's
8 distribution system planning process including, but
9 not limited to: any process required by a regional
10 transmission organization; forecasts, inputs and
11 assumptions of future total load and future peak
12 demand; planned infrastructure investments and
13 underlying assumptions regarding the necessity of such
14 investments; the electric utility's identification of
15 investments associated with the Commission's renewable
16 energy access plan, pursuant to Section 8-512 of this
17 Act; and other relevant details for the ten-year
18 planning horizon.

19 (iii) Hosting Capacity and Interconnection
20 Analysis. A hosting capacity analysis which includes a
21 detailed and current analysis of how much capacity is
22 available on each substation, circuit and node for
23 integrating renewable and distributed energy resources
24 as allowed by thermal ratings, protection system
25 limits, power quality standards, and safety standards.
26 This section must include: circuit-level maps and

1 downloadable data sets for public use; an assessment
2 of how anticipated investments (for as far into the
3 future as the utility has planned investments) will
4 impact the analysis; and a narrative discussion of how
5 the hosting capacity analysis advances customer-sited
6 distributed energy resources, including in particular
7 electric vehicles, electric storage systems and
8 photovoltaic resources.

9 (iv) Scenario Analysis and Load Forecasting.

10 Detailed load forecasts for the following 10 years at
11 the substation and circuit level, using dynamic load
12 forecasting (forecasting using multiple scenarios and
13 probabilistic planning) and accounting for the impacts
14 of anticipated energy efficiency programs, demand
15 response programs, distributed energy resources,
16 electric vehicle adoption, and other known or
17 anticipated variables. This section shall also include
18 a detailed description of the electric utility's
19 anticipated capacity, thermal, voltage or other grid
20 constraints for the following 3-year period, including
21 modifications or upgrades to the system required to
22 accommodate anticipated future load and distributed
23 energy resource adoption. This section shall also
24 include a discussion of the development of base-case,
25 medium and high scenarios of distributed energy
26 resource deployment, reflecting a reasonable mix of

1 individual distributed energy resource adoption and
2 aggregated or bundled distributed energy resource
3 service types, and detailed information on the
4 methodologies used to develop those scenarios.

5 (v) Grid Value Analysis. An evaluation of the
6 short- and long-run benefits and costs of distributed
7 energy resources located on the distribution system,
8 including, but not limited to, the locational,
9 temporal, and performance-based benefits and costs of
10 distributed energy resources. This evaluation shall be
11 based on the reductions or increases in local
12 generation capacity needs, avoided or increased
13 investments in distribution infrastructure, avoided or
14 increased line-losses, voltage support and ancillary
15 services, safety benefits, reliability benefits,
16 resilience benefits, and any other savings, benefits
17 or value the distributed energy resources individually
18 or in aggregate provide to the distribution system or
19 costs to ratepayers of the electric utility. The
20 utility shall use the results of this evaluation to
21 inform its analysis of Solution Sourcing
22 Opportunities, including nonwires alternatives, under
23 subparagraph (H) of paragraph (2) subsection (f) of
24 this Section. The Commission may use the data produced
25 through this evaluation to, among other use-cases,
26 establish tariffs and compensation for distributed

1 energy resources interconnecting to the utility's
2 distribution system, including rebates provided by the
3 electric utility pursuant to Section 16-107.6 of this
4 Act.

5 (vi) Utility System Investment Plan. A detailed
6 description of historic distribution system capital
7 investments for the preceding 5 years and planned
8 capital investments for the following 10 years, as
9 well as load forecasts and all other data supporting
10 those investments. This section shall include
11 projected costs, scope of work, prioritization of
12 work, sequencing of investments, and explanations of
13 how planned investments will meet the objectives
14 described in subsection (d).

15 (vii) Utility Operations Plan. A detailed
16 description of historic distribution system operations
17 and maintenance expenditures for the preceding 5 years
18 and of planned operations and maintenance expenditures
19 for the following 10 years, as well as the data,
20 reasoning and explanation supporting planned
21 expenditures. This section shall also include a
22 description of total costs spent on distributed energy
23 resource interconnection review and commissioning
24 (including application review, responding to
25 inquiries, metering, testing and other costs), as well
26 as interconnection fees and charges to customers and

1 installers of distributed energy resources, including
2 (application, metering and make-ready fees), broken
3 down by type of generation and category or level of
4 interconnection review, over each of the preceding 5
5 years.

6 (viii) Solution Sourcing Opportunities.
7 Identification of potential cost-effective solutions
8 from nontraditional and third-party owned investments
9 that could meet anticipated grid needs, including, but
10 not limited to: distributed energy resource
11 procurements, tariffs or contracts, programmatic
12 solutions, rate design options, technologies or
13 programs that facilitate load flexibility, nonwires
14 alternatives, and other solutions that are intended to
15 meet the objectives described at subsection (d). It is
16 the policy of this State that cost-effective
17 third-party or customer-owned distributed energy
18 resources shall be prioritized because those resources
19 create robust competition and customer choice.

20 (ix) Interoperability Plan. A detailed description
21 of the utility's interoperability plan, which must
22 describe the manner in which the electric utility's
23 current and planned distribution system investments
24 will work together and exchange information and data,
25 the extent to which the utility is implementing open
26 standards and interfaces with third-party distributed

1 energy resource owners and aggregators, and the
2 utility's plan for interoperability testing and
3 certification.

4 (x) Flexibility Analysis. A detailed analysis of
5 current and projected flexible resources, including
6 resource type, size (in MW and MWh), location and
7 environmental impact, as well as anticipated needs
8 that can be met using flexible resources (including,
9 but not limited to, peak load reduction, managing ramp
10 needs, storing excess generation, and avoiding
11 unnecessary transmission expenditures).

12 (xi) Equity Requirements. A description of,
13 exclusive of low-income rate relief programs and other
14 income-qualified programs, how the utility is ensuring
15 that at least 40% of benefits from programs, policies,
16 and initiatives proposed in their Multi-Year
17 Integrated Grid Plan will be directed to ratepayers in
18 low-income and environmental justice communities. This
19 should include locational reporting, at the
20 census-tract level, on distribution system
21 investments, program participation, and reliability
22 and service quality data.

23 (3) To the extent any information in utilities'
24 Multi-Year Integrated Grid Plans is designated as
25 confidential because disclosure of such threatens the
26 security of critical system infrastructure, that

1 information shall be redacted as necessary but made
2 available to parties who agree in writing to abide by
3 confidentiality requirements as approved by the Office of
4 General Counsel of the Illinois Commerce Commission.
5 Information appropriately designated as confidential shall
6 only include that which is critical to system security,
7 and shall not include that information in which the
8 electric utility claims only a proprietary business
9 interest.

10 (4) Comprehensive Consideration of Related Plans,
11 Tariffs, Programs and Policies. It is the policy of this
12 State that holistic consideration of all related
13 investments, planning processes, tariffs, rate design
14 options, programs, and other utility policies and plans
15 shall be required. To that end, the Commission shall
16 consider, comprehensively, the impact of all related
17 plans, tariffs, programs and policies on the Plan and on
18 each other, including:

19 (i) time-of-use pricing program, pursuant to
20 Section 16-107.7 of this Act, hourly pricing program,
21 pursuant to Section 16-107 of this Act, and any other
22 time-variant or dynamic pricing program;

23 (ii) distributed generation rebate, pursuant to
24 Section 16-107.6 of this Act;

25 (iii) net electricity metering, pursuant to
26 Section 16-107.5 of this Act;

1 (iv) energy efficiency programs, pursuant to
2 Section 8-103B of this Act;

3 (v) Electric Vehicle Access for All programs,
4 pursuant to Section 30 of the Electric Vehicle Act;

5 (vi) beneficial electrification programs, pursuant to Section
6 16-107.8 of this Act; (vii) Clean Energy Empowerment Zone
7 Pilot Projects, pursuant to Section 16-108.9 of this Act;

8 (viii) Equitable Energy Upgrade Program, pursuant
9 to Section 16-111.10 of this Act; and

10 (ix) other plans, programs and policies that are
11 relevant to distribution grid investments, costs
12 planning, etc.

13 The Plan shall comprehensively detail the relationship
14 between these plans, tariffs, and programs and the Plan
15 and to the electric utility's achievement of the
16 objectives in subsection (d). The Plan shall be designed
17 to coordinate each of these plans, programs and tariffs
18 with the electric utility's long-term distribution system
19 investment planning in order to maximize the benefits of
20 each.

21 (5) Hearing Procedure. The Initiating Order for the
22 Initial Multi-Year Integrated Grid Plan, as well as each
23 electric utility's subsequent Integrated Grid Plans under
24 subsection (g), shall begin a contested proceeding as
25 described in subsection d of Section 10-101.1 of this Act.

26 (i) In evaluating a utility's Plan, the Commission

1 shall consider, at minimum, whether the Plan:

2 (A) meets the objectives of this Section;

3 (B) includes the components in paragraph (2)
4 of subsection (f) of this Section;

5 (C) incorporates input from interested
6 stakeholders, including parties and people who
7 offer public comment;

8 (D) considers nontraditional and
9 nonutility-owned investment alternatives that can
10 meet grid needs and provide additional benefits
11 (including consumer, economic and environmental
12 benefits) beyond comparable, traditional
13 utility-planned capital investments;

14 (E) equitably benefits environmental justice
15 communities; and

16 (F) maximizes consumer, environmental,
17 economic and community benefits.

18 (ii) The Commission, after notice and hearing,
19 shall modify each electric utility's Plan as necessary
20 to comply with the objectives of this Section. The
21 Commission may approve, or modify and approve, a Plan
22 only if it finds that the Plan is reasonable, complies
23 with the objectives and requirements of this Section,
24 and reasonably incorporates input from parties. The
25 Commission's approval of any Plan does not constitute
26 approval, or any adjudication of the prudence or

1 reasonableness, of any expenditures associated with
2 the Plan. The Commission may reject each electric
3 utility's Plan if it finds that the Plan does not
4 comply with the objectives and requirements of this
5 Section. Where the Commission enters an Order
6 rejecting a Plan, the utility must refile a Plan
7 within 3 months after that Order, and until the
8 Commission approves a Plan, the utility's existing
9 Plan will remain in effect.

10 (iii) For all Integrated Grid Plan filings, the
11 Commission shall enter an order no later than 9 months
12 after the date of filing.

13 (iv) Each electric utility shall file its proposed
14 Initial Multi-Year Integrated Grid Plan no later than
15 June 1, 2022. Prior to that date and following the
16 Initiating Order, the Commission shall initiate a case
17 management conference and shall take any appropriate
18 steps to begin meaningful consideration of issues,
19 including enabling interested parties to begin
20 conducting discovery.

21 (6) Implementation Plans.

22 (i) As part of its order approving a utility's
23 Multi-Year Integrated Grid Plan, including any
24 modifications required, the Commission shall create a
25 subsequent implementation plan docket, or multiple
26 implementation plan dockets, if the Commission

1 determines that multiple dockets would be preferable,
2 to consider the utility's detailed plans for:

3 (A) acquiring the level of demand response
4 resources specified in its approved Multi-Year
5 Integrated Grid Plan;

6 (B) acquiring the level of load flexibility or
7 energy storage resources specified in its approved
8 Multi-Year Integrated Grid Plan;

9 (C) achieving the level of transportation,
10 building and industry electrification specified in
11 its approved Multi-Year Integrated Grid Plan, or
12 implementing optimized charging or other
13 beneficial electrification programs;

14 (D) developing any of the plans, tariffs,
15 programs or policies required by paragraph (4) of
16 subsection (e) and additionally required by the
17 Commission in its Order regarding the Multi-Year
18 Integrated Grid Plan; and

19 (E) developing the Hosting Capacity and
20 Interconnection Analysis required by paragraph (2)
21 of subsection (f);

22 (F) developing a process to screen, analyze
23 and procure nonwires alternatives; and

24 (G) addressing any other topic or resource
25 area covered by the utility's Multi-Year
26 Integrated Grid Plan for which the Commission

1 considers it important and necessary to receive
2 and approve a greater level of detail regarding
3 the utility's plans.

4 (ii) Each implementation plan shall include a
5 detailed explanation of:

6 (A) the projected costs (investments and
7 expenses) and benefits of each plan or program to
8 be considered in the implementation plan,
9 including related financial incentives, marketing,
10 and administration;

11 (B) categories and sub-categories of resources
12 or services to be acquired to achieve the
13 objectives in the Multi-Year Integrated Grid Plan
14 (for example, the implementation plan for demand
15 response shall identify the different types of
16 demand response resources that will collectively
17 be pursued to achieve the total level of demand
18 response capability approved in the Plan);

19 (C) the marketing, customer recruitment and
20 engagement, financial incentive, procurement
21 approach and other important elements of the plan
22 or program, including efforts to cultivate
23 qualifying customers in low-income and
24 environmental justice communities;

25 (D) an explanation of how the proposed plans
26 or programs will be able to achieve the objective

1 in the Multi-Year Integrated Grid Plan;

2 (E) an analysis of how, exclusive of
3 low-income rate relief and other income-qualified
4 programs, the implementation plan will contribute
5 to the Multi-year Integrated Grid Plan's
6 requirement that at least 40% of benefits from
7 programs, policies, and initiatives will be
8 directed to low-income and environmental justice
9 communities;

10 (F) a discussion of any risk in the utility's
11 ability to acquire the planned levels of resource
12 acquisition within the approved budget, as well as
13 contingency plans for addressing such risks; and

14 (G) a plan for periodic (but at least
15 quarterly) engagement with stakeholders on the
16 rollout and implementation of the implementation
17 plans in order to inform them of plans and
18 progress, as well as to solicit input on
19 opportunities for improving plans and
20 implementation or on ways to modify plans as
21 needed.

22 (iii) The implementation plan dockets shall be
23 contested proceedings, with opportunities for
24 discovery and filing of testimony by interested
25 stakeholders. Each utility shall file its
26 implementation plans within 90 days after approval,

1 with any modifications, of its Multi-Year Integrated
2 Grid Plan.

3 (g) Subsequent Multi-Year Integrated Grid Plans. No later
4 than June 1, 2025 and every 4 years thereafter, each electric
5 utility subject to this Section shall file a new Multi-Year
6 Integrated Grid Plan for the subsequent 4 delivery years after
7 the completion of the then-effective Plan. Each Plan shall
8 meet the requirements described in subsection (f), and shall
9 be preceded by a workshop process which meets the same
10 requirements described in subsection (e). If appropriate, the
11 Commission may require additional implementation dockets to
12 follow Subsequent Multi-Year Integrated Grid Plan filings.

13 (220 ILCS 5/16-107)

14 Sec. 16-107. Real-time pricing.

15 (a) Each electric utility shall file, on or before May 1,
16 1998, a tariff or tariffs which allow nonresidential retail
17 customers in the electric utility's service area to elect
18 real-time pricing beginning October 1, 1998.

19 (b) Each electric utility shall file, on or before May 1,
20 2000, a tariff or tariffs which allow residential retail
21 customers in the electric utility's service area to elect
22 real-time pricing beginning October 1, 2000.

23 (b-5) Each electric utility shall file a tariff or tariffs
24 allowing residential retail customers in the electric
25 utility's service area to elect real-time pricing beginning

1 January 2, 2007. The Commission may, after notice and hearing,
2 approve the tariff or tariffs. A tariff or tariffs approved
3 pursuant to this subsection (b-5) shall, at a minimum,
4 describe (i) the methodology for determining the market price
5 of energy to be reflected in the real-time rate and (ii) the
6 manner in which customers who elect real-time pricing will be
7 provided with ready access to hourly market prices, including,
8 but not limited to, day-ahead hourly energy prices. A customer
9 who elects real-time pricing under a tariff approved under
10 this subsection (b-5) and thereafter terminates the election
11 shall not return to taking service under the tariff for a
12 period of 12 months following the date on which the customer
13 terminated real-time pricing. However, this limitation shall
14 cease to apply on such date that the provision of electric
15 power and energy is declared competitive under Section 16-113
16 of this Act for the customer group or groups to which this
17 subsection (b-5) applies.

18 A proceeding under this subsection (b-5) may not exceed
19 120 days in length.

20 (b-10) Each electric utility providing real-time pricing
21 pursuant to subsection (b-5) shall install a meter capable of
22 recording hourly interval energy use at the service location
23 of each customer that elects real-time pricing pursuant to
24 this subsection.

25 (b-15) If the Commission issues an order pursuant to
26 subsection (b-5), the affected electric utility shall contract

1 with an entity not affiliated with the electric utility to
2 serve as a program administrator to develop and implement a
3 program to provide consumer outreach, enrollment, and
4 education concerning real-time pricing and to establish and
5 administer an information system and technical and other
6 customer assistance that is necessary to enable customers to
7 manage electricity use. The program administrator: (i) shall
8 be selected and compensated by the electric utility, subject
9 to Commission approval; (ii) shall have demonstrated technical
10 and managerial competence in the development and
11 administration of demand management programs; and (iii) may
12 develop and implement risk management, energy efficiency, and
13 other services related to energy use management for which the
14 program administrator shall be compensated by participants in
15 the program receiving such services. The electric utility
16 shall provide the program administrator with all information
17 and assistance necessary to perform the program
18 administrator's duties, including, but not limited to,
19 customer, account, and energy use data. The electric utility
20 shall permit the program administrator to include inserts in
21 residential customer bills 2 times per year to assist with
22 customer outreach and enrollment.

23 The program administrator shall submit an annual report to
24 the electric utility no later than April 1 of each year
25 describing the operation and results of the program, including
26 information concerning the number and types of customers using

1 real-time pricing, changes in customers' energy use patterns,
2 an assessment of the value of the program to both participants
3 and non-participants, and recommendations concerning
4 modification of the program and the tariff or tariffs filed
5 under subsection (b-5). This report shall be filed by the
6 electric utility with the Commission within 30 days of receipt
7 and shall be available to the public on the Commission's web
8 site.

9 (b-20) The Commission shall monitor the performance of
10 programs established pursuant to subsection (b-15) and shall
11 order the termination or modification of a program if it
12 determines that the program is not, after a reasonable period
13 of time for development not to exceed 4 years, resulting in net
14 benefits to the residential customers of the electric utility.

15 (b-25) An electric utility shall be entitled to recover
16 reasonable costs incurred in complying with this Section,
17 provided that recovery of the costs is fairly apportioned
18 among its residential customers as provided in this subsection
19 (b-25). The electric utility may apportion costs on the
20 residential customers who elect real-time pricing, but may
21 also impose some of the costs of real-time pricing on
22 customers who do not elect real-time pricing.

23 (c) The electric utility's tariff or tariffs filed
24 pursuant to this Section shall be subject to Article IX.

25 (d) This Section does not apply to any electric utility
26 providing service to 100,000 or fewer customers.

1 (e) Eligible customers shall include, but are not limited
2 to, customers participating in net electricity metering under
3 the terms of Section 16-107.5 of this Act.

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

5 (220 ILCS 5/16-107.5)

6 Sec. 16-107.5. Net electricity metering.

7 (a) The General Assembly ~~Legislature~~ finds and declares
8 that a program to provide net electricity metering, as defined
9 in this Section, for eligible customers can encourage private
10 investment in renewable energy resources, stimulate economic
11 growth, enhance the continued diversification of Illinois'
12 energy resource mix, and protect the Illinois environment. The
13 General Assembly further finds and declares that ensuring a
14 smooth, predictable transition from full net metering of the
15 retail electricity rate to the distributed generation rebate
16 described in Section 16-107.6 of this Act is important to
17 achieve these legislative goals. In implementing the
18 investigation discussed in subsection (e) of Section 16-107.6
19 of this Act and the transition discussed in subsection (n) of
20 this Section 16-107.5, the Commission shall ensure that
21 distributed generation customers are fairly compensated for
22 the benefits and services that customer-sited distributed
23 generation provides and that the distributed generation market
24 in Illinois continues to experience stable growth for both
25 small and large customers.

1 (b) As used in this Section:7

2 ~~(i) "Community ~~community~~ renewable generation project" has~~
3 ~~shall have~~ the meaning set forth in Section 1-10 of the
4 Illinois Power Agency Act.7

5 "Delivery service provider" means a public utility as
6 defined in subsection (a) of Section 3-105 of this Act.

7 "Electricity provider" means an electric utility or
8 alternative retail electric supplier providing energy supply.

9 ~~(ii) "Eligible ~~eligible~~ customer"~~ means a retail customer
10 or retail customers with that owns or operates a solar, wind,
11 or other eligible renewable electrical generating facility
12 with a rated capacity of not more than 2,000 kilowatts that is
13 ~~located~~ on the customer's or customers' side of the billing
14 meter premises and is intended primarily to offset the
15 customer's or customers' own current or future electrical
16 requirements when accounting for shading, orientation, and
17 other siting factors that can reasonably be expected to alter
18 an eligible renewable electrical generating facility's
19 generation output. An eligible customer does not need to own
20 the solar, wind, or other eligible renewable electrical
21 generating facility. Subscribers to community renewable
22 generation projects shall also be considered eligible
23 customers for the purpose of this Section, including
24 subscribers to community renewable generation projects that
25 are larger than 2,000 kilowatts. ~~(iii) "electricity provider"~~

26 ~~means an electric utility or alternative retail electric~~

1 ~~supplier,~~

2 ~~(iv)~~ "Eligible ~~eligible~~ renewable electrical generating
3 facility" means a generator, which may include the co-location
4 of an energy storage system, that is interconnected under
5 rules adopted by the Commission and is powered by solar
6 electric energy, wind, dedicated crops grown for electricity
7 generation, agricultural residues, untreated and unadulterated
8 wood waste, ~~landscape trimmings,~~ livestock manure, anaerobic
9 digestion of livestock or food processing waste, fuel cells or
10 microturbines powered by renewable fuels, or hydroelectric
11 energy.~~.~~

12 "Energy storage system" means commercially available
13 technology that is capable of absorbing energy and storing it
14 for a period of time for use at a later time, including, but
15 not limited to, electrochemical, thermal, and
16 electromechanical technologies, and may be interconnected on
17 the customer's side of the billing meter or interconnected via
18 its own meter.

19 "Future electrical requirements" means the reasonable
20 anticipation of load growth, such as from the addition of an
21 electric vehicle, the addition of electric space heating or
22 water heating, modeled electrical requirements upon occupation
23 of a new or vacant property, as well as other reasonable
24 expectations of future electrical use.

25 ~~(v)~~ "Net ~~net~~ electricity metering" (or "net metering")
26 means the measurement, during the billing period applicable to

1 an eligible customer, of the net amount of electricity
2 supplied by an electricity provider to the customer ~~customer's~~
3 ~~premises~~ or provided to the electricity provider by the
4 customer or subscriber. ~~†~~

5 "Statewide net metering penetration" means the sum of
6 nameplate capacity of all net metering facilities in the
7 State, excluding community renewable generation projects,
8 divided by the sum of peak demand of electricity delivered by
9 each delivery service provider (with the peak identified
10 independently for each provider) in the State during the
11 previous year.

12 ~~(vi)~~ "Subscriber ~~subscriber"~~ has ~~shall have~~ the meaning as
13 set forth in Section 1-10 of the Illinois Power Agency Act. ~~†~~
14 ~~and~~

15 ~~(vii)~~ "Subscription ~~subscription"~~ has ~~shall have~~ the
16 meaning set forth in Section 1-10 of the Illinois Power Agency
17 Act.

18 (c) A net metering facility shall be equipped with
19 metering equipment that can measure the flow of electricity in
20 both directions at the same rate.

21 (1) For eligible customers whose electric service has
22 not been declared competitive pursuant to Section 16-113
23 of this Act as of July 1, 2011 and whose electric delivery
24 service is provided and measured on a kilowatt-hour basis
25 and electric supply service is not provided based on
26 hourly pricing, this shall typically be accomplished

1 through use of a single, bi-directional meter. If the
2 eligible customer's existing electric revenue meter does
3 not meet this requirement, the electricity provider shall
4 arrange for the local electric utility or a meter service
5 provider to install and maintain a new revenue meter at
6 the electricity provider's expense, which may be the smart
7 meter described by subsection (b) of Section 16-108.5 of
8 this Act.

9 (2) For eligible customers whose electric service has
10 not been declared competitive pursuant to Section 16-113
11 of this Act as of July 1, 2011 and whose electric delivery
12 service is provided and measured on a kilowatt demand
13 basis and electric supply service is not provided based on
14 hourly pricing, this shall typically be accomplished
15 through use of a dual channel meter capable of measuring
16 the flow of electricity both into and out of the
17 customer's facility at the same rate and ratio. If such
18 customer's existing electric revenue meter does not meet
19 this requirement, then the electricity provider shall
20 arrange for the local electric utility or a meter service
21 provider to install and maintain a new revenue meter at
22 the electricity provider's expense, which may be the smart
23 meter described by subsection (b) of Section 16-108.5 of
24 this Act.

25 (3) For all other eligible customers, until such time
26 as the local electric utility installs a smart meter, as

1 described by subsection (b) of Section 16-108.5 of this
2 Act, the electricity provider may arrange for the local
3 electric utility or a meter service provider to install
4 and maintain metering equipment capable of measuring the
5 flow of electricity both into and out of the customer's
6 facility at the same rate and ratio, typically through the
7 use of a dual channel meter. If the eligible customer's
8 existing electric revenue meter does not meet this
9 requirement, then the costs of installing such equipment
10 shall be paid for by the customer.

11 (d) An electricity provider shall measure and charge or
12 credit for the net electricity supplied to eligible customers
13 or provided by eligible customers whose electric service has
14 not been declared competitive pursuant to Section 16-113 of
15 this Act as of July 1, 2011 and whose electric delivery service
16 is provided and measured on a kilowatt-hour basis and electric
17 supply service is not provided based on hourly pricing in the
18 following manner:

19 (1) If the amount of electricity used by the customer
20 during the billing period exceeds the amount of
21 electricity produced by the customer, the electricity
22 provider shall charge the customer for the net electricity
23 supplied to and used by the customer as provided in
24 subsection (e-5) of this Section.

25 (2) If the amount of electricity produced by a
26 customer during the billing period exceeds the amount of

1 electricity used by the customer during that billing
2 period, the electricity provider supplying that customer
3 shall apply a 1:1 kilowatt-hour credit to a subsequent
4 bill for service to the customer for the net electricity
5 supplied to the electricity provider. The electricity
6 provider shall continue to carry over any excess
7 kilowatt-hour credits earned and apply those credits to
8 subsequent billing periods to offset any
9 customer-generator consumption in those billing periods
10 until all credits are used or until the end of the
11 annualized period.

12 (3) At the end of the year or annualized over the
13 period that service is supplied by means of net metering,
14 or in the event that the retail customer terminates
15 service with the electricity provider prior to the end of
16 the year or the annualized period, any remaining credits
17 in the customer's account shall expire.

18 (d-5) An electricity provider shall measure and charge or
19 credit for the net electricity supplied to eligible customers
20 or provided by eligible customers whose electric service has
21 not been declared competitive pursuant to Section 16-113 of
22 this Act as of July 1, 2011 and whose electric delivery service
23 is provided and measured on a kilowatt-hour basis and electric
24 supply service is provided based on hourly pricing or
25 time-of-use rates in the following manner:

26 (1) If the amount of electricity used by the customer

1 during any hourly or time-of-use period exceeds the amount
2 of electricity produced by the customer, the electricity
3 provider shall charge the customer for the net electricity
4 supplied to and used by the customer according to the
5 terms of the contract or tariff to which the same customer
6 would be assigned to or be eligible for if the customer was
7 not a net metering customer.

8 (2) If the amount of electricity produced by a
9 customer during any hourly period or time-of-use period
10 exceeds the amount of electricity used by the customer
11 during that hourly period or time-of-use period, the
12 energy provider shall apply a credit for the net
13 kilowatt-hours produced in such period. The credit shall
14 consist of an energy credit and a delivery service credit.
15 The energy credit shall be valued at the same price per
16 kilowatt-hour as the electric service provider would
17 charge for kilowatt-hour energy sales during that same
18 hourly or time-of-use period. The delivery credit shall be
19 equal to the net kilowatt-hours produced in such hourly or
20 time-of-use period times a credit that reflects all
21 kilowatt-hour based charges in the customer's electric
22 service rate, excluding energy charges.

23 (e) An electricity provider shall measure and charge or
24 credit for the net electricity supplied to eligible customers
25 whose electric service has not been declared competitive
26 pursuant to Section 16-113 of this Act as of July 1, 2011 and

1 whose electric delivery service is provided and measured on a
2 kilowatt demand basis and electric supply service is not
3 provided based on hourly pricing in the following manner:

4 (1) If the amount of electricity used by the customer
5 during the billing period exceeds the amount of
6 electricity produced by the customer, then the electricity
7 provider shall charge the customer for the net electricity
8 supplied to and used by the customer as provided in
9 subsection (e-5) of this Section. The customer shall
10 remain responsible for all taxes, fees, and utility
11 delivery charges that would otherwise be applicable to the
12 net amount of electricity used by the customer.

13 (2) If the amount of electricity produced by a
14 customer during the billing period exceeds the amount of
15 electricity used by the customer during that billing
16 period, then the electricity provider supplying that
17 customer shall apply a 1:1 kilowatt-hour credit that
18 reflects the kilowatt-hour based charges in the customer's
19 electric service rate to a subsequent bill for service to
20 the customer for the net electricity supplied to the
21 electricity provider. The electricity provider shall
22 continue to carry over any excess kilowatt-hour credits
23 earned and apply those credits to subsequent billing
24 periods to offset any customer-generator consumption in
25 those billing periods until all credits are used or until
26 the end of the annualized period.

1 (3) At the end of the year or annualized over the
2 period that service is supplied by means of net metering,
3 or in the event that the retail customer terminates
4 service with the electricity provider prior to the end of
5 the year or the annualized period, any remaining credits
6 in the customer's account shall expire.

7 (e-5) An electricity provider shall provide electric
8 service to eligible customers who utilize net metering at
9 non-discriminatory rates that are identical, with respect to
10 rate structure, retail rate components, and any monthly
11 charges, to the rates that the customer would be charged if not
12 a net metering customer. An electricity provider shall not
13 charge net metering customers any fee or charge or require
14 additional equipment, insurance, or any other requirements not
15 specifically authorized by interconnection standards
16 authorized by the Commission, unless the fee, charge, or other
17 requirement would apply to other similarly situated customers
18 who are not net metering customers. The customer will remain
19 responsible for all taxes, fees, and utility delivery charges
20 that would otherwise be applicable to the net amount of
21 electricity used by the customer. Subsections (c) through (e)
22 of this Section shall not be construed to prevent an
23 arms-length agreement between an electricity provider and an
24 eligible customer that sets forth different prices, terms, and
25 conditions for the provision of net metering service,
26 including, but not limited to, the provision of the

1 appropriate metering equipment for non-residential customers.

2 (f) Notwithstanding the requirements of subsections (c)
3 through (e-5) of this Section, an electricity provider must
4 require dual-channel metering for customers operating eligible
5 renewable electrical generating facilities with a nameplate
6 rating up to 2,000 kilowatts and to whom the provisions of
7 neither subsection (d), (d-5), nor (e) of this Section apply.
8 In such cases, electricity charges and credits shall be
9 determined as follows:

10 (1) The electricity provider shall assess and the
11 customer remains responsible for all taxes, fees, and
12 utility delivery charges that would otherwise be
13 applicable to the gross amount of kilowatt-hours supplied
14 to the eligible customer by the electricity provider.

15 (2) Each month that service is supplied by means of
16 dual-channel metering, the electricity provider shall
17 compensate the eligible customer for any excess
18 kilowatt-hour credits at the electricity provider's
19 avoided cost of electricity supply over the monthly period
20 or as otherwise specified by the terms of a power-purchase
21 agreement negotiated between the customer and electricity
22 provider.

23 (3) For all eligible net metering customers taking
24 service from an electricity provider under contracts or
25 tariffs employing hourly or time of use rates, any monthly
26 consumption of electricity shall be calculated according

1 to the terms of the contract or tariff to which the same
2 customer would be assigned to or be eligible for if the
3 customer was not a net metering customer. When those same
4 customer-generators are net generators during any discrete
5 hourly or time of use period, the net kilowatt-hours
6 produced shall be valued at the same price per
7 kilowatt-hour as the electric service provider would
8 charge for retail kilowatt-hour sales during that same
9 time of use period.

10 (g) For purposes of federal and State laws providing
11 renewable energy credits or greenhouse gas credits, the
12 eligible customer shall be treated as owning and having title
13 to the renewable energy attributes, renewable energy credits,
14 and greenhouse gas emission credits related to any electricity
15 produced by the qualified generating unit. The electricity
16 provider may not condition participation in a net metering
17 program on the signing over of a customer's renewable energy
18 credits; provided, however, this subsection (g) shall not be
19 construed to prevent an arms-length agreement between an
20 electricity provider and an eligible customer that sets forth
21 the ownership or title of the credits.

22 (h) Within 120 days after the effective date of this
23 amendatory Act of the 95th General Assembly, the Commission
24 shall establish standards for net metering and, if the
25 Commission has not already acted on its own initiative,
26 standards for the interconnection of eligible renewable

1 generating equipment to the utility system. The
2 interconnection standards shall address any procedural
3 barriers, delays, and administrative costs associated with the
4 interconnection of customer-generation while ensuring the
5 safety and reliability of the units and the electric utility
6 system. The Commission shall consider the Institute of
7 Electrical and Electronics Engineers (IEEE) Standard 1547 and
8 the issues of (i) reasonable and fair fees and costs, (ii)
9 clear timelines for major milestones in the interconnection
10 process, (iii) nondiscriminatory terms of agreement, and (iv)
11 any best practices for interconnection of distributed
12 generation.

13 (h-3) On and after the effective date of this amendatory
14 Act of the 102nd General Assembly, it is the policy of the
15 State that:

16 (1) Electric utilities must provide interconnection
17 customers with a detailed accounting of the components of
18 the utility's cost to study and perform system upgrades,
19 with itemized lists of equipment costs, labor costs,
20 engineering costs, and administrative costs associated
21 with the study or system upgrade.

22 (2) An electric utility that has failed to meet an
23 interconnection timeline by more than 20 days is subject
24 to a penalty of \$1,000 for each day over 20 days past the
25 applicable date upon which the utility action was due.

26 (3) The Illinois Commerce Commission shall, within 60

1 days after the effective date of this amendatory Act of
2 the 102nd General Assembly, hire or contract with an
3 independent grid engineer to address delays and disputes
4 between the utility and the interconnection customer.
5 Specifically, this independent engineer shall:

6 (A) review utility cost estimates at the request
7 of interconnection customers;

8 (B) resolve technical disputes between utilities
9 and interconnection customers regarding necessary
10 upgrades and costs thereof;

11 (C) authorize customers to self-supply
12 interconnection studies when the electric utility is
13 unable to provide such studies at a reasonable cost
14 and schedule; and

15 (D) authorize customers to self-build system
16 upgrades consistent with electric utility standards
17 when the electric utility cannot provide such upgrades
18 and interconnection facilities at a reasonable cost
19 and schedule.

