



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB3101

Introduced 2/19/2021, by Rep. Delia C. Ramirez

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Building Energy Performance Standard Act. Provides that the purpose of the Illinois Building Energy Performance Standard is to decrease energy consumption, reduce greenhouse gas emissions from existing buildings, and increase economic growth and job creation. Provides that the Illinois Office of Energy shall establish a Building Energy Performance Standard Task Force to advise and provide technical assistance and recommendations relating to the Illinois Building Energy Performance Standard. Amends the Energy Efficient Building Act. Provides that the Capital Development Board, in consultation with the Department of Commerce and Economic Opportunity, shall create and adopt the Illinois Stretch Energy Code to allow municipalities and projects authorized or funded by the Board to achieve more energy efficiency in buildings than the Illinois Energy Conservation Code. Makes changes in provisions concerning definitions; applicability; enforcement; and home rule. Amends the Public Utilities Act. Provides that beginning in 2023, all gas distribution utilities in the State participating in certain energy efficiency programs shall achieve specified annual energy savings goals. Makes changes in provisions concerning energy efficiency and demand-response measures and qualified energy efficiency installers. Effective immediately.

LRB102 15747 SPS 21113 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. Short title. This Act may be cited as the  
5 Building Energy Performance Standard Act.

6 Section 5. Findings. The General Assembly finds that:

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

14 (b) Energy efficiency should form the basis of any robust  
15 clean energy policy. It is the cheapest clean energy resource,  
16 and efficiency upgrades help customers manage their energy  
17 bills directly by reducing the energy they need, and  
18 indirectly by holding demand and prices down statewide.

19 Section 10. Building Energy Performance Standard.

20 (a) The purpose of the Illinois Building Energy  
21 Performance Standard is to decrease energy consumption, reduce  
22 greenhouse gas emissions from existing buildings, and increase

1 economic growth and job creation by:

2 (1) creating a Building Energy Performance Standard  
3 through a stakeholder engagement process;

4 (2) implementing the Building Energy Performance  
5 Standard for all state-owned buildings; and

6 (3) creating a uniform Building Energy Performance  
7 Standard that may be adopted by local jurisdictions and  
8 may be applicable to publicly owned buildings or privately  
9 owned buildings, or both.

10 (b) Within 90 days after the effective date of this Act,  
11 the Illinois Office of Energy shall establish a Building  
12 Energy Performance Standard Task Force to advise and provide  
13 technical assistance and recommendations for the Illinois  
14 Building Energy Performance Standard, which shall:

15 (A) advise the Illinois Office of Energy on creation  
16 of an implementation plan for the Building Energy  
17 Performance Standard;

18 (B) recommend amendments to proposed regulations  
19 issued by the Illinois Office of Energy;

20 (C) recommend complementary programs or policies; and

21 (D) complete its tasks within one year of enactment.

22 The Task Force shall be composed of representatives,  
23 or their designees, from the following entities:

24 (i) the Director of the Illinois Environmental  
25 Protection Agency;

26 (ii) the Director of the Capital Development Board;

- 1 (iii) The Director of Central Management Services;
- 2 (iv) a minimum of one technical expert with extensive  
3 knowledge of energy use in multiple existing commercial  
4 building use types;
- 5 (v) a representative from the City of Chicago;
- 6 (vi) the Director of the Illinois Housing Development  
7 Authority;
- 8 (vii) the Director of Commerce and Economic  
9 Opportunity;
- 10 (viii) a representative from an environmental or  
11 sustainability nonprofit organization;
- 12 (ix) a representative from each of the investor-owned  
13 utilities in Illinois;
- 14 (x) a representative who is an affordable housing  
15 advocate;
- 16 (xi) a representative from a market-rate multifamily  
17 building;
- 18 (xii) a representative from a building owners and  
19 managers association;
- 20 (xiii) a representative from a public university  
21 system;
- 22 (xiv) a representative of a nonprofit or professional  
23 association advocating for energy efficient buildings or a  
24 low-carbon built environment;
- 25 (xvi) a representative of a business or entity that  
26 provides energy efficiency or renewable energy services to

1 large buildings or affordable housing in the State; and  
2 (xvii) other experts or organizations deemed necessary  
3 by the Illinois Office of Energy.

