



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2659

Introduced 2/19/2021, by Rep. Anna Moeller

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Power Agency Act. Makes changes in provisions concerning the Illinois Solar for All Program. Provides that the Illinois Power Agency shall make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities are able to participate in the Illinois Solar for All Program. Makes changes to incentive programs provided for under the Illinois Solar for All Program. Makes changes in provisions concerning legislative declarations and findings; definitions; and general powers and duties of the Agency. Amends the Public Utilities Act. Provides that the Illinois Commerce Commission shall open an investigation to deliberate, develop, and adopt a renewable energy access plan no later than December 31, 2022. Provides that within 90 days after the effective date of the amendatory Act, the Commission shall open a proceeding to update the interconnection standards and applicable utility tariffs and establish an interconnection working group. Makes changes in provisions concerning net electricity metering; distributed generation rebate; recovery of costs associated with the provision of delivery and other services; and provisions relating to procurement. Amends the Illinois Administrative Procedure Act. Permits the Illinois Commerce Commission to adopt emergency rules. Effective immediately.

LRB102 15746 SPS 21112 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 Section 1. Findings. The General Assembly finds that:

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

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

22 Section 5. The Illinois Administrative Procedure Act is
23 amended by adding Section 5-45.8 as follows:

1 (5 ILCS 100/5-45.8 new)

2 Sec. 5-45.8. Emergency rulemaking; Public Utilities Act.

3 To provide for the expeditious and timely implementation of
4 this amendatory Act of the 102nd General Assembly, emergency
5 rules may be adopted in accordance with Section 5-45 by the
6 Illinois Commerce Commission to implement the changes made by
7 this amendatory Act of the 102nd General Assembly to the
8 Public Utilities Act. The adoption of emergency rules
9 authorized by Section 5-45 and this Section is deemed to be
10 necessary for the public interest, safety, and welfare.

11 Section 10. The Illinois Power Agency Act is amended by
12 changing Sections 1-5, 1-10, 1-20, 1-56, and 1-75 as follows:

13 (20 ILCS 3855/1-5)

14 Sec. 1-5. Legislative declarations and findings. The
15 General Assembly finds and declares:

16 (1) The health, welfare, and prosperity of all
17 Illinois residents ~~citizens~~ require the provision of
18 adequate, reliable, affordable, efficient, and
19 environmentally sustainable electric service at the lowest
20 total cost over time, taking into account any benefits of
21 price stability.

22 (1.5) To provide the highest quality of life for the
23 residents of Illinois, and to provide for a clean and

1 healthy environment, it is the policy of this State to
2 rapidly transition to 100% renewable energy.

3 (2) (Blank).

4 (3) (Blank).

5 (4) It is necessary to improve the process of
6 procuring electricity to serve Illinois residents, to
7 promote investment in energy efficiency and
8 demand-response measures, and to maintain and support
9 development of clean coal technologies, generation
10 resources that operate at all hours of the day and under
11 all weather conditions, zero emission facilities, and
12 renewable resources.

13 (5) Procuring a diverse electricity supply portfolio
14 will ensure the lowest total cost over time for adequate,
15 reliable, efficient, and environmentally sustainable
16 electric service.

17 (6) Including renewable resources and zero emission
18 credits from zero emission facilities in that portfolio
19 will reduce long-term direct and indirect costs to
20 consumers by decreasing environmental impacts and by
21 avoiding or delaying the need for new generation,
22 transmission, and distribution infrastructure. Developing
23 new renewable energy resources in Illinois, including
24 brownfield solar projects and community solar projects,
25 will help to diversify Illinois electricity supply, avoid
26 and reduce pollution, reduce peak demand, and enhance

1 public health and well-being of Illinois residents.

2 (7) Developing community solar projects in Illinois
3 will help to expand access to renewable energy resources
4 to more Illinois residents.

5 (8) Developing brownfield solar projects in Illinois
6 will help return blighted or contaminated land to
7 productive use while enhancing public health and the
8 well-being of Illinois residents, including those in
9 environmental justice communities.

10 (9) Energy efficiency, demand-response measures, zero
11 emission energy, and renewable energy are resources
12 currently underused in Illinois. These resources should be
13 used, when cost effective, to reduce costs to consumers,
14 improve reliability, and improve environmental quality and
15 public health.

16 (10) The State should encourage the use of advanced
17 clean coal technologies that capture and sequester carbon
18 dioxide emissions to advance environmental protection
19 goals and to demonstrate the viability of coal and
20 coal-derived fuels in a carbon-constrained economy.

21 (11) The General Assembly enacted Public Act 96-0795
22 to reform the State's purchasing processes, recognizing
23 that government procurement is susceptible to abuse if
24 structural and procedural safeguards are not in place to
25 ensure independence, insulation, oversight, and
26 transparency.

1 (12) The principles that underlie the procurement
2 reform legislation apply also in the context of power
3 purchasing.

4 (13) To ensure that the benefits of installing
5 renewable resources are available to all Illinois
6 residents and located across the State, subject to
7 appropriation, it is necessary for the Illinois Power
8 Agency to provide public information and educational
9 resources on how residents can benefit from the expansion
10 of renewable energy in Illinois and participate in the
11 Illinois Solar for All Program established in Section 1-56
12 of this Act, the Adjustable Block Program established in
13 Section 1-75 of this Act, the job training programs
14 established by paragraph (1) of subsection (a) of Section
15 16-108.12 of the Public Utilities Act, and the programs
16 and resources established by the Clean Jobs Workforce and
17 Contractor Equity Act.

18 The General Assembly therefore finds that it is necessary
19 to create the Illinois Power Agency and that the goals and
20 objectives of that Agency are to accomplish each of the
21 following:

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

1 31, 2005 provided electric service to at least 100,000
2 customers in Illinois and for small multi-jurisdictional
3 electric utilities that (i) on December 31, 2005 served
4 less than 100,000 customers in Illinois and (ii) request a
5 procurement plan for their Illinois jurisdictional load.
6 The procurement plan shall be updated on an annual basis
7 and shall include renewable energy resources and,
8 beginning with the delivery year commencing June 1, 2017,
9 zero emission credits from zero emission facilities
10 sufficient to achieve the standards specified in this Act.

11 (B) Conduct the competitive procurement processes
12 identified in this Act.

13 (C) Develop electric generation and co-generation
14 facilities that use indigenous coal or renewable
15 resources, or both, financed with bonds issued by the
16 Illinois Finance Authority.

17 (D) Supply electricity from the Agency's facilities at
18 cost to one or more of the following: municipal electric
19 systems, governmental aggregators, or rural electric
20 cooperatives in Illinois.

21 (E) Ensure that the process of power procurement is
22 conducted in an ethical and transparent fashion, immune
23 from improper influence.

24 (F) Continue to review its policies and practices to
25 determine how best to meet its mission of providing the
26 lowest cost power to the greatest number of people, at any

1 given point in time, in accordance with applicable law.

2 (G) Operate in a structurally insulated, independent,
3 and transparent fashion so that nothing impedes the
4 Agency's mission to secure power at the best prices the
5 market will bear, provided that the Agency meets all
6 applicable legal requirements.

7 (H) Implement renewable energy procurement and
8 training programs throughout the State to diversify
9 Illinois electricity supply, improve reliability, avoid
10 and reduce pollution, reduce peak demand, and enhance
11 public health and well-being of Illinois residents,
12 including low-income residents.

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

14 (20 ILCS 3855/1-10)

15 Sec. 1-10. Definitions.

16 "Agency" means the Illinois Power Agency.

17 "Agency loan agreement" means any agreement pursuant to
18 which the Illinois Finance Authority agrees to loan the
19 proceeds of revenue bonds issued with respect to a project to
20 the Agency upon terms providing for loan repayment
21 installments at least sufficient to pay when due all principal
22 of, interest and premium, if any, on those revenue bonds, and
23 providing for maintenance, insurance, and other matters in
24 respect of the project.

25 "Authority" means the Illinois Finance Authority.

1 "Brownfield site photovoltaic project" means photovoltaics
2 that are:

3 (1) interconnected to an electric utility as defined
4 in this Section, a municipal utility as defined in this
5 Section, a public utility as defined in Section 3-105 of
6 the Public Utilities Act, or an electric cooperative, as
7 defined in Section 3-119 of the Public Utilities Act; and

8 (2) located at a site that is regulated by any of the
9 following entities under the following programs:

10 (A) the United States Environmental Protection
11 Agency under the federal Comprehensive Environmental
12 Response, Compensation, and Liability Act of 1980, as
13 amended;

14 (B) the United States Environmental Protection
15 Agency under the Corrective Action Program of the
16 federal Resource Conservation and Recovery Act, as
17 amended;

18 (C) the Illinois Environmental Protection Agency
19 under the Illinois Site Remediation Program; or

20 (D) the Illinois Environmental Protection Agency
21 under the Illinois Solid Waste Program.

22 "Clean coal facility" means an electric generating
23 facility that uses primarily coal as a feedstock and that
24 captures and sequesters carbon dioxide emissions at the
25 following levels: at least 50% of the total carbon dioxide
26 emissions that the facility would otherwise emit if, at the

1 time construction commences, the facility is scheduled to
2 commence operation before 2016, at least 70% of the total
3 carbon dioxide emissions that the facility would otherwise
4 emit if, at the time construction commences, the facility is
5 scheduled to commence operation during 2016 or 2017, and at
6 least 90% of the total carbon dioxide emissions that the
7 facility would otherwise emit if, at the time construction
8 commences, the facility is scheduled to commence operation
9 after 2017. The power block of the clean coal facility shall
10 not exceed allowable emission rates for sulfur dioxide,
11 nitrogen oxides, carbon monoxide, particulates and mercury for
12 a natural gas-fired combined-cycle facility the same size as
13 and in the same location as the clean coal facility at the time
14 the clean coal facility obtains an approved air permit. All
15 coal used by a clean coal facility shall have high volatile
16 bituminous rank and greater than 1.7 pounds of sulfur per
17 million btu content, unless the clean coal facility does not
18 use gasification technology and was operating as a
19 conventional coal-fired electric generating facility on June
20 1, 2009 (the effective date of Public Act 95-1027).

21 "Clean coal SNG brownfield facility" means a facility that
22 (1) has commenced construction by July 1, 2015 on an urban
23 brownfield site in a municipality with at least 1,000,000
24 residents; (2) uses a gasification process to produce
25 substitute natural gas; (3) uses coal as at least 50% of the
26 total feedstock over the term of any sourcing agreement with a

1 utility and the remainder of the feedstock may be either
2 petroleum coke or coal, with all such coal having a high
3 bituminous rank and greater than 1.7 pounds of sulfur per
4 million Btu content unless the facility reasonably determines
5 that it is necessary to use additional petroleum coke to
6 deliver additional consumer savings, in which case the
7 facility shall use coal for at least 35% of the total feedstock
8 over the term of any sourcing agreement; and (4) captures and
9 sequesters at least 85% of the total carbon dioxide emissions
10 that the facility would otherwise emit.

11 "Clean coal SNG facility" means a facility that uses a
12 gasification process to produce substitute natural gas, that
13 sequesters at least 90% of the total carbon dioxide emissions
14 that the facility would otherwise emit, that uses at least 90%
15 coal as a feedstock, with all such coal having a high
16 bituminous rank and greater than 1.7 pounds of sulfur per
17 million btu content, and that has a valid and effective permit
18 to construct emission sources and air pollution control
19 equipment and approval with respect to the federal regulations
20 for Prevention of Significant Deterioration of Air Quality
21 (PSD) for the plant pursuant to the federal Clean Air Act;
22 provided, however, a clean coal SNG brownfield facility shall
23 not be a clean coal SNG facility.

24 "Commission" means the Illinois Commerce Commission.

25 "Community renewable generation project" means an electric
26 generating facility that:

1 (1) is powered by wind, solar thermal energy,
2 photovoltaic cells or panels, biodiesel, crops and
3 untreated and unadulterated organic waste biomass, ~~tree~~
4 ~~waste~~, and hydropower that does not involve new
5 construction or significant expansion of hydropower dams;

6 (2) is interconnected at the distribution system level
7 of an electric utility as defined in this Section, a
8 municipal utility as defined in this Section that owns or
9 operates electric distribution facilities, a public
10 utility as defined in Section 3-105 of the Public
11 Utilities Act, or an electric cooperative, as defined in
12 Section 3-119 of the Public Utilities Act;

13 (3) credits the value of electricity generated by the
14 facility to the subscribers of the facility; and

15 (4) is limited in nameplate capacity to less than or
16 equal to 5,000 ~~2,000~~ kilowatts.

17 "Costs incurred in connection with the development and
18 construction of a facility" means:

19 (1) the cost of acquisition of all real property,
20 fixtures, and improvements in connection therewith and
21 equipment, personal property, and other property, rights,
22 and easements acquired that are deemed necessary for the
23 operation and maintenance of the facility;

24 (2) financing costs with respect to bonds, notes, and
25 other evidences of indebtedness of the Agency;

26 (3) all origination, commitment, utilization,

1 facility, placement, underwriting, syndication, credit
2 enhancement, and rating agency fees;

3 (4) engineering, design, procurement, consulting,
4 legal, accounting, title insurance, survey, appraisal,
5 escrow, trustee, collateral agency, interest rate hedging,
6 interest rate swap, capitalized interest, contingency, as
7 required by lenders, and other financing costs, and other
8 expenses for professional services; and

9 (5) the costs of plans, specifications, site study and
10 investigation, installation, surveys, other Agency costs
11 and estimates of costs, and other expenses necessary or
12 incidental to determining the feasibility of any project,
13 together with such other expenses as may be necessary or
14 incidental to the financing, insuring, acquisition, and
15 construction of a specific project and starting up,
16 commissioning, and placing that project in operation.

17 "Delivery services" has the same definition as found in
18 Section 16-102 of the Public Utilities Act.

19 "Delivery year" means the consecutive 12-month period
20 beginning June 1 of a given year and ending May 31 of the
21 following year.

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

24 "Director" means the Director of the Illinois Power
25 Agency.

26 "Demand-response" means measures that decrease peak

1 electricity demand or shift demand from peak to off-peak
2 periods.

3 "Distributed renewable energy generation device" means a
4 device that is:

5 (1) powered by wind, solar thermal energy,
6 photovoltaic cells or panels, biodiesel, crops and
7 untreated and unadulterated organic waste biomass, ~~tree~~
8 ~~waste~~, and hydropower that does not involve new
9 construction or significant expansion of hydropower dams;

10 (2) interconnected at the distribution system level of
11 either an electric utility as defined in this Section, a
12 municipal utility as defined in this Section that owns or
13 operates electric distribution facilities, or a rural
14 electric cooperative as defined in Section 3-119 of the
15 Public Utilities Act;

16 (3) located on the customer side of the customer's
17 electric meter and is primarily used to offset that
18 customer's electricity load; and

19 (4) limited in nameplate capacity to less than or
20 equal to 2,000 kilowatts.

21 "Energy efficiency" means measures that reduce the amount
22 of electricity or natural gas consumed in order to achieve a
23 given end use. "Energy efficiency" includes voltage
24 optimization measures that optimize the voltage at points on
25 the electric distribution voltage system and thereby reduce
26 electricity consumption by electric customers' end use

1 devices. "Energy efficiency" also includes measures that
2 reduce the total Btus of electricity, natural gas, and other
3 fuels needed to meet the end use or uses.

4 "Electric utility" has the same definition as found in
5 Section 16-102 of the Public Utilities Act.

6 "Facility" means an electric generating unit or a
7 co-generating unit that produces electricity along with
8 related equipment necessary to connect the facility to an
9 electric transmission or distribution system.

10 "Governmental aggregator" means one or more units of local
11 government that individually or collectively procure
12 electricity to serve residential retail electrical loads
13 located within its or their jurisdiction.

14 "Local government" means a unit of local government as
15 defined in Section 1 of Article VII of the Illinois
16 Constitution.

17 "Municipality" means a city, village, or incorporated
18 town.

19 "Municipal utility" means a public utility owned and
20 operated by any subdivision or municipal corporation of this
21 State.

22 "Nameplate capacity" means the aggregate inverter
23 nameplate capacity in kilowatts AC.

24 "Person" means any natural person, firm, partnership,
25 corporation, either domestic or foreign, company, association,
26 limited liability company, joint stock company, or association

1 and includes any trustee, receiver, assignee, or personal
2 representative thereof.

3 "Project" means the planning, bidding, and construction of
4 a facility.

5 "Public utility" has the same definition as found in
6 Section 3-105 of the Public Utilities Act.

7 "Real property" means any interest in land together with
8 all structures, fixtures, and improvements thereon, including
9 lands under water and riparian rights, any easements,
10 covenants, licenses, leases, rights-of-way, uses, and other
11 interests, together with any liens, judgments, mortgages, or
12 other claims or security interests related to real property.

13 "Renewable energy credit" means a tradable credit that
14 represents the environmental attributes of one megawatt hour
15 of energy produced from a renewable energy resource.

16 "Renewable energy resources" includes energy and its
17 associated renewable energy credit or renewable energy credits
18 from wind, solar thermal energy, photovoltaic cells and
19 panels, biodiesel, anaerobic digestion, crops and untreated
20 and unadulterated organic waste biomass, ~~tree waste,~~ and
21 hydropower that does not involve new construction or
22 significant expansion of hydropower dams. For purposes of this
23 Act, landfill gas produced in the State is considered a
24 renewable energy resource. "Renewable energy resources" does
25 not include the incineration or burning of tires, garbage,
26 general household, institutional, and commercial waste,

1 industrial lunchroom or office waste, landscape waste ~~other~~
2 ~~than tree waste~~, railroad crossties, utility poles, or
3 construction or demolition debris, other than untreated and
4 unadulterated waste wood.

5 "Retail customer" has the same definition as found in
6 Section 16-102 of the Public Utilities Act.

7 "Revenue bond" means any bond, note, or other evidence of
8 indebtedness issued by the Authority, the principal and
9 interest of which is payable solely from revenues or income
10 derived from any project or activity of the Agency.

11 "Sequester" means permanent storage of carbon dioxide by
12 injecting it into a saline aquifer, a depleted gas reservoir,
13 or an oil reservoir, directly or through an enhanced oil
14 recovery process that may involve intermediate storage,
15 regardless of whether these activities are conducted by a
16 clean coal facility, a clean coal SNG facility, a clean coal
17 SNG brownfield facility, or a party with which a clean coal
18 facility, clean coal SNG facility, or clean coal SNG
19 brownfield facility has contracted for such purposes.

20 "Service area" has the same definition as found in Section
21 16-102 of the Public Utilities Act.

22 "Sourcing agreement" means (i) in the case of an electric
23 utility, an agreement between the owner of a clean coal
24 facility and such electric utility, which agreement shall have
25 terms and conditions meeting the requirements of paragraph (3)
26 of subsection (d) of Section 1-75, (ii) in the case of an

1 alternative retail electric supplier, an agreement between the
2 owner of a clean coal facility and such alternative retail
3 electric supplier, which agreement shall have terms and
4 conditions meeting the requirements of Section 16-115(d)(5) of
5 the Public Utilities Act, and (iii) in case of a gas utility,
6 an agreement between the owner of a clean coal SNG brownfield
7 facility and the gas utility, which agreement shall have the
8 terms and conditions meeting the requirements of subsection
9 (h-1) of Section 9-220 of the Public Utilities Act.

10 "Subscriber" means a person who (i) takes delivery service
11 from an electric utility, and (ii) has a subscription of no
12 less than 200 watts to a community renewable generation
13 project that is located in the electric utility's service
14 area. No subscriber's subscriptions may total more than 40% of
15 the nameplate capacity of an individual community renewable
16 generation project. Entities that are affiliated by virtue of
17 a common parent shall not represent multiple subscriptions
18 that total more than 40% of the nameplate capacity of an
19 individual community renewable generation project.

20 "Subscription" means an interest in a community renewable
21 generation project expressed in kilowatts, which is sized
22 primarily to offset part or all of the subscriber's
23 electricity usage.

24 "Substitute natural gas" or "SNG" means a gas manufactured
25 by gasification of hydrocarbon feedstock, which is
26 substantially interchangeable in use and distribution with

1 conventional natural gas.

2 "Total resource cost test" or "TRC test" means a standard
3 that is met if, for an investment in energy efficiency or
4 demand-response measures, the benefit-cost ratio is greater
5 than one. The benefit-cost ratio is the ratio of the net
6 present value of the total benefits of the program to the net
7 present value of the total costs as calculated over the
8 lifetime of the measures. A total resource cost test compares
9 the sum of avoided electric utility costs, representing the
10 benefits that accrue to the system and the participant in the
11 delivery of those efficiency measures and including avoided
12 costs associated with reduced use of natural gas or other
13 fuels, avoided costs associated with reduced water
14 consumption, and avoided costs associated with reduced
15 operation and maintenance costs, as well as other quantifiable
16 societal benefits, to the sum of all incremental costs of
17 end-use measures that are implemented due to the program
18 (including both utility and participant contributions), plus
19 costs to administer, deliver, and evaluate each demand-side
20 program, to quantify the net savings obtained by substituting
21 the demand-side program for supply resources. In calculating
22 avoided costs of power and energy that an electric utility
23 would otherwise have had to acquire, reasonable estimates
24 shall be included of financial costs likely to be imposed by
25 future regulations and legislation on emissions of greenhouse
26 gases. In discounting future societal costs and benefits for

1 the purpose of calculating net present values, a societal
2 discount rate based on actual, long-term Treasury bond yields
3 should be used. Notwithstanding anything to the contrary, the
4 TRC test shall not include or take into account a calculation
5 of market price suppression effects or demand reduction
6 induced price effects.

7 "Utility-scale solar project" means an electric generating
8 facility that:

9 (1) generates electricity using photovoltaic cells;

10 and

11 (2) has a nameplate capacity that is greater than
12 2,000 kilowatts.

13 "Utility-scale wind project" means an electric generating
14 facility that:

15 (1) generates electricity using wind; and

16 (2) has a nameplate capacity that is greater than
17 2,000 kilowatts.

18 "Zero emission credit" means a tradable credit that
19 represents the environmental attributes of one megawatt hour
20 of energy produced from a zero emission facility.

21 "Zero emission facility" means a facility that: (1) is
22 fueled by nuclear power; and (2) is interconnected with PJM
23 Interconnection, LLC or the Midcontinent Independent System
24 Operator, Inc., or their successors.

25 (Source: P.A. 98-90, eff. 7-15-13; 99-906, eff. 6-1-17.)

1 (20 ILCS 3855/1-20)

2 Sec. 1-20. General powers and duties of the Agency.

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

4 (1) Develop electricity procurement plans to ensure
5 adequate, reliable, affordable, efficient, and
6 environmentally sustainable electric service at the lowest
7 total cost over time, taking into account any benefits of
8 price stability, for electric utilities that on December
9 31, 2005 provided electric service to at least 100,000
10 customers in Illinois and for small multi-jurisdictional
11 electric utilities that (A) on December 31, 2005 served
12 less than 100,000 customers in Illinois and (B) request a
13 procurement plan for their Illinois jurisdictional load.

14 Except as provided in paragraph (1.5) of this subsection
15 (a), the electricity procurement plans shall be updated on
16 an annual basis and shall include electricity generated
17 from renewable resources sufficient to achieve the
18 standards specified in this Act. Beginning with the
19 delivery year commencing June 1, 2017, develop procurement
20 plans to include zero emission credits generated from zero
21 emission facilities sufficient to achieve the standards
22 specified in this Act. Beginning with the procurement for
23 the delivery year commencing June 1, 2022, the Agency
24 shall for each year develop a plan, as part of its
25 procurement plan, to conduct a procurement of capacity
26 from qualified resources needed to meet capacity

1 requirements of the retail customers of electric utilities
2 that serve more than 3,000,000 retail customers and are
3 located in the PJM Interconnection, subject to the open
4 access tariff and manuals of PJM Interconnection and
5 approved by the Federal Energy Regulatory Commission. The
6 capacity procurement plan shall be updated annually and
7 shall include electricity generated from renewable
8 resources sufficient to achieve the renewable portfolio
9 standards as specified in this Act.

10 (1.5) Develop a long-term renewable resources
11 procurement plan in accordance with subsection (c) of
12 Section 1-75 of this Act for renewable energy credits in
13 amounts sufficient to achieve the standards specified in
14 this Act for delivery years commencing June 1, 2017 and
15 for the programs and renewable energy credits specified in
16 Section 1-56 of this Act. Electricity procurement plans
17 for delivery years commencing after May 31, 2017, shall
18 not include procurement of renewable energy resources.

19 (2) Conduct competitive procurement processes to
20 procure the supply resources identified in the electricity
21 procurement plan, pursuant to Section 16-111.5 of the
22 Public Utilities Act, and, for the delivery year
23 commencing June 1, 2017, conduct procurement processes to
24 procure zero emission credits from zero emission
25 facilities, under subsection (d-5) of Section 1-75 of this
26 Act.

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

8 (3) Develop electric generation and co-generation
9 facilities that use indigenous coal or renewable
10 resources, or both, financed with bonds issued by the
11 Illinois Finance Authority.

12 (4) Supply electricity from the Agency's facilities at
13 cost to one or more of the following: municipal electric
14 systems, governmental aggregators, or rural electric
15 cooperatives in Illinois.

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

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

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

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

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

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

10 (6) To acquire real or personal property, whether
11 tangible or intangible, including without limitation
12 property rights, interests in property, franchises,
13 obligations, contracts, and debt and equity securities,
14 and to do so by the exercise of the power of eminent domain
15 in accordance with Section 1-21; except that any real
16 property acquired by the exercise of the power of eminent
17 domain must be located within the State.

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

22 (8) To purchase, take, receive, subscribe for, or
23 otherwise acquire, hold, make a tender offer for, vote,
24 employ, sell, lend, lease, exchange, transfer, or
25 otherwise dispose of, mortgage, pledge, or grant a
26 security interest in, use, and otherwise deal in and with,

1 bonds and other obligations, shares, or other securities
2 (or interests therein) issued by others, whether engaged
3 in a similar or different business or activity.

4 (9) To make and execute agreements, contracts, and
5 other instruments necessary or convenient in the exercise
6 of the powers and functions of the Agency under this Act,
7 including contracts with any person, including personal
8 service contracts, or with any local government, State
9 agency, or other entity; and all State agencies and all
10 local governments are authorized to enter into and do all
11 things necessary to perform any such agreement, contract,
12 or other instrument with the Agency. No such agreement,
13 contract, or other instrument shall exceed 40 years.

14 (10) To lend money, invest and reinvest its funds in
15 accordance with the Public Funds Investment Act, and take
16 and hold real and personal property as security for the
17 payment of funds loaned or invested.

18 (11) To borrow money at such rate or rates of interest
19 as the Agency may determine, issue its notes, bonds, or
20 other obligations to evidence that indebtedness, and
21 secure any of its obligations by mortgage or pledge of its
22 real or personal property, machinery, equipment,
23 structures, fixtures, inventories, revenues, grants, and
24 other funds as provided or any interest therein, wherever
25 situated.

26 (12) To enter into agreements with the Illinois

1 Finance Authority to issue bonds whether or not the income
2 therefrom is exempt from federal taxation.

3 (13) To procure insurance against any loss in
4 connection with its properties or operations in such
5 amount or amounts and from such insurers, including the
6 federal government, as it may deem necessary or desirable,
7 and to pay any premiums therefor.

8 (14) To negotiate and enter into agreements with
9 trustees or receivers appointed by United States
10 bankruptcy courts or federal district courts or in other
11 proceedings involving adjustment of debts and authorize
12 proceedings involving adjustment of debts and authorize
13 legal counsel for the Agency to appear in any such
14 proceedings.

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

18 (16) To enter into management agreements for the
19 operation of any of the property or facilities owned by
20 the Agency.

21 (17) To enter into an agreement to transfer and to
22 transfer any land, facilities, fixtures, or equipment of
23 the Agency to one or more municipal electric systems,
24 governmental aggregators, or rural electric agencies or
25 cooperatives, for such consideration and upon such terms
26 as the Agency may determine to be in the best interest of

1 the residents ~~citizens~~ of Illinois.

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

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

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

12 (21) To accept and expend appropriations.