20 The process to hire or contract with an independent
21 grid engineer described in this paragraph (3) is exempt
22 from the requirements of the Illinois Procurement Code,
23 pursuant to Section 20-10 of that Code.

24 (h-5) Within 90 days after the effective date of this
25 amendatory Act of the 102nd General Assembly, the Commission
26 shall open a proceeding to update the interconnection

1 standards and applicable utility tariffs. For the public
2 interest, safety, and welfare of Illinois residents, the
3 Commission may adopt emergency rules under Section 5-45 of the
4 Illinois Administrative Procedure Act to implement the
5 requirements of subsection (h-3) and this subsection (h-5). In
6 addition to the requirements of subsection (h-3), the
7 Commission shall also revise the standards to address critical
8 standards for interconnection and the following issues:

9 (1) transparency and accuracy of costs, both direct
10 and indirect, while maintaining system security through
11 the effective management of confidentiality agreements;

12 (2) standardization of typical costs associated with
13 interconnection;

14 (3) transparency of the interconnection queue or
15 queues and hosting capacity;

16 (4) development of hosting capacity maps that enable
17 greater visibility to customers about the locations with
18 the greatest need or availability for distributed
19 generation;

20 (5) predictability of the queue management process and
21 enforcement of timelines;

22 (6) ability to undertake group interconnection studies
23 and share interconnection costs among multiple applicants;

24 (7) minimum requirements for application to the
25 interconnection process and throughout the interconnection
26 process to avoid queue clogging behavior;

1 (8) requirements that the electric utility performing
2 the interconnection study justify its interconnection
3 study cost and the estimates of costs for identified
4 upgrades, and to cap payments required by the
5 interconnection customer for the electric utility
6 installed facilities to the lesser of +50% of the
7 Feasibility Study estimate, +25% of the System Impact
8 Study estimate, or +10% of the Facilities Study estimate;

9 (9) facilitation of the deployment of energy storage
10 systems while ensuring the continued grid safety and
11 reliability of the system, including addressing the
12 following:

13 (A) treatment of energy storage systems as
14 generation for purposes of the interconnection,
15 ownership, and operation;

16 (B) fair study assumptions that reflect the
17 operational profile of the energy storage device;

18 (C) streamlined notification-only interconnection
19 requirements for nonexporting systems that meet
20 utility criteria for safety and reliability, as is
21 determined through a robust stakeholder process; and

22 (D) enabling exports from customer-sited energy
23 storage systems for participation either in utility
24 programs or wholesale markets;

25 (10) establishment of a dispute resolution process
26 designed to address instances of unreasonable impediments

1 by the electric utility to the critical standards for
2 interconnection enumerated in paragraphs (1) through (9)
3 of this subsection (h-5). The Commission shall make
4 available adequate Commission staff for this dispute
5 resolution process to ensure that matters are decided on
6 an expedited basis; and

7 (11) other policies, processes, tariffs, and standards
8 associated with interconnection, including the creation of
9 standards and processes that support the achievement of
10 the objectives in subparagraph (K) of paragraph (1) of
11 subsection (c) of Section 1-75 of the Illinois Power
12 Agency Act

13 As part of this proceeding initiated under this subsection
14 (h-5), the Commission shall establish an interconnection
15 working group. The working group shall include representatives
16 from electric utilities, developers of renewable electric
17 generating facilities, representatives of interconnection
18 customers, Commission staff, and other stakeholders. The
19 working group shall be facilitated by Commission staff. The
20 working group shall examine and make recommendations regarding
21 best practices for interconnection process and customer
22 service for interconnecting customer adopting distributed
23 energy resources, including energy storage, interconnection of
24 new technologies, including smart inverters and energy
25 storage, and, without limitation, other technical, policy, and
26 tariff issues related to and affecting interconnection

1 performance and customer service.

2 The working group shall report to the Commission on
3 changes to interconnection rules and tariffs and any other
4 recommendations as determined by the working group within 6
5 months after its first meeting. The report shall include
6 positions and recommendations of the working group and
7 individual working group members. The report of the working
8 group shall be entered into evidence in the rulemaking process
9 mandated by this subsection (h-5). The working group shall be
10 reconvened one year following the enactment of the rules
11 adopted pursuant to this subsection (h-5) to recommend any
12 additional changes and assess the performance of the rules in
13 meeting the goals as described above.

14 (i) All electricity providers shall begin to offer net
15 metering no later than April 1, 2008.

16 (j) An electricity provider shall provide net metering to
17 eligible customers until both of the following occur: (i) the
18 statewide net metering penetration equals 5% and (ii) the
19 Commission approves the utility tariffs prescribed by
20 subsection (e) of Section 16-107.6 of this Act that make
21 distributed generation rebates available to all eligible
22 customers, including residential customers, and those tariffs
23 go into effect. After that time ~~the load of its net metering~~
24 ~~customers equals 5% of the total peak demand supplied by that~~
25 ~~electricity provider during the previous year. After such time~~
26 ~~as the load of the electricity provider's net metering~~

1 ~~customers equals 5% of the total peak demand supplied by that~~
2 ~~electricity provider during the previous year, eligible~~
3 customers that begin taking net metering shall no longer be
4 eligible for netting of delivery service credits as described
5 in subsection (n) of this Section ~~only be eligible for netting~~
6 ~~of energy.~~

7 (k) Each electricity provider shall maintain records and
8 report annually to the Commission the total number of net
9 metering customers served by the provider, as well as the
10 type, capacity, and energy sources of the generating systems
11 used by the net metering customers. Nothing in this Section
12 shall limit the ability of an electricity provider to request
13 the redaction of information deemed by the Commission to be
14 confidential business information.

15 (l)(1) Notwithstanding the definition of "eligible
16 customer" in item (ii) of subsection (b) of this Section, each
17 electricity provider shall allow net metering as set forth in
18 this subsection (l) and for the following projects:

19 (A) properties owned or leased by multiple customers
20 that contribute to the operation of an eligible renewable
21 electrical generating facility through an ownership or
22 leasehold interest of at least 200 watts in such facility,
23 such as a community-owned wind project, a community-owned
24 biomass project, a community-owned solar project, or a
25 community methane digester processing livestock waste from
26 multiple sources, provided that the facility is also

1 located within the utility's service territory;

2 (B) individual units, apartments, or properties
3 located in a single building that are owned or leased by
4 multiple customers and collectively served by a common
5 eligible renewable electrical generating facility, such as
6 an office or apartment building, a shopping center or
7 strip mall served by photovoltaic panels on the roof; and

8 (C) subscriptions to community renewable generation
9 projects, including community renewable generation
10 projects on the customer's side of the billing meter of a
11 host facility and partially used for the customer's own
12 load.

13 In addition, the nameplate capacity of the eligible
14 renewable electric generating facility that serves the demand
15 of the properties, units, or apartments identified in
16 paragraphs (1) and (2) of this subsection (1) shall not exceed
17 2,000 kilowatts in nameplate capacity in total. Any eligible
18 renewable electrical generating facility or community
19 renewable generation project that is powered by photovoltaic
20 electric energy and installed after the effective date of this
21 amendatory Act of the 99th General Assembly must be installed
22 by a qualified person in compliance with the requirements of
23 Section 16-128A of the Public Utilities Act and any rules or
24 regulations adopted thereunder.

25 (2) Notwithstanding anything to the contrary, an
26 electricity provider shall provide credits for the electricity

1 produced by the projects described in paragraph (1) of this
2 subsection (1). The electricity provider shall provide credits
3 that include at least energy supply, capacity, transmission,
4 and the purchased electricity adjustment, as applicable, at
5 ~~the subscriber's energy supply rate~~ on the subscriber's
6 monthly bill equal to the subscriber's share of the production
7 of electricity from the project, as determined by paragraph
8 (3) of this subsection (1).

9 (3) For the purposes of facilitating net metering, the
10 owner or operator of the eligible renewable electrical
11 generating facility or community renewable generation project
12 shall be responsible for determining the amount of the credit
13 that each customer or subscriber participating in a project
14 under this subsection (1) is to receive in the following
15 manner:

16 (A) The owner or operator shall, on a monthly basis,
17 provide to the electric utility the kilowatthours of
18 generation attributable to each of the utility's retail
19 customers and subscribers participating in projects under
20 this subsection (1) in accordance with the customer's or
21 subscriber's share of the eligible renewable electric
22 generating facility's or community renewable generation
23 project's output of power and energy for such month. The
24 owner or operator shall electronically transmit such
25 calculations and associated documentation to the electric
26 utility, in a format or method set forth in the applicable

1 tariff, on a monthly basis so that the electric utility
2 can reflect the monetary credits on customers' and
3 subscribers' electric utility bills. The electric utility
4 shall be permitted to revise its tariffs to implement the
5 provisions of this amendatory Act of the 102nd General
6 Assembly ~~this amendatory Act of the 99th General Assembly~~.
7 The owner or operator shall separately provide the
8 electric utility with the documentation detailing the
9 calculations supporting the credit in the manner set forth
10 in the applicable tariff.

11 (B) For those participating customers and subscribers
12 who receive their energy supply from an alternative retail
13 electric supplier, the electric utility shall remit to the
14 applicable alternative retail electric supplier the
15 information provided under subparagraph (A) of this
16 paragraph (3) for such customers and subscribers in a
17 manner set forth in such alternative retail electric
18 supplier's net metering program, or as otherwise agreed
19 between the utility and the alternative retail electric
20 supplier. The alternative retail electric supplier shall
21 then submit to the utility the amount of the charges for
22 power and energy to be applied to such customers and
23 subscribers, including the amount of the credit associated
24 with net metering.

25 (C) A participating customer or subscriber may provide
26 authorization as required by applicable law that directs

1 the electric utility to submit information to the owner or
2 operator of the eligible renewable electrical generating
3 facility or community renewable generation project to
4 which the customer or subscriber has an ownership or
5 leasehold interest or a subscription. Such information
6 shall be limited to the components of the net metering
7 credit calculated under this subsection (1), including the
8 bill credit rate, total kilowatthours, and total monetary
9 credit value applied to the customer's or subscriber's
10 bill for the monthly billing period.

11 For community renewable generation projects located behind
12 the meter of a host facility, the determination of the
13 quantity of energy eligible for crediting to participating
14 customers or subscribers of the community renewable generation
15 project shall be based on any energy production of the project
16 that exceeds the host's instantaneous on-site consumption
17 during the applicable billing period.

18 (1-5) Within 90 days after the effective date of this
19 amendatory Act of the 102nd General Assembly ~~this amendatory~~
20 ~~Act of the 99th General Assembly~~, each electric utility
21 subject to this Section shall file a tariff to implement the
22 provisions of subsection (1) of this Section, which shall,
23 consistent with the provisions of subsection (1), describe the
24 terms and conditions under which owners or operators of
25 qualifying properties, units, or apartments may participate in
26 net metering. The Commission shall approve, or approve with

1 modification, the tariff within 120 days after the effective
2 date of this amendatory Act of the 102nd General Assembly ~~this~~
3 ~~amendatory Act of the 99th General Assembly.~~

4 (m) Nothing in this Section shall affect the right of an
5 electricity provider to continue to provide, or the right of a
6 retail customer to continue to receive service pursuant to a
7 contract for electric service between the electricity provider
8 and the retail customer in accordance with the prices, terms,
9 and conditions provided for in that contract. Either the
10 electricity provider or the customer may require compliance
11 with the prices, terms, and conditions of the contract.

12 (n) At such time, if any, that statewide net metering
13 penetration equals 5% ~~the load of the electricity provider's~~
14 ~~net metering customers equals 5% of the total peak demand~~
15 ~~supplied by that electricity provider during the previous~~
16 ~~year,~~ as specified in subsection (j) of this Section, and the
17 distributed generation rebate tariff for the electricity
18 utility prescribed by subsection (e) of Section 16-107.6 of
19 this Act has gone into effect and the rebate is approved and
20 available to eligible customers, the net metering services
21 described in subsections (d), (d-5), (e), (e-5), and (f) of
22 this Section shall no longer be offered, except as to those
23 eligible renewable generating facilities for which retail
24 customers ~~that~~ are receiving net metering service under these
25 subsections at the time the net metering services under those
26 subsections are no longer offered; those systems shall

1 continue to receive net metering services described in
2 subsections (d), (d-5), (e), (e-5), and (f) of this Section
3 for the lifetime of the system, regardless of whether those
4 retail customers change electricity providers or whether the
5 retail customer benefiting from the system changes. Those
6 retail customers that begin taking net metering service after
7 the date that net metering services are no longer offered
8 under such subsections shall be subject to the provisions set
9 forth in the following paragraphs (1) through (3) of this
10 subsection (n):

11 (1) An electricity provider shall charge or credit for
12 the net electricity supplied to eligible customers or
13 provided by eligible customers whose electric supply
14 service is not provided based on hourly pricing in the
15 following manner:

16 (A) If the amount of electricity used by the
17 customer during the billing period exceeds the amount
18 of electricity produced by the customer, then the
19 electricity provider shall charge the customer for the
20 net kilowatt-hour based electricity charges reflected
21 in the customer's electric service rate supplied to
22 and used by the customer as provided in paragraph (3)
23 of this subsection (n).

24 (B) If the amount of electricity produced by a
25 customer during the billing period exceeds the amount
26 of electricity used by the customer during that

1 billing period, then the electricity provider
2 supplying that customer shall apply a 1:1
3 kilowatt-hour energy credit that reflects the
4 kilowatt-hour based energy charges in the customer's
5 electric service rate to a subsequent bill for service
6 to the customer for the net electricity supplied to
7 the electricity provider. The electricity provider
8 shall continue to carry over any excess kilowatt-hour
9 energy credits earned and apply those credits to
10 subsequent billing periods to offset any
11 customer-generator consumption in those billing
12 periods until all credits are used or until the end of
13 the annualized period.

14 (C) At the end of the year or annualized over the
15 period that service is supplied by means of net
16 metering, or in the event that the retail customer
17 terminates service with the electricity provider prior
18 to the end of the year or the annualized period, any
19 remaining credits in the customer's account shall
20 expire.

21 (2) An electricity provider shall charge or credit for
22 the net electricity supplied to eligible customers or
23 provided by eligible customers whose electric supply
24 service is provided based on hourly pricing in the
25 following manner:

26 (A) If the amount of electricity used by the

1 customer during any hourly period exceeds the amount
2 of electricity produced by the customer, then the
3 electricity provider shall charge the customer for the
4 net electricity supplied to and used by the customer
5 as provided in paragraph (3) of this subsection (n).

6 (B) If the amount of electricity produced by a
7 customer during any hourly period exceeds the amount
8 of electricity used by the customer during that hourly
9 period, the energy provider shall calculate an energy
10 credit for the net kilowatt-hours produced in such
11 period. The value of the energy credit shall be
12 calculated using the same price per kilowatt-hour as
13 the electric service provider would charge for
14 kilowatt-hour energy sales during that same hourly
15 period.

16 (3) An electricity provider shall provide electric
17 service to eligible customers who utilize net metering at
18 non-discriminatory rates that are identical, with respect
19 to rate structure, retail rate components, and any monthly
20 charges, to the rates that the customer would be charged
21 if not a net metering customer. An electricity provider
22 shall charge the customer for the net electricity supplied
23 to and used by the customer according to the terms of the
24 contract or tariff to which the same customer would be
25 assigned or be eligible for if the customer was not a net
26 metering customer. An electricity provider shall not

1 charge net metering customers any fee or charge or require
2 additional equipment, insurance, or any other requirements
3 not specifically authorized by interconnection standards
4 authorized by the Commission, unless the fee, charge, or
5 other requirement would apply to other similarly situated
6 customers who are not net metering customers. The charge
7 or credit that the customer receives for net electricity
8 shall be at a rate equal to the customer's energy supply
9 rate. The customer remains responsible for the gross
10 amount of delivery services charges, supply-related
11 charges that are kilowatt based, and all taxes and fees
12 related to such charges. The customer also remains
13 responsible for all taxes and fees that would otherwise be
14 applicable to the net amount of electricity used by the
15 customer. Paragraphs (1) and (2) of this subsection (n)
16 shall not be construed to prevent an arms-length agreement
17 between an electricity provider and an eligible customer
18 that sets forth different prices, terms, and conditions
19 for the provision of net metering service, including, but
20 not limited to, the provision of the appropriate metering
21 equipment for non-residential customers. Nothing in this
22 paragraph (3) shall be interpreted to mandate that a
23 utility that is only required to provide delivery services
24 to a given customer must also sell electricity to such
25 customer.

26 (o) Within 90 days after the effective date of this

1 amendatory Act of the 102nd General Assembly, each electric
2 utility subject to this Section shall file a tariff that
3 shall, consistent with the provisions of this Section, propose
4 the terms and conditions under which an eligible customer may
5 participate in net metering. The Commission shall approve, or
6 approve with modification based on a stakeholder process, the
7 tariff within 120 days after the effective date of this
8 amendatory Act of the 102nd General Assembly. Each electric
9 utility shall file any changes to terms as a subsequent tariff
10 for approval or approval with modifications from the
11 Commission.

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

13 (220 ILCS 5/16-107.6)

14 Sec. 16-107.6. Distributed generation rebate.

15 (a) In this Section:

16 "Distributed energy resource" means a wide range of
17 technologies that are located on the customer side of the
18 customer's electric meter and can provide value to the
19 distribution system, including, but not limited to,
20 distributed generation, energy storage, electric vehicles, and
21 demand response technologies.

22 "Smart inverter" means a device that converts direct
23 current into alternating current and meets the IEEE 1547-2018
24 equipment standards. Until devices that meet the IEEE
25 1547-2018 standard are available, devices that meet the UL

1 1741 SA standard are acceptable ~~can autonomously contribute to~~
2 ~~grid support during excursions from normal operating voltage~~
3 ~~and frequency conditions by providing each of the following:~~
4 ~~dynamic reactive and real power support, voltage and frequency~~
5 ~~ride through, ramp rate controls, communication systems with~~
6 ~~ability to accept external commands, and other functions from~~
7 ~~the electric utility.~~

8 "Subscriber" has the meaning set forth in Section 1-10 of
9 the Illinois Power Agency Act.

10 "Subscription" has the meaning set forth in Section 1-10
11 of the Illinois Power Agency Act.

12 "Threshold date" means the date on which statewide net
13 metering penetration equals 5% ~~the load of an electricity~~
14 ~~provider's net metering customers equals 5% of the total peak~~
15 ~~demand supplied by that electricity provider during the~~
16 ~~previous year, as specified under subsection (j) of Section~~
17 ~~16-107.5 of this Act.~~

18 (b) An electric utility that serves more than 200,000
19 customers in the State shall file a petition with the
20 Commission requesting approval of the utility's tariff to
21 provide a rebate to a retail customer who owns or operates
22 distributed generation that meets the following criteria:

23 (1) has a nameplate generating capacity no greater
24 than 2,000 kilowatts and is primarily used to offset that
25 customer's electricity load;

26 (2) is located on the customer's side of the billing

1 meter premises, for the customer's own use, and not for
2 commercial use or sales, including, but not limited to,
3 wholesale sales of electric power and energy;

4 (3) is located in the electric utility's service
5 territory; and

6 (4) is interconnected under rules adopted by the
7 Commission by means of the inverter or smart inverter
8 required by this Section, as applicable.

9 For purposes of this Section, "distributed generation"
10 shall satisfy the definition of distributed renewable energy
11 generation device set forth in Section 1-10 of the Illinois
12 Power Agency Act to the extent such definition is consistent
13 with the requirements of this Section.

14 In addition, any new photovoltaic distributed generation
15 that is installed after the effective date of this amendatory
16 Act of the 99th General Assembly must be installed by a
17 qualified person, as defined by subsection (i) of Section 1-56
18 of the Illinois Power Agency Act.

19 The tariff shall provide that the smart inverter
20 associated with the distributed generation shall provide
21 autonomous responses to grid conditions through its default
22 settings as approved by the Commission ~~utility shall be~~
23 ~~permitted to operate and control the smart inverter associated~~
24 ~~with the distributed generation that is the subject of the~~
25 ~~rebate for the purpose of preserving reliability during~~
26 ~~distribution system reliability events and shall address the~~

1 ~~terms and conditions of the operation and the compensation~~
2 ~~associated with the operation.~~ Nothing in this Section shall
3 negate or supersede Institute of Electrical and Electronics
4 Engineers equipment interconnection requirements or standards
5 or other similar standards or requirements. The tariff shall
6 not limit the ability of the smart inverter or other
7 distributed energy resource to provide wholesale market
8 products such as regulation, demand response, or other
9 services, or limit the ability of the owner of the smart
10 inverter or the other distributed energy resource to receive
11 compensation for providing those wholesale market products or
12 services. ~~The tariff shall also provide for additional uses of~~
13 ~~the smart inverter that shall be separately compensated and~~
14 ~~which may include, but are not limited to, voltage and VAR~~
15 ~~support, regulation, and other grid services. As part of the~~
16 ~~proceeding described in subsection (e) of this Section, the~~
17 ~~Commission shall review and determine whether smart inverters~~
18 ~~can provide any additional uses or services. If the Commission~~
19 ~~determines that an additional use or service would be~~
20 ~~beneficial, the Commission shall determine the terms and~~
21 ~~conditions of the operation and how the use or service should~~
22 ~~be separately compensated.~~

23 (c) The proposed tariff authorized by subsection (b) of
24 this Section shall include the following participation terms
25 and formulae to calculate the value of the rebates to be
26 applied under this Section for distributed generation that

1 satisfies the criteria set forth in subsection (b) of this
2 Section:

3 (1) Until the utility's tariff or tariffs setting the
4 new compensation values established under subsection (e)
5 take effect ~~utility files its tariff or tariffs to place~~
6 ~~into effect the rebate values established by the~~
7 ~~Commission under subsection (e) of this Section,~~
8 non-residential customers that are taking service under a
9 net metering program offered by an electricity provider
10 under the terms of Section 16-107.5 of this Act may apply
11 for a rebate as provided for in this Section. The value of
12 the rebate shall be \$250 per kilowatt of nameplate
13 generating capacity, measured as nominal DC power output,
14 of a non-residential customer's distributed generation.

15 (2) After the utility's tariff or tariffs setting the
16 new rebate values established under subsection (e) ~~(d)~~ of
17 this Section take effect, retail customers may, as
18 applicable, make the following elections:

19 (A) Residential customers that are taking service
20 under a net metering program offered by an electricity
21 provider under the terms of Section 16-107.5 of this
22 Act on the threshold date may elect to either continue
23 to take such service under the terms of such program as
24 in effect on such threshold date for the useful life of
25 the customer's eligible renewable electric generating
26 facility as defined in such Section, or file an

1 application to receive a rebate under the terms of
2 this Section, provided that such application must be
3 submitted within 6 months after the effective date of
4 the tariff approved under subsection (d) of this
5 Section. The value of the rebate shall be the amount
6 established by the Commission and reflected in the
7 utility's tariff approved pursuant to subsection (e)
8 of this Section.

9 (B) Non-residential customers that are taking
10 service under a net metering program offered by an
11 electricity provider under the terms of Section
12 16-107.5 of this Act on the threshold date may apply
13 for a rebate as provided for in this Section. The value
14 of the rebate shall be the amount established by the
15 Commission and reflected in the utility's tariff
16 pursuant to subsection (e) of this Section.

17 (3) Upon approval of a rebate application submitted
18 under this subsection (c), the retail customer shall no
19 longer be entitled to receive any delivery service credits
20 for the excess electricity generated by its facility and
21 shall be subject to the provisions of subsection (n) of
22 Section 16-107.5 of this Act.

23 (4) To be eligible for a rebate described in this
24 subsection (c), customers who begin taking service after
25 the effective date of this amendatory Act of the 99th
26 General Assembly under a net metering program offered by

1 an electricity provider under the terms of Section
2 16-107.5 of this Act must have a smart inverter associated
3 with the customer's distributed generation.

4 (d) The Commission shall review the proposed tariff
5 submitted under subsections (b) and (c) of this Section and
6 may make changes to the tariff that are consistent with this
7 Section and with the Commission's authority under Article IX
8 of this Act, subject to notice and hearing. Following notice
9 and hearing, the Commission shall issue an order approving, or
10 approving with modification, such tariff no later than 240
11 days after the utility files its tariff.

12 (e) When statewide ~~the total generating capacity of the~~
13 ~~electricity provider's~~ net metering penetration, as defined in
14 Section 16-107.5, customers is equal to 3%, the Commission
15 shall open an investigation into a ~~an annual~~ process and
16 formula for calculating the compensation ~~value of rebates~~ for
17 the retail customers described in subsections (b) and (f) of
18 this Section ~~that submit rebate applications after the~~
19 ~~threshold date for an electric utility that elected to file a~~
20 ~~tariff pursuant to this Section.~~ The investigation shall
21 include, at minimum, diverse sets of stakeholders, a review of
22 best practices in calculating the value of distributed energy
23 resource benefits, and assessments of present and future
24 technological capabilities of distributed energy resources.
25 Compensation shall reflect all known and measurable values of
26 the distributed energy resources over their full expected

1 useful lives. Compensation shall reflect, but shall not be
2 limited to, any geographic, time-based, performance-based, and
3 other benefits of distributed energy resources, as well as
4 technological capabilities and present and future grid needs.
5 The Commission's final order concluding this investigation
6 shall establish a formula for the compensation of distributed
7 energy resources, and an initial set of inputs for that
8 formula. The Commission's final order concluding this
9 proceeding shall also direct the utilities to update the
10 formula, on an annual basis, with inputs derived from their
11 integrated grid plans developed pursuant to Section 16-105.17.
12 The Commission shall also determine, as a part of its
13 investigation under this subsection, whether distributed
14 energy resources can provide any additional beneficial uses or
15 services through utility-controlled responses to grid
16 conditions. If the Commission determines that distributed
17 energy resources can provide additional beneficial uses or
18 services, the Commission shall determine the terms and
19 conditions for the operation and compensation of those uses
20 and services. That compensation shall be above and beyond any
21 rebate that the distributed energy resource receives. ~~diverse~~
22 ~~sets of stakeholders, calculations for valuing distributed~~
23 ~~energy resource benefits to the grid based on best practices,~~
24 ~~and assessments of present and future technological~~
25 ~~capabilities of distributed energy resources. The value of~~
26 ~~such rebates shall reflect the value of the distributed~~

1 ~~generation to the distribution system at the location at which~~
2 ~~it is interconnected, taking into account the geographic,~~
3 ~~time-based, and performance-based benefits, as well as~~
4 ~~technological capabilities and present and future grid needs.~~

5 The Commission shall consider the electric utility's
6 integrated grid plan developed pursuant to Section 16-105.17
7 of this Act to help identify the value of distributed energy
8 resources for the purpose of calculating the rebates described
9 in this subsection. The Commission shall determine additional
10 compensation for distributed generation that creates savings
11 and value on the distribution system by being co-located or in
12 close proximity to electric vehicle charging infrastructure in
13 use by medium-duty and heavy-duty vehicles, primarily serving
14 environmental justice communities, as outlined in the utility
15 integrated grid planning process under Section 16-105.17 of
16 this Act. No later than 10 days after the Commission enters its
17 final order under this subsection (e), each ~~the~~ utility shall
18 file its tariff or tariffs in compliance with the order,
19 including new tariffs for the recovery of costs incurred under
20 this subsection (e) that shall provide for volumetric-based
21 cost recovery, and the Commission shall approve, or approve
22 with modification, the tariff or tariffs within 240 ~~45~~ days
23 after the utility's filing. For those rebate applications
24 filed after the threshold date but before the utility's tariff
25 or tariffs filed pursuant to this subsection (e) take effect,
26 the value of the rebate shall remain at the value established

1 in subsection (c) of this Section until the tariff is
2 approved. As part of the process, the Commission shall ensure
3 that the distributed generation rebate results in stable
4 growth of both small and large distributed generation projects
5 in Illinois as provided in subsection (j) of Section 16-107.5
6 of this Act, with particular attention to impacts to the
7 growth of residential distributed generation customers. The
8 Commission has the authority to establish interim rebate
9 values for part or all of a utility's service territory to
10 ensure transparency and stability of compensation for
11 distributed energy resources in the utility's service
12 territory.

13 (f) Notwithstanding any provision of this Act to the
14 contrary, the owner, developer, or subscriber of a generation
15 facility that is part of a net metering program provided under
16 subsection (l) of Section 16-107.5 shall also be eligible to
17 apply for the rebate described in this Section. A subscriber
18 to the generation facility may apply for a rebate in the amount
19 of the subscriber's subscription only if the owner, developer,
20 or previous subscriber to the same panel or panels has not
21 already submitted an application, and, regardless of whether
22 the subscriber is a residential or non-residential customer,
23 may be allowed the amount identified in paragraph (1) of
24 subsection (c) or in subsection (e) of this Section applicable
25 to such customer on the date that the application is
26 submitted. An application for a rebate for a portion of a

1 project described in this subsection (f) may be submitted at
2 or after the time that a related request for net metering is
3 made.

4 (g) No later than 60 days after the utility receives an
5 application for a rebate under its tariff approved under
6 subsection (d) or (e) of this Section, the utility shall issue
7 a rebate to the applicant under the terms of the tariff. In the
8 event the application is incomplete or the utility is
9 otherwise unable to calculate the payment based on the
10 information provided by the owner, the utility shall issue the
11 payment no later than 60 days after the application is
12 complete or all requested information is received.

13 (h) An electric utility shall recover from its retail
14 customers all of the costs of the rebates made under a tariff
15 or tariffs approved under subsection (d) of placed into effect
16 ~~under~~ this Section, including, but not limited to, the value
17 of the rebates and all costs incurred by the utility to comply
18 with and implement subsections (b) and (c) of this Section,
19 but not including costs incurred by the utility to comply with
20 and implement subsection (e) of this Section, consistent with
21 the following provisions:

22 (1) The utility shall defer the full amount of its
23 costs ~~incurred under this Section~~ as a regulatory asset.
24 The total costs deferred as a regulatory asset shall be
25 amortized over a 15-year period. The unamortized balance
26 shall be recognized as of December 31 for a given year. The

1 utility shall also earn a return on the total of the
2 unamortized balance of the regulatory assets, less any
3 deferred taxes related to the unamortized balance, at an
4 annual rate equal to the utility's weighted average cost
5 of capital that includes, based on a year-end capital
6 structure, the utility's actual cost of debt for the
7 applicable calendar year and a cost of equity, which shall
8 be calculated as the sum of (i) the average for the
9 applicable calendar year of the monthly average yields of
10 30-year U.S. Treasury bonds published by the Board of
11 Governors of the Federal Reserve System in its weekly H.15
12 Statistical Release or successor publication; and (ii) 580
13 basis points, including a revenue conversion factor
14 calculated to recover or refund all additional income
15 taxes that may be payable or receivable as a result of that
16 return.

17 When an electric utility creates a regulatory asset
18 under the provisions of this Section, the costs are
19 recovered over a period during which customers also
20 receive a benefit, which is in the public interest.
21 Accordingly, it is the intent of the General Assembly that
22 an electric utility that elects to create a regulatory
23 asset under the provisions of this Section shall recover
24 all of the associated costs, including, but not limited
25 to, its cost of capital as set forth in this Section. After
26 the Commission has approved the prudence and

1 reasonableness of the costs that comprise the regulatory
2 asset, the electric utility shall be permitted to recover
3 all such costs, and the value and recoverability through
4 rates of the associated regulatory asset shall not be
5 limited, altered, impaired, or reduced. To enable the
6 financing of the incremental capital expenditures,
7 including regulatory assets, for electric utilities that
8 serve less than 3,000,000 retail customers but more than
9 500,000 retail customers in the State, the utility's
10 actual year-end capital structure that includes a common
11 equity ratio, excluding goodwill, of up to and including
12 50% of the total capital structure shall be deemed
13 reasonable and used to set rates.

14 (2) The utility, at its election, may recover all of
15 the costs ~~it incurs under this Section~~ as part of a filing
16 for a general increase in rates under Article IX of this
17 Act, as part of an annual filing to update a
18 performance-based formula rate under subsection (d) of
19 Section 16-108.5 of this Act, or through an automatic
20 adjustment clause tariff, provided that nothing in this
21 paragraph (2) permits the double recovery of such costs
22 from customers. If the utility elects to recover the costs
23 it incurs under this Section through an automatic
24 adjustment clause tariff, the utility may file its
25 proposed tariff together with the tariff it files under
26 subsection (b) of this Section or at a later time. The

1 proposed tariff shall provide for an annual
2 reconciliation, less any deferred taxes related to the
3 reconciliation, with interest at an annual rate of return
4 equal to the utility's weighted average cost of capital as
5 calculated under paragraph (1) of this subsection (h),
6 including a revenue conversion factor calculated to
7 recover or refund all additional income taxes that may be
8 payable or receivable as a result of that return, of the
9 revenue requirement reflected in rates for each calendar
10 year, beginning with the calendar year in which the
11 utility files its automatic adjustment clause tariff under
12 this subsection (h), with what the revenue requirement
13 would have been had the actual cost information for the
14 applicable calendar year been available at the filing
15 date. The Commission shall review the proposed tariff and
16 may make changes to the tariff that are consistent with
17 this Section and with the Commission's authority under
18 Article IX of this Act, subject to notice and hearing.
19 Following notice and hearing, the Commission shall issue
20 an order approving, or approving with modification, such
21 tariff no later than 240 days after the utility files its
22 tariff.

23 (i) An electric utility shall recover from its retail
24 customers, on a volumetric basis, all of the costs of the
25 rebates made under a tariff or tariffs placed into effect
26 under subsection (e) of this Section, including, but not

1 limited to, the value of the rebates and all costs incurred by
2 the utility to comply with and implement subsection (e) of
3 this Section, consistent with the following provisions:

4 (1) The utility may defer a portion of its costs as a
5 regulatory asset. The Commission shall determine the
6 portion that may be appropriately deferred as a regulatory
7 asset. Factors that the Commission shall consider in
8 determining the portion of costs that shall be deferred as
9 a regulatory asset include, but are not limited to: (i)
10 whether and the extent to which a cost effectively
11 deferred or avoided other distribution system costs; (ii)
12 the extent to which a cost provides environmental
13 benefits; (iii) the extent to which a cost improves system
14 reliability or resilience; (iv) the electric utility's
15 distribution system plan developed pursuant to Section
16 16-108.17 of this Act; and (v) such other factors as the
17 Commission deems appropriate. The remainder of costs shall
18 be deemed an operating expense and shall be recoverable if
19 found prudent and reasonable by the Commission.

20 The total costs deferred as a regulatory asset shall
21 be amortized over a 15-year period. The unamortized
22 balance shall be recognized as of December 31 for a given
23 year. The utility shall also earn a return on the total of
24 the unamortized balance of the regulatory assets, less any
25 deferred taxes related to the unamortized balance, at an
26 annual rate equal to the utility's weighted average cost

1 of capital that includes, based on a year-end capital
2 structure, the utility's actual cost of debt for the
3 applicable calendar year and a cost of equity, which shall
4 be calculated as the sum of: (I) the average for the
5 applicable calendar year of the monthly average yields of
6 30-year U.S. Treasury bonds published by the Board of
7 Governors of the Federal Reserve System in its weekly H.15
8 Statistical Release or successor publication; and (II) 580
9 basis points, including a revenue conversion factor
10 calculated to recover or refund all additional income
11 taxes that may be payable or receivable as a result of that
12 return.