4 (c) In establishing specific performance standards and  
5 processes, the Illinois Office of Energy shall:

6 (1) require all buildings owned by the State of  
7 Illinois to comply with the Building Energy Performance  
8 Standard. State-owned buildings shall meet the following  
9 timeline for compliance with Building Energy Performance  
10 Standard:

11 (A) buildings over 50,000 gross square feet shall  
12 comply no later than January 1, 2024;

13 (B) buildings over 25,000 gross square feet shall  
14 comply no later than January 1, 2026;

15 (C) buildings over 10,000 gross square feet shall  
16 comply no later than January 1, 2028; and

17 (D) buildings below 10,000 gross square feet are  
18 not required to comply.

19 (2) require the property type energy use targets  
20 established by the Illinois Building Energy Performance  
21 Standard to be the minimum energy efficiency requirements  
22 for any jurisdiction adopting a building energy  
23 performance standard;

24 (3) with input from the Building Energy Performance  
25 Standard Task Force, establish property types and building  
26 energy performance standards for each property type, or an

1 equivalent metric for buildings that do not receive an  
2 ENERGY STAR score, no later than January 1, 2023;  
3 beginning every 5 years after January 1, 2023, the  
4 Illinois Office of Energy shall review and assess the need  
5 to update the energy performance standards for each  
6 property type;

7 (4) establish reporting and data verification  
8 requirements for buildings covered by Building Energy  
9 Performance Standard, and establish requirements for  
10 making reporting and data publicly available;

11 (5) establish that the Building Energy Performance  
12 Standard for buildings that are eligible for an ENERGY  
13 STAR score is no lower than the State median ENERGY STAR  
14 score for buildings of each property type;

15 (6) establish penalty guidelines for buildings failing  
16 to comply with the building energy performance  
17 requirements; and

18 (7) if needed, establish exemption criteria, in  
19 consultation with the Building Energy Performance Standard  
20 Task Force, including:

21 (A) for qualifying affordable housing buildings to  
22 delay compliance with the building energy performance  
23 requirements for no more than 3 years if the owner  
24 demonstrates, to the satisfaction of the Illinois  
25 Office of Energy, financial distress, change of  
26 ownership, vacancy, major renovation, pending

1 demolition, or other acceptable circumstances as  
2 determined by the State of Illinois; and

3 (B) for qualifying buildings to delay compliance  
4 with the building energy performance requirements for  
5 up to 3 years if the owner demonstrates, to the  
6 satisfaction of the State of Illinois, financial  
7 distress, change of ownership, vacancy, major  
8 renovation, pending demolition, or other acceptable  
9 circumstances determined by the State of Illinois.

10 (d) In establishing specific performance standards, the  
11 Illinois Office of Energy may consider:

12 (1) the existence of any historic buildings and any  
13 restrictions related to the treatment of historic  
14 buildings;

15 (2) the diversity of building uses and requirements;  
16 and

17 (3) the impact on zoning regulations.

18 (e) The Illinois Office of Energy shall, no later than  
19 January 1, 2023, create, and make publicly available, a  
20 strategic implementation plan for State-owned buildings  
21 complying with the Illinois Building Energy Performance  
22 Standard.

23 (f) The Illinois Office of Energy shall post the strategic  
24 implementation plan on its website.

25 Section 90. The Energy Efficient Building Act is amended

1 by changing Sections 10, 15, 20, 30, and 45 and by adding  
2 Section 55 as follows:

3 (20 ILCS 3125/10)

4 Sec. 10. Definitions.

5 "Board" means the Capital Development Board.

6 "Building" includes both residential buildings and  
7 commercial buildings.

8 "Code" means the latest published edition of the  
9 International Code Council's International Energy Conservation  
10 Code as adopted by the Board, including any published  
11 supplements adopted by the Board and any amendments and  
12 adaptations to the Code that are made by the Board.

13 "Commercial building" means any building except a building  
14 that is a residential building, as defined in this Section.

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

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

19 "Residential building" means (i) a detached one-family or  
20 2-family dwelling or (ii) any building that is 3 stories or  
21 less in height above grade that contains multiple dwelling  
22 units, in which the occupants reside on a primarily permanent  
23 basis, such as a townhouse, a row house, an apartment house, a  
24 convent, a monastery, a rectory, a fraternity or sorority  
25 house, a dormitory, and a rooming house; provided, however,



1 that when applied to a building located within the boundaries  
2 of a municipality having a population of 1,000,000 or more,  
3 the term "residential building" means a building containing  
4 one or more dwelling units, not exceeding 4 stories above  
5 grade, where occupants are primarily permanent.