13 (22) To engage in any activity or operation that is
14 incidental to and in furtherance of efficient operation to
15 accomplish the Agency's purposes, including hiring
16 employees that the Director deems essential for the
17 operations of the Agency.

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

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

26 (25) To conduct competitive gasification feedstock

1 procurement processes to procure the feedstocks for the
2 clean coal SNG brownfield facility in accordance with the
3 requirements of Section 1-78 of this Act.

4 (26) To review, revise, and approve sourcing
5 agreements and mediate and resolve disputes between gas
6 utilities and the clean coal SNG brownfield facility
7 pursuant to subsection (h-1) of Section 9-220 of the
8 Public Utilities Act.

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

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

16 (20 ILCS 3855/1-56)

17 Sec. 1-56. Illinois Power Agency Renewable Energy
18 Resources Fund; Illinois Solar for All Program.

19 (a) The Illinois Power Agency Renewable Energy Resources
20 Fund is created as a special fund in the State treasury.

21 (b) The Illinois Power Agency Renewable Energy Resources
22 Fund shall be administered by the Agency as described in this
23 subsection (b), provided that the changes to this subsection
24 (b) made by this amendatory Act of the 99th General Assembly
25 shall not interfere with existing contracts under this

1 Section.

2 (1) The Illinois Power Agency Renewable Energy
3 Resources Fund shall be used to purchase renewable energy
4 credits according to any approved procurement plan
5 developed by the Agency prior to June 1, 2017.

6 (2) The Illinois Power Agency Renewable Energy
7 Resources Fund shall also be used to create the Illinois
8 Solar for All Program, which shall include incentives for
9 low-income distributed generation and community solar
10 projects, and other associated approved expenditures. The
11 objectives of the Illinois Solar for All Program are to
12 bring photovoltaics to low-income communities in this
13 State in a manner that maximizes the development of new
14 photovoltaic generating facilities, to create a long-term,
15 low-income solar marketplace throughout this State, to
16 integrate, through interaction with stakeholders, with
17 existing energy efficiency initiatives, and to minimize
18 administrative costs. The Agency shall strive to ensure
19 that renewable energy credits procured through the
20 Illinois Solar for All Program and each of its subprograms
21 are purchased from projects across the breadth of
22 low-income and environmental justice communities in
23 Illinois, including both urban and rural communities, and
24 are neither concentrated in a few communities nor
25 excluding particular low-income or environmental justice
26 communities. The Agency shall include a description of its

1 proposed approach to the design, administration,
2 implementation and evaluation of the Illinois Solar for
3 All Program, as part of the long-term renewable resources
4 procurement plan authorized by subsection (c) of Section
5 1-75 of this Act, and the program shall be designed to grow
6 the low-income solar market. The Agency or utility, as
7 applicable, shall purchase renewable energy credits from
8 the (i) photovoltaic distributed renewable energy
9 generation projects and (ii) community solar projects that
10 are procured under procurement processes authorized by the
11 long-term renewable resources procurement plans approved
12 by the Commission.

13 The Illinois Solar for All Program shall include the
14 program offerings described in subparagraphs (A) through
15 (E) ~~(D)~~ of this paragraph (2), which the Agency shall
16 implement through contracts with third-party providers
17 and, subject to appropriation, pay the approximate amounts
18 identified using monies available in the Illinois Power
19 Agency Renewable Energy Resources Fund. Each contract that
20 provides for the installation of solar facilities shall
21 provide that the solar facilities will produce energy and
22 economic benefits, at a level determined by the Agency to
23 be reasonable, for the participating low income customers.
24 The monies available in the Illinois Power Agency
25 Renewable Energy Resources Fund and not otherwise
26 committed to contracts executed under subsection (i) of

1 this Section shall be allocated among the programs
2 described in this paragraph (2), as follows: 22.5% of
3 these funds shall be allocated to programs described in
4 subparagraphs ~~subparagraph~~ (A) and (E) of this paragraph
5 (2), 37.5% of these funds shall be allocated to programs
6 described in subparagraph (B) of this paragraph (2), 15%
7 of these funds shall be allocated to programs described in
8 subparagraph (C) of this paragraph (2), and 25% of these
9 funds, but in no event more than \$50,000,000, shall be
10 allocated to programs described in subparagraph (D) of
11 this paragraph (2). The allocation of funds among
12 subparagraphs (A), (B), ~~or~~ (C), and (E) of this paragraph
13 (2) may be changed if the Agency or administrator, through
14 delegated authority, determines incentives in subparagraph
15 ~~subparagraphs~~ (A), (B), ~~or~~ (C), or (E) of this paragraph
16 (2) have not been adequately subscribed to fully utilize
17 the Illinois Power Agency Renewable Energy Resources Fund.
18 The determination of reallocation shall include
19 consideration of input obtained ~~input~~ through a
20 stakeholder process. The program offerings described in
21 subparagraphs (A) through (E) ~~(D)~~ of this paragraph (2)
22 shall also be implemented through contracts funded from
23 such additional amounts as are allocated to one or more of
24 the programs in the long-term renewable resources
25 procurement plans as specified in subsection (c) of
26 Section 1-75 of this Act and subparagraph (O) of paragraph

1 (1) of such subsection (c).

2 Contracts that will be paid with funds in the Illinois
3 Power Agency Renewable Energy Resources Fund shall be
4 executed by the Agency. Contracts that will be paid with
5 funds collected by an electric utility shall be executed
6 by the electric utility.

7 Contracts under the Illinois Solar for All Program
8 shall include an approach, as set forth in the long-term
9 renewable resources procurement plans, to ensure the
10 wholesale market value of the energy is credited to
11 participating low-income customers or organizations and to
12 ensure tangible economic benefits flow directly to program
13 participants, except in the case of low-income
14 multi-family housing where the low-income customer does
15 not directly pay for energy. Priority shall be given to
16 projects that demonstrate meaningful involvement of
17 low-income community members in designing the initial
18 proposals. Acceptable proposals to implement projects must
19 demonstrate the applicant's ability to conduct initial
20 community outreach, education, and recruitment of
21 low-income participants in the community. Projects must
22 include job training opportunities if available, and shall
23 endeavor to coordinate with the job training programs
24 described in paragraph (1) of subsection (a) of Section
25 16-108.12 of the Public Utilities Act.

26 The Agency shall make every effort to ensure that

1 small and emerging businesses, particularly those located
2 in low-income and environmental justice communities are
3 able to participate in the Illinois Solar for All Program.
4 These efforts may include, but shall not be limited to,
5 proactive support from the program administrator,
6 different or preferred access to subprograms and
7 administrator-identified customers or grassroots
8 education provider-identified customers, and different
9 incentive levels. The Agency shall report on progress and
10 barriers to participation of small and emerging businesses
11 in the Illinois Solar for All Program at least once a year.
12 The report shall be made available on the Agency's website
13 and, in years when the Agency is updating its long-term
14 renewable resources procurement plan, included in that
15 plan.

16 (A) Low-income single-family and small multifamily
17 solar distributed generation incentive. This program
18 will provide incentives to low-income customers,
19 either directly or through solar providers, to
20 increase the participation of low-income households in
21 photovoltaic on-site distributed generation at
22 residential buildings containing one to 4 units.
23 Companies participating in this program that install
24 solar panels shall commit to hiring job trainees for a
25 portion of their low-income installations, and an
26 administrator shall facilitate partnering the

1 companies that install solar panels with entities that
2 provide solar panel installation job training. It is a
3 goal of this program that a minimum of 25% of the
4 incentives for this program be allocated to projects
5 located within environmental justice communities. The
6 Agency shall reserve a portion of this program for
7 projects that promote energy sovereignty through
8 ownership of projects by low-income households,
9 not-for-profit organizations providing services to
10 low-income households, affordable housing owners, or
11 community-based limited liability companies providing
12 services to low-income households. To count as
13 promoting energy sovereignty, 49% of the ownership
14 interest of the project must be held by low-income
15 households, not-for-profit organizations providing
16 direct services to low-income households, affordable
17 housing owners, or community-based limited liability
18 companies providing services to low-income households,
19 by no later than 6 years after the device is
20 interconnected at the distribution system level of the
21 utility and energized. Incentives for projects that
22 promote energy sovereignty may be higher than
23 incentives for equivalent projects that do not promote
24 energy sovereignty under this same program. Contracts
25 entered into under this paragraph may be entered into
26 with an entity that will develop and administer the

1 program and shall also include contracts for renewable
2 energy credits from the photovoltaic distributed
3 generation that is the subject of the program, as set
4 forth in the long-term renewable resources procurement
5 plan.

6 (B) Low-Income Community Solar Project Initiative.
7 Incentives shall be offered to low-income customers,
8 either directly or through developers, to increase the
9 participation of low-income subscribers of community
10 solar projects. The developer of each project shall
11 identify its partnership with community stakeholders
12 regarding the location, development, and participation
13 in the project, provided that nothing shall preclude a
14 project from including an anchor tenant that does not
15 qualify as low-income. ~~Incentives should also be
16 offered to community solar projects that are 100%
17 low income subscriber owned, which includes low income
18 households, not for profit organizations, and
19 affordable housing owners. Companies participating in
20 this program that develop or install solar projects
21 shall commit to hiring job trainees for a portion of
22 their low-income installations, and an administrator
23 shall facilitate partnering the companies that install
24 solar projects with entities that provide solar
25 installation and related job training. It is a goal of
26 this program that a minimum of 25% of the incentives~~

1 for this program be allocated to community
2 photovoltaic projects in environmental justice
3 communities. The Agency shall reserve a portion of
4 this program for projects that promote energy
5 sovereignty through ownership of projects by
6 low-income households, not-for-profit organizations
7 providing services to low-income households,
8 affordable housing owners, or community-based limited
9 liability companies providing services to low-income
10 households. To count as promoting energy sovereignty,
11 49% of the ownership interest of the project must be
12 held by low-income subscribers, not-for-profit
13 organizations providing direct services to low-income
14 households, affordable housing owners, or
15 community-based limited liability companies providing
16 services to low-income households, by no later than 6
17 years after the device is interconnected at the
18 distribution system level of the utility and
19 energized. Incentives for projects that promote energy
20 sovereignty may be higher than incentives for
21 equivalent projects that do not promote energy
22 sovereignty under this same program. Contracts entered
23 into under this paragraph may be entered into with
24 developers and shall also include contracts for
25 renewable energy credits related to the program.

26 (C) Incentives for non-profits and public

1 facilities. Under this program funds shall be used to
2 support on-site photovoltaic distributed renewable
3 energy generation devices to serve the load associated
4 with not-for-profit customers and to support
5 photovoltaic distributed renewable energy generation
6 that uses photovoltaic technology to serve the load
7 associated with public sector customers taking service
8 at public buildings. Companies participating in this
9 program that develop or install solar projects shall
10 commit to hiring job trainees for a portion of their
11 low-income installations, and an administrator shall
12 facilitate partnering the companies that install solar
13 projects with entities that provide solar installation
14 and related job training. It is a goal of this program
15 that at least 25% of the incentives for this program be
16 allocated to projects located in environmental justice
17 communities. Contracts entered into under this
18 paragraph may be entered into with an entity that will
19 develop and administer the program or with developers
20 and shall also include contracts for renewable energy
21 credits related to the program.

22 (D) Low-Income Community Solar Pilot Projects.
23 Under this program, persons, including, but not
24 limited to, electric utilities, shall propose pilot
25 community solar projects. Community solar projects
26 proposed under this subparagraph (D) may exceed 2,000

1 kilowatts in nameplate capacity, but the amount paid
2 per project under this program may not exceed
3 \$20,000,000. Pilot projects must result in economic
4 benefits for the members of the community in which the
5 project will be located. The proposed pilot project
6 must include a partnership with at least one
7 community-based organization. Approved pilot projects
8 shall be competitively bid by the Agency, subject to
9 fair and equitable guidelines developed by the Agency.
10 Funding available under this subparagraph (D) may not
11 be distributed solely to a utility, and at least some
12 funds under this subparagraph (D) must include a
13 project partnership that includes community ownership
14 by the project subscribers. Contracts entered into
15 under this paragraph may be entered into with an
16 entity that will develop and administer the program or
17 with developers and shall also include contracts for
18 renewable energy credits related to the program. A
19 project proposed by a utility that is implemented
20 under this subparagraph (D) shall not be included in
21 the utility's rate base ~~ratebase~~.

22 (E) Low-income large multifamily solar incentive.
23 This program shall provide incentives to low-income
24 customers, either directly or through solar providers,
25 to increase the participation of low-income households
26 in photovoltaic on-site distributed generation at

1 residential buildings with 5 or more units. Companies
2 participating in this program that develop or install
3 solar projects shall commit to hiring job trainees for
4 a portion of their low-income installations, and an
5 administrator shall facilitate partnering the
6 companies that install solar projects with entities
7 that provide solar installation and related job
8 training. It is a goal of this program that a minimum
9 of 25% of the incentives for this program be allocated
10 to projects located within environmental justice
11 communities. The Agency shall reserve a portion of
12 this program for projects that promote energy
13 sovereignty through ownership of projects by
14 low-income households, not-for-profit organizations
15 providing services to low-income households,
16 affordable housing owners, or community-based limited
17 liability companies providing services to low-income
18 households. To count as promoting energy sovereignty,
19 49% of the ownership interest of the project must be
20 held by low-income households, not-for-profit
21 organizations providing direct services to low-income
22 households, affordable housing owners, or
23 community-based limited liability companies providing
24 services to low-income households, by no later than 6
25 years after the device is interconnected at the
26 distribution system level of the utility and

1 energized. Incentives for projects that promote energy
2 sovereignty may be higher than incentives for
3 equivalent projects that do not promote energy
4 sovereignty under this same program. Contracts entered
5 into under this paragraph may be entered into with an
6 entity that will develop and administer the program
7 and shall include contracts for renewable energy
8 credits from the photovoltaic distributed generation
9 that is the subject of the program, as set forth in the
10 long-term renewable resources procurement plan.

11 The requirement that a qualified person, as defined in
12 paragraph (1) of subsection (i) of this Section, install
13 photovoltaic devices does not apply to the Illinois Solar
14 for All Program described in this subsection (b).

15 (3) Costs associated with the Illinois Solar for All
16 Program and its components described in paragraph (2) of
17 this subsection (b), including, but not limited to, costs
18 associated with procuring experts, consultants, and the
19 program administrator referenced in this subsection (b)
20 and related incremental costs, costs related to income
21 verification and facilitating customer participation in
22 the program, and costs related to the evaluation of the
23 Illinois Solar for All Program, may be paid for using
24 monies in the Illinois Power Agency Renewable Energy
25 Resources Fund, but the Agency or program administrator
26 shall strive to minimize costs in the implementation of

1 the program. The Agency shall purchase renewable energy
2 credits from generation that is the subject of a contract
3 under subparagraphs (A) through (E) ~~(D)~~ of ~~this~~ paragraph
4 (2) of this subsection (b), and may pay for such renewable
5 energy credits through an upfront payment per installed
6 kilowatt of nameplate capacity paid once the device is
7 interconnected at the distribution system level of the
8 utility and is energized. The payment shall be in exchange
9 for an assignment of all renewable energy credits
10 generated by the system during the first 15 years of
11 operation and shall be structured to overcome barriers to
12 participation in the solar market by the low-income
13 community. The incentives provided for in this Section may
14 be implemented through the pricing of renewable energy
15 credits where the prices paid for the credits are higher
16 than the prices from programs offered under subsection (c)
17 of Section 1-75 of this Act to account for the incentives.
18 The Agency shall ensure collaboration with community
19 agencies, and allocate up to 5% of the funds available
20 under the Illinois Solar for All Program to
21 community-based groups to assist in grassroots education
22 efforts related to the Illinois Solar for All Program. The
23 Agency shall retire any renewable energy credits purchased
24 from this program and the credits shall count towards the
25 obligation under subsection (c) of Section 1-75 of this
26 Act for the electric utility to which the project is

1 interconnected. The Agency may combine the funding for the
2 Adjustable Block Program established in subparagraph (K)
3 of paragraph (1) of subsection (c) of Section 1-75 and the
4 Illinois Solar for All Program to purchase renewable
5 energy credits from new photovoltaic projects that would
6 be eligible for either program so long as: the annual
7 ratepayer funds collected to purchase renewable resources
8 pursuant to subsection (c) of Section 1-75 is at least
9 double the amount collected in the 2019-2020 delivery
10 year, no more than 20% of any individual block within the
11 Adjustable Block Program is allocated to Solar for
12 All-eligible projects, and the funding sources for both
13 programs are the same for projects so funded. Any
14 renewable energy credits purchased from this program in
15 combination with the Adjustable Block Program shall count
16 toward the obligation for new photovoltaic projects under
17 subparagraph (C) of paragraph (1) of subsection (c) of
18 Section 1-75 of this Act. Any photovoltaic projects
19 selected for this program in combination with the
20 Adjustable Block Program are subject to the requirements
21 of the Illinois Solar for All Program and may receive
22 Illinois Solar for All Program pricing, with the Illinois
23 Solar for All Program budget covering the difference
24 between the renewable energy credit price from the
25 currently open block of the Adjustable Block Program and
26 the Solar for All renewable energy credit price. Illinois

1 Solar for All subprograms providing funding for
2 installation of distributed renewable energy generation
3 devices shall use funding in this manner from Adjustable
4 Block Program distributed renewable energy generation
5 device blocks. The Illinois Solar for All Low-Income
6 Community Solar subprogram shall use funding in this
7 manner from the Adjustable Block Program community
8 renewable generation project blocks, if such blocks are
9 legally authorized. If no Adjustable Block Program
10 community renewable generation project block is currently
11 legally authorized and if a competitively procured
12 Community Solar Program is legally authorized under
13 Section 1-75 of this Act, then (i) a portion of the
14 utility-held renewable resources budget allocated by the
15 Agency to such competitive Community Solar Program each
16 year shall be reserved for the Solar for All Low-Income
17 Community Solar subprogram as if such budget came from an
18 Adjustable Block Program block for purposes of this
19 paragraph (3) and (ii) the average renewable energy credit
20 price of Community Solar Program selected projects from
21 the prior delivery year (or a shorter period, if a full
22 delivery year of the Community Solar Program has not been
23 completed) shall be used for allocating funding to the
24 Solar for All Low-Income Community Solar subprogram in
25 lieu of the Adjustable Block Program renewable energy
26 credit block price mentioned earlier in this paragraph

1 (3). The Agency shall try to manage program capacities and
2 budgets to make the fullest use of this option to
3 accommodate Solar for All project applications.

4 (4) The Agency shall, consistent with the requirements
5 of this subsection (b), propose the Illinois Solar for All
6 Program terms, conditions, and requirements, including the
7 prices to be paid for renewable energy credits, and which
8 prices may be determined through a formula, through the
9 development, review, and approval of the Agency's
10 long-term renewable resources procurement plan described
11 in subsection (c) of Section 1-75 of this Act and Section
12 16-111.5 of the Public Utilities Act. In the course of the
13 Commission proceeding initiated to review and approve the
14 plan, including the Illinois Solar for All Program
15 proposed by the Agency, a party may propose an additional
16 low-income solar or solar incentive program, or
17 modifications to the programs proposed by the Agency, and
18 the Commission may approve an additional program, or
19 modifications to the Agency's proposed program, if the
20 additional or modified program more effectively maximizes
21 the benefits to low-income customers after taking into
22 account all relevant factors, including, but not limited
23 to, the extent to which a competitive market for
24 low-income solar has developed. Following the Commission's
25 approval of the Illinois Solar for All Program, the Agency
26 or a party may propose adjustments to the program terms,

1 conditions, and requirements, including the price offered
2 to new systems, to ensure the long-term viability and
3 success of the program. The Commission shall review and
4 approve any modifications to the program through the plan
5 revision process described in Section 16-111.5 of the
6 Public Utilities Act.

7 (5) The Agency shall issue a request for
8 qualifications for a third-party program administrator or
9 administrators to administer all or a portion of the
10 Illinois Solar for All Program. The third-party program
11 administrator shall be chosen through a competitive bid
12 process based on selection criteria and requirements
13 developed by the Agency, including, but not limited to,
14 experience in administering low-income energy programs and
15 overseeing statewide clean energy or energy efficiency
16 services. If the Agency retains a program administrator or
17 administrators to implement all or a portion of the
18 Illinois Solar for All Program, each administrator shall
19 periodically submit reports to the Agency and Commission
20 for each program that it administers, at appropriate
21 intervals to be identified by the Agency in its long-term
22 renewable resources procurement plan, provided that the
23 reporting interval is at least quarterly. Administration
24 of the Illinois Solar for All Program shall include
25 facilitation of the partnering of companies that develop
26 or install solar projects through this program or any

1 other Illinois program with graduates of Illinois-based
2 job training programs, particularly graduates who reside
3 in environmental justice communities.

4 (6) The long-term renewable resources procurement plan
5 shall also provide for an independent evaluation of the
6 Illinois Solar for All Program. At least every 2 years,
7 the Agency shall select an independent evaluator to review
8 and report on the Illinois Solar for All Program and the
9 performance of the third-party program administrator of
10 the Illinois Solar for All Program. The evaluation shall
11 be based on objective criteria developed through a public
12 stakeholder process. The process shall include feedback
13 and participation from Illinois Solar for All Program
14 stakeholders, including participants and organizations in
15 environmental justice and historically underserved
16 communities. The report shall include a summary of the
17 evaluation of the Illinois Solar for All Program based on
18 the stakeholder developed objective criteria. The report
19 shall include the number of projects installed; the total
20 installed capacity in kilowatts; the average cost per
21 kilowatt of installed capacity to the extent reasonably
22 obtainable by the Agency; the number of jobs or job
23 opportunities created; economic, social, and environmental
24 benefits created; and the total administrative costs
25 expended by the Agency and program administrator to
26 implement and evaluate the program. The report shall be

1 delivered to the Commission and posted on the Agency's
2 website, and shall be used, as needed, to revise the
3 Illinois Solar for All Program. The Commission shall also
4 consider the results of the evaluation as part of its
5 review of the long-term renewable resources procurement
6 plan under subsection (c) of Section 1-75 of this Act.

7 (7) If additional funding for the programs described
8 in this subsection (b) is available under subsection (k)
9 of Section 16-108 of the Public Utilities Act, then the
10 Agency shall submit a procurement plan to the Commission
11 no later than September 1, 2018, that proposes how the
12 Agency will procure programs on behalf of the applicable
13 utility. After notice and hearing, the Commission shall
14 approve, or approve with modification, the plan no later
15 than November 1, 2018.

16 (8) As part of the development and update of the
17 long-term renewable resources procurement plan authorized
18 by subsection (c) of Section 1-75 of this Act, the Agency
19 shall plan for: (A) actions to refer customers from the
20 Illinois Solar for All Program to electric and natural gas
21 income-qualified energy efficiency programs, and vice
22 versa, with the goal of increasing participation in both
23 of these programs; (B) effective procedures for data
24 sharing, as needed, to effectuate referrals between the
25 Illinois Solar for All Program and both electric and
26 natural gas income-qualified energy efficiency programs,

1 including sharing customer information directly with the
2 utilities, as needed and appropriate; and (C) efforts to
3 identify any existing deferred maintenance programs for
4 which prospective Solar for All customers may be eligible
5 and connect prospective customers for whom deferred
6 maintenance is or may be a barrier to solar installation
7 to those programs.

8 As used in this subsection (b), "low-income households"
9 means persons and families whose income does not exceed 80% of
10 area median income, adjusted for family size and revised every
11 5 years.

12 For the purposes of this subsection (b), the Agency shall
13 define "environmental justice community" based on
14 methodologies and findings established by the Illinois Power
15 Agency and its Administrator for the Illinois Solar for All
16 Program in its initial long-term renewable resources
17 procurement plan and updated by the Illinois Power Agency and
18 its Administrator for the Illinois Solar for All Program as
19 part of the long-term renewable resources procurement plan
20 update as part of long-term renewable resources procurement
21 plan development, to ensure, to the extent practicable,
22 compatibility with other agencies' definitions and may, for
23 guidance, look to the definitions used by federal, state, or
24 local governments.

25 (b-5) After the receipt of all payments required by
26 Section 16-115D of the Public Utilities Act, no additional

1 funds shall be deposited into the Illinois Power Agency
2 Renewable Energy Resources Fund unless directed by order of
3 the Commission.

4 (b-10) After the receipt of all payments required by
5 Section 16-115D of the Public Utilities Act and payment in
6 full of all contracts executed by the Agency under subsections
7 (b) and (i) of this Section, if the balance of the Illinois
8 Power Agency Renewable Energy Resources Fund is under \$5,000,
9 then the Fund shall be inoperative and any remaining funds and
10 any funds submitted to the Fund after that date, shall be
11 transferred to the Supplemental Low-Income Energy Assistance
12 Fund for use in the Low-Income Home Energy Assistance Program,
13 as authorized by the Energy Assistance Act.

14 (c) (Blank).

15 (d) (Blank).

16 (e) All renewable energy credits procured using monies
17 from the Illinois Power Agency Renewable Energy Resources Fund
18 shall be permanently retired.

19 (f) The selection of one or more third-party program
20 managers or administrators, the selection of the independent
21 evaluator, and the procurement processes described in this
22 Section are exempt from the requirements of the Illinois
23 Procurement Code, under Section 20-10 of that Code.

24 (g) All disbursements from the Illinois Power Agency
25 Renewable Energy Resources Fund shall be made only upon
26 warrants of the Comptroller drawn upon the Treasurer as

1 custodian of the Fund upon vouchers signed by the Director or
2 by the person or persons designated by the Director for that
3 purpose. The Comptroller is authorized to draw the warrant
4 upon vouchers so signed. The Treasurer shall accept all
5 warrants so signed and shall be released from liability for
6 all payments made on those warrants.

7 (h) The Illinois Power Agency Renewable Energy Resources
8 Fund shall not be subject to sweeps, administrative charges,
9 or chargebacks, including, but not limited to, those
10 authorized under Section 8h of the State Finance Act, that
11 would in any way result in the transfer of any funds from this
12 Fund to any other fund of this State or in having any such
13 funds utilized for any purpose other than the express purposes
14 set forth in this Section.

15 (h-5) The Agency may assess fees to each bidder to recover
16 the costs incurred in connection with a procurement process
17 held under this Section. Fees collected from bidders shall be
18 deposited into the Renewable Energy Resources Fund.

19 (i) Supplemental procurement process.

20 (1) Within 90 days after the effective date of this
21 amendatory Act of the 98th General Assembly, the Agency
22 shall develop a one-time supplemental procurement plan
23 limited to the procurement of renewable energy credits, if
24 available, from new or existing photovoltaics, including,
25 but not limited to, distributed photovoltaic generation.
26 Nothing in this subsection (i) requires procurement of

1 wind generation through the supplemental procurement.

2 Renewable energy credits procured from new
3 photovoltaics, including, but not limited to, distributed
4 photovoltaic generation, under this subsection (i) must be
5 procured from devices installed by a qualified person. In
6 its supplemental procurement plan, the Agency shall
7 establish contractually enforceable mechanisms for
8 ensuring that the installation of new photovoltaics is
9 performed by a qualified person.

10 For the purposes of this paragraph (1), "qualified
11 person" means a person who performs installations of
12 photovoltaics, including, but not limited to, distributed
13 photovoltaic generation, and who: (A) has completed an
14 apprenticeship as a journeyman electrician from a United
15 States Department of Labor registered electrical
16 apprenticeship and training program and received a
17 certification of satisfactory completion; or (B) does not
18 currently meet the criteria under clause (A) of this
19 paragraph (1), but is enrolled in a United States
20 Department of Labor registered electrical apprenticeship
21 program, provided that the person is directly supervised
22 by a person who meets the criteria under clause (A) of this
23 paragraph (1); or (C) has obtained one of the following
24 credentials in addition to attesting to satisfactory
25 completion of at least 5 years or 8,000 hours of
26 documented hands-on electrical experience: (i) a North

1 American Board of Certified Energy Practitioners (NABCEP)
2 Installer Certificate for Solar PV; (ii) an Underwriters
3 Laboratories (UL) PV Systems Installer Certificate; (iii)
4 an Electronics Technicians Association, International
5 (ETAI) Level 3 PV Installer Certificate; or (iv) an
6 Associate in Applied Science degree from an Illinois
7 Community College Board approved community college program
8 in renewable energy or a distributed generation
9 technology.