13 When an electric utility creates a regulatory asset
14 under the provisions of this subsection (i), the costs are
15 recovered over a period during which customers also
16 receive a benefit, which is in the public interest.
17 Accordingly, it is the intent of the General Assembly that
18 an electric utility that elects to create a regulatory
19 asset under the provisions of this Section shall recover
20 all of the associated costs, including, but not limited
21 to, its cost of capital as set forth in this Section. After
22 the Commission has approved the prudence and
23 reasonableness of the costs that comprise the regulatory
24 asset, the electric utility shall be permitted to recover
25 all such costs, and the value and recoverability through
26 rates of the associated regulatory asset shall not be

1 limited, altered, impaired, or reduced. To enable the
2 financing of the incremental capital expenditures,
3 including regulatory assets, for electric utilities that
4 serve less than 3,000,000 retail customers but more than
5 500,000 retail customers in the State, the utility's
6 actual year-end capital structure that includes a common
7 equity ratio, excluding goodwill, of up to and including
8 50% of the total capital structure shall be deemed
9 reasonable and used to set rates.

10 (2) The utility may recover all of the costs through
11 an automatic adjustment clause tariff, on a volumetric
12 basis. The utility may file its proposed cost-recovery
13 tariff together with the tariff it files under subsection
14 (e) of this Section or at a later time. The proposed tariff
15 shall provide for an annual reconciliation, less any
16 deferred taxes related to the reconciliation, with
17 interest at an annual rate of return equal to the
18 utility's weighted average cost of capital as calculated
19 under paragraph (1) of this subsection (i), including a
20 revenue conversion factor calculated to recover or refund
21 all additional income taxes that may be payable or
22 receivable as a result of that return, of the revenue
23 requirement reflected in rates for each calendar year,
24 beginning with the calendar year in which the utility
25 files its automatic adjustment clause tariff under this
26 subsection (i), with what the revenue requirement would

1 have been had the actual cost information for the
2 applicable calendar year been available at the filing
3 date. The Commission shall review the proposed tariff and
4 may make changes to the tariff that are consistent with
5 this Section and with the Commission's authority under
6 Article IX of this Act, subject to notice and hearing.
7 Following notice and hearing, the Commission shall issue
8 an order approving, or approving with modification, such
9 tariff no later than 240 days after the utility files its
10 tariff.

11 (j) ~~(i)~~ No later than 90 days after the Commission enters
12 an order, or order on rehearing, whichever is later, approving
13 an electric utility's proposed tariff under subsection (d) of
14 this Section, the electric utility shall provide notice of the
15 availability of rebates under this Section. Subsequent to the
16 utility's notice, any entity that offers in the State, for
17 sale or lease, distributed generation and estimates the dollar
18 saving attributable to such distributed generation shall
19 provide estimates based on both delivery service credits, if
20 applicable and if available under Section 16-107.5 of this
21 Act, and the rebates available under this Section.

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

23 (220 ILCS 5/16-107.7 new)

24 Sec. 16-107.7. Residential time-of-use pricing.

25 (a) The General Assembly finds that time-of-use rates and

1 pricing plans can lower energy costs for consumers and reduce
2 grid costs as well as help Illinois achieve its energy policy
3 goals by improving load shape, encouraging energy
4 conservation, and shifting usage away from periods where
5 fossil fuels are used to meet peak demand. Further, by
6 providing consumers information relating the costs of service
7 to the time of energy usage, time-of-use rates can help
8 consumers reduce their energy bills by using electricity when
9 it is less costly. Time-of-use rates can help allocate
10 electricity system costs more accurately and thus equitably to
11 those who cause costs. Such rates can reduce the need for
12 ramping resources and increase the grid's ability to
13 cost-effectively integrate greater quantities of variable
14 renewable energy and distributed energy resources.

15 (b) An electric utility that has a tariff in effect under
16 Section 16-108.5 as of the effective date of this amendatory
17 Act of the 102nd General Assembly shall also offer at least one
18 market-based, time-of-use rate for eligible retail customers
19 that choose to take power and energy supply service from the
20 utility. The utility shall file its time-of-use rate tariff no
21 later than 120 days after the effective date of this
22 amendatory Act of the 102nd General Assembly, and each utility
23 subject to this requirement shall implement the requirements
24 of this paragraph by filing a tariff with the Commission. The
25 tariff or tariffs shall be subject to the following
26 provisions:

1 (1) If more than one tariff is proposed, at least one
2 tariff shall include at least 3 time blocks: a peak time
3 block defined as 2 p.m. to 7 p.m. on nonholiday weekdays or
4 the 5 consecutive hours best reflecting the highest system
5 peak demands, an off-peak time block defined as 10 a.m. to
6 2 p.m. and 7 p.m. to 10 p.m. on nonholiday weekdays or the
7 7 total hours, occurring in some combination before and
8 after the peak period, which reflect the next highest
9 system peak demands, and a super-off-peak time block
10 defined as all other hours including weekend days.

11 2) This tariff shall strive to achieve price ratios
12 between the blocks as follows: the super-off-peak time
13 block price shall be no less than zero but no greater than
14 one-half of the price of the off-peak time block price,
15 and the off-peak time block price shall be no greater than
16 one-half of the price of the peak time block price.

17 (3) The time-of-use rate shall include the costs of
18 electric capacity, costs of transmission services, and
19 charges for network integration transmission service,
20 transmission enhancement, and locational reliability, as
21 these terms are defined in the PJM Interconnection LLC
22 Open Access Transmission Tariff and manuals on January 1,
23 2019, within the prices for each time block and seasonal
24 block in which the associated costs generally are
25 incurred. If the Open Access Transmission Tariff or
26 manuals subsequently renames those terms, the services

1 reflected under those terms shall continue to be included
2 in the time-of-use rate described in this paragraph (2).

3 (4) Adjustments to the charges set by the tariff may
4 be made on a semi-annual basis, as follows: each May and
5 November, the utility shall submit to the Commission,
6 through an informational filing, its updated charges, and
7 such charges shall take effect beginning with the June
8 monthly billing period and December monthly billing
9 period, respectively.

10 (5) The tariff shall include a purchased energy
11 adjustment to fully recover the supply costs for the
12 customers taking service under this tariff.

13 "Eligible customers" includes, but is not limited to,
14 customers participating in net electricity metering under the
15 terms of Section 16-107.5.

16 (c) The Commission shall, after notice and hearing,
17 approve the tariff or tariffs with modifications the
18 Commission finds necessary to improve the program design,
19 customer participation in the program, or coordination with
20 existing utility pricing programs, energy efficiency programs,
21 demand response programs, and any other programs supporting
22 Illinois energy policy goals and the integration of
23 distributed energy resources. The Commission shall also
24 consider how the proposed time-of-use rate design reflects the
25 system costs and usage patterns of the utility. A proceeding
26 under this subsection may not exceed 120 days in length.

1 (d) If the Commission issues an order pursuant to this
2 subsection, the affected electric utility shall contract with
3 an entity not affiliated with the electric utility to serve as
4 a program administrator to develop and implement a program to
5 provide consumer outreach, enrollment, and education
6 concerning time-of-use pricing and to establish and administer
7 an information system and technical and other customer
8 assistance that is necessary to enable customers to manage
9 electricity use. The program administrator: (i) shall be
10 selected and compensated by the electric utility, subject to
11 Commission approval; (ii) shall have demonstrated technical
12 and managerial competence in the development and
13 administration of demand management programs; and (iii) may
14 develop and implement risk management, energy efficiency, and
15 other services related to energy use management for which the
16 program administrator shall be compensated by participants in
17 the program receiving such services. The electric utility
18 shall provide the program administrator with all information
19 and assistance necessary to perform the program
20 administrator's duties, including, but not limited to,
21 customer, account, and energy use data. The electric utility
22 shall permit the program administrator to include inserts in
23 residential customer bills 2 times per year to assist with
24 customer outreach and enrollment.

25 The program administrator shall submit an annual report to
26 the electric utility no later than April 1 of each year

1 describing the operation and results of the program, including
2 information concerning the number and types of customers using
3 the program, changes in customers' energy use patterns, an
4 assessment of the value of the program to both participants
5 and nonparticipants, and recommendations concerning
6 modification of the program and the tariff or tariffs filed
7 under this Section. This report shall be filed by the electric
8 utility with the Commission within 30 days after receipt and
9 shall be available to the public on the Commission's website.

10 (e) Once the tariff or tariffs has been in effect for 24
11 months, the Commission may, upon complaint, petition, or its
12 own initiative, open a proceeding to investigate whether
13 changes or modifications to the tariff or tariffs, program
14 administration and any other program design element is
15 necessary to achieve the goals described in subsection (a) of
16 this Section. Such a proceeding may not last more than 120 days
17 from the date upon which the investigation is opened by
18 Commission order.

19 (f) An electric utility shall be entitled to recover
20 reasonable costs incurred in complying with this Section,
21 provided that recovery of the costs is fairly apportioned
22 among its residential customers.

23 (g) The electric utility's tariff or tariffs filed
24 pursuant to this Section shall be subject to the provisions of
25 Article IX of this Act insofar as they do not conflict with
26 this Section.

1 (h) This Section does not apply to any electric utility
2 providing service to 100,000 or fewer customers.

3 (220 ILCS 5/16-107.8 new)

4 Sec. 16-107.8. Beneficial electrification.

5 (a) It is the intent of the General Assembly to decrease
6 reliance on fossil fuels, reduce pollution from the
7 transportation sector, increase access to electrification for
8 all consumers, and ensure that electric vehicle adoption and
9 increased electricity usage and demand do not place
10 significant additional burdens on the electric system and
11 create benefits for Illinois residents.

12 (b) As used in this Section:

13 "Beneficial electrification programs" means programs that
14 lower carbon dioxide emissions, replace fossil fuel use,
15 create cost savings, improve electric grid operations, reduce
16 increases to peak demand, improve electric usage load shape,
17 and align electric usage with times of renewable generation.
18 All beneficial electrification programs shall provide for
19 incentives such that customers are induced to use electricity
20 at times of low overall system usage or at times when
21 generation from renewable energy sources is high. "Beneficial
22 electrification programs" include a portfolio of the
23 following:

24 (1) time-of-use electric rates;

25 (2) hourly pricing electric rates;

1 (3) charging plans or rates set by electric vehicle
2 service providers that encourage off-peak charging;

3 (4) optimized charging programs or programs that
4 encourage charging at times beneficial to the electric
5 grid;

6 (5) demand-response programs specifically related to
7 electrification efforts;

8 (6) incentives for electrification and associated
9 infrastructure tied to using electricity at beneficial
10 times;

11 (7) incentives for electrification and associated
12 infrastructure targeted to medium-duty and heavy-duty
13 vehicles used by transit agencies;

14 (8) incentives for electrification and associated
15 infrastructure targeted to school buses;

16 (9) incentives for electrification and associated
17 infrastructure for medium-duty and heavy-duty government
18 and private fleet vehicles;

19 (10) low-income programs that provide access to
20 electric vehicles for communities where car ownership or
21 new car ownership is not common;

22 (11) incentives for electrification in low-income and
23 environmental justice communities;

24 (12) incentives or programs to enable quicker adoption
25 of electric vehicles by developing public charging
26 stations in dense areas, workplaces, and in low-income

1 communities;

2 (13) incentives or programs to develop electric
3 vehicles infrastructure to ensure electric vehicles can
4 travel statewide, filling the gaps in deployment,
5 particularly in rural areas or along highway corridors;

6 (14) incentives or planning to encourage the
7 development in close proximity of electrification and
8 renewable energy generation to reduce grid impacts; and

9 (15) other such programs as defined by the Commission.

10 "Disadvantaged participant contractor" has the meaning set
11 forth in Clean Jobs, Workforce and Contractor Equity Act.

12 "Displaced energy worker" has the meaning set forth in
13 Section 20-10 of the Energy Community Reinvestment Act.

14 "Environmental justice communities" means the definition
15 of that term based on existing methodologies and findings,
16 used and as may be updated by the Illinois Power Agency and its
17 program administrator in the Illinois Solar for All Program.

18 "Labor peace agreement" means an agreement between an
19 entity and any labor organization recognized under the
20 National Labor Relations Act, referred to in this Act as a bona
21 fide labor organization, that may prohibit labor organizations
22 and members from engaging in picketing, work stoppages,
23 boycotts, and any other economic interference with the entity.
24 This agreement means that the entity has agreed not to disrupt
25 efforts by the bona fide labor organization to communicate
26 with, and attempt to organize and represent, the entity's

1 employees. The agreement shall provide a bona fide labor
2 organization access at reasonable times to areas in which the
3 entity's employees work, for the purpose of meeting with
4 employees to discuss their right to representation, employment
5 rights under State law, and terms and conditions of
6 employment. This type of agreement shall not mandate a
7 particular method of election or certification of the bona
8 fide labor organization.

9 "Low-income" means persons and families whose income does
10 not exceed 80% of area median income, adjusted for family size
11 and revised every 2 years.

12 "Optimized charging programs" mean programs whereby owners
13 of electric vehicles can set their vehicles to be charged
14 based on the electric system's current demand, retail or
15 wholesale market rates, incentives, the carbon or other
16 pollution intensity of the electric generation mix, the
17 provision of grid services, efficient use of the electric
18 grid, or the availability of clean energy generation.
19 Optimized charging programs may be operated by utilities as
20 well as third parties.

21 "BIPOC" and "black, indigenous, and people of color" are
22 identical in meaning and have the same definition as used in
23 the Clean Jobs, Workforce and Contractor Equity Act.

24 (c) No later than November 30, 2021, electric utilities
25 servicing greater than 500,000 customers in the State shall
26 initiate a stakeholder workshop process to solicit input on

1 the design of beneficial electrification programs that the
2 utility shall offer. The stakeholder workshop process shall
3 take into consideration the benefits of electric vehicle
4 adoption and barriers to adoption, including:

5 (1) the benefit of lower bills for customers who do
6 not charge electric vehicles;

7 (2) benefits from electric vehicle usage of the
8 distribution system;

9 (3) the avoidance and reduction in capacity costs from
10 optimized charging and off-peak charging;

11 (4) energy price and cost reductions; and

12 (5) environmental benefits, including greenhouse gas
13 emission and other pollution reductions.

14 (6) current barriers to mass-market adoption,
15 including cost of ownership and availability of charging
16 stations;

17 (7) benefits of and incentives for medium-duty and
18 heavy-duty fleet vehicle electrification;

19 (8) opportunities for environmental justice and
20 low-income communities to benefit from electrification.

21 The workshops should consider barriers, incentives,
22 enabling rate structures, and other opportunities for the
23 bill reduction and environmental benefits described in
24 this subsection.

25 Stakeholders and the electric utilities shall propose
26 discrete beneficial electrification programs and shall provide

1 estimates of the costs and benefits of those programs in the
2 workshops. The process shall be open and transparent with
3 inclusion of stakeholder interests, including stakeholders
4 representing environmental justice and low-income communities.

5 (d) No later than May 31, 2022, electric utilities serving
6 greater than 500,000 customers in the State shall file a
7 Beneficial Electrification Plan with the Illinois Commerce
8 Commission for programs that start no later than January 1,
9 2023. The Beneficial Electrification Plan shall specifically
10 address, at a minimum, the following:

11 (1) the development and implementation of time-of-use
12 rates and their benefit for electric vehicle users and for
13 all customers;

14 (2) the development of optimized charging programs to
15 achieve savings identified, and new contracts and
16 compensation for services in those programs, through
17 signals that allow electric vehicle charging to respond to
18 local system conditions, manage critical peak periods,
19 serve as a demand response or peak resource, and maximize
20 renewable energy use and integration into the grid;

21 (3) plans to address environmental justice interests
22 and the provision of opportunities for residents and
23 businesses in environmental justice communities to
24 directly benefit from transportation electrification;

25 (4) financial and other challenges to electric vehicle
26 usage in low-income communities, and strategies for

1 overcoming those challenges, particularly in communities
2 and for people for whom car ownership is not an option;

3 (5) plans to increase access to Level 3 Public
4 Electric Vehicle Charging Infrastructure located along
5 transportation corridors to serve vehicles that need
6 quicker charging times and vehicles of persons who have no
7 other access to charging infrastructure, regardless of
8 whether those projects participate in optimized charging
9 programs;

10 (6) opportunities for coordination and cohesion with
11 electric vehicle and electric vehicle charging equipment
12 incentives established by any agency, department, board,
13 or commission of the State of Illinois, any other unit of
14 government in the State, any national programs, or any
15 unit of the federal government;

16 (7) ideas for the development of online tools,
17 applications, and data sharing that provide essential
18 information to those charging electric vehicles, and
19 enable an automated charging response to price signals,
20 emission signals, real-time renewable generation
21 production, and other Commission-approved or
22 customer-desired indicators of beneficial charging times;
23 and

24 (8) an outline of proposed customer education
25 measures, including a shadow billing option to allow
26 customers to compare current and historical monthly bills

1 under different rate plans, cost calculators to compare
2 electric vehicles costs with internal combustion engine
3 vehicle costs, the use of utility communications for
4 proactive customer engagement on electric vehicles, rate
5 and cost comparison information materials for car dealers
6 and their customers, and direct outreach to diverse
7 communities through community and other organizations.

8 (e) The initial Beneficial Electrification Plans submitted
9 under subsection (d) shall include at least the following
10 programs:

11 (1) Electric Vehicle Access for All Program. Electric
12 utilities that serve more than 3,000,000 retail customers
13 in the State shall reimburse \$7,500,000 per year, or 15%
14 of the total plan budget, to the Department of Commerce
15 and Economic Opportunity for programs developed under the
16 Electric Vehicle Access for All Program. Electric
17 utilities that serve less than 3,000,000 retail customers
18 but more than 500,000 retail customers in the State shall
19 reimburse \$3,150,000, or 15% of the total plan budget, to
20 the Department of Commerce and Economic Opportunity for
21 programs developed under the Electric Vehicle for All
22 Program.

23 (2) Medium-Duty and Heavy-Duty Vehicle Charging
24 Programs. Electric utilities that serve more than
25 3,000,000 retail customers in the State must offer a
26 rebate program that averages \$25,000,000 per year, or 50%

1 of the program budget, for the duration of the plan for
2 rebates to government entity retail customers to support
3 the electrification of public transit, as well as
4 government, commercial and school bus fleet vehicles.
5 Electric utilities that serve less than 3,000,000 retail
6 customers but more than 500,000 retail customers in the
7 State shall reimburse \$10,500,000, or 50% of the program
8 budget, for the duration of the plan for rebates to
9 government entity retail customers to support the
10 electrification of public transit, as well as government,
11 commercial and school bus fleet vehicles. Rebates for
12 public transit agencies must be used toward the purchase
13 and installation of all-electric transit buses, the
14 purchase and installation of electric vehicle charging
15 infrastructure, or necessary supporting infrastructure, to
16 be used in transit routes that primarily serve low-income
17 communities or environmental justice communities. The
18 amount of the rebate should be designed to cover the
19 expected capital gap and needs of Illinois transit
20 agencies. Rebates for government, commercial, or other
21 retail customers to support the electrification of fleets
22 and school buses must be used toward the purchase and
23 installation of electric transit or school buses, electric
24 vehicle charging infrastructure, or necessary supporting
25 infrastructure, for vehicles that primarily serve or
26 travel through low-income communities or environmental

1 justice communities. Recipients of rebates under this
2 paragraph must participate in an optimized charging
3 program. Operations, whether private or public, that
4 primarily serve governmental or educational institutions,
5 shall be prioritized over commercial vehicle operations
6 that do not primarily serve a governmental or educational
7 institution.

8 (3) Mass-market program. All electric utilities
9 servng more than 500,000 customers may spend up to the
10 remaining plan budget each year on rebates that support
11 the widespread adoption and integration of electric
12 vehicles. Electric utilities serving more than 500,000
13 customers may offer a rebate program that offers retail
14 customers a rebate of up to \$500 for the purchase or
15 installation of electric vehicle charging infrastructure,
16 provided that the customer takes electric service under an
17 hourly pricing program or a time-of-use rate, or
18 participates in an optimized charging program. Further,
19 electric utilities serving more than 500,000 customers
20 shall offer a rebate program to incentivize the purchase
21 and installation of publicly accessible electric vehicle
22 charging stations throughout its service territory, with a
23 prioritization for workplace charging and public charging
24 in dense urban areas and in low-income communities.
25 Finally, electric utilities serving more than 500,000
26 customers shall offer a rebate program to incentivize the

1 development of publicly accessible fast charging stations
2 targeted to fill the gaps in deployment, and along State
3 highway corridors.

4 (f) The Commission shall open an investigation into the
5 electric utility's (if serving more than 500,000 customers)
6 Beneficial Electrification Plan to determine if the proposed
7 plan is cost-beneficial. The plan shall be determined to be
8 cost-beneficial if the total cost of beneficial
9 electrification expenditures is less than the net present
10 value of increased electricity costs (defined as marginal
11 avoided energy, avoided capacity, and avoided transmission and
12 distribution system costs) avoided by programs under the plan,
13 the net present value of reductions in other customer energy
14 costs, and the societal value of reduced carbon emissions and
15 surface-level pollutants, particularly in environmental
16 justice communities. The calculation of costs and benefits
17 should be based on net impacts. The Commission shall review
18 the Plan and determine whether the portfolio of programs or
19 initiatives as a whole is optimized to address all key policy
20 objectives, including: maximizing total energy cost savings,
21 maximizing rate reductions so that nonparticipants can
22 benefit, facilitating better grid management, maximizing
23 carbon emission reductions, reducing other harmful emissions
24 and particularly localized emissions in economically
25 disadvantaged and environmental justice communities, and
26 addressing environmental justice interests by ensuring there

1 are significant opportunities for residents and businesses in
2 environmental justice communities to directly participate in
3 and benefit from programs.

4 (g) Any electric utility serving more than 500,000
5 customers shall update its Beneficial Electrification Plan
6 every 3 years and, beginning with the first update, shall
7 develop the Plan in conjunction with the distribution system
8 planning process described in Section 16-105.17 of this Act,
9 including incorporation of stakeholder feedback from that
10 process.

11 (h) For utilities serving more than 3,000,000 retail
12 customers in the State, the annual total cost of all programs
13 and initiatives in the Beneficial Electrification Plan shall
14 not exceed \$50,000,000 per year and shall be recovered
15 volumetrically from all retail customers as an operating
16 expense in its Multi-Year Rate Plan. For utilities serving
17 less than 3,000,000 retail customers, but more than 500,000
18 retail customers, the annual total cost of all programs and
19 initiatives in the Beneficial Electrification Plan shall not
20 exceed \$21,000,000 per year and shall be recovered
21 volumetrically from all retail customers as an operating
22 expense in its Multi-Year Rate Plan.

23 (i) In meeting the requirements of this Section, to the
24 extent feasible and consistent with State and federal law, all
25 beneficial electrification programs included in Beneficial
26 Electrification Plans shall provide employment opportunities

1 for all segments of the population and workforce, including
2 BIPOC-owned and women-owned business enterprises, as well as
3 BIPOC-owned and women-owned worker-owned cooperatives or other
4 such employee-owned entities, and shall not, consistent with
5 State and federal law, discriminate based on race or
6 socioeconomic status.

7 Specifically, to the extent feasible and consistent with
8 State and federal law, as utilities conduct selection and
9 contracting of businesses, nonprofit organizations, or
10 worker-owned cooperatives for implementation of beneficial
11 electrification programs or projects providing electrification
12 for vehicles and associated electric vehicle infrastructure,
13 utilities must give preference to businesses, nonprofit
14 organizations, or worker-owned cooperatives as described in
15 the workforce equity actions points calculation as specified
16 in this subsection (i). Utilities shall track and award equity
17 actions in selection of businesses, nonprofit organizations,
18 or worker-owned cooperatives, using a points system totaling a
19 maximum of 235 points. This system shall consider both equity
20 actions to meet the goals described in this Section and the bid
21 prices, as specified in paragraphs (1) through (9) of this
22 subsection (i). Businesses, nonprofit organizations, and
23 worker-owned cooperatives that are selected and contracted for
24 implementation of beneficial electrification programs or
25 projects providing electrification for vehicles and associated
26 electric vehicle infrastructure by utilities shall submit no

1 later than June 1 of each applicable year an annual report of
2 elements described in the equity actions points calculation in
3 paragraphs (1) through (9) of this subsection (i) for the
4 first 3 years after the year in which installation contracts
5 were awarded.

6 (1) Hiring Equity Action (up to 20 points): awarded based
7 on the percentage of the company's or entity's workforce
8 (measured by full-time equivalents as defined by the
9 Government Accountability Office of the United States
10 Congress) are black, indigenous, and people of color and are
11 paid at or above the prevailing wage. One point shall be
12 awarded for each 5% of the workforce which is composed of BIPOC
13 persons who are also paid at or above the prevailing wage, up
14 to a maximum of 20 points.

15 (2) Clean Jobs Workforce Hubs and Returning Residents
16 Action (up to 20 points): awarded based on the percentage of
17 the workers associated with the project who are graduates or
18 trainees from the Clean Jobs Workforce Hubs Network Program,
19 or the Returning Residents Clean Jobs Training Program, or
20 equivalent certification, and paid at or above the prevailing
21 wage; one point shall be awarded for each 5% of the workforce
22 which is composed of Clean Jobs Workforce Hubs Network Program
23 graduates or trainees or Returning Residents Clean Jobs
24 Training Program graduates or trainees who are also paid a
25 living wage, up to a maximum of 20 points.

26 (3) BIPOC Business Enterprise Action (30 points): being

1 (i) an entity defined as a minority-owned business under
2 Section 2 of the Business Enterprise for Minorities, Women,
3 and Persons with Disabilities Act or (ii) an entity, including
4 a business, a nonprofit, or a worker-owned cooperative
5 registered with other state, regional, or local programs
6 intended to certify minority-owned entities.

7 (4) Contracting Equity Action (20 points): awarded based
8 on the percentage of the company's or entity's subcontractors
9 or vendors are entities defined as a minority-owned business
10 or a women-owned business under Section 2 of the Business
11 Enterprise for Minorities, Women, and Persons with
12 Disabilities Act or on the percentage of the subcontracted
13 workers associated with the project, including from all
14 subcontractors and vendors, are BIPOC persons (members of a
15 racial or ethnic minority group) paid at or above the
16 prevailing wage; 5 points shall be awarded for each 10% of
17 either subcontractors or subcontractors' workers who are BIPOC
18 persons, whichever is greater, up to a maximum of 20 points. If
19 a company or entity does not use subcontractors or vendors,
20 points awarded for the Contracting Equity Action shall be
21 equivalent to the point value awarded for the Hiring Equity
22 Action under paragraph(1).

23 (5) Expanding Clean Energy Entrepreneurship Action (20
24 points): awarded to entities who are current or former
25 disadvantaged participant contractors in the Expanding Clean
26 Energy Entrepreneurship and Contractor Incubators Network

1 Program or current or former participants in the Illinois
2 Clean Energy Black, Indigenous, and People of Color Primes
3 Contractor Accelerator Program.

4 (6) Community Benefits Action (15 points): (i) for
5 projects 100 kW in size or larger, project has an executed
6 Community Benefits Agreement that could include, but is not
7 limited to a commitment to hire local workers, union workers,
8 energy workers transitioning to clean energy jobs, Clean Jobs
9 Workforce Hubs Network Program graduates, or current or former
10 disadvantaged participant contractors in the Expanding Clean
11 Energy Entrepreneurship and Contractor Incubators Network
12 Program; a commitment to pay workers at or above the
13 prevailing wage; and a commitment to give communities
14 ownership opportunities in electric vehicle projects, where
15 relevant; and (ii) for projects under 100 kW in size,
16 companies pay their workforces at or above the prevailing
17 wage.

18 (7) Small Business Action (15 points): the entity's
19 workforce is composed of 3 or fewer full-time employees
20 (measured by full-time equivalents as defined by the
21 Government Accountability Office of the United States
22 Congress).

23 (8) Labor Peace Agreements Action (10 points): (i) for an
24 installer with 20 or more employees: the installer attests
25 that the installer has entered into a labor peace agreement,
26 will abide by the terms of the agreement, and will submit a

1 copy of the page of the labor peace agreement that contains the
2 signatures of the union representative and the installer, or
3 (ii) for an installer that is a party to a labor peace
4 agreement with a bona fide labor organization that currently
5 represents, or is actively seeking to represent electric
6 vehicle infrastructure and equipment installers and other
7 workers in Illinois, or (iii) the installer submits an
8 attestation affirming that the installer will use best efforts
9 to use union labor in the installer's projects and in the
10 construction or retrofit of the facilities associated with the
11 installer's electric vehicle infrastructure and equipment
12 operations, where applicable.

13 (9) Price of bid (130 points): as scored by utilities
14 awarding contracts to electric vehicle installers.

15 Bids scoring fewer than 135 points shall not be awarded
16 contracts.

17 (220 ILCS 5/16-108)

18 Sec. 16-108. Recovery of costs associated with the
19 provision of delivery and other services.

20 (a) An electric utility shall file a delivery services
21 tariff with the Commission at least 210 days prior to the date
22 that it is required to begin offering such services pursuant
23 to this Act. An electric utility shall provide the components
24 of delivery services that are subject to the jurisdiction of
25 the Federal Energy Regulatory Commission at the same prices,

1 terms and conditions set forth in its applicable tariff as
2 approved or allowed into effect by that Commission. The
3 Commission shall otherwise have the authority pursuant to
4 Article IX to review, approve, and modify the prices, terms
5 and conditions of those components of delivery services not
6 subject to the jurisdiction of the Federal Energy Regulatory
7 Commission, including the authority to determine the extent to
8 which such delivery services should be offered on an unbundled
9 basis. In making any such determination the Commission shall
10 consider, at a minimum, the effect of additional unbundling on
11 (i) the objective of just and reasonable rates, (ii) electric
12 utility employees, and (iii) the development of competitive
13 markets for electric energy services in Illinois.

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

19 (c) The electric utility's tariffs shall define the
20 classes of its customers for purposes of delivery services
21 charges. Delivery services shall be priced and made available
22 to all retail customers electing delivery services in each
23 such class on a nondiscriminatory basis regardless of whether
24 the retail customer chooses the electric utility, an affiliate
25 of the electric utility, or another entity as its supplier of
26 electric power and energy. Charges for delivery services shall

1 be cost based, and shall allow the electric utility to recover
2 the costs of providing delivery services through its charges
3 to its delivery service customers that use the facilities and
4 services associated with such costs. Such costs shall include
5 the costs of owning, operating and maintaining transmission
6 and distribution facilities. The Commission shall also be
7 authorized to consider whether, and if so to what extent, the
8 following costs are appropriately included in the electric
9 utility's delivery services rates: (i) the costs of that
10 portion of generation facilities used for the production and
11 absorption of reactive power in order that retail customers
12 located in the electric utility's service area can receive
13 electric power and energy from suppliers other than the
14 electric utility, and (ii) the costs associated with the use
15 and redispatch of generation facilities to mitigate
16 constraints on the transmission or distribution system in
17 order that retail customers located in the electric utility's
18 service area can receive electric power and energy from
19 suppliers other than the electric utility. Nothing in this
20 subsection shall be construed as directing the Commission to
21 allocate any of the costs described in (i) or (ii) that are
22 found to be appropriately included in the electric utility's
23 delivery services rates to any particular customer group or
24 geographic area in setting delivery services rates.

25 (d) The Commission shall establish charges, terms and
26 conditions for delivery services that are just and reasonable

1 and shall take into account customer impacts when establishing
2 such charges. In establishing charges, terms and conditions
3 for delivery services, the Commission shall take into account
4 voltage level differences. A retail customer shall have the
5 option to request to purchase electric service at any delivery
6 service voltage reasonably and technically feasible from the
7 electric facilities serving that customer's premises provided
8 that there are no significant adverse impacts upon system
9 reliability or system efficiency. A retail customer shall also
10 have the option to request to purchase electric service at any
11 point of delivery that is reasonably and technically feasible
12 provided that there are no significant adverse impacts on
13 system reliability or efficiency. Such requests shall not be
14 unreasonably denied.

15 (e) Electric utilities shall recover the costs of
16 installing, operating or maintaining facilities for the
17 particular benefit of one or more delivery services customers,
18 including without limitation any costs incurred in complying
19 with a customer's request to be served at a different voltage
20 level, directly from the retail customer or customers for
21 whose benefit the costs were incurred, to the extent such
22 costs are not recovered through the charges referred to in
23 subsections (c) and (d) of this Section.

24 (f) An electric utility shall be entitled but not required
25 to implement transition charges in conjunction with the
26 offering of delivery services pursuant to Section 16-104. If

1 an electric utility implements transition charges, it shall
2 implement such charges for all delivery services customers and
3 for all customers described in subsection (h), but shall not
4 implement transition charges for power and energy that a
5 retail customer takes from cogeneration or self-generation
6 facilities located on that retail customer's premises, if such
7 facilities meet the following criteria:

8 (i) the cogeneration or self-generation facilities
9 serve a single retail customer and are located on that
10 retail customer's premises (for purposes of this
11 subparagraph and subparagraph (ii), an industrial or
12 manufacturing retail customer and a third party contractor
13 that is served by such industrial or manufacturing
14 customer through such retail customer's own electrical
15 distribution facilities under the circumstances described
16 in subsection (vi) of the definition of "alternative
17 retail electric supplier" set forth in Section 16-102,
18 shall be considered a single retail customer);

19 (ii) the cogeneration or self-generation facilities
20 either (A) are sized pursuant to generally accepted
21 engineering standards for the retail customer's electrical
22 load at that premises (taking into account standby or
23 other reliability considerations related to that retail
24 customer's operations at that site) or (B) if the facility
25 is a cogeneration facility located on the retail
26 customer's premises, the retail customer is the thermal

1 host for that facility and the facility has been designed
2 to meet that retail customer's thermal energy requirements
3 resulting in electrical output beyond that retail
4 customer's electrical demand at that premises, comply with
5 the operating and efficiency standards applicable to
6 "qualifying facilities" specified in title 18 Code of
7 Federal Regulations Section 292.205 as in effect on the
8 effective date of this amendatory Act of 1999;

9 (iii) the retail customer on whose premises the
10 facilities are located either has an exclusive right to
11 receive, and corresponding obligation to pay for, all of
12 the electrical capacity of the facility, or in the case of
13 a cogeneration facility that has been designed to meet the
14 retail customer's thermal energy requirements at that
15 premises, an identified amount of the electrical capacity
16 of the facility, over a minimum 5-year period; and

17 (iv) if the cogeneration facility is sized for the
18 retail customer's thermal load at that premises but
19 exceeds the electrical load, any sales of excess power or
20 energy are made only at wholesale, are subject to the
21 jurisdiction of the Federal Energy Regulatory Commission,
22 and are not for the purpose of circumventing the
23 provisions of this subsection (f).