6 "Site energy index" means a scalar published by the  
7 Pacific Northwest National Laboratories representing the ratio  
8 of the site energy performance of an evaluated code compared  
9 to the site energy performance of the 2006 International  
10 Energy Conservation Code. A site energy index includes only  
11 conservation measures and excludes net energy credit for any  
12 on-site or off-site energy production.

13 (Source: P.A. 101-144, eff. 7-26-19.)

14 (20 ILCS 3125/15)

15 Sec. 15. Energy Efficient Building Code. The Board, in  
16 consultation with the Department, shall adopt the Code as  
17 minimum requirements for commercial buildings, applying to the  
18 construction of, renovations to, and additions to all  
19 commercial buildings in the State. The Board, in consultation  
20 with the Department, shall also adopt the Code as ~~the~~ minimum  
21 and maximum requirements for residential buildings, applying  
22 to the construction of, renovations to, and additions to all  
23 residential buildings in the State, except as provided for in  
24 Section 45 of this Act. The Board may appropriately adapt the  
25 International Energy Conservation Code to apply to the

1 particular economy, population distribution, geography, and  
2 climate of the State and construction therein, consistent with  
3 the public policy objectives of this Act.

4 (Source: P.A. 96-778, eff. 8-28-09.)

5 (20 ILCS 3125/20)

6 Sec. 20. Applicability.

7 (a) The Board shall review and adopt the Code within one  
8 year after its publication. The Code shall take effect within  
9 6 months after it is adopted by the Board, except that,  
10 beginning January 1, 2012, the Code adopted in 2012 shall take  
11 effect on January 1, 2013. Except as otherwise provided in  
12 this Act, the Code shall apply to (i) any new building or  
13 structure in this State for which a building permit  
14 application is received by a municipality or county and (ii)  
15 beginning on the effective date of this amendatory Act of the  
16 100th General Assembly, each State facility specified in  
17 Section 4.01 of the Capital Development Board Act. In the case  
18 of any addition, alteration, renovation, or repair to an  
19 existing residential or commercial structure, the Code adopted  
20 under this Act applies only to the portions of that structure  
21 that are being added, altered, renovated, or repaired. The  
22 changes made to this Section by this amendatory Act of the 97th  
23 General Assembly shall in no way invalidate or otherwise  
24 affect contracts entered into on or before the effective date  
25 of this amendatory Act of the 97th General Assembly.

1 (b) The following buildings shall be exempt from the Code:

2 (1) Buildings otherwise exempt from the provisions of  
3 a locally adopted building code and buildings that do not  
4 contain a conditioned space.

5 (2) Buildings that do not use either electricity or  
6 fossil fuel for comfort conditioning. For purposes of  
7 determining whether this exemption applies, a building  
8 will be presumed to be heated by electricity, even in the  
9 absence of equipment used for electric comfort heating,  
10 whenever the building is provided with electrical service  
11 in excess of 100 amps, unless the code enforcement  
12 official determines that this electrical service is  
13 necessary for purposes other than providing electric  
14 comfort heating.

15 (3) Historic buildings. This exemption shall apply to  
16 those buildings that are listed on the National Register  
17 of Historic Places or the Illinois Register of Historic  
18 Places, and to those buildings that have been designated  
19 as historically significant by a local governing body that  
20 is authorized to make such designations.

21 (4) (Blank).

22 (5) Other buildings specified as exempt by the  
23 International Energy Conservation Code.

24 (c) Additions, alterations, renovations, or repairs to an  
25 existing building, building system, or portion thereof shall  
26 conform to the provisions of the Code as they relate to new

1 construction without requiring the unaltered portion of the  
2 existing building or building system to comply with the Code.  
3 The following need not comply with the Code, provided that the  
4 energy use of the building is not increased: (i) storm windows  
5 installed over existing fenestration, (ii) glass-only  
6 replacements in an existing sash and frame, (iii) existing  
7 ceiling, wall, or floor cavities exposed during construction,  
8 provided that these cavities are filled with insulation, and  
9 (iv) construction where the existing roof, wall, or floor is  
10 not exposed.