10 For the purposes of this paragraph (1), "directly
11 supervised" means that there is a qualified person who
12 meets the qualifications under clause (A) of this
13 paragraph (1) and who is available for supervision and
14 consultation regarding the work performed by persons under
15 clause (B) of this paragraph (1), including a final
16 inspection of the installation work that has been directly
17 supervised to ensure safety and conformity with applicable
18 codes.

19 For the purposes of this paragraph (1), "install"
20 means the major activities and actions required to
21 connect, in accordance with applicable building and
22 electrical codes, the conductors, connectors, and all
23 associated fittings, devices, power outlets, or
24 apparatuses mounted at the premises that are directly
25 involved in delivering energy to the premises' electrical
26 wiring from the photovoltaics, including, but not limited

1 to, to distributed photovoltaic generation.

2 The renewable energy credits procured pursuant to the
3 supplemental procurement plan shall be procured using up
4 to \$30,000,000 from the Illinois Power Agency Renewable
5 Energy Resources Fund. The Agency shall not plan to use
6 funds from the Illinois Power Agency Renewable Energy
7 Resources Fund in excess of the monies on deposit in such
8 fund or projected to be deposited into such fund. The
9 supplemental procurement plan shall ensure adequate,
10 reliable, affordable, efficient, and environmentally
11 sustainable renewable energy resources (including credits)
12 at the lowest total cost over time, taking into account
13 any benefits of price stability.

14 To the extent available, 50% of the renewable energy
15 credits procured from distributed renewable energy
16 generation shall come from devices of less than 25
17 kilowatts in nameplate capacity. Procurement of renewable
18 energy credits from distributed renewable energy
19 generation devices shall be done through multi-year
20 contracts of no less than 5 years. The Agency shall create
21 credit requirements for counterparties. In order to
22 minimize the administrative burden on contracting
23 entities, the Agency shall solicit the use of third
24 parties to aggregate distributed renewable energy. These
25 third parties shall enter into and administer contracts
26 with individual distributed renewable energy generation

1 device owners. An individual distributed renewable energy
2 generation device owner shall have the ability to measure
3 the output of his or her distributed renewable energy
4 generation device.

5 In developing the supplemental procurement plan, the
6 Agency shall hold at least one workshop open to the public
7 within 90 days after the effective date of this amendatory
8 Act of the 98th General Assembly and shall consider any
9 comments made by stakeholders or the public. Upon
10 development of the supplemental procurement plan within
11 this 90-day period, copies of the supplemental procurement
12 plan shall be posted and made publicly available on the
13 Agency's and Commission's websites. All interested parties
14 shall have 14 days following the date of posting to
15 provide comment to the Agency on the supplemental
16 procurement plan. All comments submitted to the Agency
17 shall be specific, supported by data or other detailed
18 analyses, and, if objecting to all or a portion of the
19 supplemental procurement plan, accompanied by specific
20 alternative wording or proposals. All comments shall be
21 posted on the Agency's and Commission's websites. Within
22 14 days following the end of the 14-day review period, the
23 Agency shall revise the supplemental procurement plan as
24 necessary based on the comments received and file its
25 revised supplemental procurement plan with the Commission
26 for approval.

1 (2) Within 5 days after the filing of the supplemental
2 procurement plan at the Commission, any person objecting
3 to the supplemental procurement plan shall file an
4 objection with the Commission. Within 10 days after the
5 filing, the Commission shall determine whether a hearing
6 is necessary. The Commission shall enter its order
7 confirming or modifying the supplemental procurement plan
8 within 90 days after the filing of the supplemental
9 procurement plan by the Agency.

10 (3) The Commission shall approve the supplemental
11 procurement plan of renewable energy credits to be
12 procured from new or existing photovoltaics, including,
13 but not limited to, distributed photovoltaic generation,
14 if the Commission determines that it will ensure adequate,
15 reliable, affordable, efficient, and environmentally
16 sustainable electric service in the form of renewable
17 energy credits at the lowest total cost over time, taking
18 into account any benefits of price stability.

19 (4) The supplemental procurement process under this
20 subsection (i) shall include each of the following
21 components:

22 (A) Procurement administrator. The Agency may
23 retain a procurement administrator in the manner set
24 forth in item (2) of subsection (a) of Section 1-75 of
25 this Act to conduct the supplemental procurement or
26 may elect to use the same procurement administrator

1 administering the Agency's annual procurement under
2 Section 1-75.

3 (B) Procurement monitor. The procurement monitor
4 retained by the Commission pursuant to Section
5 16-111.5 of the Public Utilities Act shall:

6 (i) monitor interactions among the procurement
7 administrator and bidders and suppliers;

8 (ii) monitor and report to the Commission on
9 the progress of the supplemental procurement
10 process;

11 (iii) provide an independent confidential
12 report to the Commission regarding the results of
13 the procurement events;

14 (iv) assess compliance with the procurement
15 plan approved by the Commission for the
16 supplemental procurement process;

17 (v) preserve the confidentiality of supplier
18 and bidding information in a manner consistent
19 with all applicable laws, rules, regulations, and
20 tariffs;

21 (vi) provide expert advice to the Commission
22 and consult with the procurement administrator
23 regarding issues related to procurement process
24 design, rules, protocols, and policy-related
25 matters;

26 (vii) consult with the procurement

1 administrator regarding the development and use of
2 benchmark criteria, standard form contracts,
3 credit policies, and bid documents; and

4 (viii) perform, with respect to the
5 supplemental procurement process, any other
6 procurement monitor duties specifically delineated
7 within subsection (i) of this Section.

8 (C) Solicitation, pre-qualification, and
9 registration of bidders. The procurement administrator
10 shall disseminate information to potential bidders to
11 promote a procurement event, notify potential bidders
12 that the procurement administrator may enter into a
13 post-bid price negotiation with bidders that meet the
14 applicable benchmarks, provide supply requirements,
15 and otherwise explain the competitive procurement
16 process. In addition to such other publication as the
17 procurement administrator determines is appropriate,
18 this information shall be posted on the Agency's and
19 the Commission's websites. The procurement
20 administrator shall also administer the
21 prequalification process, including evaluation of
22 credit worthiness, compliance with procurement rules,
23 and agreement to the standard form contract developed
24 pursuant to item (D) of this paragraph (4). The
25 procurement administrator shall then identify and
26 register bidders to participate in the procurement

1 event.

2 (D) Standard contract forms and credit terms and
3 instruments. The procurement administrator, in
4 consultation with the Agency, the Commission, and
5 other interested parties and subject to Commission
6 oversight, shall develop and provide standard contract
7 forms for the supplier contracts that meet generally
8 accepted industry practices as well as include any
9 applicable State of Illinois terms and conditions that
10 are required for contracts entered into by an agency
11 of the State of Illinois. Standard credit terms and
12 instruments that meet generally accepted industry
13 practices shall be similarly developed. Contracts for
14 new photovoltaics shall include a provision attesting
15 that the supplier will use a qualified person for the
16 installation of the device pursuant to paragraph (1)
17 of subsection (i) of this Section. The procurement
18 administrator shall make available to the Commission
19 all written comments it receives on the contract
20 forms, credit terms, or instruments. If the
21 procurement administrator cannot reach agreement with
22 the parties as to the contract terms and conditions,
23 the procurement administrator must notify the
24 Commission of any disputed terms and the Commission
25 shall resolve the dispute. The terms of the contracts
26 shall not be subject to negotiation by winning

1 bidders, and the bidders must agree to the terms of the
2 contract in advance so that winning bids are selected
3 solely on the basis of price.

4 (E) Requests for proposals; competitive
5 procurement process. The procurement administrator
6 shall design and issue requests for proposals to
7 supply renewable energy credits in accordance with the
8 supplemental procurement plan, as approved by the
9 Commission. The requests for proposals shall set forth
10 a procedure for sealed, binding commitment bidding
11 with pay-as-bid settlement, and provision for
12 selection of bids on the basis of price, provided,
13 however, that no bid shall be accepted if it exceeds
14 the benchmark developed pursuant to item (F) of this
15 paragraph (4).

16 (F) Benchmarks. Benchmarks for each product to be
17 procured shall be developed by the procurement
18 administrator in consultation with Commission staff,
19 the Agency, and the procurement monitor for use in
20 this supplemental procurement.

21 (G) A plan for implementing contingencies in the
22 event of supplier default, Commission rejection of
23 results, or any other cause.

24 (5) Within 2 business days after opening the sealed
25 bids, the procurement administrator shall submit a
26 confidential report to the Commission. The report shall

1 contain the results of the bidding for each of the
2 products along with the procurement administrator's
3 recommendation for the acceptance and rejection of bids
4 based on the price benchmark criteria and other factors
5 observed in the process. The procurement monitor also
6 shall submit a confidential report to the Commission
7 within 2 business days after opening the sealed bids. The
8 report shall contain the procurement monitor's assessment
9 of bidder behavior in the process as well as an assessment
10 of the procurement administrator's compliance with the
11 procurement process and rules. The Commission shall review
12 the confidential reports submitted by the procurement
13 administrator and procurement monitor and shall accept or
14 reject the recommendations of the procurement
15 administrator within 2 business days after receipt of the
16 reports.

17 (6) Within 3 business days after the Commission
18 decision approving the results of a procurement event, the
19 Agency shall enter into binding contractual arrangements
20 with the winning suppliers using the standard form
21 contracts.

22 (7) The names of the successful bidders and the
23 average of the winning bid prices for each contract type
24 and for each contract term shall be made available to the
25 public within 2 days after the supplemental procurement
26 event. The Commission, the procurement monitor, the

1 procurement administrator, the Agency, and all
2 participants in the procurement process shall maintain the
3 confidentiality of all other supplier and bidding
4 information in a manner consistent with all applicable
5 laws, rules, regulations, and tariffs. Confidential
6 information, including the confidential reports submitted
7 by the procurement administrator and procurement monitor
8 pursuant to this Section, shall not be made publicly
9 available and shall not be discoverable by any party in
10 any proceeding, absent a compelling demonstration of need,
11 nor shall those reports be admissible in any proceeding
12 other than one for law enforcement purposes.

13 (8) The supplemental procurement provided in this
14 subsection (i) shall not be subject to the requirements
15 and limitations of subsections (c) and (d) of this
16 Section.

17 (9) Expenses incurred in connection with the
18 procurement process held pursuant to this Section,
19 including, but not limited to, the cost of developing the
20 supplemental procurement plan, the procurement
21 administrator, procurement monitor, and the cost of the
22 retirement of renewable energy credits purchased pursuant
23 to the supplemental procurement shall be paid for from the
24 Illinois Power Agency Renewable Energy Resources Fund. The
25 Agency shall enter into an interagency agreement with the
26 Commission to reimburse the Commission for its costs

1 associated with the procurement monitor for the
2 supplemental procurement process.

3 (Source: P.A. 98-672, eff. 6-30-14; 99-906, eff. 6-1-17.)

4 (20 ILCS 3855/1-75)

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

8 (a) The Planning and Procurement Bureau shall each year,
9 beginning in 2008, develop procurement plans and conduct
10 competitive procurement processes in accordance with the
11 requirements of Section 16-111.5 of the Public Utilities Act
12 for the eligible retail customers of electric utilities that
13 on December 31, 2005 provided electric service to at least
14 100,000 customers in Illinois. Beginning with the delivery
15 year commencing on June 1, 2017, the Planning and Procurement
16 Bureau shall develop plans and processes for the procurement
17 of zero emission credits from zero emission facilities in
18 accordance with the requirements of subsection (d-5) of this
19 Section. The Planning and Procurement Bureau shall also
20 develop procurement plans and conduct competitive procurement
21 processes in accordance with the requirements of Section
22 16-111.5 of the Public Utilities Act for the eligible retail
23 customers of small multi-jurisdictional electric utilities
24 that (i) on December 31, 2005 served less than 100,000
25 customers in Illinois and (ii) request a procurement plan for

1 their Illinois jurisdictional load. This Section shall not
2 apply to a small multi-jurisdictional utility until such time
3 as a small multi-jurisdictional utility requests the Agency to
4 prepare a procurement plan for their Illinois jurisdictional
5 load. For the purposes of this Section, the term "eligible
6 retail customers" has the same definition as found in Section
7 16-111.5(a) of the Public Utilities Act.

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

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

23 (A) direct previous experience assembling
24 large-scale power supply plans or portfolios for
25 end-use customers;

26 (B) an advanced degree in economics, mathematics,

1 engineering, risk management, or a related area of
2 study;

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

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

9 (E) expertise in credit protocols and familiarity
10 with 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 (2) The Agency shall each year, as needed, issue a
17 request for qualifications for a procurement administrator
18 to conduct the competitive procurement processes in
19 accordance with Section 16-111.5 of the Public Utilities
20 Act. In order to qualify an expert or expert consulting
21 firm must have:

22 (A) direct previous experience administering a
23 large-scale competitive procurement process;

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

26 (C) 10 years of experience in the electricity

1 sector, including risk management experience;

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

6 (E) expertise in credit and contract protocols;

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

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

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

1 (A) failure to satisfy qualification criteria;

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

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

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

15 (4) The Agency shall issue requests for proposals to
16 the qualified experts or expert consulting firms to
17 develop a procurement plan for the affected utilities and
18 to serve as procurement administrator.

19 (5) The Agency shall select an expert or expert
20 consulting firm to develop procurement plans based on the
21 proposals submitted and shall award contracts of up to 5
22 years to those selected.

23 (6) The Agency shall select an expert or expert
24 consulting firm, with approval of the Commission, to serve
25 as procurement administrator based on the proposals
26 submitted. If the Commission rejects, within 5 days, the

1 Agency's selection, the Agency shall submit another
2 recommendation within 3 days based on the proposals
3 submitted. The Agency shall award a 5-year contract to the
4 expert or expert consulting firm so selected with
5 Commission approval.

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

20 (c) Renewable portfolio standard.

21 (1) (A) The Agency shall develop a long-term renewable
22 resources procurement plan that shall include procurement
23 programs and competitive procurement events necessary to
24 meet the goals set forth in this subsection (c). The
25 initial long-term renewable resources procurement plan
26 shall be released for comment no later than 160 days after

1 June 1, 2017 (the effective date of Public Act 99-906).
2 The Agency shall review, and may revise on an expedited
3 basis, the long-term renewable resources procurement plan
4 at least every 2 years, which shall be conducted in
5 conjunction with the procurement plan under Section
6 16-111.5 of the Public Utilities Act to the extent
7 practicable to minimize administrative expense. No later
8 than 90 days after the effective date of this amendatory
9 Act of the 102nd General Assembly, the Agency shall
10 release for comment a revision to the long-term renewable
11 resources procurement plan, updating only elements of the
12 most recently approved plan as needed to comply with this
13 amendatory Act of the 102nd General Assembly. The
14 long-term renewable resources procurement plans shall be
15 subject to review and approval by the Commission under
16 Section 16-111.5 of the Public Utilities Act.

17 (B) Subject to subparagraph (F) of this paragraph (1),
18 the long-term renewable resources procurement plan shall
19 include the goals for procurement of renewable energy
20 credits to meet at least the following overall
21 percentages: 13% by the 2017 delivery year; increasing by
22 at least 1.5% each delivery year thereafter to at least
23 25% by the 2025 delivery year; increasing by at least 4%
24 each delivery year after the 2025 delivery year to at
25 least 45% by 2030; increasing by at least 3% each delivery
26 year after the 2030 delivery year to at least 60% by 2035,

1 75% by 2040, and 90% by 2045; increasing by at least 2%
2 each delivery year after the 2045 delivery year to 100% by
3 the 2050 delivery year and continuing at 100% ~~no less than~~
4 ~~25%~~ for each delivery year thereafter. In the event of a
5 conflict between these goals and the new wind and new
6 photovoltaic procurement requirements described in items
7 (i) through (iii) of subparagraph (C) of this paragraph
8 (1), the long-term plan shall prioritize compliance with
9 the new wind and new photovoltaic procurement requirements
10 described in items (i) through (iii) of subparagraph (C)
11 of this paragraph (1) over the annual percentage targets
12 described in this subparagraph (B). The Agency shall not
13 comply with the annual percentage targets described in
14 this subparagraph (B) by procuring renewable energy
15 credits on the spot market that are unlikely to lead to the
16 development of new renewable resources.

17 For the delivery year beginning June 1, 2017, the
18 procurement plan shall include cost-effective renewable
19 energy resources equal to at least 13% of each utility's
20 load for eligible retail customers and 13% of the
21 applicable portion of each utility's load for retail
22 customers who are not eligible retail customers, which
23 applicable portion shall equal 50% of the utility's load
24 for retail customers who are not eligible retail customers
25 on February 28, 2017.

26 For the delivery year beginning June 1, 2018, the

1 procurement plan shall include cost-effective renewable
2 energy resources equal to at least 14.5% of each utility's
3 load for eligible retail customers and 14.5% of the
4 applicable portion of each utility's load for retail
5 customers who are not eligible retail customers, which
6 applicable portion shall equal 75% of the utility's load
7 for retail customers who are not eligible retail customers
8 on February 28, 2017.

9 For the delivery year beginning June 1, 2019, and for
10 each year thereafter, the procurement plans shall include
11 cost-effective renewable energy resources equal to a
12 minimum percentage of each utility's load for all retail
13 customers as follows: 16% by June 1, 2019; increasing by
14 1.5% each year thereafter to 25% by June 1, 2025;
15 increasing by at least 4% each year thereafter to at least
16 45% by June 1, 2030; increasing by at least 3% each year
17 thereafter to at least 90% by June 1, 2045; increasing by
18 at least 2% each year thereafter to at least 100% by June
19 1, 2050 ~~and 25% by June 1, 2026~~ and each year thereafter.

20 For each delivery year, the Agency shall first
21 recognize each utility's obligations for that delivery
22 year under existing contracts. Any renewable energy
23 credits under existing contracts, including renewable
24 energy credits as part of renewable energy resources,
25 shall be used to meet the goals set forth in this
26 subsection (c) for the delivery year.

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

7 at least 5,000,000 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, 2020, unless the project has delays
11 in the establishment of an operating interconnection
12 with the applicable transmission or distribution
13 system as a result of the actions or inactions of the
14 transmission or distribution provider, or other causes
15 for force majeure as outlined in the procurement
16 contract, in which case, not later than June 1, 2022;

17 at least 13,000,000 renewable energy credits from
18 new wind and new photovoltaic projects for each
19 delivery year by the end of the delivery year
20 beginning June 1, 2021;

21 at least 18,000,000 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, 2022;

25 at least 23,000,000 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, 2023;

3 at least 28,000,000 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, 2024;

7 at least 33,000,000 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, 2025;

11 at least 38,000,000 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, 2026;

15 at least 43,000,000 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, 2027;

19 at least 48,000,000 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, 2028;

23 at least 53,000,000 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, 2029; and

1 at least 58,000,000 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, 2030.

5 ~~(i) By the end of the 2020 delivery year:~~

6 ~~At least 2,000,000 renewable energy credits~~
7 ~~for each delivery year shall come from new wind~~
8 ~~projects; and~~

9 Of the renewable energy credits procured from
10 new wind and new photovoltaic projects for each
11 delivery year ~~At least 2,000,000 renewable energy~~
12 ~~credits for each delivery year shall come from new~~
13 ~~photovoltaic projects; of that amount, to the~~
14 ~~extent possible, the Agency shall procure 50% from~~
15 ~~new wind projects and 50% from new photovoltaic~~
16 ~~projects. Of the amount to be procured from new~~
17 ~~photovoltaic projects, the Agency shall procure,~~
18 ~~to the extent reasonably practicable: at least 33%~~
19 ~~50% from~~ distributed and community solar
20 photovoltaic projects using the programs ~~program~~
21 outlined in subparagraphs ~~subparagraph~~ (K) and (N)
22 of this paragraph (1) through the 2021 delivery
23 year, increasing ratably beginning in the 2022
24 delivery year to at least 50% by the 2038 delivery
25 year and for each delivery year thereafter ~~from~~
26 ~~distributed renewable energy generation devices or~~

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

8 In developing the long-term renewable resources
9 procurement plan, the Agency shall consider other
10 approaches, in addition to competitive procurements, that
11 can be used to procure renewable energy credits from
12 brownfield site photovoltaic projects and thereby help
13 return blighted or contaminated land to productive use
14 while enhancing public health and the well-being of
15 Illinois residents, including those in environmental
16 justice communities, as defined using existing
17 methodologies and findings used by the Illinois Power
18 Agency and its Administrator in its Illinois Solar for All
19 Program.

20 Of the amount of renewable energy credits to be
21 procured from either distributed or community solar
22 photovoltaic projects using the programs outlined in
23 subparagraph (K) of this paragraph (1), the long-term plan
24 developed through the process described in subparagraph
25 (A) of this paragraph (1) shall use the following initial
26 breakdown, which may be adjusted upon review by the Agency

1 and approval by the Commission:

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

5 (ii) at least 25% from distributed renewable
6 energy generation devices with a nameplate capacity of
7 more than 25 kilowatts and no more than 2,000
8 kilowatts;

9 (iii) at least 25% from photovoltaic community
10 renewable generation projects; and

11 (iv) the remaining 25% shall be allocated as
12 specified by the Agency in the long-term renewable
13 resources procurement plan.

14 The ratable procurement of new renewable resources
15 discussed in this subparagraph (C) shall involve annual
16 procurements of new wind and new photovoltaic projects
17 and, in the case of the Adjustable Block Program created
18 by subparagraph (K) of this paragraph (1), the annual
19 release of new blocks of capacity each year with the goal
20 of encouraging stability and steady growth in the
21 renewable resources market and avoiding boom-bust cycles.

22 ~~(ii) By the end of the 2025 delivery year:~~

23 ~~At least 3,000,000 renewable energy credits~~
24 ~~for each delivery year shall come from new wind~~
25 ~~projects; and~~

26 ~~At least 3,000,000 renewable energy credits~~

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

15 ~~(iii) By the end of the 2030 delivery year:~~

16 ~~At least 4,000,000 renewable energy credits~~
17 ~~for each delivery year shall come from new wind~~
18 ~~projects; and~~

19 ~~At least 4,000,000 renewable energy credits~~
20 ~~for each delivery year shall come from new~~
21 ~~photovoltaic projects; of that amount, to the~~
22 ~~extent possible, the Agency shall procure: at~~
23 ~~least 50% from solar photovoltaic projects using~~
24 ~~the program outlined in subparagraph (K) of this~~
25 ~~paragraph (1) from distributed renewable energy~~
26 ~~devices or community renewable generation~~

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

8 For purposes of this Section:

9 "New wind projects" means wind renewable
10 energy facilities that are energized after June 1,
11 2017 for the delivery year commencing June 1, 2017
12 or within 3 years after the date the Commission
13 approves contracts for subsequent delivery years.

14 "New photovoltaic projects" means photovoltaic
15 renewable energy facilities that are energized
16 after June 1, 2017. Photovoltaic projects
17 developed under Section 1-56 of this Act shall not
18 apply towards the new photovoltaic project
19 requirements in this subparagraph (C) unless they
20 are purchased in combination with the Adjustable
21 Block Program established in subparagraph (K) of
22 this paragraph (1), as described in paragraph
23 (3.5) of subsection (b) of Section 1-56 of this
24 Act.

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

26 For purposes of this subsection (c), "cost effective"

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

26 (E) For purposes of this subsection (c), the required

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

21 Notwithstanding the requirements of this subsection
22 (c), the total of renewable energy resources procured
23 under the procurement plan for any single year shall be
24 subject to the limitations of this subparagraph (E). Until
25 the delivery year beginning June 1, 2023, such ~~Such~~
26 procurement shall be reduced for all retail customers

1 based on the amount necessary to limit the annual
2 estimated average net increase due to the costs of these
3 resources included in the amounts paid by eligible retail
4 customers in connection with electric service to no more
5 than the greater of 2.67% ~~2.015%~~ of the amount paid per
6 kilowatthour by those customers during the year ending May
7 31, 2009 ~~2007~~ or the incremental amount per kilowatthour
8 paid for these resources in 2011. Beginning with the
9 delivery year beginning June 1, 2023, such procurement
10 shall be reduced for all retail customers based on the
11 amount necessary to limit the annual estimated average net
12 increase due to the costs of these resources included in
13 the amounts paid by eligible retail customers in
14 connection with electric service to no more than the
15 greater of 4.88% of the amount paid per kilowatt hour by
16 those customers during the year ending May 31, 2009 or the
17 incremental amount per kilowatt hour paid for these
18 resources in 2011. To arrive at a maximum dollar amount of
19 renewable energy resources to be procured for the
20 particular delivery year, the resulting per kilowatthour
21 amount shall be applied to the actual amount of
22 kilowatthours of electricity delivered, or applicable
23 portion of such amount as specified in paragraph (1) of
24 this subsection (c), as applicable, by the electric
25 utility in the delivery year immediately prior to the
26 procurement to all retail customers in its service

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

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

20 (i) renewable energy credits under existing
21 contractual obligations;

22 (i-5) funding for the Illinois Solar for All
23 Program, as described in subparagraph (O) of this
24 paragraph (1);

25 (ii) renewable energy credits necessary to comply
26 with the new wind and new photovoltaic procurement

1 requirements described in items (i) through (iii) of
2 subparagraph (C) of this paragraph (1); and

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

5 (G) The following provisions shall apply to the
6 Agency's procurement of renewable energy credits under
7 this subsection (c):

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

1 upon delivery. Renewable energy credits procured under
2 this initial procurement shall be included in the
3 Agency's long-term plan and shall apply to all
4 renewable energy goals in this subsection (c).

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

1 renewable energy credits shall commence upon delivery.
2 Renewable energy credits procured under this initial
3 procurement shall be included in the Agency's
4 long-term plan and shall apply to all renewable energy
5 goals in this subsection (c).

6 (iii) Notwithstanding whether the Commission has
7 approved the periodic long-term renewable resources
8 procurement plan revision described in Section
9 16-111.5 of the Public Utilities Act, the Agency shall
10 conduct at least one subsequent forward procurement
11 for renewable energy credits from new utility-scale
12 wind projects, new utility-scale solar, and new
13 brownfield site photovoltaic projects within 120 days
14 after the effective date of this amendatory Act of the
15 102nd General Assembly in quantities needed to meet
16 the requirements of subparagraph (C) through the
17 delivery year beginning June 1, 2021. The Agency shall
18 also release additional blocks of capacity into the
19 Adjustable Block Program, as needed to sustain the
20 market for distributed renewable energy generation
21 devices with nameplate capacities both smaller and
22 larger than 25 kilowatts through the subsequent
23 long-term renewable resources procurement plan
24 revision process, within 120 days after the effective
25 date of this amendatory Act of the 102nd General
26 Assembly notwithstanding whether the Commission has

1 approved the periodic long-term renewable resources
2 procurement plan revision described in Section
3 16-111.5 of the Public Utilities Act. Subsequent
4 ~~forward procurements for utility scale wind projects~~
5 ~~shall solicit at least 1,000,000 renewable energy~~
6 ~~credits delivered annually per procurement event and~~
7 ~~shall be planned, scheduled, and designed such that~~
8 ~~the cumulative amount of renewable energy credits~~
9 ~~delivered from all new wind projects in each delivery~~
10 ~~year shall not exceed the Agency's projection of the~~
11 ~~cumulative amount of renewable energy credits that~~
12 ~~will be delivered from all new photovoltaic projects,~~
13 ~~including utility scale and distributed photovoltaic~~
14 ~~devices, in the same delivery year at the time~~
15 ~~scheduled for wind contract delivery.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (K) The long-term renewable resources procurement plan
15 developed by the Agency in accordance with subparagraph
16 (A) of this paragraph (1) shall include an Adjustable
17 Block program for the procurement of renewable energy
18 credits from new photovoltaic projects that are
19 distributed renewable energy generation devices ~~or new~~
20 ~~photovoltaic community renewable generation projects~~. The
21 Adjustable Block program shall be designed to provide for
22 the steady, predictable, and sustainable growth of new
23 solar photovoltaic development in Illinois. To this end,
24 the Adjustable Block program shall provide a transparent
25 annual schedule of prices and quantities to enable the
26 photovoltaic market to scale up and for renewable energy

1 credit prices to adjust at a predictable rate over time.
2 The prices set by the Adjustable Block program can be
3 reflected as a set value or as the product of a formula.