24 If a generation facility located at a retail customer's
25 premises does not meet the above criteria, an electric utility
26 implementing transition charges shall implement a transition

1 charge until December 31, 2006 for any power and energy taken
2 by such retail customer from such facility as if such power and
3 energy had been delivered by the electric utility. Provided,
4 however, that an industrial retail customer that is taking
5 power from a generation facility that does not meet the above
6 criteria but that is located on such customer's premises will
7 not be subject to a transition charge for the power and energy
8 taken by such retail customer from such generation facility if
9 the facility does not serve any other retail customer and
10 either was installed on behalf of the customer and for its own
11 use prior to January 1, 1997, or is both predominantly fueled
12 by byproducts of such customer's manufacturing process at such
13 premises and sells or offers an average of 300 megawatts or
14 more of electricity produced from such generation facility
15 into the wholesale market. Such charges shall be calculated as
16 provided in Section 16-102, and shall be collected on each
17 kilowatt-hour delivered under a delivery services tariff to a
18 retail customer from the date the customer first takes
19 delivery services until December 31, 2006 except as provided
20 in subsection (h) of this Section. Provided, however, that an
21 electric utility, other than an electric utility providing
22 service to at least 1,000,000 customers in this State on
23 January 1, 1999, shall be entitled to petition for entry of an
24 order by the Commission authorizing the electric utility to
25 implement transition charges for an additional period ending
26 no later than December 31, 2008. The electric utility shall

1 file its petition with supporting evidence no earlier than 16
2 months, and no later than 12 months, prior to December 31,
3 2006. The Commission shall hold a hearing on the electric
4 utility's petition and shall enter its order no later than 8
5 months after the petition is filed. The Commission shall
6 determine whether and to what extent the electric utility
7 shall be authorized to implement transition charges for an
8 additional period. The Commission may authorize the electric
9 utility to implement transition charges for some or all of the
10 additional period, and shall determine the mitigation factors
11 to be used in implementing such transition charges; provided,
12 that the Commission shall not authorize mitigation factors
13 less than 110% of those in effect during the 12 months ended
14 December 31, 2006. In making its determination, the Commission
15 shall consider the following factors: the necessity to
16 implement transition charges for an additional period in order
17 to maintain the financial integrity of the electric utility;
18 the prudence of the electric utility's actions in reducing its
19 costs since the effective date of this amendatory Act of 1997;
20 the ability of the electric utility to provide safe, adequate
21 and reliable service to retail customers in its service area;
22 and the impact on competition of allowing the electric utility
23 to implement transition charges for the additional period.

24 (g) The electric utility shall file tariffs that establish
25 the transition charges to be paid by each class of customers to
26 the electric utility in conjunction with the provision of

1 delivery services. The electric utility's tariffs shall define
2 the classes of its customers for purposes of calculating
3 transition charges. The electric utility's tariffs shall
4 provide for the calculation of transition charges on a
5 customer-specific basis for any retail customer whose average
6 monthly maximum electrical demand on the electric utility's
7 system during the 6 months with the customer's highest monthly
8 maximum electrical demands equals or exceeds 3.0 megawatts for
9 electric utilities having more than 1,000,000 customers, and
10 for other electric utilities for any customer that has an
11 average monthly maximum electrical demand on the electric
12 utility's system of one megawatt or more, and (A) for which
13 there exists data on the customer's usage during the 3 years
14 preceding the date that the customer became eligible to take
15 delivery services, or (B) for which there does not exist data
16 on the customer's usage during the 3 years preceding the date
17 that the customer became eligible to take delivery services,
18 if in the electric utility's reasonable judgment there exists
19 comparable usage information or a sufficient basis to develop
20 such information, and further provided that the electric
21 utility can require customers for which an individual
22 calculation is made to sign contracts that set forth the
23 transition charges to be paid by the customer to the electric
24 utility pursuant to the tariff.

25 (h) An electric utility shall also be entitled to file
26 tariffs that allow it to collect transition charges from

1 retail customers in the electric utility's service area that
2 do not take delivery services but that take electric power or
3 energy from an alternative retail electric supplier or from an
4 electric utility other than the electric utility in whose
5 service area the customer is located. Such charges shall be
6 calculated, in accordance with the definition of transition
7 charges in Section 16-102, for the period of time that the
8 customer would be obligated to pay transition charges if it
9 were taking delivery services, except that no deduction for
10 delivery services revenues shall be made in such calculation,
11 and usage data from the customer's class shall be used where
12 historical usage data is not available for the individual
13 customer. The customer shall be obligated to pay such charges
14 on a lump sum basis on or before the date on which the customer
15 commences to take service from the alternative retail electric
16 supplier or other electric utility, provided, that the
17 electric utility in whose service area the customer is located
18 shall offer the customer the option of signing a contract
19 pursuant to which the customer pays such charges ratably over
20 the period in which the charges would otherwise have applied.

21 (i) An electric utility shall be entitled to add to the
22 bills of delivery services customers charges pursuant to
23 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
24 and Section 16-114 of this Act, Section 5-5 of the Electricity
25 Infrastructure Maintenance Fee Law, Section 6-5 of the
26 Renewable Energy, Energy Efficiency, and Coal Resources

1 Development Law of 1997, and Section 13 of the Energy
2 Assistance Act.

3 (j) If a retail customer that obtains electric power and
4 energy from cogeneration or self-generation facilities
5 installed for its own use on or before January 1, 1997,
6 subsequently takes service from an alternative retail electric
7 supplier or an electric utility other than the electric
8 utility in whose service area the customer is located for any
9 portion of the customer's electric power and energy
10 requirements formerly obtained from those facilities
11 (including that amount purchased from the utility in lieu of
12 such generation and not as standby power purchases, under a
13 cogeneration displacement tariff in effect as of the effective
14 date of this amendatory Act of 1997), the transition charges
15 otherwise applicable pursuant to subsections (f), (g), or (h)
16 of this Section shall not be applicable in any year to that
17 portion of the customer's electric power and energy
18 requirements formerly obtained from those facilities,
19 provided, that for purposes of this subsection (j), such
20 portion shall not exceed the average number of kilowatt-hours
21 per year obtained from the cogeneration or self-generation
22 facilities during the 3 years prior to the date on which the
23 customer became eligible for delivery services, except as
24 provided in subsection (f) of Section 16-110.

25 (k) The electric utility shall be entitled to recover
26 through tariffed charges all of the costs associated with the

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

1 such customers through a single, uniform cents per
2 kilowatt-hour charge applicable to such retail customers,
3 which shall appear as a separate line item on each such
4 customer's bill.

5 Notwithstanding whether the Commission has approved the
6 initial long-term renewable resources procurement plan as of
7 June 1, 2017, an electric utility shall place new tariffed
8 charges into effect beginning with the June 2017 monthly
9 billing period, to the extent practicable, to begin recovering
10 the costs of procuring renewable energy resources, as those
11 charges are calculated under the limitations described in
12 subparagraph (E) of paragraph (1) of subsection (c) of Section
13 1-75 of the Illinois Power Agency Act. Notwithstanding the
14 date on which the utility places such new tariffed charges
15 into effect, the utility shall be permitted to collect the
16 charges under such tariff as if the tariff had been in effect
17 beginning with the first day of the June 2017 monthly billing
18 period. Money collected from customers for the procurement of
19 renewable energy resources in a given delivery may be spent by
20 the utility for the procurement of renewable resources over
21 any of the following 5 delivery years, after which money shall
22 be credited back to retail customers, provided that up to
23 \$170,000,000 of funds collected, but not used, in a given
24 delivery year are first made available to the Illinois Solar
25 for All Program established under subsection (b) of Section
26 1-56 of the Illinois Power Agency Act to cover budget

1 shortfalls due to unexpected fluctuations in the amount of
2 money available to that Program from the Illinois Power Agency
3 Renewable Energy Resources Fund. The electric utility shall
4 spend all money collected in earlier delivery years that has
5 not yet been returned to customers, first, before spending
6 money collected in later delivery years. The ~~For the delivery~~
7 ~~years commencing June 1, 2017, June 1, 2018, and June 1, 2019,~~
8 ~~the~~ electric utility shall deposit into a separate interest
9 bearing account of a financial institution the monies
10 collected under the tariffed charges. Any interest earned
11 shall be credited back to retail customers under the
12 reconciliation proceeding provided for in this subsection (k),
13 provided that the electric utility shall first be reimbursed
14 from the interest for the administrative costs that it incurs
15 to administer and manage the account. Any taxes due on the
16 funds in the account, or interest earned on it, will be paid
17 from the account or, if insufficient monies are available in
18 the account, from the monies collected under the tariffed
19 charges to recover the costs of procuring renewable energy
20 resources. Monies deposited in the account shall be subject to
21 the review, reconciliation, and true-up process described in
22 this subsection (k) that is applicable to the funds collected
23 and costs incurred for the procurement of renewable energy
24 resources.

25 The electric utility shall be entitled to recover all of
26 the costs identified in this subsection (k) through automatic

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

1 Nothing in this subsection (k) is intended to affect,
2 limit, or change the right of the electric utility to recover
3 the costs associated with the procurement of renewable energy
4 resources for periods commencing before, on, or after June 1,
5 2017, as otherwise provided in the Illinois Power Agency Act.

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

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

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

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

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

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

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

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

25 (m) (1) An electric utility that recovers its costs of
26 procuring zero emission credits from zero emission

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

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

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

1 cents-per-kilowatthour charges identified in subparagraph
2 (B) of this paragraph (2):

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

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

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

1 (ii) the cents-per-kilowatthour charge to
2 recover the costs incurred by the utility under
3 Section 16-107.6 of the Public Utilities Act.

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

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

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

1 reduction will be required in the next year.

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

3 (220 ILCS 5/16-108.5)

4 Sec. 16-108.5. Infrastructure investment and
5 modernization; regulatory reform.

6 (a) (Blank).

7 (b) For purposes of this Section, "participating utility"
8 means an electric utility or a combination utility serving
9 more than 1,000,000 customers in Illinois that voluntarily
10 elects and commits to undertake (i) the infrastructure
11 investment program consisting of the commitments and
12 obligations described in this subsection (b) and (ii) the
13 customer assistance program consisting of the commitments and
14 obligations described in subsection (b-10) of this Section,
15 notwithstanding any other provisions of this Act and without
16 obtaining any approvals from the Commission or any other
17 agency other than as set forth in this Section, regardless of
18 whether any such approval would otherwise be required.
19 "Combination utility" means a utility that, as of January 1,
20 2011, provided electric service to at least one million retail
21 customers in Illinois and gas service to at least 500,000
22 retail customers in Illinois. A participating utility shall
23 recover the expenditures made under the infrastructure
24 investment program through the ratemaking process, including,
25 but not limited to, the performance-based formula rate and

1 process set forth in this Section.

2 During the infrastructure investment program's peak
3 program year, a participating utility other than a combination
4 utility shall create 2,000 full-time equivalent jobs in
5 Illinois, and a participating utility that is a combination
6 utility shall create 450 full-time equivalent jobs in Illinois
7 related to the provision of electric service. These jobs shall
8 include direct jobs, contractor positions, and induced jobs,
9 but shall not include any portion of a job commitment, not
10 specifically contingent on an amendatory Act of the 97th
11 General Assembly becoming law, between a participating utility
12 and a labor union that existed on December 30, 2011 (the
13 effective date of Public Act 97-646) and that has not yet been
14 fulfilled. A portion of the full-time equivalent jobs created
15 by each participating utility shall include incremental
16 personnel hired subsequent to December 30, 2011 (the effective
17 date of Public Act 97-646). For purposes of this Section,
18 "peak program year" means the consecutive 12-month period with
19 the highest number of full-time equivalent jobs that occurs
20 between the beginning of investment year 2 and the end of
21 investment year 4.

22 A participating utility shall meet one of the following
23 commitments, as applicable:

24 (1) Beginning no later than 180 days after a
25 participating utility other than a combination utility
26 files a performance-based formula rate tariff pursuant to

1 subsection (c) of this Section, or, beginning no later
2 than January 1, 2012 if such utility files such
3 performance-based formula rate tariff within 14 days of
4 October 26, 2011 (the effective date of Public Act
5 97-616), the participating utility shall, except as
6 provided in subsection (b-5):

7 (A) over a 5-year period, invest an estimated
8 \$1,300,000,000 in electric system upgrades,
9 modernization projects, and training facilities,
10 including, but not limited to:

11 (i) distribution infrastructure improvements
12 totaling an estimated \$1,000,000,000, including
13 underground residential distribution cable
14 injection and replacement and mainline cable
15 system refurbishment and replacement projects;

16 (ii) training facility construction or upgrade
17 projects totaling an estimated \$10,000,000,
18 provided that, at a minimum, one such facility
19 shall be located in a municipality having a
20 population of more than 2 million residents and
21 one such facility shall be located in a
22 municipality having a population of more than
23 150,000 residents but fewer than 170,000
24 residents; any such new facility located in a
25 municipality having a population of more than 2
26 million residents must be designed for the purpose

1 of obtaining, and the owner of the facility shall
2 apply for, certification under the United States
3 Green Building Council's Leadership in Energy
4 Efficiency Design Green Building Rating System;

5 (iii) wood pole inspection, treatment, and
6 replacement programs;

7 (iv) an estimated \$200,000,000 for reducing
8 the susceptibility of certain circuits to
9 storm-related damage, including, but not limited
10 to, high winds, thunderstorms, and ice storms;
11 improvements may include, but are not limited to,
12 overhead to underground conversion and other
13 engineered outcomes for circuits; the
14 participating utility shall prioritize the
15 selection of circuits based on each circuit's
16 historical susceptibility to storm-related damage
17 and the ability to provide the greatest customer
18 benefit upon completion of the improvements; to be
19 eligible for improvement, the participating
20 utility's ability to maintain proper tree
21 clearances surrounding the overhead circuit must
22 not have been impeded by third parties; and

23 (B) over a 10-year period, invest an estimated
24 \$1,300,000,000 to upgrade and modernize its
25 transmission and distribution infrastructure and in
26 Smart Grid electric system upgrades, including, but

1 not limited to:

2 (i) additional smart meters;

3 (ii) distribution automation;

4 (iii) associated cyber secure data
5 communication network; and

6 (iv) substation micro-processor relay
7 upgrades.

8 (2) Beginning no later than 180 days after a
9 participating utility that is a combination utility files
10 a performance-based formula rate tariff pursuant to
11 subsection (c) of this Section, or, beginning no later
12 than January 1, 2012 if such utility files such
13 performance-based formula rate tariff within 14 days of
14 October 26, 2011 (the effective date of Public Act
15 97-616), the participating utility shall, except as
16 provided in subsection (b-5):

17 (A) over a 10-year period, invest an estimated
18 \$265,000,000 in electric system upgrades,
19 modernization projects, and training facilities,
20 including, but not limited to:

21 (i) distribution infrastructure improvements
22 totaling an estimated \$245,000,000, which may
23 include bulk supply substations, transformers,
24 reconductoring, and rebuilding overhead
25 distribution and sub-transmission lines,
26 underground residential distribution cable

1 injection and replacement and mainline cable
2 system refurbishment and replacement projects;

3 (ii) training facility construction or upgrade
4 projects totaling an estimated \$1,000,000; any
5 such new facility must be designed for the purpose
6 of obtaining, and the owner of the facility shall
7 apply for, certification under the United States
8 Green Building Council's Leadership in Energy
9 Efficiency Design Green Building Rating System;
10 and

11 (iii) wood pole inspection, treatment, and
12 replacement programs; and

13 (B) over a 10-year period, invest an estimated
14 \$360,000,000 to upgrade and modernize its transmission
15 and distribution infrastructure and in Smart Grid
16 electric system upgrades, including, but not limited
17 to:

18 (i) additional smart meters;

19 (ii) distribution automation;

20 (iii) associated cyber secure data
21 communication network; and

22 (iv) substation micro-processor relay
23 upgrades.

24 For purposes of this Section, "Smart Grid electric system
25 upgrades" shall have the meaning set forth in subsection (a)
26 of Section 16-108.6 of this Act.

1 The investments in the infrastructure investment program
2 described in this subsection (b) shall be incremental to the
3 participating utility's annual capital investment program, as
4 defined by, for purposes of this subsection (b), the
5 participating utility's average capital spend for calendar
6 years 2008, 2009, and 2010 as reported in the applicable
7 Federal Energy Regulatory Commission (FERC) Form 1; provided
8 that where one or more utilities have merged, the average
9 capital spend shall be determined using the aggregate of the
10 merged utilities' capital spend reported in FERC Form 1 for
11 the years 2008, 2009, and 2010. A participating utility may
12 add reasonable construction ramp-up and ramp-down time to the
13 investment periods specified in this subsection (b). For each
14 such investment period, the ramp-up and ramp-down time shall
15 not exceed a total of 6 months.

16 Within 60 days after filing a tariff under subsection (c)
17 of this Section, a participating utility shall submit to the
18 Commission its plan, including scope, schedule, and staffing,
19 for satisfying its infrastructure investment program
20 commitments pursuant to this subsection (b). The submitted
21 plan shall include a schedule and staffing plan for the next
22 calendar year. The plan shall also include a plan for the
23 creation, operation, and administration of a Smart Grid test
24 bed as described in subsection (c) of Section 16-108.8. The
25 plan need not allocate the work equally over the respective
26 periods, but should allocate material increments throughout

1 such periods commensurate with the work to be undertaken. No
2 later than April 1 of each subsequent year, the utility shall
3 submit to the Commission a report that includes any updates to
4 the plan, a schedule for the next calendar year, the
5 expenditures made for the prior calendar year and
6 cumulatively, and the number of full-time equivalent jobs
7 created for the prior calendar year and cumulatively. If the
8 utility is materially deficient in satisfying a schedule or
9 staffing plan, then the report must also include a corrective
10 action plan to address the deficiency. The fact that the plan,
11 implementation of the plan, or a schedule changes shall not
12 imply the imprudence or unreasonableness of the infrastructure
13 investment program, plan, or schedule. Further, no later than
14 45 days following the last day of the first, second, and third
15 quarters of each year of the plan, a participating utility
16 shall submit to the Commission a verified quarterly report for
17 the prior quarter that includes (i) the total number of
18 full-time equivalent jobs created during the prior quarter,
19 (ii) the total number of employees as of the last day of the
20 prior quarter, (iii) the total number of full-time equivalent
21 hours in each job classification or job title, (iv) the total
22 number of incremental employees and contractors in support of
23 the investments undertaken pursuant to this subsection (b) for
24 the prior quarter, and (v) any other information that the
25 Commission may require by rule.

26 With respect to the participating utility's peak job

1 commitment, if, after considering the utility's corrective
2 action plan and compliance thereunder, the Commission enters
3 an order finding, after notice and hearing, that a
4 participating utility did not satisfy its peak job commitment
5 described in this subsection (b) for reasons that are
6 reasonably within its control, then the Commission shall also
7 determine, after consideration of the evidence, including, but
8 not limited to, evidence submitted by the Department of
9 Commerce and Economic Opportunity and the utility, the
10 deficiency in the number of full-time equivalent jobs during
11 the peak program year due to such failure. The Commission
12 shall notify the Department of any proceeding that is
13 initiated pursuant to this paragraph. For each full-time
14 equivalent job deficiency during the peak program year that
15 the Commission finds as set forth in this paragraph, the
16 participating utility shall, within 30 days after the entry of
17 the Commission's order, pay \$6,000 to a fund for training
18 grants administered under Section 605-800 of the Department of
19 Commerce and Economic Opportunity Law, which shall not be a
20 recoverable expense.

21 With respect to the participating utility's investment
22 amount commitments, if, after considering the utility's
23 corrective action plan and compliance thereunder, the
24 Commission enters an order finding, after notice and hearing,
25 that a participating utility is not satisfying its investment
26 amount commitments described in this subsection (b), then the

1 utility shall no longer be eligible to annually update the
2 performance-based formula rate tariff pursuant to subsection
3 (d) of this Section. In such event, the then current rates
4 shall remain in effect until such time as new rates are set
5 pursuant to Article IX of this Act, subject to retroactive
6 adjustment, with interest, to reconcile rates charged with
7 actual costs.

8 If the Commission finds that a participating utility is no
9 longer eligible to update the performance-based formula rate
10 tariff pursuant to subsection (d) of this Section, or the
11 performance-based formula rate is otherwise terminated, then
12 the participating utility's voluntary commitments and
13 obligations under this subsection (b) shall immediately
14 terminate, except for the utility's obligation to pay an
15 amount already owed to the fund for training grants pursuant
16 to a Commission order.

17 In meeting the obligations of this subsection (b), to the
18 extent feasible and consistent with State and federal law, the
19 investments under the infrastructure investment program should
20 provide employment opportunities for all segments of the
21 population and workforce, including black, indigenous, and
22 people of color-owned and women-owned ~~minority-owned and~~
23 ~~female-owned~~ business enterprises, and shall not, consistent
24 with State and federal law, discriminate based on race or
25 socioeconomic status.

26 (b-5) Nothing in this Section shall prohibit the

1 Commission from investigating the prudence and reasonableness
2 of the expenditures made under the infrastructure investment
3 program during the annual review required by subsection (d) of
4 this Section and shall, as part of such investigation,
5 determine whether the utility's actual costs under the program
6 are prudent and reasonable. The fact that a participating
7 utility invests more than the minimum amounts specified in
8 subsection (b) of this Section or its plan shall not imply
9 imprudence or unreasonableness.

10 If the participating utility finds that it is implementing
11 its plan for satisfying the infrastructure investment program
12 commitments described in subsection (b) of this Section at a
13 cost below the estimated amounts specified in subsection (b)
14 of this Section, then the utility may file a petition with the
15 Commission requesting that it be permitted to satisfy its
16 commitments by spending less than the estimated amounts
17 specified in subsection (b) of this Section. The Commission
18 shall, after notice and hearing, enter its order approving, or
19 approving as modified, or denying each such petition within
20 150 days after the filing of the petition.

21 In no event, absent General Assembly approval, shall the
22 capital investment costs incurred by a participating utility
23 other than a combination utility in satisfying its
24 infrastructure investment program commitments described in
25 subsection (b) of this Section exceed \$3,000,000,000 or, for a
26 participating utility that is a combination utility,

1 \$720,000,000. If the participating utility's updated cost
2 estimates for satisfying its infrastructure investment program
3 commitments described in subsection (b) of this Section exceed
4 the limitation imposed by this subsection (b-5), then it shall
5 submit a report to the Commission that identifies the
6 increased costs and explains the reason or reasons for the
7 increased costs no later than the year in which the utility
8 estimates it will exceed the limitation. The Commission shall
9 review the report and shall, within 90 days after the
10 participating utility files the report, report to the General
11 Assembly its findings regarding the participating utility's
12 report. If the General Assembly does not amend the limitation
13 imposed by this subsection (b-5), then the utility may modify
14 its plan so as not to exceed the limitation imposed by this
15 subsection (b-5) and may propose corresponding changes to the
16 metrics established pursuant to subparagraphs (5) through (8)
17 of subsection (f) of this Section, and the Commission may
18 modify the metrics and incremental savings goals established
19 pursuant to subsection (f) of this Section accordingly.

20 (b-10) All participating utilities shall make
21 contributions for an energy low-income and support program in
22 accordance with this subsection. Beginning no later than 180
23 days after a participating utility files a performance-based
24 formula rate tariff pursuant to subsection (c) of this
25 Section, or beginning no later than January 1, 2012 if such
26 utility files such performance-based formula rate tariff

1 within 14 days of December 30, 2011 (the effective date of
2 Public Act 97-646), and without obtaining any approvals from
3 the Commission or any other agency other than as set forth in
4 this Section, regardless of whether any such approval would
5 otherwise be required, a participating utility other than a
6 combination utility shall pay \$10,000,000 per year for 5 years
7 and a participating utility that is a combination utility
8 shall pay \$1,000,000 per year for 10 years to the energy
9 low-income and support program, which is intended to fund
10 customer assistance programs with the primary purpose being
11 avoidance of imminent disconnection. Such programs may
12 include:

13 (1) a residential hardship program that may partner
14 with community-based organizations, including senior
15 citizen organizations, and provides grants to low-income
16 residential customers, including low-income senior
17 citizens, who demonstrate a hardship;

18 (2) a program that provides grants and other bill
19 payment concessions to veterans with disabilities who
20 demonstrate a hardship and members of the armed services
21 or reserve forces of the United States or members of the
22 Illinois National Guard who are on active duty pursuant to
23 an executive order of the President of the United States,
24 an act of the Congress of the United States, or an order of
25 the Governor and who demonstrate a hardship;

26 (3) a budget assistance program that provides tools

1 and education to low-income senior citizens to assist them
2 with obtaining information regarding energy usage and
3 effective means of managing energy costs;

4 (4) a non-residential special hardship program that
5 provides grants to non-residential customers such as small
6 businesses and non-profit organizations that demonstrate a
7 hardship, including those providing services to senior
8 citizen and low-income customers; and

9 (5) a performance-based assistance program that
10 provides grants to encourage residential customers to make
11 on-time payments by matching a portion of the customer's
12 payments or providing credits towards arrearages.

13 The payments made by a participating utility pursuant to
14 this subsection (b-10) shall not be a recoverable expense. A
15 participating utility may elect to fund either new or existing
16 customer assistance programs, including, but not limited to,
17 those that are administered by the utility.

18 Programs that use funds that are provided by a
19 participating utility to reduce utility bills may be
20 implemented through tariffs that are filed with and reviewed
21 by the Commission. If a utility elects to file tariffs with the
22 Commission to implement all or a portion of the programs,
23 those tariffs shall, regardless of the date actually filed, be
24 deemed accepted and approved, and shall become effective on
25 December 30, 2011 (the effective date of Public Act 97-646).
26 The participating utilities whose customers benefit from the

1 funds that are disbursed as contemplated in this Section shall
2 file annual reports documenting the disbursement of those
3 funds with the Commission. The Commission has the authority to
4 audit disbursement of the funds to ensure they were disbursed
5 consistently with this Section.

6 If the Commission finds that a participating utility is no
7 longer eligible to update the performance-based formula rate
8 tariff pursuant to subsection (d) of this Section, or the
9 performance-based formula rate is otherwise terminated, then
10 the participating utility's voluntary commitments and
11 obligations under this subsection (b-10) shall immediately
12 terminate.

13 (c) A participating utility may elect to recover its
14 delivery services costs through a performance-based formula
15 rate approved by the Commission, which shall specify the cost
16 components that form the basis of the rate charged to
17 customers with sufficient specificity to operate in a
18 standardized manner and be updated annually with transparent
19 information that reflects the utility's actual costs to be
20 recovered during the applicable rate year, which is the period
21 beginning with the first billing day of January and extending
22 through the last billing day of the following December. In the
23 event the utility recovers a portion of its costs through
24 automatic adjustment clause tariffs on October 26, 2011 (the
25 effective date of Public Act 97-616), the utility may elect to
26 continue to recover these costs through such tariffs, but then

1 these costs shall not be recovered through the
2 performance-based formula rate. In the event the participating
3 utility, prior to December 30, 2011 (the effective date of
4 Public Act 97-646), filed electric delivery services tariffs
5 with the Commission pursuant to Section 9-201 of this Act that
6 are related to the recovery of its electric delivery services
7 costs that are still pending on December 30, 2011 (the
8 effective date of Public Act 97-646), the participating
9 utility shall, at the time it files its performance-based
10 formula rate tariff with the Commission, also file a notice of
11 withdrawal with the Commission to withdraw the electric
12 delivery services tariffs previously filed pursuant to Section
13 9-201 of this Act. Upon receipt of such notice, the Commission
14 shall dismiss with prejudice any docket that had been
15 initiated to investigate the electric delivery services
16 tariffs filed pursuant to Section 9-201 of this Act, and such
17 tariffs and the record related thereto shall not be the
18 subject of any further hearing, investigation, or proceeding
19 of any kind related to rates for electric delivery services.

20 The performance-based formula rate shall be implemented
21 through a tariff filed with the Commission consistent with the
22 provisions of this subsection (c) that shall be applicable to
23 all delivery services customers. The Commission shall initiate
24 and conduct an investigation of the tariff in a manner
25 consistent with the provisions of this subsection (c) and the
26 provisions of Article IX of this Act to the extent they do not

1 conflict with this subsection (c). Except in the case where
2 the Commission finds, after notice and hearing, that a
3 participating utility is not satisfying its investment amount
4 commitments under subsection (b) of this Section, the
5 performance-based formula rate shall remain in effect at the
6 discretion of the utility. The performance-based formula rate
7 approved by the Commission shall do the following:

8 (1) Provide for the recovery of the utility's actual
9 costs of delivery services that are prudently incurred and
10 reasonable in amount consistent with Commission practice
11 and law. The sole fact that a cost differs from that
12 incurred in a prior calendar year or that an investment is
13 different from that made in a prior calendar year shall
14 not imply the imprudence or unreasonableness of that cost
15 or investment.

16 (2) Reflect the utility's actual year-end capital
17 structure for the applicable calendar year, excluding
18 goodwill, subject to a determination of prudence and
19 reasonableness consistent with Commission practice and
20 law. To enable the financing of the incremental capital
21 expenditures, including regulatory assets, for electric
22 utilities that serve less than 3,000,000 retail customers
23 but more than 500,000 retail customers in the State, a
24 participating electric utility's actual year-end capital
25 structure that includes a common equity ratio, excluding
26 goodwill, of up to and including 50% of the total capital

1 structure shall be deemed reasonable and used to set
2 rates.

3 (3) Include a cost of equity, which shall be
4 calculated as the sum of the following:

5 (A) the average for the applicable calendar year
6 of the monthly average yields of 30-year U.S. Treasury
7 bonds published by the Board of Governors of the
8 Federal Reserve System in its weekly H.15 Statistical
9 Release or successor publication; and

10 (B) 580 basis points.

11 At such time as the Board of Governors of the Federal
12 Reserve System ceases to include the monthly average
13 yields of 30-year U.S. Treasury bonds in its weekly H.15
14 Statistical Release or successor publication, the monthly
15 average yields of the U.S. Treasury bonds then having the
16 longest duration published by the Board of Governors in
17 its weekly H.15 Statistical Release or successor
18 publication shall instead be used for purposes of this
19 paragraph (3).

20 (4) Permit and set forth protocols, subject to a
21 determination of prudence and reasonableness consistent
22 with Commission practice and law, for the following:

23 (A) recovery of incentive compensation expense
24 that is based on the achievement of operational
25 metrics, including metrics related to budget controls,
26 outage duration and frequency, safety, customer

1 service, efficiency and productivity, and
2 environmental compliance. Incentive compensation
3 expense that is based on net income or an affiliate's
4 earnings per share shall not be recoverable under the
5 performance-based formula rate;

6 (B) recovery of pension and other post-employment
7 benefits expense, provided that such costs are
8 supported by an actuarial study;

9 (C) recovery of severance costs, provided that if
10 the amount is over \$3,700,000 for a participating
11 utility that is a combination utility or \$10,000,000
12 for a participating utility that serves more than 3
13 million retail customers, then the full amount shall
14 be amortized consistent with subparagraph (F) of this
15 paragraph (4);

16 (D) investment return at a rate equal to the
17 utility's weighted average cost of long-term debt, on
18 the pension assets as, and in the amount, reported in
19 Account 186 (or in such other Account or Accounts as
20 such asset may subsequently be recorded) of the
21 utility's most recently filed FERC Form 1, net of
22 deferred tax benefits;

23 (E) recovery of the expenses related to the
24 Commission proceeding under this subsection (c) to
25 approve this performance-based formula rate and
26 initial rates or to subsequent proceedings related to

1 the formula, provided that the recovery shall be
2 amortized over a 3-year period; recovery of expenses
3 related to the annual Commission proceedings under
4 subsection (d) of this Section to review the inputs to
5 the performance-based formula rate shall be expensed
6 and recovered through the performance-based formula
7 rate;

8 (F) amortization over a 5-year period of the full
9 amount of each charge or credit that exceeds
10 \$3,700,000 for a participating utility that is a
11 combination utility or \$10,000,000 for a participating
12 utility that serves more than 3 million retail
13 customers in the applicable calendar year and that
14 relates to a workforce reduction program's severance
15 costs, changes in accounting rules, changes in law,
16 compliance with any Commission-initiated audit, or a
17 single storm or other similar expense, provided that
18 any unamortized balance shall be reflected in rate
19 base. For purposes of this subparagraph (F), changes
20 in law includes any enactment, repeal, or amendment in
21 a law, ordinance, rule, regulation, interpretation,
22 permit, license, consent, or order, including those
23 relating to taxes, accounting, or to environmental
24 matters, or in the interpretation or application
25 thereof by any governmental authority occurring after
26 October 26, 2011 (the effective date of Public Act

1 97-616);

2 (G) recovery of existing regulatory assets over
3 the periods previously authorized by the Commission;

4 (H) historical weather normalized billing
5 determinants; and

6 (I) allocation methods for common costs.

7 (5) Provide that if the participating utility's earned
8 rate of return on common equity related to the provision
9 of delivery services for the prior rate year (calculated
10 using costs and capital structure approved by the
11 Commission as provided in subparagraph (2) of this
12 subsection (c), consistent with this Section, in
13 accordance with Commission rules and orders, including,
14 but not limited to, adjustments for goodwill, and after
15 any Commission-ordered disallowances and taxes) is more
16 than 50 basis points higher than the rate of return on
17 common equity calculated pursuant to paragraph (3) of this
18 subsection (c) (after adjusting for any penalties to the
19 rate of return on common equity applied pursuant to the
20 performance metrics provision of subsection (f) of this
21 Section), then the participating utility shall apply a
22 credit through the performance-based formula rate that
23 reflects an amount equal to the value of that portion of
24 the earned rate of return on common equity that is more
25 than 50 basis points higher than the rate of return on
26 common equity calculated pursuant to paragraph (3) of this

1 subsection (c) (after adjusting for any penalties to the
2 rate of return on common equity applied pursuant to the
3 performance metrics provision of subsection (f) of this
4 Section) for the prior rate year, adjusted for taxes. If
5 the participating utility's earned rate of return on
6 common equity related to the provision of delivery
7 services for the prior rate year (calculated using costs
8 and capital structure approved by the Commission as
9 provided in subparagraph (2) of this subsection (c),
10 consistent with this Section, in accordance with
11 Commission rules and orders, including, but not limited
12 to, adjustments for goodwill, and after any
13 Commission-ordered disallowances and taxes) is more than
14 50 basis points less than the return on common equity
15 calculated pursuant to paragraph (3) of this subsection
16 (c) (after adjusting for any penalties to the rate of
17 return on common equity applied pursuant to the
18 performance metrics provision of subsection (f) of this
19 Section), then the participating utility shall apply a
20 charge through the performance-based formula rate that
21 reflects an amount equal to the value of that portion of
22 the earned rate of return on common equity that is more
23 than 50 basis points less than the rate of return on common
24 equity calculated pursuant to paragraph (3) of this
25 subsection (c) (after adjusting for any penalties to the
26 rate of return on common equity applied pursuant to the

1 performance metrics provision of subsection (f) of this
2 Section) for the prior rate year, adjusted for taxes.