11 (d) A unit of local government that does not regulate  
12 energy efficient building standards is not required to adopt,  
13 enforce, or administer the Code; however, any energy efficient  
14 building standards adopted by a unit of local government must  
15 comply with this Act. If a unit of local government does not  
16 regulate energy efficient building standards, any  
17 construction, renovation, or addition to buildings or  
18 structures is subject to the provisions contained in this Act.  
19 (Source: P.A. 100-729, eff. 8-3-18.)

20 (20 ILCS 3125/30)

21 Sec. 30. Enforcement. The Board, in consultation with the  
22 Department, shall determine procedures for compliance with the  
23 Code. These procedures may include but need not be limited to  
24 certification by a national, State, or local accredited energy  
25 conservation program or inspections from private

1 Code-certified inspectors using the Code. For purposes of the  
2 Illinois Stretch Energy Code under Section 55 of this Act, the  
3 Board shall allow and encourage, as an alternative compliance  
4 mechanism, project certification by a nationally recognized  
5 nonprofit certification organization specializing in  
6 high-performance passive buildings and offering  
7 climate-specific building energy standards that require equal  
8 or better energy performance than the Illinois Stretch Energy  
9 Code.

10 (Source: P.A. 93-936, eff. 8-13-04.)

11 (20 ILCS 3125/45)

12 Sec. 45. Home rule.

13 (a) (Blank) ~~No unit of local government, including any~~  
14 ~~home rule unit, may regulate energy efficient building~~  
15 ~~standards for commercial buildings in a manner that is less~~  
16 ~~stringent than the provisions contained in this Act.~~

17 (b) No unit of local government, including any home rule  
18 unit, may regulate energy efficient building standards for  
19 residential or commercial buildings in a manner that is either  
20 less or more stringent than the standards established pursuant  
21 to this Act; provided, however, that the following entities  
22 may regulate energy efficient building standards for  
23 residential or commercial buildings in a manner that is more  
24 stringent than the provisions contained in this Act: (i) a  
25 unit of local government, including a home rule unit, that

1 has, on or before May 15, 2009, adopted or incorporated by  
2 reference energy efficient building standards for residential  
3 buildings that are equivalent to or more stringent than the  
4 2006 International Energy Conservation Code, (ii) a unit of  
5 local government, including a home rule unit, that has, on or  
6 before May 15, 2009, provided to the Capital Development  
7 Board, as required by Section 10.18 of the Capital Development  
8 Board Act, an identification of an energy efficient building  
9 code or amendment that is equivalent to or more stringent than  
10 the 2006 International Energy Conservation Code, (iii) a  
11 municipality that has adopted the Illinois Stretch Energy  
12 Code, and (iv) ~~(iii)~~ a municipality with a population of  
13 1,000,000 or more.

14 (c) No unit of local government, including any home rule  
15 unit or unit of local government that is subject to State  
16 regulation under the Code as provided in Section 15 of this  
17 Act, may hereafter enact any annexation ordinance or  
18 resolution, or require or enter into any annexation agreement,  
19 that imposes energy efficient building standards for  
20 residential or commercial buildings that are either less or  
21 more stringent than the energy efficiency standards in effect,  
22 at the time of construction, throughout the unit of local  
23 government, except for the Illinois Stretch Energy Code.

24 (d) This Section is a denial and limitation of home rule  
25 powers and functions under subsection (i) of Section 6 of  
26 Article VII of the Illinois Constitution on the concurrent

1 exercise by home rule units of powers and functions exercised  
2 by the State. Nothing in this Section, however, prevents a  
3 unit of local government from adopting an energy efficiency  
4 code or standards for commercial buildings that are more  
5 stringent than the Code under this Act.

6 (Source: P.A. 99-639, eff. 7-28-16.)

7 (20 ILCS 3125/55 new)

8 Sec. 55. Illinois Stretch Energy Code.

9 (a) The Board, in consultation with the Department, shall  
10 create and adopt the Illinois Stretch Energy Code, to allow  
11 municipalities and projects authorized or funded by the Board  
12 to achieve more energy efficiency in buildings than the  
13 Illinois Energy Conservation Code through a consistent pathway  
14 across the State. The Illinois Stretch Energy Code shall be  
15 available for adoption by any municipality and shall set  
16 minimum energy efficiency requirements, taking the place of  
17 the Illinois Energy Conservation Code within any municipality  
18 that adopts the Illinois Stretch Energy Code.