4 The Adjustable Block program shall include for each
5 category of eligible projects: a schedule of standard
6 block purchase prices to be offered; a series of steps,
7 with associated nameplate capacity and purchase prices
8 that adjust from step to step; and automatic opening of
9 the next step as soon as the nameplate capacity and
10 available purchase prices for an open step are fully
11 committed or reserved. Only projects energized on or after
12 June 1, 2017 shall be eligible for the Adjustable Block
13 program. The Agency shall develop program features and
14 implementation processes that create consistent market
15 signals, making the program predictable and sustainable
16 for solar industry companies, thus allowing them to scale
17 up long-term hiring and investment activities. For each
18 block group the Agency shall determine the number of
19 blocks, the amount of generation capacity in each block,
20 and the purchase price for each block, provided that the
21 purchase price provided and the total amount of generation
22 in all blocks for all block groups shall be sufficient to
23 meet the goals in this subsection (c). The Agency shall
24 establish program eligibility requirements that ensure
25 that projects that enter the program are sufficiently
26 mature to indicate a demonstrable path to completion. The

1 Agency may periodically review its prior decisions
2 establishing the number of blocks, the amount of
3 generation capacity in each block, and the purchase price
4 for each block, and may propose, on an expedited basis,
5 changes to these previously set values, including but not
6 limited to redistributing these amounts and the available
7 funds as necessary and appropriate, subject to Commission
8 approval as part of the periodic plan revision process
9 described in Section 16-111.5 of the Public Utilities Act.
10 The Agency may define different block sizes, purchase
11 prices, or other distinct terms and conditions for
12 projects located in different utility service territories
13 if the Agency deems it necessary to meet the goals in this
14 subsection (c).

15 The Adjustable Block program shall include at least
16 the following block groups ~~in at least the following~~
17 ~~amounts~~, which may be adjusted upon review by the Agency
18 and approval by the Commission as described in this
19 subparagraph (K):

20 (i) ~~At least 25% from~~ distributed renewable energy
21 generation devices with a nameplate capacity of no
22 more than 25 ~~10~~ kilowatts.

23 (ii) ~~At least 25% from~~ distributed renewable
24 energy generation devices with a nameplate capacity of
25 more than 25 ~~10~~ kilowatts and no more than 2,000
26 kilowatts. The Agency may create sub-categories within

1 this category to account for the differences between
2 projects for small commercial customers, large
3 commercial customers, and public or non-profit
4 customers.

5 (iii) other block groups as specified by the
6 Agency and approved by the Commission in the long-term
7 renewable resources procurement plan in order to meet
8 the goals of this subsection (c) ~~At least 25% from~~
9 ~~photovoltaic community renewable generation projects.~~

10 ~~(iv) The remaining 25% shall be allocated as~~
11 ~~specified by the Agency in the long-term renewable~~
12 ~~resources procurement plan.~~

13 The Adjustable Block program shall be designed to
14 ensure that renewable energy credits are procured from
15 photovoltaic distributed renewable energy generation
16 devices ~~and new photovoltaic community renewable energy~~
17 ~~generation projects~~ in diverse locations, including urban
18 and rural areas, and are not concentrated in a few
19 geographic areas or excluding particular geographic areas.

20 The Adjustable Block program shall reserve a total of
21 40% of each block's capacity at the block's price to be
22 available for qualified vendors that score no less than
23 105 points in the equity points system described in
24 subparagraphs (A) through (H) of paragraph (7) of this
25 subsection (c). Nothing in this paragraph shall prohibit
26 the opening of additional blocks for the unreserved

1 capacity of each block. Beginning with the first update to
2 the Long-Term Renewable Resources Procurement Plan after
3 December 31, 2024, the Agency shall review the reserved
4 capacity level for future blocks. In developing its annual
5 budgets, the Agency shall project the amount of
6 development in each block, at the prices of each block,
7 expected to occur in the budget timeframe.

8 Immediately upon the effective date of this amendatory
9 Act of the 102nd General Assembly, the Adjustable Block
10 Program shall stop accepting applications from community
11 renewable generation projects and shall stop allocating
12 capacity remaining in open or future blocks to community
13 renewable generation projects.

14 (L) The procurement of photovoltaic renewable energy
15 credits under the Adjustable Block Program established
16 under items (i) through (iv) of subparagraph (K) and the
17 Community Solar Program established under subparagraph (N)
18 of this paragraph (1) shall be subject to the following
19 contract and payment terms:

20 (i) The Agency shall procure contracts of at least
21 15 years in length.

22 (ii) For those renewable energy credits that
23 qualify and are procured from projects with a
24 nameplate capacity of no more than 10 kilowatts ~~under~~
25 ~~item (i) of subparagraph (K) of this paragraph (1),~~
26 the renewable energy credit purchase price shall be

1 paid in full by the contracting utilities at the time
2 that the facility producing the renewable energy
3 credits is interconnected at the distribution system
4 level of the utility and energized. The electric
5 utility shall receive and retire all renewable energy
6 credits generated by the project for the first 15
7 years of operation.

8 (iii) For those renewable energy credits that
9 qualify and are procured from projects with a
10 nameplate capacity of more than 10 kilowatts but no
11 more than 200 kilowatts or, if approved at the
12 recommendation of the Agency in its long-term plan,
13 from projects that include a community ownership
14 component or are owned by a nonprofit or public entity
15 ~~under item (ii) and (iii) of subparagraph (K) of this~~
16 ~~paragraph (1) and any additional categories of~~
17 ~~distributed generation included in the long term~~
18 ~~renewable resources procurement plan and approved by~~
19 ~~the Commission,~~ 20 percent of the renewable energy
20 credit purchase price shall be paid by the contracting
21 utilities at the time that the facility producing the
22 renewable energy credits is interconnected at the
23 distribution system level of the utility and
24 energized. The remaining portion shall be paid ratably
25 over the subsequent 4-year period. The electric
26 utility shall receive and retire all renewable energy

1 credits generated by the project for the first 15
2 years of operation.

3 (iv) For those renewable energy credits that
4 qualify and are procured from all other projects under
5 subparagraph (K) or (N) of this paragraph (1), the
6 renewable energy credit purchase price shall be paid
7 by the contracting utilities over the 15-year life of
8 the contract. The electric utility shall receive and
9 retire all renewable energy credits generated by the
10 project for the first 15 years of operation.

11 (v) ~~(iv)~~ Each contract shall include provisions to
12 ensure the delivery of the renewable energy credits
13 for the full term of the contract.

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

20 (vii) ~~(vi)~~ If, at any time, approved applications
21 for the Adjustable Block program exceed funds
22 collected by the electric utility or would cause the
23 Agency to exceed the limitation described in
24 subparagraph (E) of this paragraph (1) on the amount
25 of renewable energy resources that may be procured,
26 then the Agency shall consider future uncommitted

1 funds to be reserved for these contracts on a
2 first-come, first-served basis, with the delivery of
3 renewable energy credits required beginning at the
4 time that the reserved funds become available.

5 (viii) ~~(vii)~~ Nothing in this Section shall require
6 the utility to advance any payment or pay any amounts
7 that exceed, in a given delivery year, (i) the actual
8 amount of revenues collected by the utility in the
9 delivery year and unspent available revenues from
10 prior delivery years, in both cases under paragraph
11 (6) of this subsection (c) and subsection (k) of
12 Section 16-108 of the Public Utilities Act and (ii)
13 other utility-held funds authorized for renewables
14 procurement by order of the Illinois Commerce
15 Commission. Contracts , ~~and contracts~~ executed under
16 this Section shall expressly incorporate this
17 limitation.

18 (ix) Notwithstanding items (ii), (iii), and (iv)
19 of this subparagraph (L), the Agency shall not be
20 restricted from offering additional payment structures
21 if it determines that such adjustments will better
22 achieve the goals of this subsection (c), as
23 prioritized in subparagraph (F) of this paragraph (1)
24 of this subsection (c). Any such adjustments shall be
25 approved by the Commission as a long-term plan
26 amendment under Section 16-111.5 of the Public

1 Utilities Act.

2 (x) Notwithstanding other requirements of this
3 subparagraph (L), no modification shall be required to
4 Adjustable Block Program contracts if they were
5 already executed before new contract forms are
6 implemented under the revised long-term plan that
7 follows this amendatory Act of the 102nd General
8 Assembly, as described in subparagraph (A) of this
9 paragraph (1).

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

25 The Agency and its consultant or consultants shall
26 monitor block activity, share program activity with

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

20 Immediately upon the effective date of this amendatory
21 Act of the 102nd General Assembly, the Agency shall
22 consider whether changes to Adjustable Block Program
23 elements of less than 25% can and should be adopted to
24 bring the Adjustable Block Program in line with the
25 updated goals and targets of this subsection (c).

26 (N) The long-term renewable resources procurement plan

1 required by this subsection (c) shall include a Community
2 Solar Program for solar photovoltaic community renewable
3 generation projects and may include additional community
4 renewable generation programs or procurements open to
5 other or additional renewable technology program. The
6 Agency shall establish the terms, conditions, and ~~program~~
7 requirements for the Community Solar Program and for any
8 other program or procurement for community renewable
9 generation projects with a goal to expand renewable energy
10 generating facility access to a broader group of energy
11 consumers, to ensure robust participation opportunities
12 for residential and small commercial customers and those
13 who cannot install renewable energy on their own
14 properties, create opportunities for subscribers to
15 participate in local renewables projects in both urban and
16 rural communities across the State, enable communities to
17 self-organize their own renewables projects, and increase
18 community ownership of renewables projects. Any plan
19 approved by the Commission shall allow subscriptions to
20 community renewable generation projects to be portable and
21 transferable. For purposes of this subparagraph (N):

22 "Community" means:

23 (i) a social unit in which people come
24 together regularly to effect change;

25 (ii) a social unit in which participants are
26 marked by a cooperative spirit, a common purpose,

1 or shared interests or characteristics; or

2 (iii) a space understood by its residents to
3 be delineated through geographic boundaries or
4 landmarks.

5 "Community benefit" means:

6 (i) a range of services and activities that
7 provide affirmative, economic, environmental,
8 social, cultural, or physical value to a
9 community; or

10 (ii) a mechanism that enables economic
11 development, high-quality employment, and
12 education opportunities for local workers and
13 residents, or formal monitoring and oversight
14 structures such that community members may ensure
15 that those services and activities respond to
16 local knowledge and needs.

17 "Community ownership" means an arrangement in
18 which:

19 (i) an electric generating facility is, or
20 over time will be, in significant part, owned
21 collectively by members of the community to which
22 an electric generating facility provides benefits;

23 (ii) members of that community participate in
24 decisions regarding the governance, operation,
25 maintenance, and upgrades of and to that facility;
26 and

1 (iii) members of that community benefit from
2 regular use of that facility.

3 "Portable", ~~"portable"~~ means that subscriptions
4 may be retained by the subscriber even if the
5 subscriber relocates or changes its address within the
6 same utility service territory.

7 "Stakeholder" means any person or entity with a
8 declared or conceivable interest in a project.

9 "Transferable"; ~~and "transferable"~~ means that a
10 subscriber may assign or sell subscriptions to another
11 person within the same utility service territory.

12 The Community Solar Program established under this
13 subparagraph (N) shall be designed to give preference to
14 the procurement of renewable energy credits from projects
15 that meet one or more of the following community criteria
16 for a portion of the overall renewable energy credits to
17 be procured under the Community Solar Program:

18 (i) include community ownership;

19 (ii) are put forward by approved vendors or
20 companies that take higher numbers of the equity
21 actions described in paragraph (7) of this subsection

22 (c);

23 (iii) provide additional community benefit, beyond
24 project participation as a subscriber;

25 (iv) ensure meaningful involvement in project
26 organization and development by nonprofit

1 organizations, public entities, or community members;

2 (v) increase the geographic diversity of projects
3 in the Community Solar Program;

4 (vi) are also brownfield site photovoltaic
5 projects;

6 (vii) ensure engagement in project operations and
7 management by nonprofit organizations, public
8 entities, or community members; or

9 (viii) serve only local subscribers.

10 Terms and guidance within these criteria that are not
11 defined in this subparagraph (N) shall be defined by the
12 Agency, with stakeholder input, during the development of
13 the Agency's long-term renewable resources procurement
14 plan.

15 The Community Solar Program shall procure renewable
16 energy credits in the following manner:

17 (1) For a portion of the overall renewable energy
18 credits to be procured under the Community Solar
19 Program, the Agency shall initiate a request for
20 projects that serve a minimum of 50% residential and
21 small business subscribers and maximize the community
22 criteria in this subparagraph (N). The Agency shall
23 score all projects submitted under this request for
24 projects based on their ability to meet the community
25 criteria. Both projects that better meet individual
26 criteria as well as projects that address a higher

1 number of criteria shall receive a higher score. The
2 Agency shall also consider renewable energy credit
3 price when qualifying and scoring projects. The Agency
4 shall select the highest scoring projects to advance,
5 subject to budget availability, reserving a portion of
6 the capacity selected through the request for those
7 projects that include a community ownership component.

8 (2) Once projects that maximize the community
9 criteria have been selected, the Agency shall initiate
10 a procurement for the remaining renewable energy
11 credits from photovoltaic community renewable
12 generation projects needed to meet the goals of
13 subparagraph (C) of this paragraph (1). The Agency
14 shall strive to procure renewable energy credits
15 through the Community Solar Program 4 times per
16 delivery year. This manner of procuring renewable
17 energy credits for the Community Solar Program may be
18 adjusted upon review by the Agency and approval by the
19 Commission through the long-term renewable resources
20 procurement plan update process in order to better
21 meet the goals of this subsection (c) and the
22 requirements of this subparagraph (N).

23 Electric utilities shall provide a monetary credit to
24 a subscriber's subsequent bill for service for the
25 proportional output of a community renewable generation
26 project attributable to that subscriber as specified in

1 Section 16-107.5 of the Public Utilities Act.

2 The Agency shall procure ~~purchase~~ renewable energy
3 credits from subscribed shares of photovoltaic community
4 renewable generation projects through the Community Solar
5 Program described in this subparagraph (N) ~~Adjustable~~
6 ~~Block program described in subparagraph (K) of this~~
7 ~~paragraph (1)~~ or through the Illinois Solar for All
8 Program described in Section 1-56 of this Act. The Agency
9 shall procure renewable energy credits from unsubscribed
10 shares of photovoltaic community renewable generation
11 projects that have achieved a subscription level of 80% or
12 higher at the average winning price from the most recent
13 procurement of renewable energy credits from utility-scale
14 solar photovoltaic projects or another amount established
15 through the long-term planning process described in
16 subparagraph (A) of this paragraph (1) of this subsection
17 (c). The electric utility shall purchase any unsubscribed
18 energy from community renewable generation projects that
19 are Qualifying Facilities ("QF") under the electric
20 utility's tariff for purchasing the output from QFs under
21 Public Utilities Regulatory Policies Act of 1978.

22 The owners of and any subscribers to a community
23 renewable generation project shall not be considered
24 public utilities or alternative retail electricity
25 suppliers under the Public Utilities Act solely as a
26 result of their interest in or subscription to a community

1 renewable generation project and shall not be required to
2 become an alternative retail electric supplier by
3 participating in a community renewable generation project
4 with a public utility.

5 (O) For the delivery year beginning June 1, 2018, the
6 long-term renewable resources procurement plan required by
7 this subsection (c) shall provide for the Agency to
8 procure contracts to continue offering the Illinois Solar
9 for All Program described in subsection (b) of Section
10 1-56 of this Act, and the contracts approved by the
11 Commission shall be executed by the utilities that are
12 subject to this subsection (c). The long-term renewable
13 resources procurement plan shall allocate 5% of the funds
14 available under the plan for the applicable delivery year,
15 or \$10,000,000 per delivery year, whichever is greater, to
16 fund the programs, and the plan shall determine the amount
17 of funding to be apportioned to the programs identified in
18 subsection (b) of Section 1-56 of this Act; provided that
19 for the delivery years beginning June 1, 2017, June 1,
20 2021, and June 1, 2025, the long-term renewable resources
21 procurement plan shall allocate 10% of the funds available
22 under the plan for the applicable delivery year, or
23 \$20,000,000 per delivery year, whichever is greater, and
24 \$10,000,000 of such funds in such year shall be used by an
25 electric utility that serves more than 3,000,000 retail
26 customers in the State to implement a Commission-approved

1 plan under Section 16-108.12 of the Public Utilities Act.
2 In making the determinations required under this
3 subparagraph (O), the Commission shall consider the
4 experience and performance under the programs and any
5 evaluation reports. The Commission shall also provide for
6 an independent evaluation of those programs on a periodic
7 basis that are funded under this subparagraph (O).

8 (P) The Agency shall give preference to the
9 procurement of renewable energy credits from new
10 utility-scale photovoltaic and wind projects that provide
11 additional land use and environmental benefits such as:

12 (i) agriculture-friendly benefits;

13 (ii) pollinator-friendly site practices as
14 identified in the Pollinator-Friendly Solar Site Act;

15 (iii) brownfield redevelopment, through location
16 at sites regulated under any of the programs
17 identified as a brownfield site photovoltaic project
18 under Section 1-10;

19 (iv) vegetative buffers, which are areas
20 consisting of perennial vegetation, excluding invasive
21 plants and noxious weeds, adjacent to a body of water
22 that protects the water resources from runoff
23 pollution, and stabilizes soils, shores, and banks to
24 protect or provide riparian corridors;

25 (v) commitment to land use practices that result
26 in carbon sequestration;

1 (vi) land use, design, siting, and construction
2 practices that minimize interference with natural
3 habitat and wildlife; and

4 (vii) other land use or environmental benefits
5 identified by the Agency with input from stakeholders
6 received during the long-term renewable resources
7 procurement plan revision process.

8 (1.5) No Later than May 31, 2022, all Illinois
9 electric cooperatives and municipal utilities shall
10 develop a plan to ensure that their members and customers
11 have access to renewable energy on a reasonably equivalent
12 basis to all other residents in the State, including the
13 overall percentage goals listed in subparagraph (A) of
14 paragraph (1) of this Section and the carbon-free
15 resources goals of subsection (k) of this Section 1-75.
16 These plans shall be developed through a public process
17 involving municipal utility and cooperative members,
18 customers, and other members of the public, and shall be
19 filed with the Illinois Commerce Commission at least every
20 2 years.

21 (2) (Blank).

22 (3) (Blank).

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

25 (5) Beginning with the 2010 delivery year and ending
26 June 1, 2017, an electric utility subject to this

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

24 (6) The electric utility shall be entitled to recover
25 all of its costs associated with the procurement of
26 renewable energy credits under plans approved under this

1 Section and Section 16-111.5 of the Public Utilities Act.
2 These costs shall include associated reasonable expenses
3 for implementing the procurement programs, including, but
4 not limited to, the costs of administering and evaluating
5 the Adjustable Block program, through an automatic
6 adjustment clause tariff in accordance with subsection (k)
7 of Section 16-108 of the Public Utilities Act.

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

16 In meeting the renewable energy requirements of this
17 subsection (c), to the extent feasible and consistent with
18 State and federal law, the renewable energy credit
19 procurements, Adjustable Block solar program, and
20 community renewable generation program, and Illinois Solar
21 for All Program shall provide employment opportunities for
22 all segments of the population and workforce, including
23 black, indigenous, and people of color-owned
24 ~~minority-owned~~ and women-owned ~~female-owned~~ business
25 enterprises, as well as black, indigenous, and people of
26 color-owned and women-owned worker-owned cooperatives or

1 other such employee-owned entities, and shall not,
2 consistent with State and federal law, discriminate based
3 on race or socioeconomic status.

4 Specifically, as the Agency conducts competitive
5 procurement processes and implements programs to procure
6 renewable energy credits identified in the long-term
7 renewable resources procurement plan, the Agency must give
8 preference to the procurement of renewable energy credits
9 from those entities, including approved vendors,
10 companies, nonprofit organizations, and worker-owned
11 cooperatives, as described in the equity actions points
12 calculation in this paragraph (7). Entities from whom the
13 Agency procures renewable energy credits shall comply with
14 submitting an annual report of elements described in the
15 equity actions points calculation in this paragraph (7)
16 for the first 3 years after the year of the procurement
17 event in which renewable energy credits were procured on
18 June 1 of each applicable year. For the purposes of this
19 subsection (c):

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

26 "Labor peace agreement" means an agreement between an

1 entity and any labor organization recognized under the
2 National Labor Relations Act, referred to in this Act as a
3 bona fide labor organization, that may prohibit labor
4 organizations and members from engaging in picketing, work
5 stoppages, boycotts, and any other economic interference
6 with the entity. This agreement means that the entity has
7 agreed not to disrupt efforts by the bona fide labor
8 organization to communicate with, and attempt to organize
9 and represent, the entity's employees. The agreement shall
10 provide a bona fide labor organization access at
11 reasonable times to areas in which the entity's employees
12 work, for the purpose of meeting with employees to discuss
13 their right to representation, employment rights under
14 State law, and terms and conditions of employment. This
15 type of agreement shall not mandate a particular method of
16 election or certification of the bona fide labor
17 organization.

18 "Energy worker" means a person who has been employed
19 full-time for a period of one year or longer, and within
20 the previous 5 years, at a fossil fuel power plant, a
21 nuclear power plant, or a coal mine located within the
22 State of Illinois, whether or not they are employed by the
23 owner of the power plant or mine. Energy workers are
24 considered to be full-time if they work at least 35 hours
25 per week for 45 weeks a year or the 1,820 work-hour
26 equivalent with vacations, paid holidays, and sick time,

1 but not overtime, included in this computation.
2 Classification of an individual as an energy worker
3 continues for 5 years from the latest date of employment
4 or the effective date of this Act, whichever is later.

5 The Illinois Power Agency, using alternative bidding
6 procedures as provided for in subsection (i) of Section
7 20-10 of the Illinois Procurement Code, shall track and
8 award equity actions in bids for the renewable energy
9 credit procurements, Adjustable Block solar program,
10 community renewable generation program, and Illinois Solar
11 for All Program using a points system totaling a maximum
12 of 260 points. This system shall consider both equity
13 actions to meet the goals described in paragraph (7), and
14 the bid prices, as follows:

15 (A) Hiring Equity Action (up to 20 points):
16 awarded based on the percentage of the company's or
17 entity's workforce (measured by full-time equivalents
18 as defined by the Government Accountability Office of
19 the United States Congress) who are BIPOC and who are
20 paid at or above the prevailing wage; one point shall
21 be awarded for each 5% of the workforce which is
22 composed of BIPOC who are also paid at or above the
23 prevailing wage, up to a maximum of 20 points.

24 (B) Clean Jobs Workforce and Returning Residents
25 Action (up to 20 points): awarded based on the
26 percentage of the workers associated with the project

1 who are graduates or trainees from equity-focused
2 workforce training programs designated by the Illinois
3 Power Agency, or have equivalent certification, and
4 paid at or above the prevailing wage; one point shall
5 be awarded for each 5% of the workforce which is
6 composed of such graduates or trainees, up to a
7 maximum of 20 points.

8 (C) Minority Business Enterprise Action (30
9 points): being an entity defined as a minority-owned
10 business under Section 2 of the Business Enterprise
11 for Minorities, Women, and Persons with Disabilities
12 Act or (ii) an entity, including a business, a
13 nonprofit, or a worker-owned cooperative registered
14 with other state, regional, or local programs intended
15 to certify minority-owned businesses.

16 (D) Contracting Equity Action (20 points): awarded
17 based on the percentage of the company's or entity's
18 subcontractors or vendors that are BIPOC-owned
19 businesses, defined as a minority owned-business or a
20 woman-owned business under Section 2 of the Business
21 Enterprise for Minorities, Women, and Persons with
22 Disabilities Act, or awarded based on the percentage
23 of the subcontracted workers associated with the
24 project, including from all subcontractors and vendors
25 that are Black, indigenous, and people of color who
26 are paid at or above the prevailing wage; 5 points

1 shall be awarded for each 10% of either subcontractors
2 or subcontractors' workers who are Black, indigenous,
3 and people of color, whichever is greater, up to a
4 maximum of 20 points. Bids may not be eligible for
5 points under this subsection unless they plan to use
6 subcontractors. If a company or entity does not use
7 subcontractors, points awarded for the Contracting
8 Equity Action shall be equivalent to the point value
9 awarded for the Hiring Equity Action under
10 subparagraph (A).

11 (E) Expanding Clean Energy Entrepreneurship Action
12 (20 points): awarded to entities who are current or
13 former participants in contractor incubator programs
14 or entrepreneurship programs designated by the
15 Illinois Power Agency, or have equivalent
16 qualification.

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, graduates or
23 trainees from equity-focused workforce training
24 programs designated by the Illinois Power Agency, or
25 current or former participants in contractor incubator
26 programs or entrepreneurship programs designated by

1 the Illinois Power Agency, or have equivalent
2 qualifications, a commitment to pay workers at or
3 above the prevailing wage; and a commitment to give
4 communities ownership opportunities in electric
5 vehicle projects, where relevant; and (ii) for
6 projects under 100 kW in size, companies pay their
7 workforces at or above the prevailing wage.

8 (G) Small Business Action (15 points): company's
9 workforce is composed of 3 or fewer full-time
10 employees (measured by full-time equivalents as
11 defined by the Government Accountability Office of the
12 United States Congress).

13 (H) Labor Peace Agreement Action (10 points): (i)
14 for a bidder with 20 or more employees: the bidder
15 attests that the bidder has entered into a labor peace
16 agreement, will abide by the terms of the agreement,
17 and will submit a copy of the page of the labor peace
18 agreement that contains the signatures of the union
19 representative and the installer, or (ii) for a bidder
20 that is a party to a labor peace agreement with a bona
21 fide labor organization that currently represents, or
22 is actively seeking to represent energy efficiency
23 installers and other workers in Illinois, or (iii) the
24 bidder submits an attestation affirming that the
25 bidder will use best efforts to use union labor in the
26 bidder's projects and in the construction or retrofit

1 of the facilities associated with the bidder's
2 renewable energy operations, where applicable.

3 (I) Price of bid (130 points): as scored by the
4 Illinois Power Agency.

5 Bids scoring fewer than 135 points shall not be
6 awarded contracts.

7 (d) Clean coal portfolio standard.

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

1 electricity generated by clean coal facilities, other than
2 the initial clean coal facility, by the procurement
3 administrator, in consultation with the Commission staff,
4 Agency staff, and the procurement monitor and shall be
5 subject to Commission review and approval.

6 A utility party to a sourcing agreement shall
7 immediately retire any emission credits that it receives
8 in connection with the electricity covered by such
9 agreement.

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

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

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

1 purposes of this subsection (d), the amount paid per
2 kilowatthour means the total amount paid for electric
3 service expressed on a per kilowatthour basis. For
4 purposes of this subsection (d), the total amount paid for
5 electric service includes without limitation amounts paid
6 for supply, transmission, distribution, surcharges and
7 add-on taxes.

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

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

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

24 (C) in 2012, the greater of an additional 0.5% of
25 the amount paid per kilowatthour by those customers
26 during the year ending May 31, 2011 or 1.5% of the

1 amount paid per kilowatthour by those customers during
2 the year ending May 31, 2009;

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

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

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

1 cost-effective clean coal facilities that is covered by
2 sourcing agreements.