3 (6) Provide for an annual reconciliation, as described
4 in subsection (d) of this Section, with interest, of the
5 revenue requirement reflected in rates for each calendar
6 year, beginning with the calendar year in which the
7 utility files its performance-based formula rate tariff
8 pursuant to subsection (c) of this Section, with what the
9 revenue requirement would have been had the actual cost
10 information for the applicable calendar year been
11 available at the filing date.

12 The utility shall file, together with its tariff, final
13 data based on its most recently filed FERC Form 1, plus
14 projected plant additions and correspondingly updated
15 depreciation reserve and expense for the calendar year in
16 which the tariff and data are filed, that shall populate the
17 performance-based formula rate and set the initial delivery
18 services rates under the formula. For purposes of this
19 Section, "FERC Form 1" means the Annual Report of Major
20 Electric Utilities, Licensees and Others that electric
21 utilities are required to file with the Federal Energy
22 Regulatory Commission under the Federal Power Act, Sections 3,
23 4(a), 304 and 209, modified as necessary to be consistent with
24 83 Ill. Admin. Code Part 415 as of May 1, 2011. Nothing in this
25 Section is intended to allow costs that are not otherwise
26 recoverable to be recoverable by virtue of inclusion in FERC

1 Form 1.

2 After the utility files its proposed performance-based
3 formula rate structure and protocols and initial rates, the
4 Commission shall initiate a docket to review the filing. The
5 Commission shall enter an order approving, or approving as
6 modified, the performance-based formula rate, including the
7 initial rates, as just and reasonable within 270 days after
8 the date on which the tariff was filed, or, if the tariff is
9 filed within 14 days after October 26, 2011 (the effective
10 date of Public Act 97-616), then by May 31, 2012. Such review
11 shall be based on the same evidentiary standards, including,
12 but not limited to, those concerning the prudence and
13 reasonableness of the costs incurred by the utility, the
14 Commission applies in a hearing to review a filing for a
15 general increase in rates under Article IX of this Act. The
16 initial rates shall take effect within 30 days after the
17 Commission's order approving the performance-based formula
18 rate tariff.

19 Until such time as the Commission approves a different
20 rate design and cost allocation pursuant to subsection (e) of
21 this Section, rate design and cost allocation across customer
22 classes shall be consistent with the Commission's most recent
23 order regarding the participating utility's request for a
24 general increase in its delivery services rates.

25 Subsequent changes to the performance-based formula rate
26 structure or protocols shall be made as set forth in Section

1 9-201 of this Act, but nothing in this subsection (c) is
2 intended to limit the Commission's authority under Article IX
3 and other provisions of this Act to initiate an investigation
4 of a participating utility's performance-based formula rate
5 tariff, provided that any such changes shall be consistent
6 with paragraphs (1) through (6) of this subsection (c). Any
7 change ordered by the Commission shall be made at the same time
8 new rates take effect following the Commission's next order
9 pursuant to subsection (d) of this Section, provided that the
10 new rates take effect no less than 30 days after the date on
11 which the Commission issues an order adopting the change.

12 A participating utility that files a tariff pursuant to
13 this subsection (c) must submit a one-time \$200,000 filing fee
14 at the time the Chief Clerk of the Commission accepts the
15 filing, which shall be a recoverable expense.

16 In the event the performance-based formula rate is
17 terminated, the then current rates shall remain in effect
18 until such time as new rates are set pursuant to Article IX of
19 this Act, subject to retroactive rate adjustment, with
20 interest, to reconcile rates charged with actual costs. At
21 such time that the performance-based formula rate is
22 terminated, the participating utility's voluntary commitments
23 and obligations under subsection (b) of this Section shall
24 immediately terminate, except for the utility's obligation to
25 pay an amount already owed to the fund for training grants
26 pursuant to a Commission order issued under subsection (b) of

1 this Section.

2 (d) Subsequent to the Commission's issuance of an order
3 approving the utility's performance-based formula rate
4 structure and protocols, and initial rates under subsection
5 (c) of this Section, the utility shall file, on or before May 1
6 of each year, with the Chief Clerk of the Commission its
7 updated cost inputs to the performance-based formula rate for
8 the applicable rate year and the corresponding new charges.
9 Each such filing shall conform to the following requirements
10 and include the following information:

11 (1) The inputs to the performance-based formula rate
12 for the applicable rate year shall be based on final
13 historical data reflected in the utility's most recently
14 filed annual FERC Form 1 plus projected plant additions
15 and correspondingly updated depreciation reserve and
16 expense for the calendar year in which the inputs are
17 filed. The filing shall also include a reconciliation of
18 the revenue requirement that was in effect for the prior
19 rate year (as set by the cost inputs for the prior rate
20 year) with the actual revenue requirement for the prior
21 rate year (determined using a year-end rate base) that
22 uses amounts reflected in the applicable FERC Form 1 that
23 reports the actual costs for the prior rate year. Any
24 over-collection or under-collection indicated by such
25 reconciliation shall be reflected as a credit against, or
26 recovered as an additional charge to, respectively, with

1 interest calculated at a rate equal to the utility's
2 weighted average cost of capital approved by the
3 Commission for the prior rate year, the charges for the
4 applicable rate year. Provided, however, that the first
5 such reconciliation shall be for the calendar year in
6 which the utility files its performance-based formula rate
7 tariff pursuant to subsection (c) of this Section and
8 shall reconcile (i) the revenue requirement or
9 requirements established by the rate order or orders in
10 effect from time to time during such calendar year
11 (weighted, as applicable) with (ii) the revenue
12 requirement determined using a year-end rate base for that
13 calendar year calculated pursuant to the performance-based
14 formula rate using (A) actual costs for that year as
15 reflected in the applicable FERC Form 1, and (B) for the
16 first such reconciliation only, the cost of equity, which
17 shall be calculated as the sum of 590 basis points plus the
18 average for the applicable calendar year of the monthly
19 average yields of 30-year U.S. Treasury bonds published by
20 the Board of Governors of the Federal Reserve System in
21 its weekly H.15 Statistical Release or successor
22 publication. The first such reconciliation is not intended
23 to provide for the recovery of costs previously excluded
24 from rates based on a prior Commission order finding of
25 imprudence or unreasonableness. Each reconciliation shall
26 be certified by the participating utility in the same

1 manner that FERC Form 1 is certified. The filing shall
2 also include the charge or credit, if any, resulting from
3 the calculation required by paragraph (6) of subsection
4 (c) of this Section.

5 Notwithstanding anything that may be to the contrary,
6 the intent of the reconciliation is to ultimately
7 reconcile the revenue requirement reflected in rates for
8 each calendar year, beginning with the calendar year in
9 which the utility files its performance-based formula rate
10 tariff pursuant to subsection (c) of this Section, with
11 what the revenue requirement determined using a year-end
12 rate base for the applicable calendar year would have been
13 had the actual cost information for the applicable
14 calendar year been available at the filing date.

15 (2) The new charges shall take effect beginning on the
16 first billing day of the following January billing period
17 and remain in effect through the last billing day of the
18 next December billing period regardless of whether the
19 Commission enters upon a hearing pursuant to this
20 subsection (d).

21 (3) The filing shall include relevant and necessary
22 data and documentation for the applicable rate year that
23 is consistent with the Commission's rules applicable to a
24 filing for a general increase in rates or any rules
25 adopted by the Commission to implement this Section.
26 Normalization adjustments shall not be required.

1 Notwithstanding any other provision of this Section or Act
2 or any rule or other requirement adopted by the
3 Commission, a participating utility that is a combination
4 utility with more than one rate zone shall not be required
5 to file a separate set of such data and documentation for
6 each rate zone and may combine such data and documentation
7 into a single set of schedules.

8 Within 45 days after the utility files its annual update
9 of cost inputs to the performance-based formula rate, the
10 Commission shall have the authority, either upon complaint or
11 its own initiative, but with reasonable notice, to enter upon
12 a hearing concerning the prudence and reasonableness of the
13 costs incurred by the utility to be recovered during the
14 applicable rate year that are reflected in the inputs to the
15 performance-based formula rate derived from the utility's FERC
16 Form 1. During the course of the hearing, each objection shall
17 be stated with particularity and evidence provided in support
18 thereof, after which the utility shall have the opportunity to
19 rebut the evidence. Discovery shall be allowed consistent with
20 the Commission's Rules of Practice, which Rules shall be
21 enforced by the Commission or the assigned administrative law
22 judge. The Commission shall apply the same evidentiary
23 standards, including, but not limited to, those concerning the
24 prudence and reasonableness of the costs incurred by the
25 utility, in the hearing as it would apply in a hearing to
26 review a filing for a general increase in rates under Article

1 IX of this Act. The Commission shall not, however, have the
2 authority in a proceeding under this subsection (d) to
3 consider or order any changes to the structure or protocols of
4 the performance-based formula rate approved pursuant to
5 subsection (c) of this Section. In a proceeding under this
6 subsection (d), the Commission shall enter its order no later
7 than the earlier of 240 days after the utility's filing of its
8 annual update of cost inputs to the performance-based formula
9 rate or December 31. The Commission's determinations of the
10 prudence and reasonableness of the costs incurred for the
11 applicable calendar year shall be final upon entry of the
12 Commission's order and shall not be subject to reopening,
13 reexamination, or collateral attack in any other Commission
14 proceeding, case, docket, order, rule or regulation, provided,
15 however, that nothing in this subsection (d) shall prohibit a
16 party from petitioning the Commission to rehear or appeal to
17 the courts the order pursuant to the provisions of this Act.

18 In the event the Commission does not, either upon
19 complaint or its own initiative, enter upon a hearing within
20 45 days after the utility files the annual update of cost
21 inputs to its performance-based formula rate, then the costs
22 incurred for the applicable calendar year shall be deemed
23 prudent and reasonable, and the filed charges shall not be
24 subject to reopening, reexamination, or collateral attack in
25 any other proceeding, case, docket, order, rule, or
26 regulation.

1 A participating utility's first filing of the updated cost
2 inputs, and any Commission investigation of such inputs
3 pursuant to this subsection (d) shall proceed notwithstanding
4 the fact that the Commission's investigation under subsection
5 (c) of this Section is still pending and notwithstanding any
6 other law, order, rule, or Commission practice to the
7 contrary.

8 (e) Nothing in subsections (c) or (d) of this Section
9 shall prohibit the Commission from investigating, or a
10 participating utility from filing, revenue-neutral tariff
11 changes related to rate design of a performance-based formula
12 rate that has been placed into effect for the utility.
13 Following approval of a participating utility's
14 performance-based formula rate tariff pursuant to subsection
15 (c) of this Section, the utility shall make a filing with the
16 Commission within one year after the effective date of the
17 performance-based formula rate tariff that proposes changes to
18 the tariff to incorporate the findings of any final rate
19 design orders of the Commission applicable to the
20 participating utility and entered subsequent to the
21 Commission's approval of the tariff. The Commission shall,
22 after notice and hearing, enter its order approving, or
23 approving with modification, the proposed changes to the
24 performance-based formula rate tariff within 240 days after
25 the utility's filing. Following such approval, the utility
26 shall make a filing with the Commission during each subsequent

1 3-year period that either proposes revenue-neutral tariff
2 changes or re-files the existing tariffs without change, which
3 shall present the Commission with an opportunity to suspend
4 the tariffs and consider revenue-neutral tariff changes
5 related to rate design.

6 (f) Within 30 days after the filing of a tariff pursuant to
7 subsection (c) of this Section, each participating utility
8 shall develop and file with the Commission multi-year metrics
9 designed to achieve, ratably (i.e., in equal segments) over a
10 10-year period, improvement over baseline performance values
11 as follows:

12 (1) Twenty percent improvement in the System Average
13 Interruption Frequency Index, using a baseline of the
14 average of the data from 2001 through 2010.

15 (2) Fifteen percent improvement in the system Customer
16 Average Interruption Duration Index, using a baseline of
17 the average of the data from 2001 through 2010.

18 (3) For a participating utility other than a
19 combination utility, 20% improvement in the System Average
20 Interruption Frequency Index for its Southern Region,
21 using a baseline of the average of the data from 2001
22 through 2010. For purposes of this paragraph (3), Southern
23 Region shall have the meaning set forth in the
24 participating utility's most recent report filed pursuant
25 to Section 16-125 of this Act.

26 (3.5) For a participating utility other than a

1 combination utility, 20% improvement in the System Average
2 Interruption Frequency Index for its Northeastern Region,
3 using a baseline of the average of the data from 2001
4 through 2010. For purposes of this paragraph (3.5),
5 Northeastern Region shall have the meaning set forth in
6 the participating utility's most recent report filed
7 pursuant to Section 16-125 of this Act.

8 (4) Seventy-five percent improvement in the total
9 number of customers who exceed the service reliability
10 targets as set forth in subparagraphs (A) through (C) of
11 paragraph (4) of subsection (b) of 83 Ill. Admin. Code
12 Part 411.140 as of May 1, 2011, using 2010 as the baseline
13 year.

14 (5) Reduction in issuance of estimated electric bills:
15 90% improvement for a participating utility other than a
16 combination utility, and 56% improvement for a
17 participating utility that is a combination utility, using
18 a baseline of the average number of estimated bills for
19 the years 2008 through 2010.

20 (6) Consumption on inactive meters: 90% improvement
21 for a participating utility other than a combination
22 utility, and 56% improvement for a participating utility
23 that is a combination utility, using a baseline of the
24 average unbilled kilowatthours for the years 2009 and
25 2010.

26 (7) Unaccounted for energy: 50% improvement for a

1 participating utility other than a combination utility
2 using a baseline of the non-technical line loss
3 unaccounted for energy kilowatthours for the year 2009.

4 (8) Uncollectible expense: reduce uncollectible
5 expense by at least \$30,000,000 for a participating
6 utility other than a combination utility and by at least
7 \$3,500,000 for a participating utility that is a
8 combination utility, using a baseline of the average
9 uncollectible expense for the years 2008 through 2010.

10 (9) Opportunities for black, indigenous, and people of
11 color-owned and women-owned ~~minority-owned and~~
12 ~~female-owned~~ business enterprises: design a performance
13 metric regarding the creation of opportunities for black,
14 indigenous, and people of color-owned and women-owned
15 ~~minority-owned and female-owned~~ business enterprises
16 consistent with State and federal law using a base
17 performance value of the percentage of the participating
18 utility's capital expenditures that were paid to black,
19 indigenous, and people of color-owned and women-owned
20 ~~minority-owned and female-owned~~ business enterprises in
21 2010.

22 The definitions set forth in 83 Ill. Admin. Code Part
23 411.20 as of May 1, 2011 shall be used for purposes of
24 calculating performance under paragraphs (1) through (3.5) of
25 this subsection (f), provided, however, that the participating
26 utility may exclude up to 9 extreme weather event days from

1 such calculation for each year, and provided further that the
2 participating utility shall exclude 9 extreme weather event
3 days when calculating each year of the baseline period to the
4 extent that there are 9 such days in a given year of the
5 baseline period. For purposes of this Section, an extreme
6 weather event day is a 24-hour calendar day (beginning at
7 12:00 a.m. and ending at 11:59 p.m.) during which any weather
8 event (e.g., storm, tornado) caused interruptions for 10,000
9 or more of the participating utility's customers for 3 hours
10 or more. If there are more than 9 extreme weather event days in
11 a year, then the utility may choose no more than 9 extreme
12 weather event days to exclude, provided that the same extreme
13 weather event days are excluded from each of the calculations
14 performed under paragraphs (1) through (3.5) of this
15 subsection (f).

16 The metrics shall include incremental performance goals
17 for each year of the 10-year period, which shall be designed to
18 demonstrate that the utility is on track to achieve the
19 performance goal in each category at the end of the 10-year
20 period. The utility shall elect when the 10-year period shall
21 commence for the metrics set forth in subparagraphs (1)
22 through (4) and (9) of this subsection (f), provided that it
23 begins no later than 14 months following the date on which the
24 utility begins investing pursuant to subsection (b) of this
25 Section, and when the 10-year period shall commence for the
26 metrics set forth in subparagraphs (5) through (8) of this

1 subsection (f), provided that it begins no later than 14
2 months following the date on which the Commission enters its
3 order approving the utility's Advanced Metering Infrastructure
4 Deployment Plan pursuant to subsection (c) of Section 16-108.6
5 of this Act.

6 The metrics and performance goals set forth in
7 subparagraphs (5) through (8) of this subsection (f) are based
8 on the assumptions that the participating utility may fully
9 implement the technology described in subsection (b) of this
10 Section, including utilizing the full functionality of such
11 technology and that there is no requirement for personal
12 on-site notification. If the utility is unable to meet the
13 metrics and performance goals set forth in subparagraphs (5)
14 through (8) of this subsection (f) for such reasons, and the
15 Commission so finds after notice and hearing, then the utility
16 shall be excused from compliance, but only to the limited
17 extent achievement of the affected metrics and performance
18 goals was hindered by the less than full implementation.

19 (f-5) The financial penalties applicable to the metrics
20 described in subparagraphs (1) through (8) of subsection (f)
21 of this Section, as applicable, shall be applied through an
22 adjustment to the participating utility's return on equity of
23 no more than a total of 30 basis points in each of the first 3
24 years, of no more than a total of 34 basis points in each of
25 the 3 years thereafter, and of no more than a total of 38 basis
26 points in each of the 4 years thereafter, as follows:

1 (1) With respect to each of the incremental annual
2 performance goals established pursuant to paragraph (1) of
3 subsection (f) of this Section,

4 (A) for each year that a participating utility
5 other than a combination utility does not achieve the
6 annual goal, the participating utility's return on
7 equity shall be reduced as follows: during years 1
8 through 3, by 5 basis points; during years 4 through 6,
9 by 6 basis points; and during years 7 through 10, by 7
10 basis points; and

11 (B) for each year that a participating utility
12 that is a combination utility does not achieve the
13 annual goal, the participating utility's return on
14 equity shall be reduced as follows: during years 1
15 through 3, by 10 basis points; during years 4 through
16 6, by 12 basis points; and during years 7 through 10,
17 by 14 basis points.

18 (2) With respect to each of the incremental annual
19 performance goals established pursuant to paragraph (2) of
20 subsection (f) of this Section, for each year that the
21 participating utility does not achieve each such goal, the
22 participating utility's return on equity shall be reduced
23 as follows: during years 1 through 3, by 5 basis points;
24 during years 4 through 6, by 6 basis points; and during
25 years 7 through 10, by 7 basis points.

26 (3) With respect to each of the incremental annual

1 performance goals established pursuant to paragraphs (3)
2 and (3.5) of subsection (f) of this Section, for each year
3 that a participating utility other than a combination
4 utility does not achieve both such goals, the
5 participating utility's return on equity shall be reduced
6 as follows: during years 1 through 3, by 5 basis points;
7 during years 4 through 6, by 6 basis points; and during
8 years 7 through 10, by 7 basis points.

9 (4) With respect to each of the incremental annual
10 performance goals established pursuant to paragraph (4) of
11 subsection (f) of this Section, for each year that the
12 participating utility does not achieve each such goal, the
13 participating utility's return on equity shall be reduced
14 as follows: during years 1 through 3, by 5 basis points;
15 during years 4 through 6, by 6 basis points; and during
16 years 7 through 10, by 7 basis points.

17 (5) With respect to each of the incremental annual
18 performance goals established pursuant to subparagraph (5)
19 of subsection (f) of this Section, for each year that the
20 participating utility does not achieve at least 95% of
21 each such goal, the participating utility's return on
22 equity shall be reduced by 5 basis points for each such
23 unachieved goal.

24 (6) With respect to each of the incremental annual
25 performance goals established pursuant to paragraphs (6),
26 (7), and (8) of subsection (f) of this Section, as

1 applicable, which together measure non-operational
2 customer savings and benefits relating to the
3 implementation of the Advanced Metering Infrastructure
4 Deployment Plan, as defined in Section 16-108.6 of this
5 Act, the performance under each such goal shall be
6 calculated in terms of the percentage of the goal
7 achieved. The percentage of goal achieved for each of the
8 goals shall be aggregated, and an average percentage value
9 calculated, for each year of the 10-year period. If the
10 utility does not achieve an average percentage value in a
11 given year of at least 95%, the participating utility's
12 return on equity shall be reduced by 5 basis points.

13 The financial penalties shall be applied as described in
14 this subsection (f-5) for the 12-month period in which the
15 deficiency occurred through a separate tariff mechanism, which
16 shall be filed by the utility together with its metrics. In the
17 event the formula rate tariff established pursuant to
18 subsection (c) of this Section terminates, the utility's
19 obligations under subsection (f) of this Section and this
20 subsection (f-5) shall also terminate, provided, however, that
21 the tariff mechanism established pursuant to subsection (f) of
22 this Section and this subsection (f-5) shall remain in effect
23 until any penalties due and owing at the time of such
24 termination are applied.

25 The Commission shall, after notice and hearing, enter an
26 order within 120 days after the metrics are filed approving,

1 or approving with modification, a participating utility's
2 tariff or mechanism to satisfy the metrics set forth in
3 subsection (f) of this Section. On June 1 of each subsequent
4 year, each participating utility shall file a report with the
5 Commission that includes, among other things, a description of
6 how the participating utility performed under each metric and
7 an identification of any extraordinary events that adversely
8 impacted the utility's performance. Whenever a participating
9 utility does not satisfy the metrics required pursuant to
10 subsection (f) of this Section, the Commission shall, after
11 notice and hearing, enter an order approving financial
12 penalties in accordance with this subsection (f-5). The
13 Commission-approved financial penalties shall be applied
14 beginning with the next rate year. Nothing in this Section
15 shall authorize the Commission to reduce or otherwise obviate
16 the imposition of financial penalties for failing to achieve
17 one or more of the metrics established pursuant to
18 subparagraph (1) through (4) of subsection (f) of this
19 Section.

20 (g) On or before July 31, 2014, each participating utility
21 shall file a report with the Commission that sets forth the
22 average annual increase in the average amount paid per
23 kilowatthour for residential eligible retail customers,
24 exclusive of the effects of energy efficiency programs,
25 comparing the 12-month period ending May 31, 2012; the
26 12-month period ending May 31, 2013; and the 12-month period

1 ending May 31, 2014. For a participating utility that is a
2 combination utility with more than one rate zone, the weighted
3 average aggregate increase shall be provided. The report shall
4 be filed together with a statement from an independent auditor
5 attesting to the accuracy of the report. The cost of the
6 independent auditor shall be borne by the participating
7 utility and shall not be a recoverable expense. "The average
8 amount paid per kilowatthour" shall be based on the
9 participating utility's tariffed rates actually in effect and
10 shall not be calculated using any hypothetical rate or
11 adjustments to actual charges (other than as specified for
12 energy efficiency) as an input.

13 In the event that the average annual increase exceeds 2.5%
14 as calculated pursuant to this subsection (g), then Sections
15 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act, other
16 than this subsection, shall be inoperative as they relate to
17 the utility and its service area as of the date of the report
18 due to be submitted pursuant to this subsection and the
19 utility shall no longer be eligible to annually update the
20 performance-based formula rate tariff pursuant to subsection
21 (d) of this Section. In such event, the then current rates
22 shall remain in effect until such time as new rates are set
23 pursuant to Article IX of this Act, subject to retroactive
24 adjustment, with interest, to reconcile rates charged with
25 actual costs, and the participating utility's voluntary
26 commitments and obligations under subsection (b) of this

1 Section shall immediately terminate, except for the utility's
2 obligation to pay an amount already owed to the fund for
3 training grants pursuant to a Commission order issued under
4 subsection (b) of this Section.

5 In the event that the average annual increase is 2.5% or
6 less as calculated pursuant to this subsection (g), then the
7 performance-based formula rate shall remain in effect as set
8 forth in this Section.

9 For purposes of this Section, the amount per kilowatthour
10 means the total amount paid for electric service expressed on
11 a per kilowatthour basis, and the total amount paid for
12 electric service includes without limitation amounts paid for
13 supply, transmission, distribution, surcharges, and add-on
14 taxes exclusive of any increases in taxes or new taxes imposed
15 after October 26, 2011 (the effective date of Public Act
16 97-616). For purposes of this Section, "eligible retail
17 customers" shall have the meaning set forth in Section
18 16-111.5 of this Act.

19 The fact that this Section becomes inoperative as set
20 forth in this subsection shall not be construed to mean that
21 the Commission may reexamine or otherwise reopen prudence or
22 reasonableness determinations already made.

23 (h) By December 31, 2017, the Commission shall prepare and
24 file with the General Assembly a report on the infrastructure
25 program and the performance-based formula rate. The report
26 shall include the change in the average amount per

1 kilowatthour paid by residential customers between June 1,
2 2011 and May 31, 2017. If the change in the total average rate
3 paid exceeds 2.5% compounded annually, the Commission shall
4 include in the report an analysis that shows the portion of the
5 change due to the delivery services component and the portion
6 of the change due to the supply component of the rate. The
7 report shall include separate sections for each participating
8 utility.

9 Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of
10 this Act, other than this subsection (h), are inoperative
11 after December 31, 2021 ~~2022~~ for every participating utility
12 (except for subsection (g) of Section 16-108.6, which is
13 inoperative after December 31, 2022), after which time a
14 participating utility shall no longer be eligible to annually
15 update the performance-based formula rate tariff pursuant to
16 subsection (d) of this Section. At such time, the then current
17 rates shall remain in effect until such time as new rates are
18 set pursuant to Article IX of this Act, subject to retroactive
19 adjustment, with interest, to reconcile rates charged with
20 actual costs.

21 The fact that this Section becomes inoperative as set
22 forth in this subsection shall not be construed to mean that
23 the Commission may reexamine or otherwise reopen prudence or
24 reasonableness determinations already made.

25 (i) While a participating utility may use, develop, and
26 maintain broadband systems and the delivery of broadband

1 services, voice-over-internet-protocol services,
2 telecommunications services, and cable and video programming
3 services for use in providing delivery services and Smart Grid
4 functionality or application to its retail customers,
5 including, but not limited to, the installation,
6 implementation and maintenance of Smart Grid electric system
7 upgrades as defined in Section 16-108.6 of this Act, a
8 participating utility is prohibited from offering to its
9 retail customers broadband services or the delivery of
10 broadband services, voice-over-internet-protocol services,
11 telecommunications services, or cable or video programming
12 services, unless they are part of a service directly related
13 to delivery services or Smart Grid functionality or
14 applications as defined in Section 16-108.6 of this Act, and
15 from recovering the costs of such offerings from retail
16 customers.

17 (j) Nothing in this Section is intended to legislatively
18 overturn the opinion issued in Commonwealth Edison Co. v. Ill.
19 Commerce Comm'n, Nos. 2-08-0959, 2-08-1037, 2-08-1137,
20 1-08-3008, 1-08-3030, 1-08-3054, 1-08-3313 cons. (Ill. App.
21 Ct. 2d Dist. Sept. 30, 2010). Public Act 97-616 shall not be
22 construed as creating a contract between the General Assembly
23 and the participating utility, and shall not establish a
24 property right in the participating utility.

25 (k) The changes made in subsections (c) and (d) of this
26 Section by Public Act 98-15 are intended to be a restatement

1 and clarification of existing law, and intended to give
2 binding effect to the provisions of House Resolution 1157
3 adopted by the House of Representatives of the 97th General
4 Assembly and Senate Resolution 821 adopted by the Senate of
5 the 97th General Assembly that are reflected in paragraph (3)
6 of this subsection. In addition, Public Act 98-15 preempts and
7 supersedes any final Commission orders entered in Docket Nos.
8 11-0721, 12-0001, 12-0293, and 12-0321 to the extent
9 inconsistent with the amendatory language added to subsections
10 (c) and (d).

11 (1) No earlier than 5 business days after May 22, 2013
12 (the effective date of Public Act 98-15), each
13 participating utility shall file any tariff changes
14 necessary to implement the amendatory language set forth
15 in subsections (c) and (d) of this Section by Public Act
16 98-15 and a revised revenue requirement under the
17 participating utility's performance-based formula rate.
18 The Commission shall enter a final order approving such
19 tariff changes and revised revenue requirement within 21
20 days after the participating utility's filing.

21 (2) Notwithstanding anything that may be to the
22 contrary, a participating utility may file a tariff to
23 retroactively recover its previously unrecovered actual
24 costs of delivery service that are no longer subject to
25 recovery through a reconciliation adjustment under
26 subsection (d) of this Section. This retroactive recovery

1 shall include any derivative adjustments resulting from
2 the changes to subsections (c) and (d) of this Section by
3 Public Act 98-15. Such tariff shall allow the utility to
4 assess, on current customer bills over a period of 12
5 monthly billing periods, a charge or credit related to
6 those unrecovered costs with interest at the utility's
7 weighted average cost of capital during the period in
8 which those costs were unrecovered. A participating
9 utility may file a tariff that implements a retroactive
10 charge or credit as described in this paragraph for
11 amounts not otherwise included in the tariff filing
12 provided for in paragraph (1) of this subsection (k). The
13 Commission shall enter a final order approving such tariff
14 within 21 days after the participating utility's filing.

15 (3) The tariff changes described in paragraphs (1) and
16 (2) of this subsection (k) shall relate only to, and be
17 consistent with, the following provisions of Public Act
18 98-15: paragraph (2) of subsection (c) regarding year-end
19 capital structure, subparagraph (D) of paragraph (4) of
20 subsection (c) regarding pension assets, and subsection
21 (d) regarding the reconciliation components related to
22 year-end rate base and interest calculated at a rate equal
23 to the utility's weighted average cost of capital.

24 (4) Nothing in this subsection is intended to effect a
25 dismissal of or otherwise affect an appeal from any final
26 Commission orders entered in Docket Nos. 11-0721, 12-0001,

1 12-0293, and 12-0321 other than to the extent of the
2 amendatory language contained in subsections (c) and (d)
3 of this Section of Public Act 98-15.

4 (1) Each participating utility shall be deemed to have
5 been in full compliance with all requirements of subsection
6 (b) of this Section, subsection (c) of this Section, Section
7 16-108.6 of this Act, and all Commission orders entered
8 pursuant to Sections 16-108.5 and 16-108.6 of this Act, up to
9 and including May 22, 2013 (the effective date of Public Act
10 98-15). The Commission shall not undertake any investigation
11 of such compliance and no penalty shall be assessed or adverse
12 action taken against a participating utility for noncompliance
13 with Commission orders associated with subsection (b) of this
14 Section, subsection (c) of this Section, and Section 16-108.6
15 of this Act prior to such date. Each participating utility
16 other than a combination utility shall be permitted, without
17 penalty, a period of 12 months after such effective date to
18 take actions required to ensure its infrastructure investment
19 program is in compliance with subsection (b) of this Section
20 and with Section 16-108.6 of this Act. Provided further, the
21 following subparagraphs shall apply to a participating utility
22 other than a combination utility:

23 (A) if the Commission has initiated a proceeding
24 pursuant to subsection (e) of Section 16-108.6 of this Act
25 that is pending as of May 22, 2013 (the effective date of
26 Public Act 98-15), then the order entered in such

1 proceeding shall, after notice and hearing, accelerate the
2 commencement of the meter deployment schedule approved in
3 the final Commission order on rehearing entered in Docket
4 No. 12-0298;

5 (B) if the Commission has entered an order pursuant to
6 subsection (e) of Section 16-108.6 of this Act prior to
7 May 22, 2013 (the effective date of Public Act 98-15) that
8 does not accelerate the commencement of the meter
9 deployment schedule approved in the final Commission order
10 on rehearing entered in Docket No. 12-0298, then the
11 utility shall file with the Commission, within 45 days
12 after such effective date, a plan for accelerating the
13 commencement of the utility's meter deployment schedule
14 approved in the final Commission order on rehearing
15 entered in Docket No. 12-0298; the Commission shall reopen
16 the proceeding in which it entered its order pursuant to
17 subsection (e) of Section 16-108.6 of this Act and shall,
18 after notice and hearing, enter an amendatory order that
19 approves or approves as modified such accelerated plan
20 within 90 days after the utility's filing; or

21 (C) if the Commission has not initiated a proceeding
22 pursuant to subsection (e) of Section 16-108.6 of this Act
23 prior to May 22, 2013 (the effective date of Public Act
24 98-15), then the utility shall file with the Commission,
25 within 45 days after such effective date, a plan for
26 accelerating the commencement of the utility's meter

1 deployment schedule approved in the final Commission order
2 on rehearing entered in Docket No. 12-0298 and the
3 Commission shall, after notice and hearing, approve or
4 approve as modified such plan within 90 days after the
5 utility's filing.

6 Any schedule for meter deployment approved by the
7 Commission pursuant to this subsection (l) shall take into
8 consideration procurement times for meters and other equipment
9 and operational issues. Nothing in Public Act 98-15 shall
10 shorten or extend the end dates for the 5-year or 10-year
11 periods set forth in subsection (b) of this Section or Section
12 16-108.6 of this Act. Nothing in this subsection is intended
13 to address whether a participating utility has, or has not,
14 satisfied any or all of the metrics and performance goals
15 established pursuant to subsection (f) of this Section.

16 (m) The provisions of Public Act 98-15 are severable under
17 Section 1.31 of the Statute on Statutes.

18 (Source: P.A. 99-143, eff. 7-27-15; 99-642, eff. 7-28-16;
19 99-906, eff. 6-1-17; 100-840, eff. 8-13-18.)

20 (220 ILCS 5/16-108.9 new)

21 Sec. 16-108.9. Clean Energy Empowerment Zone pilot
22 projects.

23 (a) The General Assembly finds that it is important to
24 support the rapid transition in the energy sector to put
25 Illinois on a path to 100% renewable energy. This will require

1 leveraging new technologies and solutions to support grid
2 reliability to address issues such as the shift from large,
3 centralized, fossil generation to wind, solar, and distributed
4 energy resources. To that end, the General Assembly sees the
5 need for developing pilot projects in Clean Energy Empowerment
6 Zones that enhance reliability while facilitating the
7 transition toward clean energy.

8 (b) An electric utility serving more than 100,000 retail
9 customers may propose one or more Clean Energy Empowerment
10 Zone pilot projects to the Illinois Commerce Commission to
11 conduct a competitive procurement for independently owned
12 energy storage systems to be located in Clean Energy
13 Empowerment Zones. The Commission shall evaluate the projects
14 based on their ability to address present and future
15 reliability needs identified by the Midcontinent Independent
16 System Operator, PJM Interconnection, electric utilities, or
17 independent analysts. In addition to supporting reliability, a
18 qualifying project must support the transition toward or
19 development of clean energy.

20 (c) The Clean Energy Empowerment Zones described in this
21 Section shall be the same as defined by the Department of
22 Commerce and Economic Opportunity in the Energy Community
23 Reinvestment Act.