19 (b) The Illinois Stretch Energy Code shall have separate  
20 components for commercial and residential buildings, which may  
21 be adopted by the municipality jointly or separately.

22 (c) The Illinois Stretch Energy Code shall apply to all  
23 projects to which an energy conservation code is applicable  
24 that are authorized or funded in any part by the Board after  
25 January 1, 2023.

1       (d) Development of the Illinois Stretch Energy Code shall  
2 be completed and available for adoption by municipalities by  
3 December 31, 2022.

4       (e) Consistent with the requirements under paragraph (2.5)  
5 of subsection (g) of Section 8-103B of the Public Utilities  
6 Act and under paragraph (2) of subsection (j) of Section  
7 8-104.1 of the Public Utilities Act, municipalities that adopt  
8 the Illinois Stretch Energy Code may use utility programs to  
9 support compliance with the Illinois Stretch Energy Code. The  
10 amount of savings from such utility efforts that may be  
11 counted toward achievement of their cumulative persisting  
12 annual savings goals shall be based on reasonable estimates of  
13 the increase in savings resulting from the utility efforts,  
14 relative to reasonable approximations of what would have  
15 occurred absent the utility involvement.

16       (f) The Illinois Stretch Energy Code's residential  
17 components shall:

18           (1) apply to residential buildings as defined under  
19 Section 10;

20           (2) set performance targets using a site energy index  
21 with reductions relative to the 2006 International Energy  
22 Conservation Code; and

23           (3) include stretch energy codes with site energy  
24 index standards and adoption dates as follows: by no later  
25 than December 31, 2022, the Board shall create and adopt a  
26 stretch energy code with a site energy index no greater



1 than 0.50 of the 2006 International Energy Conservation  
2 Code; by no later than December 31, 2025, the Board shall  
3 create and adopt a stretch energy code with a site energy  
4 index no greater than 0.40 of the 2006 International  
5 Energy Conservation Code, unless the Board identifies  
6 unanticipated burdens associated with the stretch energy  
7 code adopted in 2022, in which case the Board may adopt a  
8 stretch energy code with a site energy index no greater  
9 than 0.42 of the 2006 International Energy Conservation  
10 Code, provided that the more relaxed standard has a site  
11 energy index that is at least 0.05 more restrictive than  
12 the 2024 International Energy Conservation Code; by no  
13 later than December 31, 2028, the Board shall create and  
14 adopt a stretch energy code with a site energy index no  
15 greater than 0.33 of the 2006 International Energy  
16 Conservation Code, unless the Board identifies  
17 unanticipated burdens associated with the stretch energy  
18 code adopted in 2025, in which case the Board may adopt a  
19 stretch energy code with a site energy index no greater  
20 than 0.35 of the 2006 International Energy Conservation  
21 Code, but only if that more relaxed standard has a site  
22 energy index that is at least 0.05 more restrictive than  
23 the 2027 International Energy Conservation Code; and by no  
24 later than December 31, 2031, the Board shall create and  
25 adopt a stretch energy code with a site energy index no  
26 greater than 0.25 of the 2006 International Energy

1 Conservation Code.

2 (g) The Illinois Stretch Energy Code's commercial  
3 components shall:

4 (1) apply to commercial buildings as defined under  
5 Section 10;

6 (2) set performance targets using a site energy index  
7 with reductions relative to the 2006 International Energy  
8 Conservation Code; and

9 (3) include stretch energy codes with site energy  
10 index standards and adoption dates as follows: by no later  
11 than December 31, 2022, the Board shall create and adopt a  
12 stretch energy code with a site energy index no greater  
13 than 0.60 of the 2006 International Energy Conservation  
14 Code; by no later than December 31, 2025, the Board shall  
15 create and adopt a stretch energy code with a site energy  
16 index no greater than 0.50 of the 2006 International  
17 Energy Conservation Code; by no later than December 31,  
18 2028, the Board shall create and adopt a stretch energy  
19 code with a site energy index no greater than 0.44 of the  
20 2006 International Energy Conservation Code; and by no  
21 later than December 31, 2031, the Board shall create and  
22 adopt a stretch energy code with a site energy index no  
23 greater than 0.39 of the 2006 International Energy  
24 Conservation Code.