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

25 (A) a formula contractual price (the "contract
26 price") approved pursuant to paragraph (4) of this

1 subsection (d), which shall:

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

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

1 facility;

2 (B) power purchase provisions, which shall:

3 (i) provide that the utility party to such
4 sourcing agreement shall pay the contract price
5 for electricity delivered under such sourcing
6 agreement;

7 (ii) require delivery of electricity to the
8 regional transmission organization market of the
9 utility that is party to such sourcing agreement;

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

1 of Section 16-115 of the Public Utilities Act,
2 provided that the amount purchased by the utility
3 in any year will be limited by paragraph (2) of
4 this subsection (d); and

5 (iv) be considered pre-existing contracts in
6 such utility's procurement plans for eligible
7 retail customers;

8 (C) contract for differences provisions, which
9 shall:

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

1 subsection (d) and paragraph (5) of subsection (d)
2 of Section 16-115 of the Public Utilities Act,
3 provided that the amount paid by the utility in
4 any year will be limited by paragraph (2) of this
5 subsection (d);

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

24 (iii) not require the utility to take physical
25 delivery of the electricity produced by the
26 facility;

1 (D) general provisions, which shall:

2 (i) specify a term of no more than 30 years,
3 commencing on the commercial operation date of the
4 facility;

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

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

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

26 (v) require the owner of the initial clean

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

1 this purpose and any carbon emission credits
2 associated with sequestration of carbon from the
3 facility must be permanently retired. The initial
4 clean coal facility shall not forfeit its
5 designation as a clean coal facility if the
6 facility fails to fully comply with the applicable
7 carbon sequestration requirements in any given
8 year, provided the requisite offsets are
9 purchased. However, the Attorney General, on
10 behalf of the People of the State of Illinois, may
11 specifically enforce the facility's sequestration
12 requirement and the other terms of this contract
13 provision. Compliance with the sequestration
14 requirements and offset purchase requirements
15 specified in paragraph (3) of this subsection (d)
16 shall be reviewed annually by an independent
17 expert retained by the owner of the initial clean
18 coal facility, with the advance written approval
19 of the Attorney General. The Commission may, in
20 the course of the review specified in item (vii),
21 reduce the allowable return on equity for the
22 facility if the facility willfully fails to comply
23 with the carbon capture and sequestration
24 requirements set forth in this item (v);

25 (vi) include limits on, and accordingly
26 provide for modification of, the amount the

1 utility is required to source under the sourcing
2 agreement consistent with paragraph (2) of this
3 subsection (d);

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

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

26 (ix) limit the utility's or alternative retail

1 electric supplier's obligation to incur any
2 liability until such time as the facility is in
3 commercial operation and generating power and
4 energy and such power and energy is being
5 delivered to the facility busbar;

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

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

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

26 (xiii) conform with customary lender

1 requirements in power purchase agreements used as
2 the basis for financing non-utility generators.

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

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

21 (ii) Commission report. Within 6 months following
22 receipt of the facility cost report, the Commission,
23 in consultation with the Agency, shall submit a report
24 to the General Assembly setting forth its analysis of
25 the facility cost report. Such report shall include,
26 but not be limited to, a comparison of the costs

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

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

1 return on equity for the project; and

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

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

22 (i) an estimate of the capital cost of the
23 core plant based on one or more front end
24 engineering and design studies for the
25 gasification island and related facilities. The
26 core plant shall include all civil, structural,

1 mechanical, electrical, control, and safety
2 systems.

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

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

21 (B) The front end engineering and design study for
22 the gasification island and the cost study for the
23 balance of plant shall include sufficient design work
24 to permit quantification of major categories of
25 materials, commodities and labor hours, and receipt of
26 quotes from vendors of major equipment required to

1 construct and operate the clean coal facility.

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

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

26 (D) The facility cost report shall also include an

1 analysis of the initial clean coal facility's ability
2 to deliver power and energy into the applicable
3 regional transmission organization markets and an
4 analysis of the expected capacity factor for the
5 initial clean coal facility.

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

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

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

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

21 (d-5) Zero emission standard.

22 (1) Beginning with the delivery year commencing on
23 June 1, 2017, the Agency shall, for electric utilities
24 that serve at least 100,000 retail customers in this
25 State, procure contracts with zero emission facilities
26 that are reasonably capable of generating cost-effective

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

25 The 16% value identified in this paragraph (1) is the
26 average of the percentage targets in subparagraph (B) of

1 paragraph (1) of subsection (c) of this Section for the 5
2 delivery years beginning June 1, 2017.

3 The procurement process shall be subject to the
4 following provisions:

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

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

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

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

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

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

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

25 (B) The price for each zero emission credit
26 procured under this subsection (d-5) for each delivery

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

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

1 thereafter.

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

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

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

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

10 (bb) Projected capacity prices:

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

1 Midcontinent Independent System Operator,
2 Inc.

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

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

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

24 "RTO" means regional transmission
25 organization.

26 (C) No later than 45 days after June 1, 2017 (the

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

23 For purposes of developing the plan, the Agency
24 shall consider any reports issued by a State agency,
25 board, or commission under House Resolution 1146 of
26 the 98th General Assembly and paragraph (4) of

1 subsection (d) of this Section, as well as publicly
2 available analyses and studies performed by or for
3 regional transmission organizations that serve the
4 State and their independent market monitors.

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

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

1 (C-5) As part of the Commission's review and
2 acceptance or rejection of the procurement results,
3 the Commission shall, in its public notice of
4 successful bidders:

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

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

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

26 (aa) the value of avoided greenhouse gas

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

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

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

21 (II) the price, or if there is more
22 than one price, the average of the prices,
23 paid for renewable energy credits from new
24 utility-scale solar projects and
25 brownfield site photovoltaic projects in
26 the procurement events specified in item

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

7 Each utility shall enter into binding contractual
8 arrangements with the winning suppliers.

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

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

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

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

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

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

24 (iii) A zero emission facility shall be
25 permitted to terminate the contract in the event
26 that the resource requires capital expenditures in

1 excess of \$40,000,000 that were neither known nor
2 reasonably foreseeable at the time it executed the
3 contract and that a prudent owner or operator of
4 such resource would not undertake.

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

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

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

25 Notwithstanding the requirements of this subsection
26 (d-5), the contracts executed under this subsection (d-5)

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

1 only once for each procurement plan year. Once the
2 determination as to the amount of zero emission credits to
3 be paid is made based on the calculations set forth in this
4 paragraph (2), no subsequent rate impact determinations
5 shall be made and no adjustments to those contract amounts
6 shall be allowed. All costs incurred under those contracts
7 and in implementing this subsection (d-5) shall be
8 recovered by the electric utility as provided in this
9 Section.

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

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

1 Payment, after taking into account any amounts previously
2 credited back to the utility under this paragraph (3). If
3 the Agency determines that the actual zero emission credit
4 payments received by the supplier over the relevant period
5 exceed the Average ZEC Payment, then the supplier shall
6 credit the difference back to the utility. The amount of
7 the credit shall be remitted to the applicable electric
8 utility no later than 120 days after the Agency's
9 determination, which the utility shall reflect as a credit
10 on its retail customer bills as soon as practicable;
11 however, the credit remitted to the utility shall not
12 exceed the total amount of payments received by the
13 facility under its contract.

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

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

25 (B) The average of the market price indices, as
26 defined in subparagraph (B) of paragraph (1) of this

1 subsection (d-5), during the term of the contract,
2 minus the baseline market price index, as defined in
3 subparagraph (B) of paragraph (1) of this subsection
4 (d-5).

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

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

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

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

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

25 (e) The draft procurement plans are subject to public
26 comment, as required by Section 16-111.5 of the Public

1 Utilities Act.

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

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

9 (h) The Agency shall assess fees to each bidder to recover
10 the costs incurred in connection with a competitive
11 procurement process.

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

24 (j) Renewable energy supply.

25 (1) Beginning with the energy to be delivered in the
26 delivery year commencing on June 1, 2023, the Agency shall

1 assess the feasibility of procuring cost-effective,
2 long-term contracts for energy supply from renewable
3 energy projects, in accordance with the requirements of
4 Section 16-111.5 of the Public Utilities Act for the
5 eligible retail customers of electric utilities that on
6 December 31, 2005 provided electric service to at least
7 100,000 customers in Illinois.

8 (2) Long-term contracts as described in this
9 subsection (j) shall refer to contracts that are
10 preferably no less than a 15-year period, but in no case
11 less than a 5-year period.

12 (3) The Agency shall evaluate energy supply
13 procurements that enable greater achievement, or more
14 cost-effective achievement, of the renewable energy goals
15 in this Section, including through coordination or
16 bundling with procurements of renewable energy credits, or
17 capacity from renewable energy resources, as provided
18 under subparagraph (P) of subsection (c) of this Section,
19 or capacity from renewable energy resources, as provided
20 under subsection (k) of this Section.

21 (4) The Agency shall include in its annual procurement
22 plan the results of this assessment and any recommended
23 procurements. The Agency shall, at a minimum, reevaluate
24 its assessment every 3 years, incorporating new
25 information from updated data, including, but not limited
26 to, the results of its procurements, competitive market

1 trends, and energy procurements in other states.

2 (k) Capacity procurement.

3 (1) This Section grants the Illinois Power Agency the
4 sole authority to conduct auctions for the purpose of
5 procuring capacity if a public utility in the State elects
6 to use the Fixed Resource Requirement Alternative as
7 provided for in the Open Access Transmission Tariff,
8 Reliability Assurance Agreement, and manuals of PJM
9 Interconnection, LLC or its successors, and that election
10 is approved by the Illinois Commerce Commission. Where the
11 election is approved by the Illinois Commerce Commission,
12 the Illinois Power Agency shall develop a procurement plan
13 for the procurement of capacity in amounts necessary to
14 ensure the public utility's resource adequacy pursuant to
15 PJM's federally-mandated requirements. The Agency is
16 authorized to conduct Capacity Procurement auctions as
17 necessary to meet the public utility's resource
18 obligations while achieving the objectives set forth in
19 this Section for the duration of the public utility's
20 election of the Fixed Resource Requirement Alternative.

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

24 (3) The Agency shall design the Capacity Procurement
25 Plan to achieve the following objectives:

26 (i) Through one or more auctions which procure

1 capacity for one or more years, meets the public
2 utility's resource obligation under the Fixed Resource
3 Requirement Alternative while maximizing benefits that
4 meet the State's public interest in the health, safety
5 and welfare of its residents, including, but not
6 limited to: significantly reduced emissions in the
7 State from power generation sources; consumer savings;
8 and those interests described in subparagraph (I) of
9 paragraph (1) of subsection (c) of Section 1-75 of the
10 Illinois Power Agency Act.

11 (ii) Implements a limiter on auction payments to
12 all resources that are not renewable energy resources,
13 demand response, or energy efficiency resources. The
14 limiter shall be imposed on all other resources such
15 that total payments under the auction ensure consumer
16 savings at an amount no less than 5% below a baseline
17 of previous years' payments.

18 (iii) Implements a limiter on participating
19 carbon-emitting resources such that emissions decrease
20 below a baseline of previous years' emissions.

21 (4) As part of its Capacity Procurement plans, the
22 Agency may implement an auction for an optional bundled
23 product which includes payments to resources that provide
24 both capacity and renewable energy credits. Renewable
25 energy resources that are not eligible to participate in
26 auctions pursuant to subparagraph (J) of paragraph (1) of

1 subsection (c) of Section 1-75 of the Illinois Power
2 Agency Act are not eligible to participate in auctions
3 conducted to implement Capacity Procurement plans.

4 (Source: P.A. 100-863, eff. 8-14-18; 101-81, eff. 7-12-19;
5 101-113, eff. 1-1-20.)

6 Section 15. The Public Utilities Act is amended by
7 changing Sections 16-107.5, 16-107.6, 16-108, and 16-111.5 and
8 by adding Sections 8-512 and 16-131 as follows:

9 (220 ILCS 5/8-512 new)

10 Sec. 8-512. Renewable energy access plan.

11 (a) It is the policy of this State to promote
12 cost-effective transmission system development that ensures
13 reliability of the electric transmission system, lowers carbon
14 emissions, minimizes long-term costs for consumers, and
15 supports the electric policy goals of this State.

16 The General Assembly finds that:

17 (1) Transmission planning, primarily for reliability
18 purposes, but also for economic and public policy reasons
19 is conducted by regional transmission organizations in
20 which transmission-owning Illinois utilities and other
21 stakeholders are members.

22 (2) Order No. 1000 of the Federal Energy Regulatory
23 Commission requires regional transmission organizations to
24 plan for transmission system needs in light of state

1 public policies, and to accept input from states during
2 the transmission system planning processes.

3 (3) The State of Illinois does not currently have a
4 comprehensive power and environmental policy planning
5 process to identify transmission infrastructure needs that
6 can serve as a vital input into the regional and
7 inter-regional transmission organization planning
8 processes conducted under Order No. 1000 and other laws.

9 (4) This State is an electricity generation and power
10 transmission hub, and can leverage that position to invest
11 in infrastructure that enables new and existing Illinois
12 generators to meet the public policy goals of the State of
13 Illinois and of interconnected states while
14 cost-effectively supporting tens of thousands of jobs in
15 the renewable energy sector in this State.

16 (5) The nation cannot readily access this State's
17 low-cost, clean electric power, and this State is hindered
18 in its ability to develop and support its low-carbon
19 economy and keep electricity prices low in Illinois and
20 interconnected states.

21 (6) Existing transmission infrastructure may constrain
22 the State's achievement of 100% renewable energy by 2050,
23 a carbon-free power sector by 2030, and an expanded use of
24 electric vehicles in a just and equitable way.

25 (7) Transmission system congestion within this State
26 and the regional transmission organizations serving this

1 State limits the ability of this State's existing and new
2 electric generation facilities that do not emit carbon
3 dioxide, including renewable energy resources and zero
4 emission facilities, to serve the public policy goals of
5 this State and other states, which constrains investment
6 in this State.

7 (8) Investment in infrastructure to support existing
8 and new electric generation facilities that do not emit
9 carbon dioxide, including renewable energy resources and
10 zero emission facilities, stimulates significant economic
11 development and job growth in this State, as well as
12 creates environmental and public health benefits in this
13 State.

14 (9) Creating a forward-looking plan for this State's
15 electric transmission infrastructure, as opposed to
16 relying on case-by-case development and repeated marginal
17 upgrades, will achieve a lower-cost system for Illinois'
18 electricity customers. A forward-looking plan can also
19 help integrate and achieve a comprehensive set of
20 objectives and multiple state, regional, and national
21 policy goals.

22 (10) Alternatives to overhead electric transmission
23 lines can achieve cost-effective resolution of system
24 impacts, and warrant investigation of the circumstances
25 those alternatives should be considered and approved. The
26 alternatives are likely to be beneficial as investment in

1 electric transmission infrastructure moves forward.

2 (b) Consistent with the findings identified in subsection
3 (a), the Commission shall open an investigation to deliberate,
4 develop, and adopt a renewable energy access plan no later
5 than December 31, 2022. To assist and support the Commission
6 in the development of the plan, the Commission shall retain
7 the services of technical and policy experts with relevant
8 fields of expertise, solicit technical and policy analysis
9 from the public, and provide for a 120-day open public comment
10 period after publication of a draft report, which shall be
11 published no later than 90 days after the comment period ends.
12 The plan shall, at a minimum, do the following:

13 (1) designate renewable energy access plan zones
14 throughout this State in areas in which renewable energy
15 resources and suitable land areas are sufficient to
16 develop generating capacity from renewable energy
17 technologies;

18 (2) develop a plan to achieve transmission capacity
19 necessary to deliver to electric customers in Illinois and
20 other states, in a manner that is most beneficial and
21 cost-effective to the customers, the electric output from
22 renewable energy technologies in the renewable energy
23 access plan zones;

24 (3) use this State's position as an electricity
25 generation and power transmission hub to create new
26 investment in this State's renewable energy resources;

1 (4) introduce and consider programs, policies, and
2 electric transmission projects that can be adopted within
3 this State and advocated for at regional transmission
4 organizations, that promote the cost-effective delivery of
5 power from renewable energy resources interconnected to
6 the bulk electric system to meet the renewable portfolio
7 standard targets under subsection (c) of Section 1-75 of
8 the Illinois Power Agency Act, and to meet current and
9 future public policy goals of other states, the region, or
10 the nation;

11 (5) introduce and consider proposals to improve
12 regional transmission organizations' regional and
13 interregional system planning processes and an analysis of
14 how those proposals would improve reliability and
15 cost-effective delivery of electricity in Illinois and the
16 region;

17 (6) the Commission's specific findings, based on
18 technical and policy analysis, regarding locations of
19 renewable energy access plan zones, the transmission
20 system developments needed to cost-effectively achieve the
21 public policy goals identified herein, any recommended
22 policies to initiate within this State, or recommended
23 advocacy at regional transmission organizations; and

24 (7) the Commission's conclusions and proposed
25 recommendations based on its analysis.

26 (c) No later than December 31, 2025, and in each

1 odd-numbered year thereafter, the Commission shall open an
2 investigation to deliberate, develop, and adopt an updated
3 renewable energy access plan that, at a minimum, evaluates the
4 implementation and effectiveness of the renewable energy
5 access plan, recommends improvements to the renewable energy
6 access plan, and provides changes to transmission capacity
7 necessary to deliver electric output from the renewable energy
8 access plan zones.

9 (220 ILCS 5/16-107.5)

10 Sec. 16-107.5. Net electricity metering.

11 (a) The General Assembly ~~Legislature~~ finds and declares
12 that a program to provide net electricity metering, as defined
13 in this Section, for eligible customers can encourage private
14 investment in renewable energy resources, stimulate economic
15 growth, enhance the continued diversification of Illinois'
16 energy resource mix, and protect the Illinois environment. The
17 General Assembly further finds and declares that ensuring a
18 smooth, predictable transition from full net metering of the
19 retail electricity rate to the distributed generation rebate
20 described in Section 16-107.6 of this Act is important to
21 achieve these legislative goals. In implementing the
22 investigation discussed in subsection (e) of Section 16-107.6
23 of this Act and the transition discussed in subsection (n) of
24 this Section 16-107.5, the Commission shall ensure that
25 distributed generation customers are fairly compensated for

1 the benefits and services that customer-sited distributed
2 generation provides and that the distributed generation market
3 in Illinois continues to experience stable growth for both
4 small and large customers.

5 (b) As used in this Section:7

6 ~~(i)~~ "Community ~~community~~ renewable generation project" has
7 ~~shall have~~ the meaning set forth in Section 1-10 of the
8 Illinois Power Agency Act.7

9 "Delivery service provider" means a public utility as
10 defined in subsection (a) of Section 3-105 of this Act.

11 "Electricity provider" means an electric utility or
12 alternative retail electric supplier providing energy supply.

13 ~~(ii)~~ "Eligible ~~eligible~~ customer" means a retail customer
14 or retail customers with ~~that owns or operates~~ a solar, wind,
15 or other eligible renewable electrical generating facility
16 with a rated capacity of not more than 2,000 kilowatts that is
17 ~~located~~ on the customer's or customers' side of the billing
18 meter ~~premises~~ and is intended primarily to offset the
19 customer's or customers' own current or future electrical
20 requirements when accounting for shading, orientation, and
21 other siting factors that can reasonably be expected to alter
22 an eligible renewable electrical generating facility's
23 generation output. An eligible customer does not need to own
24 the solar, wind, or other eligible renewable electrical
25 generating facility. Subscribers to community renewable
26 generation projects shall also be considered eligible

1 customers for the purpose of this Section, including
2 subscribers to community renewable generation projects that
3 are larger than 2,000 kilowatts.; (iii) "electricity provider"
4 ~~means an electric utility or alternative retail electric~~
5 ~~supplier;~~

6 ~~(iv)~~ "Eligible ~~eligible~~ renewable electrical generating
7 facility" means a generator, which may include the co-location
8 of an energy storage system, that is interconnected under
9 rules adopted by the Commission and is powered by solar
10 electric energy, wind, dedicated crops grown for electricity
11 generation, agricultural residues, untreated and unadulterated
12 wood waste, ~~landscape trimmings,~~ livestock manure, anaerobic
13 digestion of livestock or food processing waste, fuel cells or
14 microturbines powered by renewable fuels, or hydroelectric
15 energy.†

16 "Energy storage system" means commercially available
17 technology that is capable of absorbing energy and storing it
18 for a period of time for use at a later time, including, but
19 not limited to, electrochemical, thermal, and
20 electromechanical technologies, and may be interconnected on
21 the customer's side of the billing meter or interconnected via
22 its own meter.

23 "Future electrical requirements" means the reasonable
24 anticipation of load growth, such as from the addition of an
25 electric vehicle, the addition of electric space heating or
26 water heating, modeled electrical requirements upon occupation

1 of a new or vacant property, as well as other reasonable
2 expectations of future electrical use.

3 ~~(v)~~ "Net net electricity metering" (or "net metering")
4 means the measurement, during the billing period applicable to
5 an eligible customer, of the net amount of electricity
6 supplied by an electricity provider to the customer ~~customer's~~
7 ~~premises~~ or provided to the electricity provider by the
8 customer or subscriber. ~~†~~

9 "Statewide net metering penetration" means the sum of
10 nameplate capacity of all net metering facilities in the
11 State, excluding community renewable generation projects,
12 divided by the sum of peak demand of electricity delivered by
13 each delivery service provider (with the peak identified
14 independently for each provider) in the State during the
15 previous year.

16 ~~(vi)~~ "Subscriber subscriber" has ~~shall have~~ the meaning ~~as~~
17 set forth in Section 1-10 of the Illinois Power Agency Act. ~~†~~
18 and

19 ~~(vii)~~ "Subscription subscription" has ~~shall have~~ the
20 meaning set forth in Section 1-10 of the Illinois Power Agency
21 Act.

22 (c) A net metering facility shall be equipped with
23 metering equipment that can measure the flow of electricity in
24 both directions at the same rate.

25 (1) For eligible customers whose electric service has
26 not been declared competitive pursuant to Section 16-113

1 of this Act as of July 1, 2011 and whose electric delivery
2 service is provided and measured on a kilowatt-hour basis
3 and electric supply service is not provided based on
4 hourly pricing, this shall typically be accomplished
5 through use of a single, bi-directional meter. If the
6 eligible customer's existing electric revenue meter does
7 not meet this requirement, the electricity provider shall
8 arrange for the local electric utility or a meter service
9 provider to install and maintain a new revenue meter at
10 the electricity provider's expense, which may be the smart
11 meter described by subsection (b) of Section 16-108.5 of
12 this Act.

13 (2) For eligible customers whose electric service has
14 not been declared competitive pursuant to Section 16-113
15 of this Act as of July 1, 2011 and whose electric delivery
16 service is provided and measured on a kilowatt demand
17 basis and electric supply service is not provided based on
18 hourly pricing, this shall typically be accomplished
19 through use of a dual channel meter capable of measuring
20 the flow of electricity both into and out of the
21 customer's facility at the same rate and ratio. If such
22 customer's existing electric revenue meter does not meet
23 this requirement, then the electricity provider shall
24 arrange for the local electric utility or a meter service
25 provider to install and maintain a new revenue meter at
26 the electricity provider's expense, which may be the smart

1 meter described by subsection (b) of Section 16-108.5 of
2 this Act.

3 (3) For all other eligible customers, until such time
4 as the local electric utility installs a smart meter, as
5 described by subsection (b) of Section 16-108.5 of this
6 Act, the electricity provider may arrange for the local
7 electric utility or a meter service provider to install
8 and maintain metering equipment capable of measuring the
9 flow of electricity both into and out of the customer's
10 facility at the same rate and ratio, typically through the
11 use of a dual channel meter. If the eligible customer's
12 existing electric revenue meter does not meet this
13 requirement, then the costs of installing such equipment
14 shall be paid for by the customer.

15 (d) An electricity provider shall measure and charge or
16 credit for the net electricity supplied to eligible customers
17 or provided by eligible customers whose electric service has
18 not been declared competitive pursuant to Section 16-113 of
19 this Act as of July 1, 2011 and whose electric delivery service
20 is provided and measured on a kilowatt-hour basis and electric
21 supply service is not provided based on hourly pricing in the
22 following manner:

23 (1) If the amount of electricity used by the customer
24 during the billing period exceeds the amount of
25 electricity produced by the customer, the electricity
26 provider shall charge the customer for the net electricity

1 supplied to and used by the customer as provided in
2 subsection (e-5) of this Section.

3 (2) If the amount of electricity produced by a
4 customer during the billing period exceeds the amount of
5 electricity used by the customer during that billing
6 period, the electricity provider supplying that customer
7 shall apply a 1:1 kilowatt-hour credit to a subsequent
8 bill for service to the customer for the net electricity
9 supplied to the electricity provider. The electricity
10 provider shall continue to carry over any excess
11 kilowatt-hour credits earned and apply those credits to
12 subsequent billing periods to offset any
13 customer-generator consumption in those billing periods
14 until all credits are used or until the end of the
15 annualized period.

16 (3) At the end of the year or annualized over the
17 period that service is supplied by means of net metering,
18 or in the event that the retail customer terminates
19 service with the electricity provider prior to the end of
20 the year or the annualized period, any remaining credits
21 in the customer's account shall expire.

22 (d-5) An electricity provider shall measure and charge or
23 credit for the net electricity supplied to eligible customers
24 or provided by eligible customers whose electric service has
25 not been declared competitive pursuant to Section 16-113 of
26 this Act as of July 1, 2011 and whose electric delivery service

1 is provided and measured on a kilowatt-hour basis and electric
2 supply service is provided based on hourly pricing or
3 time-of-use rates in the following manner:

4 (1) If the amount of electricity used by the customer
5 during any hourly or time-of-use period exceeds the amount
6 of electricity produced by the customer, the electricity
7 provider shall charge the customer for the net electricity
8 supplied to and used by the customer according to the
9 terms of the contract or tariff to which the same customer
10 would be assigned to or be eligible for if the customer was
11 not a net metering customer.

12 (2) If the amount of electricity produced by a
13 customer during any hourly period or time-of-use period
14 exceeds the amount of electricity used by the customer
15 during that hourly period or time-of-use period, the
16 energy provider shall apply a credit for the net
17 kilowatt-hours produced in such period. The credit shall
18 consist of an energy credit and a delivery service credit.
19 The energy credit shall be valued at the same price per
20 kilowatt-hour as the electric service provider would
21 charge for kilowatt-hour energy sales during that same
22 hourly or time-of-use period. The delivery credit shall be
23 equal to the net kilowatt-hours produced in such hourly or
24 time-of-use period times a credit that reflects all
25 kilowatt-hour based charges in the customer's electric
26 service rate, excluding energy charges.

1 (e) An electricity provider shall measure and charge or
2 credit for the net electricity supplied to eligible customers
3 whose electric service has not been declared competitive
4 pursuant to Section 16-113 of this Act as of July 1, 2011 and
5 whose electric delivery service is provided and measured on a
6 kilowatt demand basis and electric supply service is not
7 provided based on hourly pricing in the following manner:

8 (1) If the amount of electricity used by the customer
9 during the billing period exceeds the amount of
10 electricity produced by the customer, then the electricity
11 provider shall charge the customer for the net electricity
12 supplied to and used by the customer as provided in
13 subsection (e-5) of this Section. The customer shall
14 remain responsible for all taxes, fees, and utility
15 delivery charges that would otherwise be applicable to the
16 net amount of electricity used by the customer.

17 (2) If the amount of electricity produced by a
18 customer during the billing period exceeds the amount of
19 electricity used by the customer during that billing
20 period, then the electricity provider supplying that
21 customer shall apply a 1:1 kilowatt-hour credit that
22 reflects the kilowatt-hour based charges in the customer's
23 electric service rate to a subsequent bill for service to
24 the customer for the net electricity supplied to the
25 electricity provider. The electricity provider shall
26 continue to carry over any excess kilowatt-hour credits

1 earned and apply those credits to subsequent billing
2 periods to offset any customer-generator consumption in
3 those billing periods until all credits are used or until
4 the end of the annualized period.

5 (3) At the end of the year or annualized over the
6 period that service is supplied by means of net metering,
7 or in the event that the retail customer terminates
8 service with the electricity provider prior to the end of
9 the year or the annualized period, any remaining credits
10 in the customer's account shall expire.