24 (d) The Clean Energy Empowerment Zone pilot projects shall
25 closely coordinate with actual and expected development of new
26 wind projects and new solar projects as described in Section

1 1-75 of the Illinois Power Agency Act, electric vehicle
2 adoption, and Community Energy, Climate, and Jobs Plans as
3 defined in the Community Energy, Climate, and Jobs Planning
4 Act.

5 (e) Upon approval of a Clean Energy Empowerment Zone pilot
6 project by the Illinois Commerce Commission, an electric
7 utility is authorized to enter into a distribution services
8 contract with new energy storage system projects in accordance
9 with the approved project. Nothing in this Section or in the
10 distribution services contract shall preclude the energy
11 storage project from providing additional wholesale market
12 services.

13 (f) An electric utility that elects to undertake the
14 investment described in subsection (b) of this Section may, at
15 its election, recover the costs of such investment through an
16 automatic adjustment clause tariff or through a delivery
17 services charge regardless of how the costs are classified on
18 the utility's books and records of account.

19 (g) To the extent feasible and consistent with State and
20 federal law, the investments made pursuant to this Section
21 shall provide employment opportunities for former workers in
22 fossil fuel industries and participants in the Clean Jobs
23 Workforce Hubs as defined in the Clean Jobs, Workforce and
24 Contractor Equity Act.

25 (h) Nothing in this Section is intended to limit the
26 ability of any other entity to develop, construct, or install

1 an energy storage system. In addition, nothing in this Section
2 is intended to limit or alter otherwise applicable
3 interconnection requirements.

4 (220 ILCS 5/16-108.18 new)

5 Sec. 16-108.18. Performance-based ratemaking.

6 (a) Findings and Purpose. The General Assembly finds that
7 improving the alignment of utility customer and company
8 interests is critical to ensuring that Illinois residents and
9 businesses have the opportunity to optimize existing utility
10 infrastructure and do not suffer economic and environmental
11 harm from the State's energy systems. This realignment is
12 critical to ensure the ongoing viability of Illinois electric
13 utilities, as they face an increasing need to rapidly adopt
14 business models and strategies that enable new innovations and
15 customer choices. Furthermore, the General Assembly finds that
16 this realignment has entered a period of extraordinary
17 urgency, given the expected rapid growth of distributed energy
18 resources, electric vehicles, and other new technologies that
19 substantially change the makeup of the grid. Moreover, urgency
20 of action to address increasing threats from climate change
21 and to assist communities that have borne a disproportionate
22 impact from air pollution, greenhouse gas emissions, and
23 energy burdens requires immediate and significant change to
24 the business model under which utilities in Illinois have
25 functioned. Providing incentive for necessary changes through

1 a new holistic, performance-based structure for ratemaking
2 will enable alignment of utility, customer, community and
3 environmental goals. In particular, the General Assembly finds
4 that:

5 (1) The traditional regulatory model rewards utilities
6 for increasing capital expenditures by basing allowed
7 revenues on the value of the rate base, irrespective of
8 utility performance. This compact does not align the
9 interests of customers and utilities because it may result
10 in a bias toward expending utility capital in ways that
11 may displace more efficient or cost-effective options,
12 such as distributed energy resources owned by customers or
13 projects implemented by independent third parties that can
14 meet grid needs.

15 (2) Traditional regulation also rewards utilities for
16 selling higher volumes of electricity through the
17 throughput incentive. This model unnecessarily increases
18 customer costs and pollution and is therefore in neither
19 ratepayers' nor the State's interest.

20 (3) Though Illinois has taken some measures to move
21 utilities to performance-based ratemaking through the
22 establishment of performance incentives and a
23 performance-based formula rate under the Energy
24 Infrastructure Modernization Act, these measures have not
25 been transformative in urgently moving electric utilities
26 toward the State's ambitious energy policy goals:

1 protecting a healthy environment and climate, improving
2 public health, and creating quality jobs and economic
3 opportunities including wealth building, especially in
4 economically disadvantaged communities and BIPOC
5 communities. Rather, they have resulted in excess utility
6 profits without meaningful improvements in customer
7 experience, rates, or equity.

8 (4) The General Assembly therefore directs the
9 Illinois Commerce Commission to complete a transition to a
10 comprehensive performance-based regulation framework for
11 electric utilities with more than 500,000 customers. The
12 breadth of this framework should remake existing utility
13 regulations to position Illinois electric utilities to
14 effectively and efficiently achieve current and
15 anticipated future energy needs of this State.

16 (5) It is the intent of the General Assembly that over
17 time the comprehensive performance-based regulation
18 framework will progressively reduce the direct link
19 between utility revenues and traditional investment levels
20 and increasingly tie revenues to performance.

21 (b) Definitions.

22 As used in this Section:

23 "Commission" means the Illinois Commerce Commission.

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

1 "Distributed energy resources" or "DER" means a wide range
2 of technologies that are located on the customer side of the
3 customer's electric meter and can provide value to the
4 distribution system, including, but not limited to,
5 distributed generation, energy storage, electric vehicles, and
6 demand response technologies.

7 "Economically disadvantaged communities" means areas of
8 one or more census tracts where average household income does
9 not exceed 80% of area median income.

10 "Environmental justice communities" means the definition
11 of that term based on existing methodologies and findings,
12 used and as may be updated by the Illinois Power Agency and its
13 Program Administrator in the Illinois Solar for All Program.

14 "Performance-based regulation or ratemaking" or "PBR"
15 means a regulatory approach that aligns utility interests with
16 customer and societal interests through regulatory mechanisms
17 that motivate utilities to improve operations, increase
18 program effectiveness, better manage business expenses, and
19 align system performance with identified societal or policy
20 goals.

21 (c) Objectives. The comprehensive PBR framework should be
22 designed to accomplish the following objectives:

23 (1) incentivize utilities to pursue cost-effective
24 solutions to meet customer needs;

25 (2) decarbonize utility systems at a pace that meets
26 or exceeds state climate goals;

1 (3) remove utility incentives to grow energy sales,
2 except where sales growth is determined to be aligned with
3 state policy goals;

4 (4) reduce the link between utility expenditures and
5 collected revenue and eliminate embedded utility
6 preferences for one type of expenditure over another for
7 the same service;

8 (5) incentivize utilities to undertake the most
9 effective expenditures for assets or services, whether
10 self-supplied by the utility or through third-party
11 contracting, to deliver high-quality service to customers
12 at least cost;

13 (6) maintain the affordability, safety, and
14 reliability of electric power supply; and

15 (7) incentivize utilities to pursue equitable access
16 to high-quality customer service, affordable rates, DER
17 interconnection, and the benefits of grid modernization
18 and clean energy for ratepayers in environmental justice
19 and economically disadvantaged communities. Additionally,
20 motivate utilities to sustain a diverse workforce,
21 supplier procurement base and, for relevant programs,
22 approved vendor pools.

23 (d) The comprehensive PBR framework should comprise a set
24 of PBR mechanisms that collectively accomplish the objectives
25 set forth in subsection (c). Those mechanisms may include, but
26 are not limited to:

1 (1) multiyear rate plans and associated features, as
2 set forth in subsection (e) of this Section;

3 (2) revenue decoupling, as set forth in paragraph (11)
4 of subsection (e) of this Section;

5 (3) shared savings mechanisms;

6 (4) performance incentive mechanisms, as set forth in
7 subsection (f) of this Section;

8 (5) changes to the accounting treatment of capital and
9 operating expenditures; and

10 (6) changes to rate design, as set forth in Section
11 paragraph 10 of subsection (e) of this Section.

12 (e) Multi-year Rate Plan.

13 (1) If an electric utility has a performance-based
14 formula rate in effect under Section 16-108.5 as of
15 December 31, 2020, then the utility shall file a petition
16 proposing tariffs implementing a four-year Multi-year Rate
17 Plan as provided in this Section no later than July 1, 2022
18 for delivery service rates to be effective from June 1,
19 2023 through May 31, 2027. The Commission shall issue an
20 order approving, approving as modified, or rejecting the
21 utility's plan no later than June 1, 2023. If the
22 Commission rejects the utility's plan, the deadline to
23 approve the plan or approve it as modified shall be
24 extended to 4 months from the date of the rejection. The
25 term "Multi-year Rate Plan" refers to a plan establishing
26 the rates the utility may charge for each delivery year of

1 the four-year period to be covered by the plan. The net
2 revenue requirement reflected in rates in effect on
3 December 31, 2021 for the electric utility shall remain in
4 effect until new rates are approved under the Multi-year
5 Rate Plan, and no additional annual reconciliation under
6 Section 16-108.5 shall be made.

7 (2) A utility proposing a Multi-year Rate Plan shall
8 provide a description of the utility's major planned
9 investments, which shall include at a minimum all
10 investments of \$1 million or greater over the plan period.
11 Planned investments must conform to the goals established
12 in the Multi-year Integrated Grid Plan described in
13 section 16-105.17 of this Act.

14 (3) The Multi-year Rate Plan shall be implemented
15 through a tariff filed with the Commission consistent with
16 the provisions of this paragraph (3) that shall apply to
17 all delivery service customers. The Commission shall
18 initiate and conduct an investigation of the tariff in a
19 manner consistent with the provisions of this paragraph
20 (3) and the provisions of Article IX of this Act to the
21 extent they do not conflict with this paragraph (3). The
22 Multi-year Rate Plan approved by the Commission shall do
23 the following:

24 (A) Provide for the recovery of the utility's
25 forecasted rate base, based on a budget forecast or a
26 fixed escalation rate, individually or in combination.

1 The forecasted rate base must include the utility's
2 planned capital investments and investment-related
3 costs, including income tax impacts, depreciation, and
4 property taxes prudently incurred and reasonable in
5 amount consistent with Commission practice and law.
6 The budgeting process must be iterative, be rigorous,
7 and lead to forecasts that reasonably represent the
8 utility's investments during the forecasted period.

9 (B) For the first Multi-year Rate Plan, reflect
10 year-end capital structure that includes a common
11 equity ratio, excluding goodwill, of no more than 50%
12 of the total capital structure shall be deemed
13 reasonable and prudent and used to set rates.

14 (C) For the first Multi-year Rate Plan, include a
15 cost of equity, which shall be calculated as the sum of
16 the following:

17 (i) the average for the applicable calendar
18 year of the monthly average yields of 30-year U.S.
19 Treasury bonds published by the Board of Governors
20 of the Federal Reserve System in its weekly H.15
21 Statistical Release or successor publication; and

22 (ii) 530 basis points.

23 At such time as the Board of Governors of the
24 Federal Reserve System ceases to include the monthly
25 average yields of 30-year U.S. Treasury bonds in its
26 weekly H.15 Statistical Release or successor

1 publication, the monthly average yields of the U.S.
2 Treasury bonds then having the longest duration
3 published by the Board of Governors in its weekly H.15
4 Statistical Release or successor publication shall
5 instead be used for purposes of this subparagraph (C).

6 (D) For subsequent Multi-year Rate Plans, the cost
7 of equity and capital structure shall be established
8 by the Commission and shall be set to reflect a
9 risk-adjusted return compared to the prevailing cost
10 of capital and comparable investments in the economy,
11 including U.S. Treasury rates, upon which additional
12 earning opportunities and penalties can be provided to
13 reflect utility performance against identified
14 outcomes.

15 (E) Recovery of operations and maintenance
16 expenses, based on projected costs, an
17 electricity-related price index or other formula.

18 (F) Amortize the amount of unprotected
19 property-related excess accumulated deferred income
20 taxes in rates as of December 31, 2022 over a period of
21 5 years.

22 (G) Disallow recovery of charitable contributions.

23 (H) Allow recovery of pension and other
24 post-employment benefits expense only if such costs
25 are demonstrated to be funded by ratepayers.

26 (I) Allow recovery of incentive compensation

1 expense that is based on the achievement of
2 operational metrics, including metrics related to
3 budget controls, outage duration and frequency,
4 safety, customer service, efficiency and productivity,
5 environmental compliance and attainment of
6 environmental goals, and other goals and metrics
7 approved by the Commission. Incentive compensation
8 expense that is based on net income or an affiliate's
9 earnings per share shall not be recoverable;

10 (4) Rates charged under the Multi-Year Rate Plan must
11 be based only upon the utility's reasonable and prudent
12 costs of service over the term of the plan, as determined
13 by the Commission, provided that the costs are not being
14 recovered elsewhere in rates. Rate adjustments authorized
15 by the Commission may continue outside of a plan
16 authorized under this Section to the extent such costs are
17 not recovered elsewhere in rates. The burden of proof
18 shall be on the electric utility to establish the prudence
19 of investments and expenditures and to establish that such
20 investments are reasonably necessary to meet the
21 requirements of the most recently approved Multi-Year
22 Integrated Grid Plan described in Section 16-105.17 of
23 this Act. The sole fact that a cost differs from that
24 incurred in a prior period or that an investment is
25 different from that described the Multi-year Integrated
26 Grid Plan shall not imply the imprudence or

1 unreasonableness of that cost or investment. The sole fact
2 that an investment is the same or similar to that
3 described in the Multi-Year Integrated Grid Plan shall not
4 imply prudence and reasonableness.

5 (5) To facilitate public transparency, all materials,
6 data, testimony, schedules, etc. shall be provided to the
7 Commission in an editable, machine-readable electronic
8 format including .doc, .docx, .xls, .xlsx, and similar,
9 but not including .pdf or .exif. Should utilities
10 designate any materials "confidential," they shall have an
11 affirmative duty to explain why the particular information
12 is marked confidential. In determining prudence and
13 reasonableness of rates, the Commission shall also
14 consider each public comment filed in the docket.

15 (6) The Commission may, by order, establish terms,
16 conditions, and procedures for a Multi-year Rate Plan
17 necessary to implement this Section and ensure that rates
18 remain just and reasonable during the course of the plan,
19 including terms and procedures for rate adjustment. At any
20 time prior to conclusion of a Multi-year Rate Plan, the
21 Commission, upon its own motion or upon petition of any
22 party, may initiate a proceeding to examine the
23 reasonableness of the utility's rates under the plan, and
24 adjust rates as necessary.

25 (7) Capital True-up. The utility shall propose an
26 annual capital true-up mechanism that provides a refund to

1 customers if the utility's actual capital-related revenue
2 requirement is less in total in any of the Multi-Year Rate
3 Plan delivery years than the Commission authorizes for
4 that year. Conversely, if the Company's actual
5 capital-related revenue requirement is more in total in
6 the Multi-year Rate Plan delivery year than the Commission
7 authorizes for that year, the Company cannot surcharge
8 customers to collect any under recovery.

9 (8) A participating utility that files a tariff
10 pursuant to paragraph (3) of this subsection (e) must
11 submit a one-time \$200,000 filing fee at the time the
12 Chief Clerk of the Commission accepts the filing, which
13 shall be a recoverable expense.

14 (9) Subsequent Multi-Year Rate Plans. An electric
15 utility operating under the Multi-Year Rate Plan shall
16 file a new Multi-Year Rate Plan at least 210 days prior to
17 the end of the initial Multi-Year Rate Plan, and every 4
18 years thereafter, with a rate-effective date of the
19 proposed tariffs such that, after the Commission
20 suspension period, the rates would take effect immediately
21 at the close of the final year of the initial Multi-Year
22 Rate Plan. In subsequent Multi-Year Rate Plans, as in the
23 initial plans, utilities and stakeholders may propose
24 additional metrics that achieve the outcomes described in
25 paragraph (2) of subsection (f) of this Section.

26 (10) Rate Design. The Commission shall approve tariffs

1 as part of each Multi-Year Rate Plan establishing rate
2 design for all delivery service customers. These shall
3 expand the rate options available to customers, including,
4 but not limited to, an affordability rate for low-income
5 residential customers, a time-of-use rate, an electric
6 vehicle rate, and a peak time savings rate.

7 (11) Decoupling. The Commission may, by order, approve
8 a tariff filed by an electric utility that provides for
9 decoupling of sales and revenues to mitigate the impact on
10 public utilities of the energy-savings goals and to reduce
11 a utility's disincentive to promote energy efficiency
12 under Section 16-111.5B of this Act without adversely
13 affecting utility ratepayers. In its consideration of a
14 proposed decoupling tariff, the Commission shall consider
15 a mechanism that triggers the periodic adjustment to rates
16 when the changes in revenue would result in a change
17 within a certain percentage, an earnings band to share
18 revenues that exceed the authorized return, or other
19 mechanisms that reduce the size and frequency of rate
20 adjustments.

21 (f) Performance Incentive Mechanisms.

22 (1) The Commission shall establish performance
23 incentive mechanisms in order to better tie utility
24 revenues to performance and customer benefits, accelerate
25 progress on Illinois energy and other goals, and hold
26 utilities publicly accountable. The Commission shall

1 develop metrics, which are observable and measurable
2 indicators of system or utility performance, in order to
3 create performance incentive mechanisms. Specifically, the
4 Commission shall establish:

5 (A) Tracking metrics, which will be used for
6 measuring and reporting utility performance.

7 (B) Performance metrics, which will be used for
8 financially incentivizing improved utility
9 performance.

10 (2) Outcomes of Metrics. The Commission shall approve
11 tracking and performance metrics that encourage
12 cost-effective, equitable utility achievement of the
13 following outcomes:

14 (A) Affordability. Achieve affordable customer
15 energy costs and utility bills, with particular
16 emphasis on keeping lower-income households' bills
17 within a manageable portion of their income.

18 (B) Pollution Reduction. Minimize emissions of
19 greenhouse gases and pollutants that harm human
20 health, particularly in environmental justice and
21 economically disadvantaged communities, through both
22 (A) minimizing emissions per kilowatt-hour of
23 electricity consumed; and (B) minimizing total
24 emissions, including by accelerating electrification
25 of transportation, buildings and industries where such
26 electrification results in net reductions, across all

1 fuels and over the life of electrification measures,
2 of greenhouse gases and other pollutants.

3 (C) Flexibility. Enhance the grid's flexibility to
4 adapt to increased deployment of nondispatchable
5 resources; improve the ability and performance of the
6 grid on load balancing; and address uncertainty around
7 future customer needs, future environmental concerns,
8 emerging technology, changes in costs of technology
9 and service, and other factors.

10 (D) Reliability. Meet high standards of overall
11 and locational reliability.

12 (E) Customer Experience. Deliver customer service
13 quality, customer engagement, and customer access to
14 utility system information.

15 (F) Equity. Maximize and prioritize the allocation
16 of grid planning benefits to environmental justice and
17 economically disadvantaged customers and communities.
18 Sustain a diverse workforce, supplier procurement base
19 and, for relevant programs, approved vendor pools.

20 (G) Cost-effectiveness. Ensure rates reflect cost
21 savings attributable to grid modernization and
22 integration of distributed energy resources that allow
23 the utility to defer or forgo traditional grid
24 investments that would otherwise be required.

25 It is the intent of the General Assembly that these
26 outcomes shall guide the development of metrics even as

1 the grid, along with its associated technologies and
2 policies, evolves. It is also the intent of the General
3 Assembly that the limitation of total costs to customers
4 and the promotion of ethical and transparent practices by
5 utilities, as well as the role that flexible load and
6 distributed energy resources can play in advancing the
7 outcomes, be considered in the establishment of metrics.

8 (3) Metrics Requirements.

9 (A) Tracking Metrics. Tracking metrics shall
10 entail a description of the metric, a calculation
11 method, and a data collection method. The Commission
12 shall approve tracking metrics that measure
13 achievement of at least one of the outcomes set forth
14 in paragraph (2) and are supported by sufficient
15 stakeholder input. Tracking metrics should measure
16 outcomes and actual results and projections where
17 possible.

18 (B) Performance Metrics. Performance metrics shall
19 entail a description of the metric, a calculation
20 method, a data collection method, annual binding
21 performance targets, and monetary incentives (rewards
22 or penalties or both, depending on the metric) for
23 utilities' achievement of or failure to achieve their
24 performance targets. The Commission shall approve
25 performance metrics that (i) measure achievement of
26 the outcomes set forth in paragraph (2); (ii) are

1 supported by sufficient stakeholder input; (iii) have
2 one year of tracking data collected in a consistent
3 manner and verifiable by an independent evaluator in
4 order to establish a baseline; and (iv) require an
5 incentive (reward or penalty or both) to create
6 improved utility performance. While a single
7 performance metric may measure achievement of more
8 than one of the outcomes set forth in paragraph (2),
9 and such metrics should be valued, the Commission
10 shall not approve multiple performance metrics that
11 measure achievement identical or near-identical
12 results. Performance metrics should measure outcomes
13 and actual, rather than projected, results where
14 possible.

15 (C) Performance targets. For metrics where
16 progressive improvement is desirable, performance
17 targets shall increase annually and shall require
18 utilities to perform beyond "business as usual," as
19 determined by baseline tracking data and
20 high-confidence projections. Increases to a target
21 shall be considered in light of other metrics,
22 cost-effectiveness, and other factors the Commission
23 deems appropriate.

24 (D) Performance incentives. The Commission shall
25 determine whether and to what extent each performance
26 metric shall offer a reward, penalty, or both to a

1 utility. For metrics where a reward is offered, and
2 that reward is a cash payment, the reward shall be
3 calculated as a percentage of net benefits from the
4 outcome, net of costs to customers. The Commission
5 shall develop a methodology to calculate net benefits
6 that includes societal costs and benefits.

7 In determining the appropriate level of a reward
8 or penalty, the Commission shall consider: the extent
9 to which the amount is likely to encourage the utility
10 to achieve the performance target in the least cost
11 manner; the value of benefits to customers, the grid,
12 and the environment from achievement of the
13 performance target, including in particular benefits
14 to environmental justice and economically
15 disadvantaged communities; customer bill
16 affordability; the utility's revenue requirement; and
17 other such factors that the Commission deems
18 appropriate. The consideration of these factors shall
19 result in an incentive level that ensures benefits
20 exceed costs for customers.

21 The rewards or penalties shall be calculated based
22 on the electric utility achieving performance targets.
23 In determining the specific rewards or penalties, the
24 Commission shall give proportionate weight to the
25 following set of metrics: affordability,
26 cost-effectiveness, pollution reduction, flexibility,

1 customer experience, reliability, and equity.

2 It is the intent of the General Assembly that over
3 time the utility's cost of equity shall be
4 progressively reduced while the opportunity to grow
5 earnings as a result of achieving performance targets
6 shall be progressively increased as the Commission
7 establishes new performance metrics.

8 (g) Initial Metrics. The Commission shall initiate a
9 4-month workshop process no later than March 1, 2022 for the
10 purpose of informing the enactment of metrics. The workshop
11 shall be facilitated by Staff of the Illinois Commerce
12 Commission, and shall be organized and facilitated in a manner
13 that encourages representation from diverse stakeholders,
14 ensuring equitable opportunities for participation, without
15 requiring formal intervention or representation by an
16 attorney. Following the workshop, the Commission shall
17 establish initial tracking and performance metrics in a
18 docketed proceeding that shall be filed by the electric
19 utility by July 2, 2022. The initial tracking and performance
20 metrics shall be in place for the period of the first
21 Multi-Year Rate Plan. The proceeding shall conclude, and the
22 commission shall issue an order in the matter, no later than
23 April 1, 2023.

24 Unless the tracking metrics in subparagraph (3) of
25 paragraph (A) and performance metrics in subparagraph (3) of
26 paragraph (B) of subsection (f) of this Section are found by

1 the Commission during initial metric-setting proceeding to not
2 meet the requirements set forth in this Section, the
3 Commission shall approve these metrics, and it shall establish
4 calculations and goals for the tracking metrics set forth in
5 subparagraph (3) of paragraph (A) of subsection (f) of this
6 Section and calculations, targets, and incentives for the
7 tracking metrics set forth in subparagraph (3) of paragraph
8 (B) of subsection (f) of this Section. If the Commission finds
9 that the metrics set forth in subparagraph (3) of paragraph
10 (A) and subparagraph (3) of paragraph (B) of subsection (f) of
11 this Section do not meet the requirements set forth in this
12 Section, then the Commission shall approve substitute metrics.
13 The Commission may also approve additional tracking and
14 performance metrics as appropriate if they meet the
15 requirements set forth in this Section.

16 Initial Performance Metrics shall include at a minimum,
17 but not limited to, the following:

- 18 (1) system Average Interruption Frequency Index;
- 19 (2) customer Average Interruption Duration Index; and
- 20 (3) peak load reductions enabled by demand response
21 programs.

22 (h) Future Metrics. The Commission shall establish new
23 tracking and performance metrics in future Annual Performance
24 Evaluation proceedings to further measure achievement of the
25 outcomes set forth in paragraph (2) of subsection (f) of this
26 Section and the other goals and requirements of this Section.

1 The Commission shall also evaluate metrics that were
2 established in prior Annual Performance Evaluation proceedings
3 under the procedures set forth in subsection (i) to determine
4 if adjustments are required to improve the likelihood of the
5 outcomes described in paragraph (2) of subsection (f). For
6 metrics that were established in prior Annual Performance
7 Evaluation proceedings and that the Commission elects to
8 continue, the design of these metrics, including the goals of
9 tracking metrics and the targets and incentive levels and
10 structures of performance metrics, may be adjusted pursuant to
11 the requirements in this Section. The Commission may also
12 phase out tracking and performance metrics that were
13 established in prior Annual Performance Evaluation proceedings
14 if these metrics no longer meet the requirements of this
15 Section or if they are rendered obsolete by the changing needs
16 and technology of an evolving grid. Additionally, performance
17 metrics that no longer require an incentive to create improved
18 utility performance may become tracking metrics.

19 In service of the outcomes set forth in paragraph (2) of
20 subsection (f), it is the intent of the General Assembly that
21 the Commission in future Annual Performance Evaluation
22 proceedings establish the tracking metrics and performance
23 metrics set forth in subparagraph (A) and subparagraph (B) of
24 paragraph (3) of subsection (f) of this Section when these
25 metrics would be compliant with the requirements set forth in
26 this Section.

1 (i) Annual Performance Evaluation. On June 1 of each year,
2 following the approval of the first Multi-Year Rate Plan and
3 its initial delivery year, the Commission shall open an Annual
4 Performance Evaluation proceeding to evaluate the utilities'
5 performance on their metric targets during the delivery year
6 just completed and accordingly determine rewards or penalties
7 or both to be reflected in rates in the following calendar
8 year.

9 (1) Utility Reporting. On April 1 of each year, prior
10 to the Annual Performance Evaluation proceeding, each
11 participating utility shall file a Performance Evaluation
12 Report with the Commission that includes a description of
13 and all data supporting how the participating utility
14 performed under each tracking and performance metric and
15 an identification of any extraordinary events that
16 adversely impacted the utility's performance. The
17 Performance Evaluation Report shall be verified by an
18 independent evaluator as set out in paragraph (3) of this
19 subsection (i) and shall include both a report made to the
20 Commission and a short, public-facing scorecard that makes
21 this information publicly accessible and easily
22 understandable. The Commission shall post each scorecard
23 upon receipt on the Commission's web page in an
24 easily-accessible location. The format of the report and
25 the scorecard shall be consistent across utilities and
26 shall include:

1 (A) a list of metrics to which the utility is
2 subject;

3 (B) the previous delivery year's calculation
4 methods and performance on metrics if applicable;

5 (C) the current delivery year's calculation
6 methods and a detailed description of the effect of
7 any differences;

8 (D) the current-year goals for tracking metrics
9 and current-year targets for performance metrics;

10 (E) the current year's performance on metrics
11 targets;

12 (F) a summary of the investments and programs
13 undertaken in order to achieve those metrics targets;
14 and (G) the annual goals and targets for the remaining
15 years of the current Multi-year Rate Plan period.

16 Within 30 days after the Commission's Order in the
17 utility's Annual Performance Evaluation and Adjustment
18 filing, the utility shall update the public scorecard with
19 any changes required by the Commission and the revised
20 scorecard shall be posted on the Commission's website.

21 (2) Public Workshops. Preceding each Annual
22 Performance Evaluation, no later than April 1 each year,
23 the Commission shall initiate a two-month workshop
24 process. The workshops shall be facilitated by Staff of
25 the Illinois Commerce Commission, and shall be organized
26 and facilitated in a manner that encourages representation

1 from diverse stakeholders, ensuring equitable
2 opportunities for participation, without requiring formal
3 intervention or representation by an attorney. During
4 these workshops, each electric utility shall publicly
5 present its performance on tracking and performance
6 metrics following the requirements set forth in paragraph
7 (1) of this subsection (i). The electric utility shall
8 also explain how it has holistically considered the plans,
9 programs, tariffs and policies and its Multi-Year
10 Integrated Grid Plan in order to achieve its metric
11 targets. Members of the public shall have opportunity for
12 comment and feedback. A summary of that feedback shall be
13 provided in an exhibit submitted by Staff of the Illinois
14 Commerce Commission in the Annual Performance Evaluation.

15 (3) Independent Evaluation. The electric utility shall
16 provide for an annual independent evaluation of its
17 performance on metrics. The independent evaluator shall
18 review the utility's assumptions, baselines, targets,
19 calculation methodologies, and other relevant information,
20 especially ensuring that the utility's data for
21 establishing baselines matches actual performance, and
22 shall provide a Report to the Commission in each Annual
23 Performance Evaluation describing the results. The
24 independent evaluator shall present this Report as
25 evidence as a nonparty participant. The independent
26 evaluator shall be hired through a competitive bidding

1 process.

2 The Commission shall consider the Report of the
3 independent evaluator in determining the utility's
4 achievement of performance targets. Discrepancies between
5 the utility's assumptions, baselines, targets, or
6 calculations and those of the independent evaluator shall
7 be closely scrutinized by the Commission. If the
8 Commission finds that the utility's reported data for any
9 metric or metrics significantly deviates from the data
10 reported by the independent evaluator, then the Commission
11 shall order the utility to revise its data collection and
12 calculation process within 60 days, with specifications
13 where appropriate.

14 (4) Performance Adjustment. The Commission shall,
15 after notice and hearing in the Annual Performance
16 Evaluation proceeding, enter an order approving the
17 utility's performance adjustment based on its achievement
18 of or failure to achieve its performance targets no later
19 than December 31 each year. The Commission-approved
20 penalties or rewards shall be applied beginning with the
21 next calendar year. Nothing in this Section shall
22 authorize the Commission to reduce or otherwise obviate
23 the imposition of financial rewards or penalties for
24 achieving or failing to achieve one or more of the
25 utility's performance targets.

26 (5) Revisions to Metrics. While tracking and

1 performance metrics, along with their associated goals,
2 targets, and incentives, shall not be changed outside of
3 the Annual Performance Evaluation, the Commission may open
4 an investigation into the methodology, including
5 assumptions and calculations, used to measure or quantify
6 progress toward goals and targets in the Annual
7 Performance Evaluation at the request of an intervening
8 party.

9 (220 ILCS 5/16-111.5)

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

11 (a) An electric utility that on December 31, 2005 served
12 at least 100,000 customers in Illinois shall procure power and
13 energy for its eligible retail customers in accordance with
14 the applicable provisions set forth in Section 1-75 of the
15 Illinois Power Agency Act and this Section. Beginning with the
16 delivery year commencing on June 1, 2017, such electric
17 utility shall also procure zero emission credits from zero
18 emission facilities in accordance with the applicable
19 provisions set forth in Section 1-75 of the Illinois Power
20 Agency Act, and, for years beginning on or after June 1, 2017,
21 the utility shall procure renewable energy resources in
22 accordance with the applicable provisions set forth in Section
23 1-75 of the Illinois Power Agency Act and this Section.
24 Beginning with the delivery year commencing June 1, 2023, an
25 electric utility that, on December 31, 2005, served at least

1 3,000,000 customers in Illinois shall procure capacity for its
2 retail customers in accordance with the applicable provisions
3 set forth in Section 1-75 of the Illinois Power Agency Act and
4 this Section. A small multi-jurisdictional electric utility
5 that on December 31, 2005 served less than 100,000 customers
6 in Illinois may elect to procure power and energy for all or a
7 portion of its eligible Illinois retail customers in
8 accordance with the applicable provisions set forth in this
9 Section and Section 1-75 of the Illinois Power Agency Act.
10 This Section shall not apply to a small multi-jurisdictional
11 utility until such time as a small multi-jurisdictional
12 utility requests the Illinois Power Agency to prepare a
13 procurement plan for its eligible retail customers. "Eligible
14 retail customers" for the purposes of this Section means those
15 retail customers that purchase power and energy from the
16 electric utility under fixed-price bundled service tariffs,
17 other than those retail customers whose service is declared or
18 deemed competitive under Section 16-113 and those other
19 customer groups specified in this Section, including
20 self-generating customers, customers electing hourly pricing,
21 or those customers who are otherwise ineligible for
22 fixed-price bundled tariff service. For those customers that
23 are excluded from the procurement plan's electric supply
24 service requirements, and the utility shall procure any supply
25 requirements, including capacity, ancillary services, and
26 hourly priced energy, in the applicable markets as needed to

1 serve those customers, provided that the utility may include
2 in its procurement plan load requirements for the load that is
3 associated with those retail customers whose service has been
4 declared or deemed competitive pursuant to Section 16-113 of
5 this Act to the extent that those customers are purchasing
6 power and energy during one of the transition periods
7 identified in subsection (b) of Section 16-113 of this Act.

8 (b) A procurement plan shall be prepared for each electric
9 utility consistent with the applicable requirements of the
10 Illinois Power Agency Act and this Section. For purposes of
11 this Section, Illinois electric utilities that are affiliated
12 by virtue of a common parent company are considered to be a
13 single electric utility. Small multi-jurisdictional utilities
14 may request a procurement plan for a portion of or all of its
15 Illinois load. Each procurement plan shall analyze the
16 projected balance of supply and demand for those retail
17 customers to be included in the plan's electric supply service
18 requirements over a 5-year period, with the first planning
19 year beginning on June 1 of the year following the year in
20 which the plan is filed. The plan shall specifically identify
21 the carbon-free capacity to be procured, as described in
22 Section 1-75 of the Illinois Power Agency Act, and the
23 wholesale products to be procured following plan approval, and
24 shall follow all the requirements set forth in the Public
25 Utilities Act and all applicable State and federal laws,
26 statutes, rules, or regulations, as well as Commission orders.

1 Nothing in this Section precludes consideration of contracts
2 longer than 5 years and related forecast data. Unless
3 specified otherwise in this Section, in the procurement plan
4 or in the implementing tariff, any procurement occurring in
5 accordance with this plan shall be competitively bid through a
6 request for proposals process. Approval and implementation of
7 the procurement plan shall be subject to review and approval
8 by the Commission according to the provisions set forth in
9 this Section. A procurement plan shall include each of the
10 following components:

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

12 (i) multi-year historical analysis of hourly
13 loads;

14 (ii) switching trends and competitive retail
15 market analysis;

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

17 and

18 (iv) growth forecasts by customer class.

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

21 (i) the impact of demand response programs and
22 energy efficiency programs, both current and
23 projected; for small multi-jurisdictional utilities,
24 the impact of demand response and energy efficiency
25 programs approved pursuant to Section 8-408 of this
26 Act, both current and projected; and

1 (ii) supply side needs that are projected to be
2 offset by purchases of renewable energy resources, if
3 any.