11 (e-5) An electricity provider shall provide electric
12 service to eligible customers who utilize net metering at
13 non-discriminatory rates that are identical, with respect to
14 rate structure, retail rate components, and any monthly
15 charges, to the rates that the customer would be charged if not
16 a net metering customer. An electricity provider shall not
17 charge net metering customers any fee or charge or require
18 additional equipment, insurance, or any other requirements not
19 specifically authorized by interconnection standards
20 authorized by the Commission, unless the fee, charge, or other
21 requirement would apply to other similarly situated customers
22 who are not net metering customers. The customer will remain
23 responsible for all taxes, fees, and utility delivery charges
24 that would otherwise be applicable to the net amount of
25 electricity used by the customer. Subsections (c) through (e)
26 of this Section shall not be construed to prevent an

1 arms-length agreement between an electricity provider and an
2 eligible customer that sets forth different prices, terms, and
3 conditions for the provision of net metering service,
4 including, but not limited to, the provision of the
5 appropriate metering equipment for non-residential customers.

6 (f) Notwithstanding the requirements of subsections (c)
7 through (e-5) of this Section, an electricity provider must
8 require dual-channel metering for customers operating eligible
9 renewable electrical generating facilities with a nameplate
10 rating up to 2,000 kilowatts and to whom the provisions of
11 neither subsection (d), (d-5), nor (e) of this Section apply.
12 In such cases, electricity charges and credits shall be
13 determined as follows:

14 (1) The electricity provider shall assess and the
15 customer remains responsible for all taxes, fees, and
16 utility delivery charges that would otherwise be
17 applicable to the gross amount of kilowatt-hours supplied
18 to the eligible customer by the electricity provider.

19 (2) Each month that service is supplied by means of
20 dual-channel metering, the electricity provider shall
21 compensate the eligible customer for any excess
22 kilowatt-hour credits at the electricity provider's
23 avoided cost of electricity supply over the monthly period
24 or as otherwise specified by the terms of a power-purchase
25 agreement negotiated between the customer and electricity
26 provider.

1 (3) For all eligible net metering customers taking
2 service from an electricity provider under contracts or
3 tariffs employing hourly or time of use rates, any monthly
4 consumption of electricity shall be calculated according
5 to the terms of the contract or tariff to which the same
6 customer would be assigned to or be eligible for if the
7 customer was not a net metering customer. When those same
8 customer-generators are net generators during any discrete
9 hourly or time of use period, the net kilowatt-hours
10 produced shall be valued at the same price per
11 kilowatt-hour as the electric service provider would
12 charge for retail kilowatt-hour sales during that same
13 time of use period.

14 (g) For purposes of federal and State laws providing
15 renewable energy credits or greenhouse gas credits, the
16 eligible customer shall be treated as owning and having title
17 to the renewable energy attributes, renewable energy credits,
18 and greenhouse gas emission credits related to any electricity
19 produced by the qualified generating unit. The electricity
20 provider may not condition participation in a net metering
21 program on the signing over of a customer's renewable energy
22 credits; provided, however, this subsection (g) shall not be
23 construed to prevent an arms-length agreement between an
24 electricity provider and an eligible customer that sets forth
25 the ownership or title of the credits.

26 (h) Within 120 days after the effective date of this

1 amendatory Act of the 95th General Assembly, the Commission
2 shall establish standards for net metering and, if the
3 Commission has not already acted on its own initiative,
4 standards for the interconnection of eligible renewable
5 generating equipment to the utility system. The
6 interconnection standards shall address any procedural
7 barriers, delays, and administrative costs associated with the
8 interconnection of customer-generation while ensuring the
9 safety and reliability of the units and the electric utility
10 system. The Commission shall consider the Institute of
11 Electrical and Electronics Engineers (IEEE) Standard 1547 and
12 the issues of (i) reasonable and fair fees and costs, (ii)
13 clear timelines for major milestones in the interconnection
14 process, (iii) nondiscriminatory terms of agreement, and (iv)
15 any best practices for interconnection of distributed
16 generation.

17 (h-3) On and after the effective date of this amendatory
18 Act of the 102nd General Assembly, it is the policy of the
19 State that:

20 (1) Electric utilities must provide interconnection
21 customers with a detailed accounting of the components of
22 the utility's cost to study and perform system upgrades,
23 with itemized lists of equipment costs, labor costs,
24 engineering costs, and administrative costs associated
25 with the study or system upgrade.

26 (2) An electric utility that has failed to meet an

1 interconnection timeline by more than 20 days is subject
2 to a penalty of \$1,000 for each day over 20 days past the
3 applicable date upon which the utility action was due.

4 (3) The Illinois Commerce Commission shall, within 60
5 days after the effective date of this amendatory Act of
6 the 102nd General Assembly, hire or contract with an
7 independent grid engineer to address delays and disputes
8 between the utility and the interconnection customer.
9 Specifically, this independent engineer shall:

10 (A) review utility cost estimates at the request
11 of interconnection customers;

12 (B) resolve technical disputes between utilities
13 and interconnection customers regarding necessary
14 upgrades and costs thereof;

15 (C) authorize customers to self-supply
16 interconnection studies when the electric utility is
17 unable to provide such studies at a reasonable cost
18 and schedule; and

19 (D) authorize customers to self-build system
20 upgrades consistent with electric utility standards
21 when the electric utility cannot provide such upgrades
22 and interconnection facilities at a reasonable cost
23 and schedule.

24 The process to hire or contract with an independent
25 grid engineer described in this paragraph (3) is exempt
26 from the requirements of the Illinois Procurement Code,

1 pursuant to Section 20-10 of that Code.

2 (h-5) Within 90 days after the effective date of this
3 amendatory Act of the 102nd General Assembly, the Commission
4 shall open a proceeding to update the interconnection
5 standards and applicable utility tariffs. For the public
6 interest, safety, and welfare of Illinois residents, the
7 Commission may adopt emergency rules under Section 5-45 of the
8 Illinois Administrative Procedure Act to implement the
9 requirements of subsection (h-3) and this subsection (h-5). In
10 addition to the requirements of subsection (h-3), the
11 Commission shall also revise the standards to address critical
12 standards for interconnection and the following issues:

13 (1) transparency and accuracy of costs, both direct
14 and indirect, while maintaining system security through
15 the effective management of confidentiality agreements;

16 (2) standardization of typical costs associated with
17 interconnection;

18 (3) transparency of the interconnection queue or
19 queues and hosting capacity;

20 (4) development of hosting capacity maps that enable
21 greater visibility to customers about the locations with
22 the greatest need or availability for distributed
23 generation;

24 (5) predictability of the queue management process and
25 enforcement of timelines;

26 (6) ability to undertake group interconnection studies

1 and share interconnection costs among multiple applicants;

2 (7) minimum requirements for application to the
3 interconnection process and throughout the interconnection
4 process to avoid queue clogging behavior;

5 (8) requirements that the electric utility performing
6 the interconnection study justify its interconnection
7 study cost and the estimates of costs for identified
8 upgrades, and to cap payments required by the
9 interconnection customer for the electric utility
10 installed facilities to the lesser of +50% of the
11 Feasibility Study estimate, +25% of the System Impact
12 Study estimate, or +10% of the Facilities Study estimate;

13 (9) facilitation of the deployment of energy storage
14 systems while ensuring the continued grid safety and
15 reliability of the system, including addressing the
16 following:

17 (A) treatment of energy storage systems as
18 generation for purposes of the interconnection,
19 ownership, and operation;

20 (B) fair study assumptions that reflect the
21 operational profile of the energy storage device;

22 (C) streamlined notification-only interconnection
23 requirements for nonexporting systems that meet
24 utility criteria for safety and reliability, as is
25 determined through a robust stakeholder process; and

26 (D) enabling exports from customer-sited energy

1 storage systems for participation either in utility
2 programs or wholesale markets;

3 (10) establishment of a dispute resolution process
4 designed to address instances of unreasonable impediments
5 by the electric utility to the critical standards for
6 interconnection enumerated in paragraphs (1) through (9)
7 of this subsection (h-5). The Commission shall make
8 available adequate Commission staff for this dispute
9 resolution process to ensure that matters are decided on
10 an expedited basis; and

11 (11) other policies, processes, tariffs, and standards
12 associated with interconnection, including the creation of
13 standards and processes that support the achievement of
14 the objectives in subparagraph (K) of paragraph (1) of
15 subsection (c) of Section 1-75 of the Illinois Power
16 Agency Act

17 As part of this proceeding initiated under this subsection
18 (h-5), the Commission shall establish an interconnection
19 working group. The working group shall include representatives
20 from electric utilities, developers of renewable electric
21 generating facilities, representatives of interconnection
22 customers, Commission staff, and other stakeholders. The
23 working group shall be facilitated by Commission staff. The
24 working group shall examine and make recommendations regarding
25 best practices for interconnection process and customer
26 service for interconnecting customer adopting distributed

1 energy resources, including energy storage, interconnection of
2 new technologies, including smart inverters and energy
3 storage, and, without limitation, other technical, policy, and
4 tariff issues related to and affecting interconnection
5 performance and customer service.

6 The working group shall report to the Commission on
7 changes to interconnection rules and tariffs and any other
8 recommendations as determined by the working group within 6
9 months after its first meeting. The report shall include
10 positions and recommendations of the working group and
11 individual working group members. The report of the working
12 group shall be entered into evidence in the rulemaking process
13 mandated by this subsection (h-5). The working group shall be
14 reconvened one year following the enactment of the rules
15 adopted pursuant to this subsection (h-5) to recommend any
16 additional changes and assess the performance of the rules in
17 meeting the goals as described above.

18 (i) All electricity providers shall begin to offer net
19 metering no later than April 1, 2008.

20 (j) An electricity provider shall provide net metering to
21 eligible customers until both of the following occur: (i) the
22 statewide net metering penetration equals 5% and (ii) the
23 Commission approves the utility tariffs prescribed by
24 subsection (e) of Section 16-107.6 of this Act that make
25 distributed generation rebates available to all eligible
26 customers, including residential customers, and those tariffs

1 ~~go into effect. After that time the load of its net metering~~
2 ~~customers equals 5% of the total peak demand supplied by that~~
3 ~~electricity provider during the previous year. After such time~~
4 ~~as the load of the electricity provider's net metering~~
5 ~~customers equals 5% of the total peak demand supplied by that~~
6 ~~electricity provider during the previous year, eligible~~
7 customers that begin taking net metering shall no longer be
8 eligible for netting of delivery service credits as described
9 in subsection (n) of this Section ~~only be eligible for netting~~
10 ~~of energy.~~

11 (k) Each electricity provider shall maintain records and
12 report annually to the Commission the total number of net
13 metering customers served by the provider, as well as the
14 type, capacity, and energy sources of the generating systems
15 used by the net metering customers. Nothing in this Section
16 shall limit the ability of an electricity provider to request
17 the redaction of information deemed by the Commission to be
18 confidential business information.

19 (l)(1) Notwithstanding the definition of "eligible
20 customer" in item (ii) of subsection (b) of this Section, each
21 electricity provider shall allow net metering as set forth in
22 this subsection (l) and for the following projects:

23 (A) properties owned or leased by multiple customers
24 that contribute to the operation of an eligible renewable
25 electrical generating facility through an ownership or
26 leasehold interest of at least 200 watts in such facility,

1 such as a community-owned wind project, a community-owned
2 biomass project, a community-owned solar project, or a
3 community methane digester processing livestock waste from
4 multiple sources, provided that the facility is also
5 located within the utility's service territory;

6 (B) individual units, apartments, or properties
7 located in a single building that are owned or leased by
8 multiple customers and collectively served by a common
9 eligible renewable electrical generating facility, such as
10 an office or apartment building, a shopping center or
11 strip mall served by photovoltaic panels on the roof; and

12 (C) subscriptions to community renewable generation
13 projects, including community renewable generation
14 projects on the customer's side of the billing meter of a
15 host facility and partially used for the customer's own
16 load.

17 In addition, the nameplate capacity of the eligible
18 renewable electric generating facility that serves the demand
19 of the properties, units, or apartments identified in
20 paragraphs (1) and (2) of this subsection (1) shall not exceed
21 2,000 kilowatts in nameplate capacity in total. Any eligible
22 renewable electrical generating facility or community
23 renewable generation project that is powered by photovoltaic
24 electric energy and installed after the effective date of this
25 amendatory Act of the 99th General Assembly must be installed
26 by a qualified person in compliance with the requirements of

1 Section 16-128A of the Public Utilities Act and any rules or
2 regulations adopted thereunder.

3 (2) Notwithstanding anything to the contrary, an
4 electricity provider shall provide credits for the electricity
5 produced by the projects described in paragraph (1) of this
6 subsection (1). The electricity provider shall provide credits
7 that include at least energy supply, capacity, transmission,
8 and the purchased electricity adjustment, as applicable, at
9 ~~the subscriber's energy supply rate~~ on the subscriber's
10 monthly bill equal to the subscriber's share of the production
11 of electricity from the project, as determined by paragraph
12 (3) of this subsection (1).

13 (3) For the purposes of facilitating net metering, the
14 owner or operator of the eligible renewable electrical
15 generating facility or community renewable generation project
16 shall be responsible for determining the amount of the credit
17 that each customer or subscriber participating in a project
18 under this subsection (1) is to receive in the following
19 manner:

20 (A) The owner or operator shall, on a monthly basis,
21 provide to the electric utility the kilowatthours of
22 generation attributable to each of the utility's retail
23 customers and subscribers participating in projects under
24 this subsection (1) in accordance with the customer's or
25 subscriber's share of the eligible renewable electric
26 generating facility's or community renewable generation

1 project's output of power and energy for such month. The
2 owner or operator shall electronically transmit such
3 calculations and associated documentation to the electric
4 utility, in a format or method set forth in the applicable
5 tariff, on a monthly basis so that the electric utility
6 can reflect the monetary credits on customers' and
7 subscribers' electric utility bills. The electric utility
8 shall be permitted to revise its tariffs to implement the
9 provisions of this amendatory Act of the 102nd General
10 Assembly ~~this amendatory Act of the 99th General Assembly~~.
11 The owner or operator shall separately provide the
12 electric utility with the documentation detailing the
13 calculations supporting the credit in the manner set forth
14 in the applicable tariff.

15 (B) For those participating customers and subscribers
16 who receive their energy supply from an alternative retail
17 electric supplier, the electric utility shall remit to the
18 applicable alternative retail electric supplier the
19 information provided under subparagraph (A) of this
20 paragraph (3) for such customers and subscribers in a
21 manner set forth in such alternative retail electric
22 supplier's net metering program, or as otherwise agreed
23 between the utility and the alternative retail electric
24 supplier. The alternative retail electric supplier shall
25 then submit to the utility the amount of the charges for
26 power and energy to be applied to such customers and

1 subscribers, including the amount of the credit associated
2 with net metering.

3 (C) A participating customer or subscriber may provide
4 authorization as required by applicable law that directs
5 the electric utility to submit information to the owner or
6 operator of the eligible renewable electrical generating
7 facility or community renewable generation project to
8 which the customer or subscriber has an ownership or
9 leasehold interest or a subscription. Such information
10 shall be limited to the components of the net metering
11 credit calculated under this subsection (1), including the
12 bill credit rate, total kilowatthours, and total monetary
13 credit value applied to the customer's or subscriber's
14 bill for the monthly billing period.

15 For community renewable generation projects located behind
16 the meter of a host facility, the determination of the
17 quantity of energy eligible for crediting to participating
18 customers or subscribers of the community renewable generation
19 project shall be based on any energy production of the project
20 that exceeds the host's instantaneous on-site consumption
21 during the applicable billing period.

22 (1-5) Within 90 days after the effective date of this
23 amendatory Act of the 102nd General Assembly ~~this amendatory~~
24 ~~Act of the 99th General Assembly~~, each electric utility
25 subject to this Section shall file a tariff to implement the
26 provisions of subsection (1) of this Section, which shall,

1 consistent with the provisions of subsection (l), describe the
2 terms and conditions under which owners or operators of
3 qualifying properties, units, or apartments may participate in
4 net metering. The Commission shall approve, or approve with
5 modification, the tariff within 120 days after the effective
6 date of this amendatory Act of the 102nd General Assembly ~~this~~
7 ~~amendatory Act of the 99th General Assembly.~~

8 (m) Nothing in this Section shall affect the right of an
9 electricity provider to continue to provide, or the right of a
10 retail customer to continue to receive service pursuant to a
11 contract for electric service between the electricity provider
12 and the retail customer in accordance with the prices, terms,
13 and conditions provided for in that contract. Either the
14 electricity provider or the customer may require compliance
15 with the prices, terms, and conditions of the contract.

16 (n) At such time, if any, that statewide net metering
17 penetration equals 5% ~~the load of the electricity provider's~~
18 ~~net metering customers equals 5% of the total peak demand~~
19 ~~supplied by that electricity provider during the previous~~
20 ~~year~~, as specified in subsection (j) of this Section, and the
21 distributed generation rebate tariff for the electricity
22 utility prescribed by subsection (e) of Section 16-107.6 of
23 this Act has gone into effect and the rebate is approved and
24 available to eligible customers, the net metering services
25 described in subsections (d), (d-5), (e), (e-5), and (f) of
26 this Section shall no longer be offered, except as to those

1 eligible renewable generating facilities for which retail
2 customers ~~that~~ are receiving net metering service under these
3 subsections at the time the net metering services under those
4 subsections are no longer offered; those systems shall
5 continue to receive net metering services described in
6 subsections (d), (d-5), (e), (e-5), and (f) of this Section
7 for the lifetime of the system, regardless of whether those
8 retail customers change electricity providers or whether the
9 retail customer benefiting from the system changes. Those
10 retail customers that begin taking net metering service after
11 the date that net metering services are no longer offered
12 under such subsections shall be subject to the provisions set
13 forth in the following paragraphs (1) through (3) of this
14 subsection (n):

15 (1) An electricity provider shall charge or credit for
16 the net electricity supplied to eligible customers or
17 provided by eligible customers whose electric supply
18 service is not provided based on hourly pricing in the
19 following manner:

20 (A) If the amount of electricity used by the
21 customer during the billing period exceeds the amount
22 of electricity produced by the customer, then the
23 electricity provider shall charge the customer for the
24 net kilowatt-hour based electricity charges reflected
25 in the customer's electric service rate supplied to
26 and used by the customer as provided in paragraph (3)

1 of this subsection (n).

2 (B) If the amount of electricity produced by a
3 customer during the billing period exceeds the amount
4 of electricity used by the customer during that
5 billing period, then the electricity provider
6 supplying that customer shall apply a 1:1
7 kilowatt-hour energy credit that reflects the
8 kilowatt-hour based energy charges in the customer's
9 electric service rate to a subsequent bill for service
10 to the customer for the net electricity supplied to
11 the electricity provider. The electricity provider
12 shall continue to carry over any excess kilowatt-hour
13 energy credits earned and apply those credits to
14 subsequent billing periods to offset any
15 customer-generator consumption in those billing
16 periods until all credits are used or until the end of
17 the annualized period.

18 (C) At the end of the year or annualized over the
19 period that service is supplied by means of net
20 metering, or in the event that the retail customer
21 terminates service with the electricity provider prior
22 to the end of the year or the annualized period, any
23 remaining credits in the customer's account shall
24 expire.

25 (2) An electricity provider shall charge or credit for
26 the net electricity supplied to eligible customers or

1 provided by eligible customers whose electric supply
2 service is provided based on hourly pricing in the
3 following manner:

4 (A) If the amount of electricity used by the
5 customer during any hourly period exceeds the amount
6 of electricity produced by the customer, then the
7 electricity provider shall charge the customer for the
8 net electricity supplied to and used by the customer
9 as provided in paragraph (3) of this subsection (n).

10 (B) If the amount of electricity produced by a
11 customer during any hourly period exceeds the amount
12 of electricity used by the customer during that hourly
13 period, the energy provider shall calculate an energy
14 credit for the net kilowatt-hours produced in such
15 period. The value of the energy credit shall be
16 calculated using the same price per kilowatt-hour as
17 the electric service provider would charge for
18 kilowatt-hour energy sales during that same hourly
19 period.

20 (3) An electricity provider shall provide electric
21 service to eligible customers who utilize net metering at
22 non-discriminatory rates that are identical, with respect
23 to rate structure, retail rate components, and any monthly
24 charges, to the rates that the customer would be charged
25 if not a net metering customer. An electricity provider
26 shall charge the customer for the net electricity supplied

1 to and used by the customer according to the terms of the
2 contract or tariff to which the same customer would be
3 assigned or be eligible for if the customer was not a net
4 metering customer. An electricity provider shall not
5 charge net metering customers any fee or charge or require
6 additional equipment, insurance, or any other requirements
7 not specifically authorized by interconnection standards
8 authorized by the Commission, unless the fee, charge, or
9 other requirement would apply to other similarly situated
10 customers who are not net metering customers. The charge
11 or credit that the customer receives for net electricity
12 shall be at a rate equal to the customer's energy supply
13 rate. The customer remains responsible for the gross
14 amount of delivery services charges, supply-related
15 charges that are kilowatt based, and all taxes and fees
16 related to such charges. The customer also remains
17 responsible for all taxes and fees that would otherwise be
18 applicable to the net amount of electricity used by the
19 customer. Paragraphs (1) and (2) of this subsection (n)
20 shall not be construed to prevent an arms-length agreement
21 between an electricity provider and an eligible customer
22 that sets forth different prices, terms, and conditions
23 for the provision of net metering service, including, but
24 not limited to, the provision of the appropriate metering
25 equipment for non-residential customers. Nothing in this
26 paragraph (3) shall be interpreted to mandate that a

1 utility that is only required to provide delivery services
2 to a given customer must also sell electricity to such
3 customer.

4 (o) Within 90 days after the effective date of this
5 amendatory Act of the 102nd General Assembly, each electric
6 utility subject to this Section shall file a tariff that
7 shall, consistent with the provisions of this Section, propose
8 the terms and conditions under which an eligible customer may
9 participate in net metering. The Commission shall approve, or
10 approve with modification based on a stakeholder process, the
11 tariff within 120 days after the effective date of this
12 amendatory Act of the 102nd General Assembly. Each electric
13 utility shall file any changes to terms as a subsequent tariff
14 for approval or approval with modifications from the
15 Commission.

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

17 (220 ILCS 5/16-107.6)

18 Sec. 16-107.6. Distributed generation rebate.

19 (a) In this Section:

20 "Distributed energy resource" means a wide range of
21 technologies that are located on the customer side of the
22 customer's electric meter and can provide value to the
23 distribution system, including, but not limited to,
24 distributed generation, energy storage, electric vehicles, and
25 demand response technologies.

1 "Smart inverter" means a device that converts direct
2 current into alternating current and meets the IEEE 1547-2018
3 equipment standards. Until devices that meet the IEEE
4 1547-2018 standard are available, devices that meet the UL
5 1741 SA standard are acceptable ~~can autonomously contribute to~~
6 ~~grid support during excursions from normal operating voltage~~
7 ~~and frequency conditions by providing each of the following:~~
8 ~~dynamic reactive and real power support, voltage and frequency~~
9 ~~ride through, ramp rate controls, communication systems with~~
10 ~~ability to accept external commands, and other functions from~~
11 ~~the electric utility.~~

12 "Subscriber" has the meaning set forth in Section 1-10 of
13 the Illinois Power Agency Act.

14 "Subscription" has the meaning set forth in Section 1-10
15 of the Illinois Power Agency Act.

16 "Threshold date" means the date on which statewide net
17 metering penetration equals 5% ~~the load of an electricity~~
18 ~~provider's net metering customers equals 5% of the total peak~~
19 ~~demand supplied by that electricity provider during the~~
20 ~~previous year, as specified under subsection (j) of Section~~
21 16-107.5 of this Act.

22 (b) An electric utility that serves more than 200,000
23 customers in the State shall file a petition with the
24 Commission requesting approval of the utility's tariff to
25 provide a rebate to a retail customer who owns or operates
26 distributed generation that meets the following criteria:

1 (1) has a nameplate generating capacity no greater
2 than 2,000 kilowatts and is primarily used to offset that
3 customer's electricity load;

4 (2) is located on the customer's side of the billing
5 meter premises, for the customer's own use, and not for
6 commercial use or sales, including, but not limited to,
7 wholesale sales of electric power and energy;

8 (3) is located in the electric utility's service
9 territory; and

10 (4) is interconnected under rules adopted by the
11 Commission by means of the inverter or smart inverter
12 required by this Section, as applicable.

13 For purposes of this Section, "distributed generation"
14 shall satisfy the definition of distributed renewable energy
15 generation device set forth in Section 1-10 of the Illinois
16 Power Agency Act to the extent such definition is consistent
17 with the requirements of this Section.

18 In addition, any new photovoltaic distributed generation
19 that is installed after the effective date of this amendatory
20 Act of the 99th General Assembly must be installed by a
21 qualified person, as defined by subsection (i) of Section 1-56
22 of the Illinois Power Agency Act.

23 The tariff shall provide that the smart inverter
24 associated with the distributed generation shall provide
25 autonomous responses to grid conditions through its default
26 settings as approved by the Commission ~~utility shall be~~

1 ~~permitted to operate and control the smart inverter associated~~
2 ~~with the distributed generation that is the subject of the~~
3 ~~rebate for the purpose of preserving reliability during~~
4 ~~distribution system reliability events and shall address the~~
5 ~~terms and conditions of the operation and the compensation~~
6 ~~associated with the operation.~~ Nothing in this Section shall
7 negate or supersede Institute of Electrical and Electronics
8 Engineers equipment ~~interconnection requirements or~~ standards
9 or other similar standards or requirements. The tariff shall
10 not limit the ability of the smart inverter or other
11 distributed energy resource to provide wholesale market
12 products such as regulation, demand response, or other
13 services, or limit the ability of the owner of the smart
14 inverter or the other distributed energy resource to receive
15 compensation for providing those wholesale market products or
16 services. ~~The tariff shall also provide for additional uses of~~
17 ~~the smart inverter that shall be separately compensated and~~
18 ~~which may include, but are not limited to, voltage and VAR~~
19 ~~support, regulation, and other grid services. As part of the~~
20 ~~proceeding described in subsection (c) of this Section, the~~
21 ~~Commission shall review and determine whether smart inverters~~
22 ~~can provide any additional uses or services. If the Commission~~
23 ~~determines that an additional use or service would be~~
24 ~~beneficial, the Commission shall determine the terms and~~
25 ~~conditions of the operation and how the use or service should~~
26 ~~be separately compensated.~~

1 (c) The proposed tariff authorized by subsection (b) of
2 this Section shall include the following participation terms
3 and formulae to calculate the value of the rebates to be
4 applied under this Section for distributed generation that
5 satisfies the criteria set forth in subsection (b) of this
6 Section:

7 (1) Until the utility's tariff or tariffs setting the
8 new compensation values established under subsection (e)
9 take effect ~~utility files its tariff or tariffs to place~~
10 ~~into effect the rebate values established by the~~
11 ~~Commission under subsection (e) of this Section,~~
12 non-residential customers that are taking service under a
13 net metering program offered by an electricity provider
14 under the terms of Section 16-107.5 of this Act may apply
15 for a rebate as provided for in this Section. The value of
16 the rebate shall be \$250 per kilowatt of nameplate
17 generating capacity, measured as nominal DC power output,
18 of a non-residential customer's distributed generation.

19 (2) After the utility's tariff or tariffs setting the
20 new rebate values established under subsection (e) ~~(d)~~ of
21 this Section take effect, retail customers may, as
22 applicable, make the following elections:

23 (A) Residential customers that are taking service
24 under a net metering program offered by an electricity
25 provider under the terms of Section 16-107.5 of this
26 Act on the threshold date may elect to either continue

1 to take such service under the terms of such program as
2 in effect on such threshold date for the useful life of
3 the customer's eligible renewable electric generating
4 facility as defined in such Section, or file an
5 application to receive a rebate under the terms of
6 this Section, provided that such application must be
7 submitted within 6 months after the effective date of
8 the tariff approved under subsection (d) of this
9 Section. The value of the rebate shall be the amount
10 established by the Commission and reflected in the
11 utility's tariff approved pursuant to subsection (e)
12 of this Section.

13 (B) Non-residential customers that are taking
14 service under a net metering program offered by an
15 electricity provider under the terms of Section
16 16-107.5 of this Act on the threshold date may apply
17 for a rebate as provided for in this Section. The value
18 of the rebate shall be the amount established by the
19 Commission and reflected in the utility's tariff
20 pursuant to subsection (e) of this Section.

21 (3) Upon approval of a rebate application submitted
22 under this subsection (c), the retail customer shall no
23 longer be entitled to receive any delivery service credits
24 for the excess electricity generated by its facility and
25 shall be subject to the provisions of subsection (n) of
26 Section 16-107.5 of this Act.

1 (4) To be eligible for a rebate described in this
2 subsection (c), customers who begin taking service after
3 the effective date of this amendatory Act of the 99th
4 General Assembly under a net metering program offered by
5 an electricity provider under the terms of Section
6 16-107.5 of this Act must have a smart inverter associated
7 with the customer's distributed generation.

8 (d) The Commission shall review the proposed tariff
9 submitted under subsections (b) and (c) of this Section and
10 may make changes to the tariff that are consistent with this
11 Section and with the Commission's authority under Article IX
12 of this Act, subject to notice and hearing. Following notice
13 and hearing, the Commission shall issue an order approving, or
14 approving with modification, such tariff no later than 240
15 days after the utility files its tariff.

16 (e) When statewide ~~the total generating capacity of the~~
17 ~~electricity provider's~~ net metering penetration, as defined in
18 Section 16-107.5, ~~customers~~ is equal to 3%, the Commission
19 shall open an investigation into a ~~an annual~~ process and
20 formula for calculating the compensation ~~value of rebates~~ for
21 the retail customers described in subsections (b) and (f) of
22 this Section ~~that submit rebate applications after the~~
23 ~~threshold date for an electric utility that elected to file a~~
24 ~~tariff pursuant to this Section.~~ The investigation shall
25 include, at minimum, diverse sets of stakeholders, a review of
26 best practices in calculating the value of distributed energy

1 resource benefits, and assessments of present and future
2 technological capabilities of distributed energy resources.
3 Compensation shall reflect all known and measurable values of
4 the distributed energy resources over their full expected
5 useful lives. Compensation shall reflect, but shall not be
6 limited to, any geographic, time-based, performance-based, and
7 other benefits of distributed energy resources, as well as
8 technological capabilities and present and future grid needs.
9 The Commission's final order concluding this investigation
10 shall establish a formula for the compensation of distributed
11 energy resources, and an initial set of inputs for that
12 formula. The Commission's final order concluding this
13 proceeding shall also direct the utilities to update the
14 formula, on an annual basis, with inputs derived from their
15 integrated grid plans developed pursuant to Section 16-105.17.
16 The Commission shall also determine, as a part of its
17 investigation under this subsection, whether distributed
18 energy resources can provide any additional beneficial uses or
19 services through utility-controlled responses to grid
20 conditions. If the Commission determines that distributed
21 energy resources can provide additional beneficial uses or
22 services, the Commission shall determine the terms and
23 conditions for the operation and compensation of those uses
24 and services. That compensation shall be above and beyond any
25 rebate that the distributed energy resource receives. diverse
26 sets of stakeholders, calculations for valuing distributed

1 ~~energy resource benefits to the grid based on best practices,~~
2 ~~and assessments of present and future technological~~
3 ~~capabilities of distributed energy resources. The value of~~
4 ~~such rebates shall reflect the value of the distributed~~
5 ~~generation to the distribution system at the location at which~~
6 ~~it is interconnected, taking into account the geographic,~~
7 ~~time based, and performance based benefits, as well as~~
8 ~~technological capabilities and present and future grid needs.~~
9 The Commission shall consider the electric utility's
10 integrated grid plan developed pursuant to Section 16-105.17
11 of this Act to help identify the value of distributed energy
12 resources for the purpose of calculating the rebates described
13 in this subsection. The Commission shall determine additional
14 compensation for distributed generation that creates savings
15 and value on the distribution system by being co-located or in
16 close proximity to electric vehicle charging infrastructure in
17 use by medium-duty and heavy-duty vehicles, primarily serving
18 environmental justice communities, as outlined in the utility
19 integrated grid planning process under Section 16-105.17 of
20 this Act. No later than 10 days after the Commission enters its
21 final order under this subsection (e), each ~~the~~ utility shall
22 file its tariff or tariffs in compliance with the order,
23 including new tariffs for the recovery of costs incurred under
24 this subsection (e) that shall provide for volumetric-based
25 cost recovery, and the Commission shall approve, or approve
26 with modification, the tariff or tariffs within 240 ~~45~~ days

1 after the utility's filing. For those rebate applications
2 filed after the threshold date but before the utility's tariff
3 or tariffs filed pursuant to this subsection (e) take effect,
4 the value of the rebate shall remain at the value established
5 in subsection (c) of this Section until the tariff is
6 approved. As part of the process, the Commission shall ensure
7 that the distributed generation rebate results in stable
8 growth of both small and large distributed generation projects
9 in Illinois as provided in subsection (j) of Section 16-107.5
10 of this Act, with particular attention to impacts to the
11 growth of residential distributed generation customers. The
12 Commission has the authority to establish interim rebate
13 values for part or all of a utility's service territory to
14 ensure transparency and stability of compensation for
15 distributed energy resources in the utility's service
16 territory.

17 (f) Notwithstanding any provision of this Act to the
18 contrary, the owner, developer, or subscriber of a generation
19 facility that is part of a net metering program provided under
20 subsection (l) of Section 16-107.5 shall also be eligible to
21 apply for the rebate described in this Section. A subscriber
22 to the generation facility may apply for a rebate in the amount
23 of the subscriber's subscription only if the owner, developer,
24 or previous subscriber to the same panel or panels has not
25 already submitted an application, and, regardless of whether
26 the subscriber is a residential or non-residential customer,

1 may be allowed the amount identified in paragraph (1) of
2 subsection (c) or in subsection (e) of this Section applicable
3 to such customer on the date that the application is
4 submitted. An application for a rebate for a portion of a
5 project described in this subsection (f) may be submitted at
6 or after the time that a related request for net metering is
7 made.

8 (g) No later than 60 days after the utility receives an
9 application for a rebate under its tariff approved under
10 subsection (d) or (e) of this Section, the utility shall issue
11 a rebate to the applicant under the terms of the tariff. In the
12 event the application is incomplete or the utility is
13 otherwise unable to calculate the payment based on the
14 information provided by the owner, the utility shall issue the
15 payment no later than 60 days after the application is
16 complete or all requested information is received.

17 (h) An electric utility shall recover from its retail
18 customers all of the costs of the rebates made under a tariff
19 or tariffs approved under subsection (d) of ~~placed into effect~~
20 ~~under~~ this Section, including, but not limited to, the value
21 of the rebates and all costs incurred by the utility to comply
22 with and implement subsections (b) and (c) of this Section,
23 but not including costs incurred by the utility to comply with
24 and implement subsection (e) of this Section, consistent with
25 the following provisions:

26 (1) The utility shall defer the full amount of its

1 costs ~~incurred under this Section~~ as a regulatory asset.
2 The total costs deferred as a regulatory asset shall be
3 amortized over a 15-year period. The unamortized balance
4 shall be recognized as of December 31 for a given year. The
5 utility shall also earn a return on the total of the
6 unamortized balance of the regulatory assets, less any
7 deferred taxes related to the unamortized balance, at an
8 annual rate equal to the utility's weighted average cost
9 of capital that includes, based on a year-end capital
10 structure, the utility's actual cost of debt for the
11 applicable calendar year and a cost of equity, which shall
12 be calculated as the sum of (i) the average for the
13 applicable calendar year of the monthly average yields of
14 30-year U.S. Treasury bonds published by the Board of
15 Governors of the Federal Reserve System in its weekly H.15
16 Statistical Release or successor publication; and (ii) 580
17 basis points, including a revenue conversion factor
18 calculated to recover or refund all additional income
19 taxes that may be payable or receivable as a result of that
20 return.

21 When an electric utility creates a regulatory asset
22 under the provisions of this Section, the costs are
23 recovered over a period during which customers also
24 receive a benefit, which is in the public interest.
25 Accordingly, it is the intent of the General Assembly that
26 an electric utility that elects to create a regulatory

1 asset under the provisions of this Section shall recover
2 all of the associated costs, including, but not limited
3 to, its cost of capital as set forth in this Section. After
4 the Commission has approved the prudence and
5 reasonableness of the costs that comprise the regulatory
6 asset, the electric utility shall be permitted to recover
7 all such costs, and the value and recoverability through
8 rates of the associated regulatory asset shall not be
9 limited, altered, impaired, or reduced. To enable the
10 financing of the incremental capital expenditures,
11 including regulatory assets, for electric utilities that
12 serve less than 3,000,000 retail customers but more than
13 500,000 retail customers in the State, the utility's
14 actual year-end capital structure that includes a common
15 equity ratio, excluding goodwill, of up to and including
16 50% of the total capital structure shall be deemed
17 reasonable and used to set rates.

18 (2) The utility, at its election, may recover all of
19 the costs ~~it incurs under this Section~~ as part of a filing
20 for a general increase in rates under Article IX of this
21 Act, as part of an annual filing to update a
22 performance-based formula rate under subsection (d) of
23 Section 16-108.5 of this Act, or through an automatic
24 adjustment clause tariff, provided that nothing in this
25 paragraph (2) permits the double recovery of such costs
26 from customers. If the utility elects to recover the costs

1 it incurs under this Section through an automatic
2 adjustment clause tariff, the utility may file its
3 proposed tariff together with the tariff it files under
4 subsection (b) of this Section or at a later time. The
5 proposed tariff shall provide for an annual
6 reconciliation, less any deferred taxes related to the
7 reconciliation, with interest at an annual rate of return
8 equal to the utility's weighted average cost of capital as
9 calculated under paragraph (1) of this subsection (h),
10 including a revenue conversion factor calculated to
11 recover or refund all additional income taxes that may be
12 payable or receivable as a result of that return, of the
13 revenue requirement reflected in rates for each calendar
14 year, beginning with the calendar year in which the
15 utility files its automatic adjustment clause tariff under
16 this subsection (h), with what the revenue requirement
17 would have been had the actual cost information for the
18 applicable calendar year been available at the filing
19 date. The Commission shall review the proposed tariff and
20 may make changes to the tariff that are consistent with
21 this Section and with the Commission's authority under
22 Article IX of this Act, subject to notice and hearing.
23 Following notice and hearing, the Commission shall issue
24 an order approving, or approving with modification, such
25 tariff no later than 240 days after the utility files its
26 tariff.

1 (i) An electric utility shall recover from its retail
2 customers, on a volumetric basis, all of the costs of the
3 rebates made under a tariff or tariffs placed into effect
4 under subsection (e) of this Section, including, but not
5 limited to, the value of the rebates and all costs incurred by
6 the utility to comply with and implement subsection (e) of
7 this Section, consistent with the following provisions:

8 (1) The utility may defer a portion of its costs as a
9 regulatory asset. The Commission shall determine the
10 portion that may be appropriately deferred as a regulatory
11 asset. Factors that the Commission shall consider in
12 determining the portion of costs that shall be deferred as
13 a regulatory asset include, but are not limited to: (i)
14 whether and the extent to which a cost effectively
15 deferred or avoided other distribution system costs; (ii)
16 the extent to which a cost provides environmental
17 benefits; (iii) the extent to which a cost improves system
18 reliability or resilience; (iv) the electric utility's
19 distribution system plan developed pursuant to Section
20 16-108.17 of this Act; and (v) such other factors as the
21 Commission deems appropriate. The remainder of costs shall
22 be deemed an operating expense and shall be recoverable if
23 found prudent and reasonable by the Commission.

24 The total costs deferred as a regulatory asset shall
25 be amortized over a 15-year period. The unamortized
26 balance shall be recognized as of December 31 for a given

1 year. The utility shall also earn a return on the total of
2 the 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 subsection (i), 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 may recover all of the costs through
15 an automatic adjustment clause tariff, on a volumetric
16 basis. The utility may file its proposed cost-recovery
17 tariff together with the tariff it files under subsection
18 (e) of this Section or at a later time. The proposed tariff
19 shall provide for an annual reconciliation, less any
20 deferred taxes related to the reconciliation, with
21 interest at an annual rate of return equal to the
22 utility's weighted average cost of capital as calculated
23 under paragraph (1) of this subsection (i), including a
24 revenue conversion factor calculated to recover or refund
25 all additional income taxes that may be payable or
26 receivable as a result of that return, of the revenue

1 requirement reflected in rates for each calendar year,
2 beginning with the calendar year in which the utility
3 files its automatic adjustment clause tariff under this
4 subsection (i), with what the revenue requirement would
5 have been had the actual cost information for the
6 applicable calendar year been available at the filing
7 date. The Commission shall review the proposed tariff and
8 may make changes to the tariff that are consistent with
9 this Section and with the Commission's authority under
10 Article IX of this Act, subject to notice and hearing.
11 Following notice and hearing, the Commission shall issue
12 an order approving, or approving with modification, such
13 tariff no later than 240 days after the utility files its
14 tariff.

15 (j) ~~(i)~~ No later than 90 days after the Commission enters
16 an order, or order on rehearing, whichever is later, approving
17 an electric utility's proposed tariff under subsection (d) of
18 this Section, the electric utility shall provide notice of the
19 availability of rebates under this Section. Subsequent to the
20 utility's notice, any entity that offers in the State, for
21 sale or lease, distributed generation and estimates the dollar
22 saving attributable to such distributed generation shall
23 provide estimates based on both delivery service credits, if
24 applicable and if available under Section 16-107.5 of this
25 Act, and the rebates available under this Section.

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

1 (220 ILCS 5/16-108)

2 Sec. 16-108. Recovery of costs associated with the
3 provision of delivery and other services.

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

23 (b) The Commission shall enter an order approving, or
24 approving as modified, the delivery services tariff no later
25 than 30 days prior to the date on which the electric utility

1 must commence offering such services. The Commission may
2 subsequently modify such tariff pursuant to this Act.

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

1 order that retail customers located in the electric utility's
2 service area can receive electric power and energy from
3 suppliers other than the electric utility. Nothing in this
4 subsection shall be construed as directing the Commission to
5 allocate any of the costs described in (i) or (ii) that are
6 found to be appropriately included in the electric utility's
7 delivery services rates to any particular customer group or
8 geographic area in setting delivery services rates.

9 (d) The Commission shall establish charges, terms and
10 conditions for delivery services that are just and reasonable
11 and shall take into account customer impacts when establishing
12 such charges. In establishing charges, terms and conditions
13 for delivery services, the Commission shall take into account
14 voltage level differences. A retail customer shall have the
15 option to request to purchase electric service at any delivery
16 service voltage reasonably and technically feasible from the
17 electric facilities serving that customer's premises provided
18 that there are no significant adverse impacts upon system
19 reliability or system efficiency. A retail customer shall also
20 have the option to request to purchase electric service at any
21 point of delivery that is reasonably and technically feasible
22 provided that there are no significant adverse impacts on
23 system reliability or efficiency. Such requests shall not be
24 unreasonably denied.

25 (e) Electric utilities shall recover the costs of
26 installing, operating or maintaining facilities for the

1 particular benefit of one or more delivery services customers,
2 including without limitation any costs incurred in complying
3 with a customer's request to be served at a different voltage
4 level, directly from the retail customer or customers for
5 whose benefit the costs were incurred, to the extent such
6 costs are not recovered through the charges referred to in
7 subsections (c) and (d) of this Section.

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

18 (i) the cogeneration or self-generation facilities
19 serve a single retail customer and are located on that
20 retail customer's premises (for purposes of this
21 subparagraph and subparagraph (ii), an industrial or
22 manufacturing retail customer and a third party contractor
23 that is served by such industrial or manufacturing
24 customer through such retail customer's own electrical
25 distribution facilities under the circumstances described
26 in subsection (vi) of the definition of "alternative

1 retail electric supplier" set forth in Section 16-102,
2 shall be considered a single retail customer);

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

19 (iii) the retail customer on whose premises the
20 facilities are located either has an exclusive right to
21 receive, and corresponding obligation to pay for, all of
22 the electrical capacity of the facility, or in the case of
23 a cogeneration facility that has been designed to meet the
24 retail customer's thermal energy requirements at that
25 premises, an identified amount of the electrical capacity
26 of the facility, over a minimum 5-year period; and

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

8 If a generation facility located at a retail customer's
9 premises does not meet the above criteria, an electric utility
10 implementing transition charges shall implement a transition
11 charge until December 31, 2006 for any power and energy taken
12 by such retail customer from such facility as if such power and
13 energy had been delivered by the electric utility. Provided,
14 however, that an industrial retail customer that is taking
15 power from a generation facility that does not meet the above
16 criteria but that is located on such customer's premises will
17 not be subject to a transition charge for the power and energy
18 taken by such retail customer from such generation facility if
19 the facility does not serve any other retail customer and
20 either was installed on behalf of the customer and for its own
21 use prior to January 1, 1997, or is both predominantly fueled
22 by byproducts of such customer's manufacturing process at such
23 premises and sells or offers an average of 300 megawatts or
24 more of electricity produced from such generation facility
25 into the wholesale market. Such charges shall be calculated as
26 provided in Section 16-102, and shall be collected on each

1 kilowatt-hour delivered under a delivery services tariff to a
2 retail customer from the date the customer first takes
3 delivery services until December 31, 2006 except as provided
4 in subsection (h) of this Section. Provided, however, that an
5 electric utility, other than an electric utility providing
6 service to at least 1,000,000 customers in this State on
7 January 1, 1999, shall be entitled to petition for entry of an
8 order by the Commission authorizing the electric utility to
9 implement transition charges for an additional period ending
10 no later than December 31, 2008. The electric utility shall
11 file its petition with supporting evidence no earlier than 16
12 months, and no later than 12 months, prior to December 31,
13 2006. The Commission shall hold a hearing on the electric
14 utility's petition and shall enter its order no later than 8
15 months after the petition is filed. The Commission shall
16 determine whether and to what extent the electric utility
17 shall be authorized to implement transition charges for an
18 additional period. The Commission may authorize the electric
19 utility to implement transition charges for some or all of the
20 additional period, and shall determine the mitigation factors
21 to be used in implementing such transition charges; provided,
22 that the Commission shall not authorize mitigation factors
23 less than 110% of those in effect during the 12 months ended
24 December 31, 2006. In making its determination, the Commission
25 shall consider the following factors: the necessity to
26 implement transition charges for an additional period in order

1 to maintain the financial integrity of the electric utility;
2 the prudence of the electric utility's actions in reducing its
3 costs since the effective date of this amendatory Act of 1997;
4 the ability of the electric utility to provide safe, adequate
5 and reliable service to retail customers in its service area;
6 and the impact on competition of allowing the electric utility
7 to implement transition charges for the additional period.

8 (g) The electric utility shall file tariffs that establish
9 the transition charges to be paid by each class of customers to
10 the electric utility in conjunction with the provision of
11 delivery services. The electric utility's tariffs shall define
12 the classes of its customers for purposes of calculating
13 transition charges. The electric utility's tariffs shall
14 provide for the calculation of transition charges on a
15 customer-specific basis for any retail customer whose average
16 monthly maximum electrical demand on the electric utility's
17 system during the 6 months with the customer's highest monthly
18 maximum electrical demands equals or exceeds 3.0 megawatts for
19 electric utilities having more than 1,000,000 customers, and
20 for other electric utilities for any customer that has an
21 average monthly maximum electrical demand on the electric
22 utility's system of one megawatt or more, and (A) for which
23 there exists data on the customer's usage during the 3 years
24 preceding the date that the customer became eligible to take
25 delivery services, or (B) for which there does not exist data
26 on the customer's usage during the 3 years preceding the date

1 that the customer became eligible to take delivery services,
2 if in the electric utility's reasonable judgment there exists
3 comparable usage information or a sufficient basis to develop
4 such information, and further provided that the electric
5 utility can require customers for which an individual
6 calculation is made to sign contracts that set forth the
7 transition charges to be paid by the customer to the electric
8 utility pursuant to the tariff.

9 (h) An electric utility shall also be entitled to file
10 tariffs that allow it to collect transition charges from
11 retail customers in the electric utility's service area that
12 do not take delivery services but that take electric power or
13 energy from an alternative retail electric supplier or from an
14 electric utility other than the electric utility in whose
15 service area the customer is located. Such charges shall be
16 calculated, in accordance with the definition of transition
17 charges in Section 16-102, for the period of time that the
18 customer would be obligated to pay transition charges if it
19 were taking delivery services, except that no deduction for
20 delivery services revenues shall be made in such calculation,
21 and usage data from the customer's class shall be used where
22 historical usage data is not available for the individual
23 customer. The customer shall be obligated to pay such charges
24 on a lump sum basis on or before the date on which the customer
25 commences to take service from the alternative retail electric
26 supplier or other electric utility, provided, that the

1 electric utility in whose service area the customer is located
2 shall offer the customer the option of signing a contract
3 pursuant to which the customer pays such charges ratably over
4 the period in which the charges would otherwise have applied.

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

13 (j) If a retail customer that obtains electric power and
14 energy from cogeneration or self-generation facilities
15 installed for its own use on or before January 1, 1997,
16 subsequently takes service from an alternative retail electric
17 supplier or an electric utility other than the electric
18 utility in whose service area the customer is located for any
19 portion of the customer's electric power and energy
20 requirements formerly obtained from those facilities
21 (including that amount purchased from the utility in lieu of
22 such generation and not as standby power purchases, under a
23 cogeneration displacement tariff in effect as of the effective
24 date of this amendatory Act of 1997), the transition charges
25 otherwise applicable pursuant to subsections (f), (g), or (h)
26 of this Section shall not be applicable in any year to that

1 portion of the customer's electric power and energy
2 requirements formerly obtained from those facilities,
3 provided, that for purposes of this subsection (j), such
4 portion shall not exceed the average number of kilowatt-hours
5 per year obtained from the cogeneration or self-generation
6 facilities during the 3 years prior to the date on which the
7 customer became eligible for delivery services, except as
8 provided in subsection (f) of Section 16-110.

9 (k) The electric utility shall be entitled to recover
10 through tariffed charges all of the costs associated with the
11 purchase of zero emission credits from zero emission
12 facilities to meet the requirements of subsection (d-5) of
13 Section 1-75 of the Illinois Power Agency Act. Such costs
14 shall include the costs of procuring the zero emission
15 credits, as well as the reasonable costs that the utility
16 incurs as part of the procurement processes and to implement
17 and comply with plans and processes approved by the Commission
18 under such subsection (d-5). The costs shall be allocated
19 across all retail customers through a single, uniform cents
20 per kilowatt-hour charge applicable to all retail customers,
21 which shall appear as a separate line item on each customer's
22 bill. Beginning June 1, 2017, the electric utility shall be
23 entitled to recover through tariffed charges all of the costs
24 associated with the purchase of renewable energy resources to
25 meet the long-term goals and targets of the renewable energy
26 resource standards of subsection (c) of Section 1-75 of the

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

15 Notwithstanding whether the Commission has approved the
16 initial long-term renewable resources procurement plan as of
17 June 1, 2017, an electric utility shall place new tariffed
18 charges into effect beginning with the June 2017 monthly
19 billing period, to the extent practicable, to begin recovering
20 the costs of procuring renewable energy resources, as those
21 charges are calculated under the limitations described in
22 subparagraph (E) of paragraph (1) of subsection (c) of Section
23 1-75 of the Illinois Power Agency Act. Notwithstanding the
24 date on which the utility places such new tariffed charges
25 into effect, the utility shall be permitted to collect the
26 charges under such tariff as if the tariff had been in effect

1 beginning with the first day of the June 2017 monthly billing
2 period. Money collected from customers for the procurement of
3 renewable energy resources in a given delivery may be spent by
4 the utility for the procurement of renewable resources over
5 any of the following 5 delivery years, after which money shall
6 be credited back to retail customers, provided that up to
7 \$170,000,000 of funds collected, but not used, in a given
8 delivery year are first made available to the Illinois Solar
9 for All Program established under subsection (b) of Section
10 1-56 of the Illinois Power Agency Act to cover budget
11 shortfalls due to unexpected fluctuations in the amount of
12 money available to that Program from the Illinois Power Agency
13 Renewable Energy Resources Fund. The electric utility shall
14 spend all money collected in earlier delivery years that has
15 not yet been returned to customers, first, before spending
16 money collected in later delivery years. The ~~For the delivery~~
17 ~~years commencing June 1, 2017, June 1, 2018, and June 1, 2019,~~
18 ~~the~~ electric utility shall deposit into a separate interest
19 bearing account of a financial institution the monies
20 collected under the tariffed charges. Any interest earned
21 shall be credited back to retail customers under the
22 reconciliation proceeding provided for in this subsection (k),
23 provided that the electric utility shall first be reimbursed
24 from the interest for the administrative costs that it incurs
25 to administer and manage the account. Any taxes due on the
26 funds in the account, or interest earned on it, will be paid

1 from the account or, if insufficient monies are available in
2 the account, from the monies collected under the tariffed
3 charges to recover the costs of procuring renewable energy
4 resources. Monies deposited in the account shall be subject to
5 the review, reconciliation, and true-up process described in
6 this subsection (k) that is applicable to the funds collected
7 and costs incurred for the procurement of renewable energy
8 resources.

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

1 electric utility's automatic adjustment clause tariffs and
2 that shall be approved by the Commission in connection with
3 its approval of such tariffs. The procedure shall provide that
4 any difference between the electric utility's collections for
5 zero emission credits under the automatic adjustment charges
6 for an annual period and the electric utility's actual costs
7 of ~~renewable energy resources~~ and zero emission credits from
8 zero emission facilities for that same annual period shall be
9 refunded to or collected from, as applicable, the electric
10 utility's retail customers in subsequent periods.

11 Nothing in this subsection (k) is intended to affect,
12 limit, or change the right of the electric utility to recover
13 the costs associated with the procurement of renewable energy
14 resources for periods commencing before, on, or after June 1,
15 2017, as otherwise provided in the Illinois Power Agency Act.

16 ~~Notwithstanding anything to the contrary, the Commission~~
17 ~~shall not conduct an annual review, reconciliation, and~~
18 ~~true up associated with renewable energy resources'~~
19 ~~collections and costs for the delivery years commencing June~~
20 ~~1, 2017, June 1, 2018, June 1, 2019, and June 1, 2020, and~~
21 ~~shall instead conduct a single review, reconciliation, and~~
22 ~~true up associated with renewable energy resources'~~
23 ~~collections and costs for the 4 year period beginning June 1,~~
24 ~~2017 and ending May 31, 2021, provided that the review,~~
25 ~~reconciliation, and true up shall not be initiated until after~~
26 ~~August 31, 2021. During the 4 year period, the utility shall~~

1 ~~be permitted to collect and retain funds under this subsection~~
2 ~~(k) and to purchase renewable energy resources under an~~
3 ~~approved long term renewable resources procurement plan using~~
4 ~~those funds regardless of the delivery year in which the funds~~
5 ~~were collected during the 4 year period.~~

6 ~~If the amount of funds collected during the delivery year~~
7 ~~commencing June 1, 2017, exceeds the costs incurred during~~
8 ~~that delivery year, then up to half of this excess amount, as~~
9 ~~calculated on June 1, 2018, may be used to fund the programs~~
10 ~~under subsection (b) of Section 1-56 of the Illinois Power~~
11 ~~Agency Act in the same proportion the programs are funded~~
12 ~~under that subsection (b). However, any amount identified~~
13 ~~under this subsection (k) to fund programs under subsection~~
14 ~~(b) of Section 1-56 of the Illinois Power Agency Act shall be~~
15 ~~reduced if it exceeds the funding shortfall. For purposes of~~
16 ~~this Section, "funding shortfall" means the difference between~~
17 ~~\$200,000,000 and the amount appropriated by the General~~
18 ~~Assembly to the Illinois Power Agency Renewable Energy~~
19 ~~Resources Fund during the period that commences on the~~
20 ~~effective date of this amendatory act of the 99th General~~
21 ~~Assembly and ends on August 1, 2018.~~

22 ~~If the amount of funds collected during the delivery year~~
23 ~~commencing June 1, 2018, exceeds the costs incurred during~~
24 ~~that delivery year, then up to half of this excess amount, as~~
25 ~~calculated on June 1, 2019, 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 ~~If the amount of funds collected during the delivery year~~
7 ~~commencing June 1, 2019, exceeds the costs incurred during~~
8 ~~that delivery year, then up to half of this excess amount, as~~
9 ~~calculated on June 1, 2020, may be used to fund the programs~~
10 ~~under subsection (b) of Section 1-56 of the Illinois Power~~
11 ~~Agency Act in the same proportion the programs are funded~~
12 ~~under that subsection (b). However, any amount identified~~
13 ~~under this subsection (k) to fund programs under subsection~~
14 ~~(b) of Section 1-56 of the Illinois Power Agency Act shall be~~
15 ~~reduced if it exceeds the funding shortfall.~~

16 The funding available under this subsection (k), if any,
17 for the programs described under subsection (b) of Section
18 1-56 of the Illinois Power Agency Act shall not reduce the
19 amount of funding for the programs described in subparagraph
20 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
21 Illinois Power Agency Act. If funding is available under this
22 subsection (k) for programs described under subsection (b) of
23 Section 1-56 of the Illinois Power Agency Act, then the
24 long-term renewable resources plan shall provide for the
25 Agency to procure contracts in an amount that does not exceed
26 the funding, and the contracts approved by the Commission

1 shall be executed by the applicable utility or utilities.