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

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

9 (ii) the proposed mix of demand-response products
10 for which contracts will be executed during the next
11 year. For small multi-jurisdictional electric
12 utilities that on December 31, 2005 served fewer than
13 100,000 customers in Illinois, these shall be defined
14 as demand-response products offered in an energy
15 efficiency plan approved pursuant to Section 8-408 of
16 this Act. The cost-effective demand-response measures
17 shall be procured whenever the cost is lower than
18 procuring comparable capacity products, provided that
19 such products shall:

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

23 (B) at least satisfy the demand-response
24 requirements of the regional transmission
25 organization market in which the utility's service
26 territory is located, including, but not limited

1 to, any applicable capacity or dispatch
2 requirements;

3 (C) provide for customers' participation in
4 the stream of benefits produced by the
5 demand-response products;

6 (D) provide for reimbursement by the
7 demand-response provider of the utility for any
8 costs incurred as a result of the failure of the
9 supplier of such products to perform its
10 obligations thereunder; and

11 (E) meet the same credit requirements as apply
12 to suppliers of capacity, in the applicable
13 regional transmission organization market;

14 (iii) monthly forecasted system supply
15 requirements, including expected minimum, maximum, and
16 average values for the planning period;

17 (iv) the proposed mix and selection of standard
18 wholesale products for which contracts will be
19 executed during the next year, separately or in
20 combination, to meet that portion of its load
21 requirements not met through pre-existing contracts,
22 including, but not limited to, monthly 5 x 16 peak
23 period block energy, monthly off-peak wrap energy,
24 monthly 7 x 24 energy, annual 5 x 16 energy, annual
25 off-peak wrap energy, annual 7 x 24 energy, monthly
26 capacity, annual capacity, peak load capacity

1 obligations, capacity purchase plan, and ancillary
2 services;

3 (v) proposed term structures for each wholesale
4 product type included in the proposed procurement plan
5 portfolio of products; ~~and~~

6 (vi) an assessment of the price risk, load
7 uncertainty, and other factors that are associated
8 with the proposed procurement plan; this assessment,
9 to the extent possible, shall include an analysis of
10 the following factors: contract terms, time frames for
11 securing products or services, fuel costs, weather
12 patterns, transmission costs, market conditions, and
13 the governmental regulatory environment; the proposed
14 procurement plan shall also identify alternatives for
15 those portfolio measures that are identified as having
16 significant price risk; and -

17 (vii) the amount of capacity procured for each
18 year through the procurements in subsection (k) of
19 Section 1-75 of the Illinois Power Agency Act and this
20 Section, and the amount of capacity to be procured
21 from each procurement during the next year.

22 (4) Proposed procedures for balancing loads. The
23 procurement plan shall include, for load requirements
24 included in the procurement plan, the process for (i)
25 hourly balancing of supply and demand and (ii) the
26 criteria for portfolio re-balancing in the event of

1 significant shifts in load.

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

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

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

17 (A) Electric utilities shall provide a range
18 of load forecasts to the Illinois Power Agency
19 within 45 days of the Agency's request for
20 forecasts, which request shall specify the length
21 and conditions for the forecasts including, but
22 not limited to, the quantity of distributed
23 generation expected to be interconnected for each
24 year.

25 (B) The Agency shall publish for comment the
26 initial long-term renewable resources procurement

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

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

18 (bb) Include a schedule for procurements
19 for renewable energy credits from
20 utility-scale wind projects, utility-scale
21 solar projects, and brownfield site
22 photovoltaic projects consistent with
23 subparagraph (G) of paragraph (1) of
24 subsection (c) of Section 1-75 of the Illinois
25 Power Agency Act.

26 (cc) Identify the process whereby the

1 Agency will submit to the Commission for
2 review and approval the proposed contracts to
3 implement the programs required by such plan.

4 Copies of the initial long-term renewable
5 resources procurement plan and all subsequent
6 revisions shall be posted and made publicly
7 available on the Agency's and Commission's
8 websites, and copies shall also be provided to
9 each affected electric utility. An affected
10 utility and other interested parties shall have 45
11 days following the date of posting to provide
12 comment to the Agency on the initial long-term
13 renewable resources procurement plan and all
14 subsequent revisions. All comments submitted to
15 the Agency shall be specific, supported by data or
16 other detailed analyses, and, if objecting to all
17 or a portion of the procurement plan, accompanied
18 by specific alternative wording or proposals. All
19 comments shall be posted on the Agency's and
20 Commission's websites. During this 45-day comment
21 period, the Agency shall hold at least one public
22 hearing within each utility's service area that is
23 subject to the requirements of this paragraph (5)
24 for the purpose of receiving public comment.
25 Within 21 days following the end of the 45-day
26 review period, the Agency may revise the long-term

1 renewable resources procurement plan based on the
2 comments received and shall file the plan with the
3 Commission for review and approval.

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

15 (D) The Commission shall approve the initial
16 long-term renewable resources procurement plan and
17 any subsequent revisions, including expressly the
18 forecast used in the plan and taking into account
19 that funding will be limited to the amount of
20 revenues actually collected by the utilities, if
21 the Commission determines that the plan will
22 reasonably and prudently accomplish the
23 requirements of Section 1-56 and subsection (c) of
24 Section 1-75 of the Illinois Power Agency Act. The
25 Commission shall also approve the process for the
26 submission, review, and approval of the proposed

1 contracts to procure renewable energy credits or
2 implement the programs authorized by the
3 Commission pursuant to a long-term renewable
4 resources procurement plan approved under this
5 Section.

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

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

13 (v) For the public interest, safety, and welfare,
14 the Agency and the Commission may adopt rules to carry
15 out the provisions of this Section on an emergency
16 basis immediately following the effective date of this
17 amendatory Act of the 99th General Assembly.

18 (vi) On or before July 1 of each year, the
19 Commission shall hold an informal hearing for the
20 purpose of receiving comments on the prior year's
21 procurement process and any recommendations for
22 change.

23 (6) Capacity Procurement Plan.

24 (i) No later than 90 days after notice by a public
25 utility of election of the Fixed Resource Requirement
26 Alternative and Illinois Commerce Commission approval

1 of same, the Illinois Power Agency shall publish for
2 public comment a draft Capacity Procurement Plan
3 pursuant to subsection (k) of Section 1-75 of the
4 Illinois Power Agency Act. The Agency shall conduct at
5 least one public workshop to elicit input regarding
6 development of the Plan. The Agency shall provide 60
7 days for public comment on the draft Plan, and within
8 30 days after the deadline for comment shall submit
9 the Plan to the Illinois Commerce Commission.

10 (ii) After providing appropriate opportunities for
11 objection and hearing, the Commission shall enter its
12 order approving or modifying the Plan within 60 days
13 after the filing of the plan by the Illinois Power
14 Agency. The Commission shall approve the Plan if it
15 meets the objectives set forth in subsection (k) of
16 Section 1-75 of the Illinois Power Agency Act. If the
17 Plan does not meet those objectives, the Commission
18 shall modify the Plan or shall provide specific
19 direction to the Agency to modify and resubmit the
20 Plan within 30 days.

21 (c) The procurement process set forth in Section 1-75 of
22 the Illinois Power Agency Act and subsection (e) of this
23 Section shall be administered by a procurement administrator
24 and monitored by a procurement monitor.

25 (1) The procurement administrator shall:

26 (i) design the final procurement process in

1 accordance with Section 1-75 of the Illinois Power
2 Agency Act and subsection (e) of this Section
3 following Commission approval of the procurement plan;

4 (ii) develop benchmarks in accordance with
5 subsection (e)(3) to be used to evaluate bids; these
6 benchmarks shall be submitted to the Commission for
7 review and approval on a confidential basis prior to
8 the procurement event;

9 (iii) serve as the interface between the electric
10 utility and suppliers;

11 (iv) manage the bidder pre-qualification and
12 registration process;

13 (v) obtain the electric utilities' agreement to
14 the final form of all supply contracts and credit
15 collateral agreements;

16 (vi) administer the request for proposals process;

17 (vii) have the discretion to negotiate to
18 determine whether bidders are willing to lower the
19 price of bids that meet the benchmarks approved by the
20 Commission; any post-bid negotiations with bidders
21 shall be limited to price only and shall be completed
22 within 24 hours after opening the sealed bids and
23 shall be conducted in a fair and unbiased manner; in
24 conducting the negotiations, there shall be no
25 disclosure of any information derived from proposals
26 submitted by competing bidders; if information is

1 disclosed to any bidder, it shall be provided to all
2 competing bidders;

3 (viii) maintain confidentiality of supplier and
4 bidding information in a manner consistent with all
5 applicable laws, rules, regulations, and tariffs;

6 (ix) submit a confidential report to the
7 Commission recommending acceptance or rejection of
8 bids;

9 (x) notify the utility of contract counterparties
10 and contract specifics; and

11 (xi) administer related contingency procurement
12 events.

13 (2) The procurement monitor, who shall be retained by
14 the Commission, shall:

15 (i) monitor interactions among the procurement
16 administrator, suppliers, and utility;

17 (ii) monitor and report to the Commission on the
18 progress of the procurement process;

19 (iii) provide an independent confidential report
20 to the Commission regarding the results of the
21 procurement event;

22 (iv) assess compliance with the procurement plans
23 approved by the Commission for each utility that on
24 December 31, 2005 provided electric service to at
25 least 100,000 customers in Illinois and for each small
26 multi-jurisdictional utility that on December 31, 2005

1 served less than 100,000 customers in Illinois;

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

5 (vi) provide expert advice to the Commission and
6 consult with the procurement administrator regarding
7 issues related to procurement process design, rules,
8 protocols, and policy-related matters; and

9 (vii) consult with the procurement administrator
10 regarding the development and use of benchmark
11 criteria, standard form contracts, credit policies,
12 and bid documents.

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

15 (1) Beginning in 2008, each Illinois utility procuring
16 power pursuant to this Section shall annually provide a
17 range of load forecasts to the Illinois Power Agency by
18 July 15 of each year, or such other date as may be required
19 by the Commission or Agency. The load forecasts shall
20 cover the 5-year procurement planning period for the next
21 procurement plan and shall include hourly data
22 representing a high-load, low-load, and expected-load
23 scenario for the load of those retail customers included
24 in the plan's electric supply service requirements. The
25 utility shall provide supporting data and assumptions for
26 each of the scenarios.

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

1 procurement plan with the Commission and post the
2 procurement plan on the websites.

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

11 (4) The Commission shall approve the procurement plan,
12 including expressly the forecast used in the procurement
13 plan, if the Commission determines that it will ensure
14 adequate, reliable, affordable, efficient, and
15 environmentally sustainable electric service at the lowest
16 total cost over time, taking into account any benefits of
17 price stability.

18 (e) The procurement process shall include each of the
19 following components:

20 (1) Solicitation, pre-qualification, and registration
21 of bidders. The procurement administrator shall
22 disseminate information to potential bidders to promote a
23 procurement event, notify potential bidders that the
24 procurement administrator may enter into a post-bid price
25 negotiation with bidders that meet the applicable
26 benchmarks, provide supply requirements, and otherwise

1 explain the competitive procurement process. In addition
2 to such other publication as the procurement administrator
3 determines is appropriate, this information shall be
4 posted on the Illinois Power Agency's and the Commission's
5 websites. The procurement administrator shall also
6 administer the prequalification process, including
7 evaluation of credit worthiness, compliance with
8 procurement rules, and agreement to the standard form
9 contract developed pursuant to paragraph (2) of this
10 subsection (e). The procurement administrator shall then
11 identify and register bidders to participate in the
12 procurement event.

13 (2) Standard contract forms and credit terms and
14 instruments. The procurement administrator, in
15 consultation with the utilities, the Commission, and other
16 interested parties and subject to Commission oversight,
17 shall develop and provide standard contract forms for the
18 supplier contracts that meet generally accepted industry
19 practices. Standard credit terms and instruments that meet
20 generally accepted industry practices shall be similarly
21 developed. The procurement administrator shall make
22 available to the Commission all written comments it
23 receives on the contract forms, credit terms, or
24 instruments. If the procurement administrator cannot reach
25 agreement with the applicable electric utility as to the
26 contract terms and conditions, the procurement

1 administrator must notify the Commission of any disputed
2 terms and the Commission shall resolve the dispute. The
3 terms of the contracts shall not be subject to negotiation
4 by winning bidders, and the bidders must agree to the
5 terms of the contract in advance so that winning bids are
6 selected solely on the basis of price.

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

25 (4) Request for proposals competitive procurement
26 process. The procurement administrator shall design and

1 issue a request for proposals to supply electricity in
2 accordance with each utility's procurement plan, as
3 approved by the Commission. The request for proposals
4 shall set forth a procedure for sealed, binding commitment
5 bidding with pay-as-bid settlement, and provision for
6 selection of bids on the basis of price.

7 (5) A plan for implementing contingencies in the event
8 of supplier default or failure of the procurement process
9 to fully meet the expected load requirement due to
10 insufficient supplier participation, Commission rejection
11 of results, or any other cause.

12 (i) Event of supplier default: In the event of
13 supplier default, the utility shall review the
14 contract of the defaulting supplier to determine if
15 the amount of supply is 200 megawatts or greater, and
16 if there are more than 60 days remaining of the
17 contract term. If both of these conditions are met,
18 and the default results in termination of the
19 contract, the utility shall immediately notify the
20 Illinois Power Agency that a request for proposals
21 must be issued to procure replacement power, and the
22 procurement administrator shall run an additional
23 procurement event. If the contracted supply of the
24 defaulting supplier is less than 200 megawatts or
25 there are less than 60 days remaining of the contract
26 term, the utility shall procure power and energy from

1 the applicable regional transmission organization
2 market, including ancillary services, capacity, and
3 day-ahead or real time energy, or both, for the
4 duration of the contract term to replace the
5 contracted supply; provided, however, that if a needed
6 product is not available through the regional
7 transmission organization market it shall be purchased
8 from the wholesale market.

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

1 request for proposals process shall be implemented by
2 the procurement administrator within 90 days after the
3 determination that the procurement process has failed
4 to fully meet the expected load requirement.

5 (iii) In all cases where there is insufficient
6 supply provided under contracts awarded through the
7 procurement process to fully meet the electric
8 utility's load requirement, the utility shall meet the
9 load requirement by procuring power and energy from
10 the applicable regional transmission organization
11 market, including ancillary services, capacity, and
12 day-ahead or real time energy, or both; provided,
13 however, that if a needed product is not available
14 through the regional transmission organization market
15 it shall be purchased from the wholesale market.

16 (6) The procurement process described in this
17 subsection is exempt from the requirements of the Illinois
18 Procurement Code, pursuant to Section 20-10 of that Code.

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

1 Commission within 2 business days after opening the sealed
2 bids. The report shall contain the procurement monitor's
3 assessment of bidder behavior in the process as well as an
4 assessment of the procurement administrator's compliance with
5 the procurement process and rules. The Commission shall review
6 the confidential reports submitted by the procurement
7 administrator and procurement monitor, and shall accept or
8 reject the recommendations of the procurement administrator
9 within 2 business days after receipt of the reports.

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

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

1 regulations, and tariffs. Confidential information, including
2 the confidential reports submitted by the procurement
3 administrator and procurement monitor pursuant to subsection
4 (f) of this Section, shall not be made publicly available and
5 shall not be discoverable by any party in any proceeding,
6 absent a compelling demonstration of need, nor shall those
7 reports be admissible in any proceeding other than one for law
8 enforcement purposes.

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

18 (j) Within 60 days following August 28, 2007 (the
19 effective date of Public Act 95-481), each electric utility
20 that on December 31, 2005 provided electric service to at
21 least 100,000 customers in Illinois shall prepare and file
22 with the Commission an initial procurement plan, which shall
23 conform in all material respects to the requirements of the
24 procurement plan set forth in subsection (b); provided,
25 however, that the Illinois Power Agency Act shall not apply to
26 the initial procurement plan prepared pursuant to this

1 subsection. The initial procurement plan shall identify the
2 portfolio of power and energy products to be procured and
3 delivered for the period June 2008 through May 2009, and shall
4 identify the proposed procurement administrator, who shall
5 have the same experience and expertise as is required of a
6 procurement administrator hired pursuant to Section 1-75 of
7 the Illinois Power Agency Act. Copies of the procurement plan
8 shall be posted and made publicly available on the
9 Commission's website. The initial procurement plan may include
10 contracts for renewable resources that extend beyond May 2009.

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

26 (ii) The order shall approve or modify the procurement

1 plan, approve an independent procurement administrator,
2 and approve or modify the electric utility's tariffs that
3 are proposed with the initial procurement plan. The
4 Commission shall approve the procurement plan if the
5 Commission determines that it will ensure adequate,
6 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.

9 (k) (Blank).

10 (k-5) (Blank).

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

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

1 applicable to all of its retail customers, as specified in
2 subsection (k) of Section 16-108 of this Act, and shall not be
3 recovered through the electric utility's tariffed charges for
4 electric power and energy supply to its eligible retail
5 customers.

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

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

20 (o) On or before June 1 of each year, the Commission shall
21 hold an informal hearing for the purpose of receiving comments
22 on the prior year's procurement process and any
23 recommendations for change.

24 (p) An electric utility subject to this Section may
25 propose to invest, lease, own, or operate an electric
26 generation facility as part of its procurement plan, provided

1 the utility demonstrates that such facility is the least-cost
2 option to provide electric service to those retail customers
3 included in the plan's electric supply service requirements.
4 If the facility is shown to be the least-cost option and is
5 included in a procurement plan prepared in accordance with
6 Section 1-75 of the Illinois Power Agency Act and this
7 Section, then the electric utility shall make a filing
8 pursuant to Section 8-406 of this Act, and may request of the
9 Commission any statutory relief required thereunder. If the
10 Commission grants all of the necessary approvals for the
11 proposed facility, such supply shall thereafter be considered
12 as a pre-existing contract under subsection (b) of this
13 Section. The Commission shall in any order approving a
14 proposal under this subsection specify how the utility will
15 recover the prudently incurred costs of investing in, leasing,
16 owning, or operating such generation facility through just and
17 reasonable rates charged to those retail customers included in
18 the plan's electric supply service requirements. Cost recovery
19 for facilities included in the utility's procurement plan
20 pursuant to this subsection shall not be subject to review
21 under or in any way limited by the provisions of Section
22 16-111(i) of this Act. Nothing in this Section is intended to
23 prohibit a utility from filing for a fuel adjustment clause as
24 is otherwise permitted under Section 9-220 of this Act.

25 (q) If the Illinois Power Agency filed with the
26 Commission, under Section 16-111.5 of this Act, its proposed

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

23 This amendatory Act of the 99th General Assembly preempts
24 and supersedes any order entered by the Commission that
25 approved the Illinois Power Agency's procurement plan for the
26 period commencing June 1, 2017, to the extent it is

1 inconsistent with the provisions of this amendatory Act of the
2 99th General Assembly. To the extent any previously entered
3 order approved the procurement of renewable energy resources,
4 the portion of that order approving the procurement shall be
5 void, other than the procurement of renewable energy credits
6 from distributed renewable energy generation devices using
7 funds previously collected from electric utilities' retail
8 customers that take service under electric utilities' hourly
9 pricing tariff or tariffs and, for an electric utility that
10 serves less than 100,000 retail customers in the State, other
11 than the procurement of renewable energy credits for
12 distributed renewable energy generation devices.

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

14 (220 ILCS 5/16-111.10 new)

15 Sec. 16-111.10. Equitable Energy Upgrade Program.

16 (a) The General Assembly finds and declares that Illinois
17 homes and businesses can contribute to the creation of a clean
18 energy economy, conservation of natural resources, and
19 reliability of the electricity grid through the installation
20 of cost-effective renewable energy generation, energy
21 efficiency, and energy storage systems. Further, a large
22 portion of Illinois residents and businesses that would
23 benefit from the installation of energy efficiency, storage,
24 and renewable energy generation systems are unable to purchase
25 systems due to capital or credit barriers. This State should

1 pursue options to enable many more Illinoisans to access the
2 health, environmental, and financial benefits of new clean
3 energy technology.

4 (b) As used in this Section:

5 "Commission" means the Illinois Commerce Commission.

6 "Energy project" means renewable energy generation
7 systems, including solar projects, energy efficiency upgrades,
8 energy storage systems, or any combination thereof.

9 "The Fund" means the Clean Energy Jobs and Justice Fund
10 established in the Illinois Clean Energy Jobs and Justice Fund
11 Act.

12 "Program" means the Equitable Energy Upgrade Program
13 established under subsection (c).

14 "Utility" means electric utilities providing services
15 under this Act.

16 (c) The Illinois Commerce Commission shall open an
17 investigation into and direct all electric utilities in this
18 State to adopt an Equitable Energy Upgrade Program that
19 permits customers to finance the construction of energy
20 projects through an optional tariff payable directly through
21 their utility bill, modeled after the Pay As You Save system,
22 developed by the Energy Efficiency Institute. The Program
23 model shall enable utilities to offer to make investments in
24 energy projects to customer properties with low-cost capital
25 and use an opt-in tariff to recover the costs. The Program
26 shall be designed to provide customers with immediate

1 financial savings if they choose to participate. The Program
2 shall allow residential electric utility customers that own
3 the property, or renters that have permission of the property
4 owner, for which they subscribe to utility service to agree to
5 the installation of an energy project. The Program shall
6 ensure:

7 (1) eligible projects do not require upfront payments;
8 however, customers may pay down the costs for projects
9 with a payment to the installing contractor in order to
10 qualify projects that would otherwise require upfront
11 payments;

12 (2) eligible projects have sufficient estimated
13 savings and estimated lifespan to produce significant,
14 immediate net savings;

15 (3) participants shall agree the utility can recover
16 its costs for the projects at their location by paying for
17 the project through an optional tariff directly through
18 the participant's electricity bill, allowing participants
19 to benefit from installation of energy projects without
20 traditional loans; and

21 (4) accessibility by lower-income residents and
22 environmental justice community residents.

23 (d) Program rollout. The Commission shall establish
24 Program guidelines with the anticipated schedule of Program
25 availability as follows:

26 (1) Year 1. Beginning in the first year of operation,

1 each utility is required to obtain low-cost capital of at
2 least \$20,000,000 annually for investments in energy
3 projects.

4 (2) Year 2. Beginning in the second year of operation,
5 each utility is required to obtain low-cost capital for
6 investments in energy projects of at least \$40,000,000
7 annually.

8 (3) Year 3. Beginning in the third year of operation,
9 each utility is required to obtain low-cost capital for
10 investments in as many systems as customers demand,
11 subject to available capital provided by the utility,
12 State, or other lenders.

13 (e) In the design of the Equitable Energy Upgrade Program,
14 the Commission shall:

15 (1) Within 270 days after the effective date of this
16 amendatory Act of the 102nd General Assembly, convene a
17 workshop during which interested participants may discuss
18 issues and submit comments related to the Program.

19 (2) Establish Program guidelines for implementation of
20 the Program in accordance with Pay As You Save Essential
21 Elements and Minimum Program Requirements that electric
22 utilities must abide by when implementing the Program.
23 Program guidelines established by the Commission shall
24 include the following elements:

25 (A) Capital funds. The Commission shall establish
26 conditions under which utilities secure capital to

1 fund the energy projects. The Commission may allow
2 utilities to raise capital independently, work with
3 third-party lenders to secure the capital for
4 participants, or a combination thereof. Any process
5 the Commission approves must use a market mechanism to
6 identify the least costly sources of capital funds so
7 as to pass on maximum savings to participants. The
8 State of Illinois or the Clean Energy Jobs and Justice
9 Fund may also choose to provide capital for this
10 Program.

11 (B) Customer protections. Customer protection
12 guidelines should be designed consistent with PAYS
13 Essential Elements and Minimum Program Requirements.

14 (C) Energy project vendors. The Commission shall
15 establish conditions by which utilities may connect
16 Program participants to energy project vendors. In
17 setting conditions for connection, the Commission may
18 prioritize vendors that have a history of good
19 relations with the State including vendors that have
20 hired participants from State-created job training
21 programs.

22 (D) Guarantee that conservative estimates of
23 financial savings will immediately and significantly
24 exceed Program costs for Program participants.

25 (f) Within 120 days after the Commission releases the
26 Program conditions established under this Section, each

1 utility subject to the requirements of this Section shall
2 submit an informational filing to the Commission that
3 describes its plan for implementing the provisions of this
4 Section. If the Commission finds that the submission does not
5 properly comply with the statutory or regulatory requirements
6 of the Program, the Commission may require that the utility
7 make modifications to its filing.

8 (g) An independent process evaluation shall be conducted
9 after one year of the Program's operation. An independent
10 impact evaluation shall be conducted after 3 years of
11 operation, excluding one-time startup costs and results from
12 the first 12 months of the Program. The Commission shall
13 convene an advisory council of stakeholders, including
14 representation of low-income and environmental justice
15 community members to make recommendations in response to the
16 findings of the independent evaluation.

17 (h) The Equitable Energy Upgrade Program shall be designed
18 using PAYS system guidelines to be cost-effective for
19 customers. Only projects that are deemed to be cost-effective
20 and can be reasonably expected to ensure customer savings are
21 eligible for funding through the Program, unless, as specified
22 in paragraph (1) of subsection (c), customers able to make
23 upfront copayments to installers buy down the cost of projects
24 so they can be deemed cost-effective.

25 (i) Eligible customers must be:

26 (1) property renters with permission of the property

1 owner; or

2 (2) property owners.

3 (j) Calculation of project cost-effectiveness shall be
4 based upon PAYS system requirements.

5 (1) The calculation of cost-effectiveness must be
6 conducted by an objective process approved by the
7 Commission and based on rates in effect at the time of
8 installation.

9 (2) A project shall be considered cost-effective only
10 if it is estimated to produce significant immediate net
11 savings, not counting copayments voluntarily made by
12 customers. The Commission may establish guidelines by
13 which this required savings is estimated.

14 (k) The Equitable Energy Upgrade Program should be modeled
15 after the Pay As You Save system, by which Program
16 participants finance energy projects using the savings that
17 the energy project creates with a tariffed on-bill program.
18 Eligible projects shall not create personal debt for the
19 customer, result in a lien in the event of nonpayment, or
20 require customers to pay monthly charges for any upgrade that
21 fails and is not repaired within 21 days. The utility may
22 restart charges once the upgrade is repaired and functioning
23 and extend the term of payments to recover its costs for missed
24 payments and deferred cost recovery, providing the upgrade
25 continues to function.

26 (1) Any energy project that is defective or damaged due to

1 no fault of the participant must be either replaced or
2 repaired with parts that meet industry standards at the cost
3 of the utility or vendor, as specified by the Commission, and
4 charges shall be suspended until repairs or replacement is
5 completed. The Commission may establish, increase, or replace
6 the requirements imposed in this subsection. The Commission
7 may determine that this responsibility is best handled by
8 participating project vendors in the form of insurance,
9 contractual guarantees, or other mechanisms, and issue rules
10 detailing this requirement. In no case will customers be
11 charged monthly payments for upgrades that are no longer
12 functioning.

13 (m) In the event of nonpayment, the remaining balance due
14 to pay off the system shall remain with the utility meter at an
15 upgraded location. The Commission shall establish conditions
16 subject to this constraint in the event of nonpayment that are
17 in accordance with the PAYS system.

18 (n) If the demand by utility customers exceeds the Program
19 capital supply in a given year, utilities shall ensure that
20 50% of participants are: (1) customers in neighborhoods where
21 a majority of households make 150% or less of area median
22 income; or (2) residents of environmental justice communities.

23 (o) Utilities shall endeavor to inform customers about the
24 availability of the Program, their potential eligibility for
25 participation in the Program, and whether they are likely to
26 save money on the basis of an estimate conducted using

1 variables consistent with the Program that the utility has at
2 its disposal. The Commission may establish guidelines by which
3 utilities must abide by this directive and alternatives if the
4 Commission deems utilities' efforts as inadequate.

5 (p) Subject to Commission specifications established in
6 subsection (c), each utility shall work with certified project
7 vendors selected using a request for proposals process to
8 establish the terms and processes under which a utility can
9 install eligible renewable energy generation and energy
10 storage systems using the capital to fit the Equitable Energy
11 Upgrade model. The certified project vendor shall explain and
12 offer the approved upgrades to customers and shall assist
13 customers in applying for financing through the Equitable
14 Energy Upgrade Program. As part of the process, vendors shall
15 also provide participants with information about any other
16 relevant incentives that may be available.

17 (q) An electric utility shall recover all of the prudently
18 incurred costs of offering a program approved by the
19 Commission under this Section. For investor-owned utilities,
20 shareholder incentives will be proportional to meeting
21 Commission approved thresholds for the number of customers
22 served and the amount of its investments in those locations.

23 (r) The Illinois Commerce Commission shall adopt all rules
24 necessary for the administration of this Section.

1 Sec. 16-128B. Qualified energy efficiency installers.

2 (a) Within 18 months after the effective date of this
3 amendatory Act of the 99th General Assembly, the Commission
4 shall adopt rules, including emergency rules, establishing a
5 process for entities installing energy efficiency measures to
6 certify compliance with the requirements of this Section.

7 The process shall include an option to complete the
8 certification electronically by completing forms on-line. An
9 entity installing energy efficiency measures shall be
10 permitted to complete the certification after the subject work
11 has been completed.

12 The Commission shall maintain on its website a list of
13 entities installing energy efficiency measures that have
14 successfully completed the certification process.

15 (b) In addition to any authority granted to the Commission
16 under this Act, the Commission may:

17 (1) determine which entities are subject to
18 certification under this Section;

19 (2) impose reasonable certification fees and
20 penalties;

21 (3) adopt disciplinary procedures;

22 (4) investigate any and all activities subject to this
23 Section, including violations thereof;

24 (5) adopt procedures to issue or renew, or to refuse
25 to issue or renew, a certification or to revoke, suspend,
26 place on probation, reprimand, or otherwise discipline a

1 certified entity under this Act or take other enforcement
2 action against an entity subject to this Section; and

3 (6) prescribe forms to be issued for the
4 administration and enforcement of this Section.

5 (c) An electric utility may not provide a retail customer
6 with a rebate or other energy efficiency incentive for a
7 measure that exceeds a minimal amount determined by the
8 Commission unless the customer provides the electric utility
9 with (1) a certification that the person installing the energy
10 efficiency measure was a self-installer; or (2) evidence that
11 the energy efficiency measure was installed by an entity
12 certified under this Section that is also in good standing
13 with the Commission.

14 (d) The Commission shall:

15 (1) require entities installing energy efficiency
16 measures to be certified to do business and to be bonded in
17 this State;

18 (2) ensure that entities installing energy efficiency
19 measures have the requisite knowledge, skill, training,
20 experience, and competence to perform functions in a safe
21 and reliable manner as required under subsection (a) of
22 Section 16-128 of this Act;

23 (3) ensure that entities installing energy efficiency
24 measures conform to applicable building and electrical
25 codes;

26 (4) ensure that all entities installing energy

1 efficiency measures meet recognized industry standards as
2 the Commission deems appropriate;

3 (5) include any additional requirements that the
4 Commission deems reasonable to ensure that entities
5 installing energy efficiency measures meet adequate
6 training, financial, and competency requirements;

7 (6) ensure that all entities installing energy
8 efficiency measures obtain certificates of insurance in
9 sufficient amounts and coverages that the Commission so
10 determines; and

11 (7) identify and determine the training or other
12 programs by which persons or entities may obtain the
13 requisite training, skill, or experience necessary to
14 achieve and maintain compliance with the requirements of
15 this Section.

16 (e) Fees and penalties collected under this Section shall
17 be deposited into the Public Utility Fund and used to fund the
18 Commission's compliance with the obligations imposed by this
19 Section.

20 (f) The rules adopted under this Section shall specify the
21 initial dates for compliance with the rules.

22 (g) For purposes of this Section, entities installing
23 energy efficiency measures shall endeavor to support the
24 diversity goals of this State by attracting, developing,
25 retaining, and providing opportunities to employees of all
26 backgrounds and by supporting women-owned ~~female owned~~, black,

1 indigenous, and people of color-owned ~~minority-owned,~~ and
2 veteran-owned, ~~and~~ small businesses, and nonprofit
3 organizations, worker-owned cooperatives, and other entities.

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

5 (220 ILCS 5/16-131 new)

6 Sec. 16-131. Right to self-generate electricity.

7 (a) As used in this Section:

8 "Electric cooperative" has the meaning set forth in
9 Section 3.4 of the Electric Supplier Act.

10 "Municipal utility" means a public utility that is owned
11 and operated by any political subdivision or municipal
12 corporation of this State or owned by such an entity and
13 operated by any lessee or any operating agent thereof.

14 "Public utility" has the definition set forth in Section
15 3-105 of this Act.

16 (b) Customers shall have the right to, and the Commission
17 shall protect the rights of customers to, produce, consume,
18 and store their own energy without discriminatory
19 repercussions from a public utility, electric cooperative, or
20 municipal utility, regardless of whether that energy is
21 produced via a system that is owned outright, leased, or
22 financed through a behind-the-meter solar power-purchase
23 agreement or other means. This includes customers' rights to:

24 (1) generate, consume, and export renewable energy and
25 reduce his or her use of electricity obtained from the

1 grid;

2 (2) use technology to store energy at his or her
3 residence;

4 (3) connect his or her electrical system that
5 generates renewable energy, stores energy, or any
6 combination thereof, with the electricity meter on the
7 customer's premises that is provided by a public utility,
8 electric cooperative, or municipal utility:

9 (A) in a timely manner;

10 (B) in accordance with requirements established by
11 the electric utility to ensure the safety of utility
12 workers; and

13 (C) after providing written notice to the electric
14 utility providing service in the service territory,
15 installing a nomenclature plate on the electrical
16 meter panel and meeting all applicable state and local
17 safety and electrical code requirements associated
18 with installing a parallel distributed generation
19 system; and

20 (4) receive fair credit for energy exported to the
21 grid.

22 (c) A public utility, electric cooperative, or municipal
23 utility customer who produces, consumes, and stores his or her
24 own energy shall not face discriminatory rate design, fees,
25 treatment, or excessive compliance requirements as provided by
26 paragraph (3) of subsection (n) of Section 16-107.5.

1 (d) A public utility, electric cooperative, or municipal
2 utility customer shall have a right to appeal any decision
3 related to self-generation and storage that violates these
4 rights to self-generation and non-discrimination pursuant to
5 the provisions of this Section through a complaint process.

6 (e) The Illinois Commerce Commission shall adopt all rules
7 necessary for the administration of this Section.

8 Section 90-45. The Environmental Protection Act is amended
9 by changing Section 9.10 and by adding Section 9.18 as
10 follows:

11 (415 ILCS 5/9.10)

12 Sec. 9.10. Fossil fuel-powered electric generating units
13 ~~Fossil fuel-fired electric generating plants.~~

14 (a) As used in this Section:

15 "Board" means the Illinois Pollution Control Board.