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

9 (m) (1) An electric utility that recovers its costs of
10 procuring zero emission credits from zero emission
11 facilities through a cents-per-kilowatthour charge under
12 to subsection (k) of this Section shall be subject to the
13 requirements of this subsection (m). Notwithstanding
14 anything to the contrary, such electric utility shall,
15 beginning on April 30, 2018, and each April 30 thereafter
16 until April 30, 2026, calculate whether any reduction must
17 be applied to such cents-per-kilowatthour charge that is
18 paid by retail customers of the electric utility that are
19 exempt from subsections (a) through (j) of Section 8-103B
20 of this Act under subsection (l) of Section 8-103B. Such
21 charge shall be reduced for such customers for the next
22 delivery year commencing on June 1 based on the amount
23 necessary, if any, to limit the annual estimated average
24 net increase for the prior calendar year due to the future
25 energy investment costs to no more than 1.3% of 5.98 cents
26 per kilowatt-hour, which is the average amount paid per

1 kilowatthour for electric service during the year ending
2 December 31, 2015 by Illinois industrial retail customers,
3 as reported to the Edison Electric Institute.

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

7 (2) For purposes of this Section, "future energy
8 investment costs" shall be calculated by subtracting the
9 cents-per-kilowatthour charge identified in subparagraph
10 (A) of this paragraph (2) from the sum of the
11 cents-per-kilowatthour charges identified in subparagraph
12 (B) of this paragraph (2):

13 (A) The cents-per-kilowatthour charge identified
14 in the electric utility's tariff placed into effect
15 under Section 8-103 of the Public Utilities Act that,
16 on December 1, 2016, was applicable to those retail
17 customers that are exempt from subsections (a) through
18 (j) of Section 8-103B of this Act under subsection (1)
19 of Section 8-103B.

20 (B) The sum of the following
21 cents-per-kilowatthour charges applicable to those
22 retail customers that are exempt from subsections (a)
23 through (j) of Section 8-103B of this Act under
24 subsection (1) of Section 8-103B, provided that if one
25 or more of the following charges has been in effect and
26 applied to such customers for more than one calendar

1 year, then each charge shall be equal to the average of
2 the charges applied over a period that commences with
3 the calendar year ending December 31, 2017 and ends
4 with the most recently completed calendar year prior
5 to the calculation required by this subsection (m):

6 (i) the cents-per-kilowatthour charge to
7 recover the costs incurred by the utility under
8 subsection (d-5) of Section 1-75 of the Illinois
9 Power Agency Act, adjusted for any reductions
10 required under this subsection (m); and

11 (ii) the cents-per-kilowatthour charge to
12 recover the costs incurred by the utility under
13 Section 16-107.6 of the Public Utilities Act.

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

17 (3) If a reduction is required by the calculation
18 performed under this subsection (m), then the amount of
19 the reduction shall be multiplied by the number of years
20 reflected in the averages calculated under subparagraph
21 (B) of paragraph (2) of this subsection (m). Such
22 reduction shall be applied to the cents-per-kilowatthour
23 charge that is applicable to those retail customers that
24 are exempt from subsections (a) through (j) of Section
25 8-103B of this Act under subsection (l) of Section 8-103B
26 beginning with the next delivery year commencing after the

1 date of the calculation required by this subsection (m).

2 (4) The electric utility shall file a notice with the
3 Commission on May 1 of 2018 and each May 1 thereafter until
4 May 1, 2026 containing the reduction, if any, which must
5 be applied for the delivery year which begins in the year
6 of the filing. The notice shall contain the calculations
7 made pursuant to this Section. By October 1 of each year
8 beginning in 2018, each electric utility shall notify the
9 Commission if it appears, based on an estimate of the
10 calculation required in this subsection (m), that a
11 reduction will be required in the next year.

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

13 (220 ILCS 5/16-111.5)

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

15 (a) An electric utility that on December 31, 2005 served
16 at least 100,000 customers in Illinois shall procure power and
17 energy for its eligible retail customers in accordance with
18 the applicable provisions set forth in Section 1-75 of the
19 Illinois Power Agency Act and this Section. Beginning with the
20 delivery year commencing on June 1, 2017, such electric
21 utility shall also procure zero emission credits from zero
22 emission facilities in accordance with the applicable
23 provisions set forth in Section 1-75 of the Illinois Power
24 Agency Act, and, for years beginning on or after June 1, 2017,
25 the utility shall procure renewable energy resources in

1 accordance with the applicable provisions set forth in Section
2 1-75 of the Illinois Power Agency Act and this Section.
3 Beginning with the delivery year commencing June 1, 2023, an
4 electric utility that, on December 31, 2005, served at least
5 3,000,000 customers in Illinois shall procure capacity for its
6 retail customers in accordance with the applicable provisions
7 set forth in Section 1-75 of the Illinois Power Agency Act and
8 this Section. A small multi-jurisdictional electric utility
9 that on December 31, 2005 served less than 100,000 customers
10 in Illinois may elect to procure power and energy for all or a
11 portion of its eligible Illinois retail customers in
12 accordance with the applicable provisions set forth in this
13 Section and Section 1-75 of the Illinois Power Agency Act.
14 This Section shall not apply to a small multi-jurisdictional
15 utility until such time as a small multi-jurisdictional
16 utility requests the Illinois Power Agency to prepare a
17 procurement plan for its eligible retail customers. "Eligible
18 retail customers" for the purposes of this Section means those
19 retail customers that purchase power and energy from the
20 electric utility under fixed-price bundled service tariffs,
21 other than those retail customers whose service is declared or
22 deemed competitive under Section 16-113 and those other
23 customer groups specified in this Section, including
24 self-generating customers, customers electing hourly pricing,
25 or those customers who are otherwise ineligible for
26 fixed-price bundled tariff service. For those customers that

1 are excluded from the procurement plan's electric supply
2 service requirements, and the utility shall procure any supply
3 requirements, including capacity, ancillary services, and
4 hourly priced energy, in the applicable markets as needed to
5 serve those customers, provided that the utility may include
6 in its procurement plan load requirements for the load that is
7 associated with those retail customers whose service has been
8 declared or deemed competitive pursuant to Section 16-113 of
9 this Act to the extent that those customers are purchasing
10 power and energy during one of the transition periods
11 identified in subsection (b) of Section 16-113 of this Act.

12 (b) A procurement plan shall be prepared for each electric
13 utility consistent with the applicable requirements of the
14 Illinois Power Agency Act and this Section. For purposes of
15 this Section, Illinois electric utilities that are affiliated
16 by virtue of a common parent company are considered to be a
17 single electric utility. Small multi-jurisdictional utilities
18 may request a procurement plan for a portion of or all of its
19 Illinois load. Each procurement plan shall analyze the
20 projected balance of supply and demand for those retail
21 customers to be included in the plan's electric supply service
22 requirements over a 5-year period, with the first planning
23 year beginning on June 1 of the year following the year in
24 which the plan is filed. The plan shall specifically identify
25 the carbon-free capacity to be procured, as described in
26 Section 1-75 of the Illinois Power Agency Act, and the

1 wholesale products to be procured following plan approval~~7~~ and
2 shall follow all the requirements set forth in the Public
3 Utilities Act and all applicable State and federal laws,
4 statutes, rules, or regulations, as well as Commission orders.
5 Nothing in this Section precludes consideration of contracts
6 longer than 5 years and related forecast data. Unless
7 specified otherwise in this Section, in the procurement plan
8 or in the implementing tariff, any procurement occurring in
9 accordance with this plan shall be competitively bid through a
10 request for proposals process. Approval and implementation of
11 the procurement plan shall be subject to review and approval
12 by the Commission according to the provisions set forth in
13 this Section. A procurement plan shall include each of the
14 following components:

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

16 (i) multi-year historical analysis of hourly
17 loads;

18 (ii) switching trends and competitive retail
19 market analysis;

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

21 and

22 (iv) growth forecasts by customer class.

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

25 (i) the impact of demand response programs and
26 energy efficiency programs, both current and

1 projected; for small multi-jurisdictional utilities,
2 the impact of demand response and energy efficiency
3 programs approved pursuant to Section 8-408 of this
4 Act, both current and projected; and

5 (ii) supply side needs that are projected to be
6 offset by purchases of renewable energy resources, if
7 any.

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

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

13 (ii) the proposed mix of demand-response products
14 for which contracts will be executed during the next
15 year. For small multi-jurisdictional electric
16 utilities that on December 31, 2005 served fewer than
17 100,000 customers in Illinois, these shall be defined
18 as demand-response products offered in an energy
19 efficiency plan approved pursuant to Section 8-408 of
20 this Act. The cost-effective demand-response measures
21 shall be procured whenever the cost is lower than
22 procuring comparable capacity products, provided that
23 such products shall:

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

1 (B) at least satisfy the demand-response
2 requirements of the regional transmission
3 organization market in which the utility's service
4 territory is located, including, but not limited
5 to, any applicable capacity or dispatch
6 requirements;

7 (C) provide for customers' participation in
8 the stream of benefits produced by the
9 demand-response products;

10 (D) provide for reimbursement by the
11 demand-response provider of the utility for any
12 costs incurred as a result of the failure of the
13 supplier of such products to perform its
14 obligations thereunder; and

15 (E) meet the same credit requirements as apply
16 to suppliers of capacity, in the applicable
17 regional transmission organization market;

18 (iii) monthly forecasted system supply
19 requirements, including expected minimum, maximum, and
20 average values for the planning period;

21 (iv) the proposed mix and selection of standard
22 wholesale products for which contracts will be
23 executed during the next year, separately or in
24 combination, to meet that portion of its load
25 requirements not met through pre-existing contracts,
26 including, but not limited to, monthly 5 x 16 peak

1 period block energy, monthly off-peak wrap energy,
2 monthly 7 x 24 energy, annual 5 x 16 energy, annual
3 off-peak wrap energy, annual 7 x 24 energy, monthly
4 capacity, annual capacity, peak load capacity
5 obligations, capacity purchase plan, and ancillary
6 services;

7 (v) proposed term structures for each wholesale
8 product type included in the proposed procurement plan
9 portfolio of products; ~~and~~

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

21 (vii) the amount of capacity procured for each
22 year through the procurements in subsection (k) of
23 Section 1-75 of the Illinois Power Agency Act and this
24 Section, and the amount of capacity to be procured
25 from each procurement during the next year.

26 (4) Proposed procedures for balancing loads. The

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

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

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

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

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

1 generation expected to be interconnected for each
2 year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (vi) On or before July 1 of each year, the
23 Commission shall hold an informal hearing for the
24 purpose of receiving comments on the prior year's
25 procurement process and any recommendations for
26 change.

1 (6) Capacity Procurement Plan.

2 (i) No later than 90 days after notice by a public
3 utility of election of the Fixed Resource Requirement
4 Alternative and Illinois Commerce Commission approval
5 of same, the Illinois Power Agency shall publish for
6 public comment a draft Capacity Procurement Plan
7 pursuant to subsection (k) of Section 1-75 of the
8 Illinois Power Agency Act. The Agency shall conduct at
9 least one public workshop to elicit input regarding
10 development of the Plan. The Agency shall provide 60
11 days for public comment on the draft Plan, and within
12 30 days after the deadline for comment shall submit
13 the Plan to the Illinois Commerce Commission.

14 (ii) After providing appropriate opportunities for
15 objection and hearing, the Commission shall enter its
16 order approving or modifying the Plan within 60 days
17 after the filing of the plan by the Illinois Power
18 Agency. The Commission shall approve the Plan if it
19 meets the objectives set forth in subsection (k) of
20 Section 1-75 of the Illinois Power Agency Act. If the
21 Plan does not meet those objectives, the Commission
22 shall modify the Plan or shall provide specific
23 direction to the Agency to modify and resubmit the
24 Plan within 30 days.

25 (c) The procurement process set forth in Section 1-75 of
26 the Illinois Power Agency Act and subsection (e) of this

1 Section shall be administered by a procurement administrator
2 and monitored by a procurement monitor.

3 (1) The procurement administrator shall:

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

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

13 (iii) serve as the interface between the electric
14 utility and suppliers;

15 (iv) manage the bidder pre-qualification and
16 registration process;

17 (v) obtain the electric utilities' agreement to
18 the final form of all supply contracts and credit
19 collateral agreements;

20 (vi) administer the request for proposals process;

21 (vii) have the discretion to negotiate to
22 determine whether bidders are willing to lower the
23 price of bids that meet the benchmarks approved by the
24 Commission; any post-bid negotiations with bidders
25 shall be limited to price only and shall be completed
26 within 24 hours after opening the sealed bids and

1 shall be conducted in a fair and unbiased manner; in
2 conducting the negotiations, there shall be no
3 disclosure of any information derived from proposals
4 submitted by competing bidders; if information is
5 disclosed to any bidder, it shall be provided to all
6 competing bidders;

7 (viii) maintain confidentiality of supplier and
8 bidding information in a manner consistent with all
9 applicable laws, rules, regulations, and tariffs;

10 (ix) submit a confidential report to the
11 Commission recommending acceptance or rejection of
12 bids;

13 (x) notify the utility of contract counterparties
14 and contract specifics; and

15 (xi) administer related contingency procurement
16 events.

17 (2) The procurement monitor, who shall be retained by
18 the Commission, shall:

19 (i) monitor interactions among the procurement
20 administrator, suppliers, and utility;

21 (ii) monitor and report to the Commission on the
22 progress of the procurement process;

23 (iii) provide an independent confidential report
24 to the Commission regarding the results of the
25 procurement event;

26 (iv) assess compliance with the procurement plans

1 approved by the Commission for each utility that on
2 December 31, 2005 provided electric service to at
3 least 100,000 customers in Illinois and for each small
4 multi-jurisdictional utility that on December 31, 2005
5 served less than 100,000 customers in Illinois;

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

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

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

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

19 (1) Beginning in 2008, each Illinois utility procuring
20 power pursuant to this Section shall annually provide a
21 range of load forecasts to the Illinois Power Agency by
22 July 15 of each year, or such other date as may be required
23 by the Commission or Agency. The load forecasts shall
24 cover the 5-year procurement planning period for the next
25 procurement plan and shall include hourly data
26 representing a high-load, low-load, and expected-load

1 scenario for the load of those retail customers included
2 in the plan's electric supply service requirements. The
3 utility shall provide supporting data and assumptions for
4 each of the scenarios.

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

1 of receiving public comment on the procurement plan.
2 Within 14 days following the end of the 30-day review
3 period, the Agency shall revise the procurement plan as
4 necessary based on the comments received and file the
5 procurement plan with the Commission and post the
6 procurement plan on the websites.

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

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

22 (e) The procurement process shall include each of the
23 following components:

24 (1) Solicitation, pre-qualification, and registration
25 of bidders. The procurement administrator shall
26 disseminate information to potential bidders to promote a

1 procurement event, notify potential bidders that the
2 procurement administrator may enter into a post-bid price
3 negotiation with bidders that meet the applicable
4 benchmarks, provide supply requirements, and otherwise
5 explain the competitive procurement process. In addition
6 to such other publication as the procurement administrator
7 determines is appropriate, this information shall be
8 posted on the Illinois Power Agency's and the Commission's
9 websites. The procurement administrator shall also
10 administer the prequalification process, including
11 evaluation of credit worthiness, compliance with
12 procurement rules, and agreement to the standard form
13 contract developed pursuant to paragraph (2) of this
14 subsection (e). The procurement administrator shall then
15 identify and register bidders to participate in the
16 procurement event.

17 (2) Standard contract forms and credit terms and
18 instruments. The procurement administrator, in
19 consultation with the utilities, the Commission, and other
20 interested parties and subject to Commission oversight,
21 shall develop and provide standard contract forms for the
22 supplier contracts that meet generally accepted industry
23 practices. Standard credit terms and instruments that meet
24 generally accepted industry practices shall be similarly
25 developed. The procurement administrator shall make
26 available to the Commission all written comments it

1 receives on the contract forms, credit terms, or
2 instruments. If the procurement administrator cannot reach
3 agreement with the applicable electric utility as to the
4 contract terms and conditions, the procurement
5 administrator must notify the Commission of any disputed
6 terms and the Commission shall resolve the dispute. The
7 terms of the contracts shall not be subject to negotiation
8 by winning bidders, and the bidders must agree to the
9 terms of the contract in advance so that winning bids are
10 selected solely on the basis of price.

11 (3) Establishment of a market-based price benchmark.
12 As part of the development of the procurement process, the
13 procurement administrator, in consultation with the
14 Commission staff, Agency staff, and the procurement
15 monitor, shall establish benchmarks for evaluating the
16 final prices in the contracts for each of the products
17 that will be procured through the procurement process. The
18 benchmarks shall be based on price data for similar
19 products for the same delivery period and same delivery
20 hub, or other delivery hubs after adjusting for that
21 difference. The price benchmarks may also be adjusted to
22 take into account differences between the information
23 reflected in the underlying data sources and the specific
24 products and procurement process being used to procure
25 power for the Illinois utilities. The benchmarks shall be
26 confidential but shall be provided to, and will be subject

1 to Commission review and approval, prior to a procurement
2 event.

3 (4) Request for proposals competitive procurement
4 process. The procurement administrator shall design and
5 issue a request for proposals to supply electricity in
6 accordance with each utility's procurement plan, as
7 approved by the Commission. The request for proposals
8 shall set forth a procedure for sealed, binding commitment
9 bidding with pay-as-bid settlement, and provision for
10 selection of bids on the basis of price.

11 (5) A plan for implementing contingencies in the event
12 of supplier default or failure of the procurement process
13 to fully meet the expected load requirement due to
14 insufficient supplier participation, Commission rejection
15 of results, or any other cause.

16 (i) Event of supplier default: In the event of
17 supplier default, the utility shall review the
18 contract of the defaulting supplier to determine if
19 the amount of supply is 200 megawatts or greater, and
20 if there are more than 60 days remaining of the
21 contract term. If both of these conditions are met,
22 and the default results in termination of the
23 contract, the utility shall immediately notify the
24 Illinois Power Agency that a request for proposals
25 must be issued to procure replacement power, and the
26 procurement administrator shall run an additional

1 procurement event. If the contracted supply of the
2 defaulting supplier is less than 200 megawatts or
3 there are less than 60 days remaining of the contract
4 term, the utility shall procure power and energy from
5 the applicable regional transmission organization
6 market, including ancillary services, capacity, and
7 day-ahead or real time energy, or both, for the
8 duration of the contract term to replace the
9 contracted supply; provided, however, that if a needed
10 product is not available through the regional
11 transmission organization market it shall be purchased
12 from the wholesale market.

13 (ii) Failure of the procurement process to fully
14 meet the expected load requirement: If the procurement
15 process fails to fully meet the expected load
16 requirement due to insufficient supplier participation
17 or due to a Commission rejection of the procurement
18 results, the procurement administrator, the
19 procurement monitor, and the Commission staff shall
20 meet within 10 days to analyze potential causes of low
21 supplier interest or causes for the Commission
22 decision. If changes are identified that would likely
23 result in increased supplier participation, or that
24 would address concerns causing the Commission to
25 reject the results of the prior procurement event, the
26 procurement administrator may implement those changes

1 and rerun the request for proposals process according
2 to a schedule determined by those parties and
3 consistent with Section 1-75 of the Illinois Power
4 Agency Act and this subsection. In any event, a new
5 request for proposals process shall be implemented by
6 the procurement administrator within 90 days after the
7 determination that the procurement process has failed
8 to fully meet the expected load requirement.

9 (iii) In all cases where there is insufficient
10 supply provided under contracts awarded through the
11 procurement process to fully meet the electric
12 utility's load requirement, the utility shall meet the
13 load requirement by procuring power and energy from
14 the applicable regional transmission organization
15 market, including ancillary services, capacity, and
16 day-ahead or real time energy, or both; provided,
17 however, that if a needed product is not available
18 through the regional transmission organization market
19 it shall be purchased from the wholesale market.

20 (6) The procurement process described in this
21 subsection is exempt from the requirements of the Illinois
22 Procurement Code, pursuant to Section 20-10 of that Code.

23 (f) Within 2 business days after opening the sealed bids,
24 the procurement administrator shall submit a confidential
25 report to the Commission. The report shall contain the results
26 of the bidding for each of the products along with the

1 procurement administrator's recommendation for the acceptance
2 and rejection of bids based on the price benchmark criteria
3 and other factors observed in the process. The procurement
4 monitor also shall submit a confidential report to the
5 Commission within 2 business days after opening the sealed
6 bids. The report shall contain the procurement monitor's
7 assessment of bidder behavior in the process as well as an
8 assessment of the procurement administrator's compliance with
9 the procurement process and rules. The Commission shall review
10 the confidential reports submitted by the procurement
11 administrator and procurement monitor, and shall accept or
12 reject the recommendations of the procurement administrator
13 within 2 business days after receipt of the reports.

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

22 (h) The names of the successful bidders and the load
23 weighted average of the winning bid prices for each contract
24 type and for each contract term shall be made available to the
25 public at the time of Commission approval of a procurement
26 event. The Commission, the procurement monitor, the

1 procurement administrator, the Illinois Power Agency, and all
2 participants in the procurement process shall maintain the
3 confidentiality of all other supplier and bidding information
4 in a manner consistent with all applicable laws, rules,
5 regulations, and tariffs. Confidential information, including
6 the confidential reports submitted by the procurement
7 administrator and procurement monitor pursuant to subsection
8 (f) of this Section, shall not be made publicly available and
9 shall not be discoverable by any party in any proceeding,
10 absent a compelling demonstration of need, nor shall those
11 reports be admissible in any proceeding other than one for law
12 enforcement purposes.

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

22 (j) Within 60 days following August 28, 2007 (the
23 effective date of Public Act 95-481), each electric utility
24 that on December 31, 2005 provided electric service to at
25 least 100,000 customers in Illinois shall prepare and file
26 with the Commission an initial procurement plan, which shall

1 conform in all material respects to the requirements of the
2 procurement plan set forth in subsection (b); provided,
3 however, that the Illinois Power Agency Act shall not apply to
4 the initial procurement plan prepared pursuant to this
5 subsection. The initial procurement plan shall identify the
6 portfolio of power and energy products to be procured and
7 delivered for the period June 2008 through May 2009, and shall
8 identify the proposed procurement administrator, who shall
9 have the same experience and expertise as is required of a
10 procurement administrator hired pursuant to Section 1-75 of
11 the Illinois Power Agency Act. Copies of the procurement plan
12 shall be posted and made publicly available on the
13 Commission's website. The initial procurement plan may include
14 contracts for renewable resources that extend beyond May 2009.

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

1 and issue an order on the procurement plan within 60 days
2 after the filing of the procurement plan by the electric
3 utility.

4 (ii) The order shall approve or modify the procurement
5 plan, approve an independent procurement administrator,
6 and approve or modify the electric utility's tariffs that
7 are proposed with the initial procurement plan. The
8 Commission shall approve the procurement plan if the
9 Commission determines that it will ensure adequate,
10 reliable, affordable, efficient, and environmentally
11 sustainable electric service at the lowest total cost over
12 time, taking into account any benefits of price stability.

13 (k) (Blank).

14 (k-5) (Blank).

15 (l) An electric utility shall recover its costs incurred
16 under this Section, including, but not limited to, the costs
17 of procuring power and energy demand-response resources under
18 this Section. The utility shall file with the initial
19 procurement plan its proposed tariffs through which its costs
20 of procuring power that are incurred pursuant to a
21 Commission-approved procurement plan and those other costs
22 identified in this subsection (l), will be recovered. The
23 tariffs shall include a formula rate or charge designed to
24 pass through both the costs incurred by the utility in
25 procuring a supply of electric power and energy for the
26 applicable customer classes with no mark-up or return on the

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

1 of the costs incurred by the electric utility associated with
2 the purchase of renewable energy resources in accordance with
3 Sections 1-56 and 1-75 of the Illinois Power Agency Act, shall
4 be recovered through the electric utility's tariffed charges
5 applicable to all of its retail customers, as specified in
6 subsection (k) of Section 16-108 of this Act, and shall not be
7 recovered through the electric utility's tariffed charges for
8 electric power and energy supply to its eligible retail
9 customers.

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

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

24 (o) On or before June 1 of each year, the Commission shall
25 hold an informal hearing for the purpose of receiving comments
26 on the prior year's procurement process and any

1 recommendations for change.

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

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

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

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

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

18 (220 ILCS 5/16-131 new)

19 Sec. 16-131. Right to self-generate electricity.

20 (a) As used in this Section:

21 "Electric cooperative" has the meaning set forth in
22 Section 3.4 of the Electric Supplier Act.

23 "Municipal utility" means a public utility that is owned
24 and operated by any political subdivision or municipal
25 corporation of this State or owned by such an entity and

1 operated by any lessee or any operating agent thereof.

2 "Public utility" has the definition set forth in Section
3 3-105 of this Act.

4 (b) Customers shall have the right to, and the Commission
5 shall protect the rights of customers to, produce, consume,
6 and store their own energy without discriminatory
7 repercussions from a public utility, electric cooperative, or
8 municipal utility, regardless of whether that energy is
9 produced via a system that is owned outright, leased, or
10 financed through a behind-the-meter solar power-purchase
11 agreement or other means. This includes customers' rights to:

12 (1) generate, consume, and export renewable energy and
13 reduce his or her use of electricity obtained from the
14 grid;

15 (2) use technology to store energy at his or her
16 residence;

17 (3) connect his or her electrical system that
18 generates renewable energy, stores energy, or any
19 combination thereof, with the electricity meter on the
20 customer's premises that is provided by a public utility,
21 electric cooperative, or municipal utility:

22 (A) in a timely manner;

23 (B) in accordance with requirements established by
24 the electric utility to ensure the safety of utility
25 workers; and

26 (C) after providing written notice to the electric

1 utility providing service in the service territory,
2 installing a nomenclature plate on the electrical
3 meter panel and meeting all applicable state and local
4 safety and electrical code requirements associated
5 with installing a parallel distributed generation
6 system; and

7 (4) receive fair credit for energy exported to the
8 grid.

9 (c) A public utility, electric cooperative, or municipal
10 utility customer who produces, consumes, and stores his or her
11 own energy shall not face discriminatory rate design, fees,
12 treatment, or excessive compliance requirements as provided by
13 paragraph (3) of subsection (n) of Section 16-107.5.

14 (d) A public utility, electric cooperative, or municipal
15 utility customer shall have a right to appeal any decision
16 related to self-generation and storage that violates these
17 rights to self-generation and non-discrimination pursuant to
18 the provisions of this Section through a complaint process.

19 (e) The Illinois Commerce Commission shall adopt all rules
20 necessary for the administration of this Section.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 5 ILCS 100/5-45.8 new

4 20 ILCS 3855/1-5

5 20 ILCS 3855/1-10

6 20 ILCS 3855/1-20

7 20 ILCS 3855/1-56

8 20 ILCS 3855/1-75

9 220 ILCS 5/8-512 new

10 220 ILCS 5/16-107.5

11 220 ILCS 5/16-107.6

12 220 ILCS 5/16-108

13 220 ILCS 5/16-111.5

14 220 ILCS 5/16-131 new