16 "BIPOC" and "black, indigenous, and people of color" are
17 identical in meaning and have the same definition as used in
18 the Clean Jobs, Workforce and Contractor Equity Act.

19 "Emissions" means greenhouse gases, particulate matter,
20 mercury, nitrogen oxides, sulfur dioxide, and any other
21 pollutant that the Agency deems appropriate for regulation to
22 protect health or land in the State.

23 "Frontline community" means any community or municipality
24 within a 3-mile radius of a fossil fuel-powered electric

1 generating unit.

2 "Meaningful involvement" means: (1) potentially affected
3 populations have an appropriate opportunity to participate in
4 decisions about a proposed regulatory action that may affect
5 their environment or health; (2) the populations'
6 contributions can influence the EPA's rulemaking decisions;
7 (3) the concerns of all participants involved shall be
8 considered in the decision-making process; and (4) the IEPA
9 shall seek out and facilitate the involvement of populations
10 potentially affected by the IEPA's proposed regulatory action.

11 (a-1) (a) The General Assembly finds and declares that:

12 (1) fossil fuel-powered electric generating units
13 ~~fossil fuel-fired electric generating plants~~ are a
14 significant source of air emissions in this State and have
15 become the subject of a number of important new studies of
16 their effects on the public health;

17 (2) existing state and federal policies, that allow
18 older plants that meet federal standards to operate
19 without meeting the more stringent requirements applicable
20 to new plants, are being questioned on the basis of their
21 environmental impacts and the economic distortions such
22 policies cause in a deregulated energy market;

23 (3) fossil fuel-powered electric generating units
24 ~~fossil fuel-fired electric generating plants~~ are, or may
25 be, affected by a number of regulatory programs, some of
26 which are under review or development on the state and

1 national levels, and to a certain extent the international
2 level, including the federal acid rain program,
3 tropospheric ozone, mercury and other hazardous pollutant
4 control requirements, regional haze, and global warming;

5 (4) scientific uncertainty regarding the formation of
6 certain components of regional haze and the air quality
7 modeling that predict impacts of control measures requires
8 careful consideration of the timing of the control of some
9 of the pollutants from these facilities, particularly
10 sulfur dioxides and nitrogen oxides that each interact
11 with ammonia and other substances in the atmosphere;

12 (5) the development of energy policies to promote a
13 safe, sufficient, reliable, and affordable energy supply
14 on the state and national levels is being affected by the
15 on-going deregulation of the power generation industry and
16 the evolving energy markets;

17 (6) the Governor's formation of an Energy Cabinet and
18 the development of a State energy policy calls for actions
19 by the Agency and the Board that are in harmony with the
20 energy needs and policy of the State, while protecting the
21 public health and the environment;

22 (7) reducing greenhouse gas emissions and other air
23 pollutants such as particulate matter, sulfur dioxide, and
24 nitrogen oxide is critical to improving the health and
25 welfare of Illinois residents by decreasing respiratory
26 diseases, cardiovascular diseases, and related

1 mortalities; lowering customers' energy costs; and
2 responding to the growing impacts of climate change from
3 fossil fuel generation;

4 (8) through reductions in harmful emissions and
5 strategic planning for Illinois residents currently
6 employed by and communities reliant on fossil fuel-powered
7 electric generating units, eliminating greenhouse gas
8 emissions from the electricity generation sector is a
9 priority for the State;

10 (9) The House of Representatives of the 100th General
11 Assembly recognized this problem and, in adopting House
12 Resolution 490 on June 26, 2017, it supported the Paris
13 Climate Agreement and urged the State of Illinois to join
14 the United States Climate Alliance and develop a plan to
15 achieve 100% clean energy by 2045;

16 ~~(7) Illinois coal is an abundant resource and an~~
17 ~~important component of Illinois' economy whose use should~~
18 ~~be encouraged to the greatest extent possible consistent~~
19 ~~with protecting the public health and the environment;~~

20 ~~(8) renewable forms of energy should be promoted as an~~
21 ~~important element of the energy and environmental policies~~
22 ~~of the State and that it is a goal of the State that at~~
23 ~~least 5% of the State's energy production and use be~~
24 ~~derived from renewable forms of energy by 2010 and at~~
25 ~~least 15% from renewable forms of energy by 2020;~~

26 (10) ~~(9)~~ efforts on the state and federal levels are

1 underway to consider the multiple environmental
2 regulations affecting electric generating plants in order
3 to improve the ability of government and the affected
4 industry to engage in effective planning through the use
5 of multi-pollutant strategies; and

6 (11) ~~(10)~~ these issues, taken together, call for a
7 comprehensive review of the impact of these facilities on
8 the public health, considering also the energy supply,
9 reliability, and costs, the role of renewable forms of
10 energy, and the developments in federal law and
11 regulations that may affect any state actions, prior to
12 making final decisions in Illinois.

13 (b) Taking into account the findings and declarations of
14 the General Assembly contained in subsection (a) of this
15 Section, the Agency shall, within 180 days after the effective
16 date of this amendatory Act of the 102nd General Assembly,
17 initiate a rulemaking to amend Title 35 of the Illinois
18 Administrative Code to establish annual declining greenhouse
19 gas pollution caps and caps on co-pollutants, including, but
20 not limited to, particulate matter (including both PM₁₀ and
21 PM_{2.5}), mercury, nitrogen oxides, and sulfur dioxide, beginning
22 in 2023 from all fossil fuel-powered electric generating units
23 (including, but not limited to, coal-fired, coal-derived,
24 oil-fired, combustion turbine, integrated gasification
25 combined cycle, and cogeneration facilities with a nameplate
26 capacity that exceeds 25 MW) so as to progressively eliminate

1 all emissions of those pollutants from Illinois' electric
2 sector by the year 2030. No later than one year after receipt
3 of the Agency's proposal under this Section, the Board shall
4 adopt rules setting out declining annual emissions caps for
5 greenhouse gases (CO₂ equivalent) and co-pollutants,
6 including, but not limited to, particulate matter (including
7 both PM₁₀ and PM_{2.5}), mercury, nitrogen oxides, and sulfur
8 dioxide, for each individual fossil fuel-powered electric
9 generating unit in Illinois as well as aggregate annual
10 statewide emissions caps. The Board may set different
11 declining caps for each plant, but caps must decline to zero
12 emissions for all plants by 2030. As part of its rulemaking
13 proposal, the Agency shall:

14 (1) ensure that power plants located near densely
15 populated and environmental justice communities and those
16 with sulfur dioxide emission rates above 0.0007 pounds per
17 million Btu are prioritized for more rapid, mandatory,
18 plant-specific emissions reductions for both greenhouse
19 gases and co-pollutants;

20 (2) develop an environmental justice analysis, in
21 partnership with the Illinois Commission on Environmental
22 Justice and with frontline community feedback, to inform a
23 draft rule proposal and identification of power plants of
24 particular concern requiring priority emissions
25 reductions. This analysis shall include a cumulative
26 impacts assessment and use existing methodologies and

1 findings, used and as may be updated by the Illinois Power
2 Agency and its Administrator in its Illinois Solar for All
3 Program, taking into account the following factors:

4 (A) Population density;

5 (B) National-Scale Air Toxics Assessment (NATA)
6 air toxics cancer risk;

7 (C) NATA respiratory hazard index;

8 (D) NATA diesel PM;

9 (E) particulate matter;

10 (F) ozone;

11 (G) traffic proximity and volume;

12 (H) lead paint indicator;

13 (I) proximity to Risk Management Plan sites;

14 (J) proximity to Hazardous Waste Treatment,
15 Storage, and Disposal Facilities;

16 (K) proximity to National Priorities List sites;

17 (L) Wastewater Dischargers Indicator;

18 (M) percent low-income;

19 (N) percent black, indigenous, and people of
20 color;

21 (O) percent less than a high school education;

22 (P) linguistic isolation;

23 (Q) age (individuals under age 5 or over 64);

24 (R) number of asthma-related emergency department
25 visits; and

26 (S) frequency of low birth weight infants;

1 (3) conduct a robust and inclusive stakeholder process
2 prior to initiating a rulemaking proceeding before the
3 Illinois Pollution Control Board that ensures the
4 meaningful participation of Illinois residents, especially
5 those most impacted by fossil fuel-powered electric
6 generating units. To ensure meaningful involvement in its
7 stakeholder process, the agency shall:

8 (A) include a formal public comment period with at
9 least 4 public hearings located in communities
10 geographically dispersed, where fossil fuel-powered
11 electric generating units are located;

12 (B) ensure full and fair access for working
13 residents by providing opportunity for public comment
14 outside the workday; and

15 (C) issue a responsiveness summary with a draft
16 rulemaking briefly describing and responding to, at a
17 minimum, all frontline community comments raised
18 during the stakeholder process and public comment
19 period;

20 (4) participate in strategic planning efforts with the
21 Department of Commerce and Economic Opportunity to
22 identify needs and initiatives for communities and workers
23 economically impacted by the decline in fossil fuel
24 generation;

25 (5) evaluate individual units using the criteria above
26 and set appropriate annually declining caps for emission

1 reductions, which ultimately result in caps of zero
2 emissions from all fossil fuel-powered electric generating
3 units by January 1, 2030;

4 (6) include provisions to allow owners or operators of
5 fossil fuel-powered electric generating units to continue
6 operating while using their best efforts to resolve any
7 reliability requirements with regional grid operators and
8 cease operations as soon as practicable in situations
9 where achieving the emission reductions required by the
10 Agency's rulemaking proposal necessitates that a
11 particular unit cease operations and a regional grid
12 operator determines that operation of that unit is
13 required to continue to maintain transmission reliability.
14 The Agency's rulemaking proposal shall include mechanisms
15 designed to limit, to the extent possible, any such
16 disruption to the State's emission reduction program,
17 including an evaluation of when and how advanced notice of
18 intended unit closures should be given to regional grid
19 operators; and

20 (7) establish emissions caps for (i) individual fossil
21 fuel-powered electric generating units and (ii) the entire
22 electric sector. The emissions caps shall include all
23 emissions, including greenhouse gases and co-pollutants.

24 (A) Annual aggregate electric sector emissions
25 caps. The aggregate emissions cap shall apply to the
26 entire Illinois electric sector and include the sum of

1 emissions from all fossil fuel-powered electric
2 generating units. The Agency shall establish a
3 schedule through which the aggregate cap shall decline
4 annually. A baseline amount shall be calculated by
5 averaging the emissions from 2017, 2018, and 2019 of
6 plants operating as of the effective date of this
7 amendatory Act of the 102nd General Assembly. To
8 ensure consistent progress toward the goal of
9 eliminating all emissions from Illinois' electric
10 sector by 2030, the annual aggregate emissions cap
11 shall decrease each year by no less than 7% of the
12 baseline amount.

13 (B) Annual unit-specific emissions caps. Annual
14 emissions caps shall apply to each fossil fuel-powered
15 electric generating unit in the State and be
16 consistent with achieving the aggregate emissions cap.
17 Starting in 2023, the annual emissions cap for each
18 plant shall be no greater than the highest emissions
19 amount from any of the 3 previous years of operation.
20 If a plant first became operational less than 3 years
21 before being subject to a unit-specific emissions cap,
22 then the annual emissions cap for such a plant shall be
23 no greater than its previous year of operation; or if a
24 fossil fuel-powered electric generating unit has been
25 operational less than one year, then the Agency shall
26 set a cap that is consistent with achieving the

1 aggregate emissions cap and the goal of eliminating
2 all emissions from Illinois' electric sector by 2030.

3 (C) Annual report. Each year, the Agency shall
4 prepare and publish a report on the implementation,
5 review, and updating of the schedules regulating
6 annual emissions caps as described in this subsection.
7 This report shall include:

8 (i) an accounting of all greenhouse gas and
9 co-pollutant caps on, and actual emissions from,
10 individual plants demonstrating the Agency's
11 implementation of the requirements in this
12 subsection; and

13 (ii) an accounting of the aggregate declining
14 cap schedules demonstrating the adequacy of the
15 schedules to achieve net-zero emissions in the
16 electric sector by 2030, and any changes to the
17 schedules.

18 In addition to the information required under
19 items (i) and (ii), the 2025 report shall include a
20 review of the Agency's rules regulating annual
21 greenhouse gas pollution and co-pollutant caps in
22 light of projected emissions for the remaining years
23 until 2030 and demonstrate the adequacy of its rules
24 and policies to achieve net-zero emissions in the
25 electric sector by 2030. Should the Agency conclude
26 its current rules and policies are insufficient to

1 eliminate emissions from all fossil fuel-powered
2 electric generating units by January 1, 2030 and
3 comply with all other requirements in this Section, it
4 shall initiate a rulemaking no later than 180 days
5 from reaching this conclusion amending its rules to do
6 so.

7 ~~before September 30, 2004, but not before September 30, 2003,~~
8 ~~issue to the House and Senate Committees on Environment and~~
9 ~~Energy findings that address the potential need for the~~
10 ~~control or reduction of emissions from fossil fuel fired~~
11 ~~electric generating plants, including the following~~
12 ~~provisions:~~

13 ~~(1) reduction of nitrogen oxide emissions, as~~
14 ~~appropriate, with consideration of maximum annual~~
15 ~~emissions rate limits or establishment of an emissions~~
16 ~~trading program and with consideration of the developments~~
17 ~~in federal law and regulations that may affect any State~~
18 ~~action, prior to making final decisions in Illinois;~~

19 ~~(2) reduction of sulfur dioxide emissions, as~~
20 ~~appropriate, with consideration of maximum annual~~
21 ~~emissions rate limits or establishment of an emissions~~
22 ~~trading program and with consideration of the developments~~
23 ~~in federal law and regulations that may affect any State~~
24 ~~action, prior to making final decisions in Illinois;~~

25 ~~(3) incentives to promote renewable sources of energy~~
26 ~~consistent with item (8) of subsection (a) of this~~

1 ~~Section;~~

2 ~~(4) reduction of mercury as appropriate, consideration~~
3 ~~of the availability of control technology, industry~~
4 ~~practice requirements, or incentive programs, or some~~
5 ~~combination of these approaches that are sufficient to~~
6 ~~prevent unacceptable local impacts from individual~~
7 ~~facilities and with consideration of the developments in~~
8 ~~federal law and regulations that may affect any state~~
9 ~~action, prior to making final decisions in Illinois; and~~

10 ~~(5) establishment of a banking system, consistent with~~
11 ~~the United States Department of Energy's voluntary~~
12 ~~reporting system, for certifying credits for voluntary~~
13 ~~offsets of emissions of greenhouse gases, as identified by~~
14 ~~the United States Environmental Protection Agency, or~~
15 ~~other voluntary reductions of greenhouse gases. Such~~
16 ~~reduction efforts may include, but are not limited to,~~
17 ~~carbon sequestration, technology based control measures,~~
18 ~~energy efficiency measures, and the use of renewable~~
19 ~~energy sources.~~

20 The Agency shall consider the impact on the public health,
21 considering also energy supply, reliability and costs, the
22 role of renewable forms of energy, and developments in federal
23 law and regulations that may affect any state actions, prior
24 to making final decisions in Illinois.

25 (c) Nothing in this Section is intended to or should be
26 interpreted in a manner to limit or restrict the authority of

1 the Illinois Environmental Protection Agency to propose, or
2 the Illinois Pollution Control Board to adopt, any regulations
3 applicable or that may become applicable to the facilities
4 covered by this Section that are required by federal law and
5 other Illinois laws.

6 (d) The Agency may file proposed rules with the Board to
7 effectuate the goals set forth in subsection (b) ~~its findings~~
8 ~~provided to the Senate Committee on Environment and Energy and~~
9 ~~the House Committee on Environment and Energy in accordance~~
10 ~~with subsection (b) of this Section. Any such proposal shall~~
11 ~~not be submitted sooner than 90 days after the issuance of the~~
12 ~~findings provided for in subsection (b) of this Section. The~~
13 Board shall take action on any such proposal within one year of
14 the Agency's filing of the proposed rules.

15 (e) Enforcement.

16 (1) Any person may file with the Board a complaint,
17 following the procedures contained in subsection (d) of
18 Section 31 of this Act, against any person, the State of
19 Illinois, or any government official for failure to
20 perform any act or nondiscretionary duty under this
21 Section or for allegedly violating this Section, any rule
22 or regulation adopted under this Section, any permit or
23 term or condition of a permit related to this Section, or
24 any Board order issued pursuant to this Section. Any
25 person shall have standing in an action under this Section
26 before the Board. Any person may intervene as a party as a

1 matter of right in any legal action concerning this
2 Section, whichever the forum, if he or she is or may be
3 adversely affected by any failure to perform any act or
4 nondiscretionary duty under this Section or any alleged
5 violation of this Section, any rule or regulation adopted
6 under this Section, any permit or term or condition of a
7 permit, or any Board order, by any person, the State of
8 Illinois, or any government official.

9 (2) In an action brought pursuant to this Section, any
10 person may request, and the Board or court may grant,
11 injunctive relief, damages (including reasonable attorney
12 and expert witness fees), and any other remedy available
13 pursuant to Sections 33 or 42 of this Act. The Board or
14 court may, if a temporary restraining order or preliminary
15 injunction is sought, require the filing of a bond or
16 equivalent security in accordance with the Illinois Code
17 of Civil Procedure.

18 (3) No existing civil or criminal remedy shall be
19 excluded or impaired by this Section. ~~This Section shall~~
20 ~~apply only to those electrical generating units that are~~
21 ~~subject to the provisions of Subpart W of Part 217 of Title~~
22 ~~35 of the Illinois Administrative Code, as promulgated by~~
23 ~~the Illinois Pollution Control Board on December 21, 2000.~~

24 (Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

25 (415 ILCS 5/9.18 new)

1 Sec. 9.18. Energy community reinvestment fee.

2 (a) As used in this Section:

3 "Carbon dioxide equivalent" means a unit of measure
4 denoting the amount of emissions from a greenhouse gas,
5 expressed as the amount of carbon dioxide by weight that
6 produces the same global warming impact.

7 "Fossil fuel generating plant" means an electric
8 generating unit or a co-generating unit that produces
9 electricity using fossil fuels.

10 "Payment period" means the three-month period of time
11 during which emissions are measured for the purpose of
12 quarterly fee calculation.

13 (b) The General Assembly finds and declares that:

14 (1) the negative effects of fossil fuel-powered
15 electric generating units on human health, environmental
16 quality, and the climate of our planet require Illinois to
17 swiftly retire all such plants and shift to 100% renewable
18 energy;

19 (2) communities located near fossil fuel-powered
20 electric generating units have experienced these health
21 and environmental impacts most acutely;

22 (3) communities located near fossil fuel-powered
23 electric generating units will also experience economic
24 challenges as these plants retire;

25 (4) the assessment of a fee on the emissions of fossil
26 fuel generating plants will lower the exposure of

1 surrounding communities to harmful air pollutants by
2 providing incentive for fossil fuel generating plants to
3 reduce emissions;

4 (5) it is in the public interest that communities
5 located near fossil fuel-fired electric generating plants
6 should receive support in the form of economic
7 reinvestment, as recompense for the negative impacts of
8 the operation of fossil fuel-fired electric generating
9 plants, to invest in clean energy developments that reduce
10 the cumulative impacts of air pollution thus protecting
11 the public health, and as a means for creating new
12 economic growth and opportunity which is needed when the
13 plants retire; and

14 (6) this support should be paid for by the owners and
15 operators of fossil fuel-fired electric generating plants,
16 the operation of which caused harm to the surrounding
17 communities.

18 (c) Calculation of the Energy Community Reinvestment Fee.
19 The Agency shall establish procedures for the collection of
20 energy community reinvestment fees. Energy community
21 reinvestment fees shall be paid at least quarterly (once every
22 3 months) by owners of all fossil fuel generating plants in
23 Illinois, based on the share of each plant's contribution to
24 the total amount of air pollution emitted by all fossil fuel
25 generating plants in that payment period, as determined by the
26 Agency and described in this subsection (c).

1 (1) Pollution Calculation. The energy community
2 reinvestment fee shall be calculated to reflect the
3 pollution burden from fossil fuel generating plants, based
4 on the total emissions of greenhouse gases. The fee shall
5 be calculated based solely on emissions of carbon dioxide,
6 methane, and nitrous oxide measured in carbon dioxide
7 equivalent tons. The exclusive use of carbon dioxide,
8 methane, and nitrous oxide in the calculation of the fee
9 is designed to reflect the overall pollution impact from
10 each fossil fuel generating plant by using these
11 pollutants as a proximate measurement of overall
12 emissions.

13 (2) Fee Calculation. The Agency shall calculate the
14 fee owed by each fossil fuel generating plant owner for
15 each payment period by dividing (A) the total emissions of
16 carbon dioxide equivalents in tons by each plant as
17 described under paragraph (1) of this subsection (c) by
18 (B) the total emissions of carbon dioxide equivalents in
19 tons of all fossil fuel generating plants subject to the
20 energy community reinvestment fee, and multiplying that
21 figure by (C) the portion of the annual revenue
22 requirements, established in subsection (d) of Section
23 20-70 of the Energy Community Reinvestment Act, for that
24 payment period.

25 (3) Right to Fee Reduction. The owner of each plant
26 liable to pay the energy community reinvestment fee shall

1 have the right to reduce its liability based on
2 electricity production as described in this paragraph (3).
3 If requested, the total amount owed each payment period
4 for any plant shall be no greater than the total amount of
5 kilowatt hours of electricity produced by the plant during
6 the payment period multiplied by one cent per kilowatt
7 hour, adjusted for inflation from the year this Act takes
8 effect. Upon request by a plant owner the Agency shall
9 adjust the total amount owed for each payment period by
10 the amount necessary to reflect a maximum cost calculated
11 based on electricity production.

12 (4) Notification by the Agency. The first payment
13 period shall begin June 1, 2021. No later than September
14 1, 2021, and every 3 months thereafter on the first of the
15 month, the Agency shall notify each fossil fuel generating
16 plant owner of the fee calculated pursuant to paragraph
17 (2) of this subsection (c) for the quarterly period just
18 concluded.

19 (5) Fee Collection. Plant owners shall remit payment
20 of their fee to the Agency within 30 days after the close
21 of each payment period, as established by the Agency.
22 Funds collected from the energy community reinvestment fee
23 shall be deposited into the Energy Community Reinvestment
24 Fund.

25 (d) Clean Energy Empowerment Zone Task Force involvement.
26 If the Agency receives notification from the Department of

1 Commerce and Economic Opportunity that a plant owner has
2 failed to engage productively in stakeholder meetings and with
3 Clean Energy Empowerment Zone Task Forces, as described in the
4 Energy Community Reinvestment Act, an enforcement action may
5 be brought under Section 31 of this Act. In addition to any
6 other relief that may be obtained as part of the enforcement
7 action, the Agency may seek to recover the avoided engagement
8 fees. The avoided engagement fees shall be calculated as
9 double the amount that is owed by the plant owner under
10 subsection (c) for the current payment period, and subsequent
11 payment periods, until the Department of Commerce and Economic
12 Opportunity sends notification to the Agency that the plant
13 owner is in compliance with the stakeholder engagement
14 requirements of the Energy Community Reinvestment Act. Avoided
15 engagement fees (which, for clarity, are in addition to fees
16 collected under subsection (c)) shall be deposited into the
17 Energy Community Reinvestment Fund to be directed solely to
18 support the local community's own planning efforts and
19 investments, and the Agency shall transmit a notification to
20 the Department of Commerce and Economic Opportunity of the
21 amount collected, and the plant owner responsible.

22 (e) If a plant owner subject to a fee under this Section
23 fails to pay the fee within 90 days after its due date, or
24 makes the fee payment from an account with insufficient funds
25 to cover the amount of the fee payment, the Agency shall notify
26 the plant owner of the failure to pay the fee. If the plant

1 owner fails to pay the fee within 60 days after such
2 notification, the Agency may, by written notice, immediately
3 revoke the air pollution operating permit. Failure of the
4 Agency to notify the plant owner of failure to pay a fee due
5 under this Section, or the payment of the fee from an account
6 with insufficient funds to cover the amount of the fee
7 payment, does not excuse or alter the duty of the plant owner
8 to comply with the provisions of this Section.

9 (f) No later than November 30 of each year, the Agency
10 shall submit a report to the Department of Commerce and
11 Economic Opportunity describing the amount of fees collected
12 from each fossil fuel-powered electric generating unit, the
13 status of any delinquencies, and the total amount expected to
14 be collected.

15 (g) Nothing in this Section shall be interpreted to mean
16 that the sum owed by each fossil fuel generating plant due to
17 the energy community reinvestment fee is equal to or greater
18 than the financial valuation of the total harm created by air
19 pollution from each plant.

20 (h) Enforcement.

21 (1) Any person may file with the Board a complaint,
22 following the procedures contained in subsection (d) of
23 Section 31 of this Act, against any person, the State of
24 Illinois, or any government official for failure to
25 perform any act or nondiscretionary duty under this
26 Section or for allegedly violating this Section, any rule

1 or regulation adopted under this Section, any permit or
2 term or condition of a permit related to this Section, or
3 any Board order issued pursuant to this Section. Any
4 person shall have standing in an action under this Section
5 before the Board. Any person may intervene as a party as a
6 matter of right in any legal action concerning this
7 Section, whichever the forum, if he or she is or may be
8 adversely affected by any failure to perform any act or
9 nondiscretionary duty under this Section or any alleged
10 violation of this Section, any rule or regulation adopted
11 under this Section, any permit or term or condition of a
12 permit, or any Board order, by any person, the State of
13 Illinois, or any government official. Any person with
14 standing to commence an action pursuant to subsection (e)
15 of Section 9.10 shall have standing to pursue enforcement
16 under this Section.

17 (2) In an action brought pursuant to this Section, any
18 person may request, and the Board or court may grant,
19 injunctive relief, damages (including reasonable attorney
20 and expert witness fees), and any other remedy available
21 pursuant to Sections 33 or 42 of this Act. The Board or
22 court may, if a temporary restraining order or preliminary
23 injunction is sought, require the filing of a bond or
24 equivalent security in accordance with the Illinois Code
25 of Civil Procedure.

26 (3) No existing civil or criminal remedy shall be

1 excluded or impaired by this Section.

2 (415 ILCS 5/9.15 rep.)

3 Section 90-50. The Environmental Protection Act is amended
4 by repealing Section 9.15.

5 Section 90-55. The Illinois Nuclear Facility Safety Act is
6 amended by adding Section 10 as follows:

7 (420 ILCS 10/10 new)

8 Sec. 10. Local government nuclear impact fees.

9 (a) As used in this Section:

10 "Local taxing body" means any unit of government that
11 assesses and collects property taxes.

12 "Qualifying Nuclear Facility" means a facility playing or
13 having played a direct role in the operation of commercial
14 nuclear power reactors for the generation of electricity;
15 including facilities used to process radioactive materials for
16 nuclear fuel fabrication, nuclear power reactors, high-level
17 and low-level radioactive waste treatment sites, and storage
18 and disposal locations.

19 "Qualifying Nuclear Operator" means any entity that
20 operates or has in the past 50 years operated a Qualifying
21 Nuclear Facility.

22 (b) Notwithstanding any other provision of law to the
23 contrary, any local taxing body may establish and collect an

1 annual Nuclear Impact Fee from Qualifying Nuclear Facility
2 within the boundaries of that local taxing body.

3 (c) The Nuclear Impact Fee shall be charged to the
4 Qualifying Nuclear Operator.

5 (d) The Nuclear Impact Fee may only be applied
6 prospectively on or after the effective date of this
7 amendatory Act of the 102nd General Assembly, and may not be
8 applied retroactively to a date before which this amendatory
9 Act is passed.

10 (e) The Nuclear Impact Fee permission granted to local
11 taxing bodies under these rules shall expire separately for
12 each individual local taxing body. That date of expiration of
13 the Nuclear Impact Fee permission for each local taxing body
14 shall be either exactly 30 years after the effective date of
15 this amendatory Act of the 102nd General Assembly, or 10 years
16 following the permanent shutdown of the Qualifying Nuclear
17 Facility from which the local taxing body collected property
18 taxes, whichever date is later.

19 (f) In any calendar year, a local taxing body may not
20 impose a Nuclear Impact Fee that exceeds 25% of the average
21 annual amount of property taxes, or payments in lieu of taxes,
22 paid to that local taxing body by the Qualifying Nuclear
23 Facility over the most recent 5-year period that the
24 Qualifying Nuclear Facility has been operational.

25 (g) Any failure by the Qualifying Nuclear Operator to pay
26 a Nuclear Impact Fee within 180 days after the fee payment

1 deadline shall be deemed a failure to comply, and shall
2 automatically require the Qualifying Nuclear Operator to pay
3 the Local Entity double the otherwise-allowable property
4 taxes, up to 50% of the average annual amount of property taxes
5 paid over the most recent 5-year period that the Qualifying
6 Nuclear Facility was operational.

7 (h) To establish a Nuclear Impact Fee, the local taxing
8 body shall adopt a resolution or ordinance describing the
9 public need for economic transition, the annual amount of the
10 fee, the Qualifying Nuclear Facility, the Qualifying Nuclear
11 Operator to be assessed, and a description of projected
12 expenses for the fee for the period the fee is in effect. The
13 local taxing body shall conduct a public hearing before
14 adopting a resolution or ordinance imposing a Nuclear Impact
15 Fee permitted under this Section. The hearing shall be held
16 within the boundaries of the local taxing body. Public notice
17 of the time, place, and purpose of the hearing shall be given
18 at least 10 business days before the date of the hearing.

19 (i) A local taxing body shall include in its resolution or
20 ordinance the method for collection of payment of a Nuclear
21 Impact Fee. A county which has adopted a resolution or
22 ordinance imposing a Nuclear Impact Fee may collect such Fees
23 in the regular property tax bills of the county. The county
24 collector of the county in which a local taxing body has
25 adopted a resolution or ordinance imposing a Nuclear Impact
26 Fee may bill and collect such Fees with the regular property

1 tax bills of the county if requested by a local taxing body
2 within its jurisdiction.

3 (j) The revenue collected through the Nuclear Impact Fee
4 by a local taxing body shall only be used for the purposes of
5 supporting the "economic transition" of local communities that
6 have experienced the closure of a Qualifying Nuclear Facility
7 or will experience a Qualifying Nuclear Facility in the
8 future. "Economic transition" uses may include tax base
9 replacement, workforce development, public school funding,
10 essential public service, or sustainable infrastructure
11 projects.

12 (k) The revenue collected under this Section shall not be
13 used either directly or indirectly to aid, subsidize, enact,
14 support, or otherwise enable investment in any electricity
15 generation infrastructure that processes or can process fossil
16 or nuclear fuels.

17 (l) No later than November 30 of each calendar year, each
18 local taxing body collecting a Nuclear Impact Fee pursuant to
19 this Section shall remit to the Department of Revenue for
20 deposit in the Energy Community Reinvestment Fund 20% of the
21 annual revenue collection from any Nuclear Impact Fees in
22 order to help fund state programs that support economic
23 transition and workforce development, showing such information
24 as the Department of Revenue may reasonably require.

25 (m) No later than November 30 of each calendar year, each
26 local taxing body collecting a Nuclear Impact Fee pursuant to

1 this Section shall submit to the Department of Commerce and
2 Economic Opportunity and the Agency a report detailing the
3 total amount of funds collected from any Nuclear Impact Fees,
4 the planned expenditure of the funds, the coordination of
5 expenditure with any Department economic transition activities
6 and investments, copies of any adoption of or amendments to
7 resolutions or ordinances impacting the assessment of Nuclear
8 Impact Fees, and a certification of the remittance of the
9 State portion of the funds collected to the Department of
10 Revenue.

11 (n) The Department of Commerce and Economic Opportunity
12 may establish such rules as it deems necessary to implement
13 this Section.

14 Section 90-60. The Prevailing Wage Act is amended by
15 adding Section 3.3 as follows:

16 (820 ILCS 130/3.3 new)

17 Sec. 3.3. Job classifications. The Department of Labor
18 must, within 60 days after the effective date of this
19 amendatory Act of the 102nd General Assembly, identify job
20 categories for laborers, mechanics, and other workers employed
21 in the provision of programs created or altered by this Act,
22 for which the Department has not already set a prevailing rate
23 of wages.

24 The Department of Labor must, within 240 days after the

1 effective date of this amendatory Act of the 102nd General
2 Assembly, set a prevailing rate of wages for each identified
3 job category.

4 Article 99. Nonacceleration; Effective Date

5 Section 99-95. No acceleration or delay. Where this Act
6 makes changes in a statute that is represented in this Act by
7 text that is not yet or no longer in effect (for example, a
8 Section represented by multiple versions), the use of that
9 text does not accelerate or delay the taking effect of (i) the
10 changes made by this Act or (ii) provisions derived from any
11 other Public Act.

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

1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 5 ILCS 100/5-45.8 new

5 5 ILCS 100/5-45.9 new

6 5 ILCS 100/5-49.10 new

7 20 ILCS 627/30 new

8 20 ILCS 627/35 new

9 20 ILCS 627/40 new

10 20 ILCS 3125/10

11 20 ILCS 3125/15

12 20 ILCS 3125/20

13 20 ILCS 3125/30

14 20 ILCS 3125/45

15 20 ILCS 3125/55 new

16 20 ILCS 3855/1-5

17 20 ILCS 3855/1-10

18 20 ILCS 3855/1-20

19 20 ILCS 3855/1-56

20 20 ILCS 3855/1-75

21 30 ILCS 105/5.935 new

22 30 ILCS 105/5.936 new

23 30 ILCS 105/5.937 new

24 35 ILCS 5/201

25 35 ILCS 120/5k-5 new

1 105 ILCS 5/2-3.182 new
2 220 ILCS 5/2-107 from Ch. 111 2/3, par. 2-107
3 220 ILCS 5/4-604 new
4 220 ILCS 5/4-605 new
5 220 ILCS 5/8-103B
6 220 ILCS 5/8-104.1 new
7 220 ILCS 5/8-512 new
8 220 ILCS 5/9-220.3
9 220 ILCS 5/9-222.1B new
10 220 ILCS 5/9-227 from Ch. 111 2/3, par. 9-227
11 220 ILCS 5/10-104 from Ch. 111 2/3, par. 10-104
12 220 ILCS 5/16-105.17 new
13 220 ILCS 5/16-107
14 220 ILCS 5/16-107.5
15 220 ILCS 5/16-107.6
16 220 ILCS 5/16-107.7 new
17 220 ILCS 5/16-107.8 new
18 220 ILCS 5/16-108
19 220 ILCS 5/16-108.5
20 220 ILCS 5/16-108.9 new
21 220 ILCS 5/16-108.18 new
22 220 ILCS 5/16-111.5
23 220 ILCS 5/16-111.10 new
24 220 ILCS 5/16-128B
25 220 ILCS 5/16-131 new
26 415 ILCS 5/9.10

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- 1 415 ILCS 5/9.18 new
- 2 415 ILCS 5/9.15 rep.
- 3 420 ILCS 10/10 new
- 4 820 ILCS 130/3.3 new