25 (h) The process for the creation of the Illinois Stretch  
26 Energy Code includes:

1           (1) within 60 days after the effective date of this  
2           amendatory Act of the 102nd General Assembly, the Capital  
3           Development Board shall establish an Illinois Stretch  
4           Energy Code Task Force to advise and provide technical  
5           assistance and recommendations to the Capital Development  
6           Board for the Illinois Stretch Energy Code, which shall:

7                   (A) advise the Capital Development Board on  
8                   creation of interim performance targets, code  
9                   requirements, and an implementation plan for the  
10                   Illinois Stretch Energy Code;

11                   (B) recommend amendments to proposed rules issued  
12                   by the Capital Development Board;

13                   (C) recommend complementary programs or policies;

14                   (D) complete recommendations and development for  
15                   the Illinois Stretch Energy Code elements and  
16                   requirements by July 31, 2022;

17                   (E) be composed of, but not limited to,  
18                   representatives, or their designees, from the  
19                   following entities:

20                           (i) a representative from a group that  
21                           represents environmental justice;

22                           (ii) a representative of a nonprofit or  
23                           professional association advocating for the  
24                           environment;

25                           (iii) a representative of an organization  
26                           representing local governments in the metropolitan

- 1 Chicago region;
- 2 (iv) a representative of the City of Chicago;
- 3 (v) a representative of an organization  
4 representing local governments outside the  
5 metropolitan Chicago region;
- 6 (vi) a representative for the investor-owned  
7 utilities of Illinois;
- 8 (vii) an energy-efficiency advocate with  
9 technical expertise in single-family residential  
10 buildings;
- 11 (viii) an energy-efficiency advocate with  
12 technical expertise in commercial buildings;
- 13 (ix) an energy-efficiency advocate with  
14 technical expertise in multifamily buildings, such  
15 as an affordable housing developer;
- 16 (x) a representative from the architecture or  
17 engineering industry;
- 18 (xi) a representative from a home builders  
19 association;
- 20 (xii) a representative from the commercial  
21 building industry;
- 22 (xiii) a representative of the enforcement  
23 industry, such as a code official or energy rater;
- 24 (xiv) a representative of organized labor; and
- 25 (xv) other experts or organizations deemed  
26 necessary by the Capital Development Board; and

- 1                   (F) be co-chaired by:
- 2                   (i) a representative of the environmental
- 3                   community;
- 4                   (ii) a representative of the environmental
- 5                   justice community; and
- 6                   (iii) a municipal representative.
- 7                   (2) As part of its deliberations, the Illinois Stretch
- 8                   Energy Code Task Force shall actively solicit input from
- 9                   other energy code stakeholders and interested parties.

10           Section 95. The Public Utilities Act is amended by

11           changing Sections 8-103B and 16-128B and by adding Section

12           8-104.1 as follows:

13           (220 ILCS 5/8-103B)

14           Sec. 8-103B. Energy efficiency and demand-response

15           measures.

16           (a) It is the policy of the State that electric utilities

17           are required to use cost-effective energy efficiency and

18           demand-response measures to reduce delivery load. Requiring

19           investment in cost-effective energy efficiency and

20           demand-response measures will reduce direct and indirect costs

21           to consumers by decreasing environmental impacts and by

22           avoiding or delaying the need for new generation,

23           transmission, and distribution infrastructure. It serves the

24           public interest to allow electric utilities to recover costs

1 for reasonably and prudently incurred expenditures for energy  
2 efficiency and demand-response measures. As used in this  
3 Section, "cost-effective" means that the measures satisfy the  
4 total resource cost test. The low-income measures described in  
5 subsection (c) of this Section shall not be required to meet  
6 the total resource cost test. For purposes of this Section,  
7 the terms "energy-efficiency", "demand-response", "electric  
8 utility", and "total resource cost test" have the meanings set  
9 forth in the Illinois Power Agency Act. "Black, indigenous,  
10 and people of color" and "BIPOC" means people who are members  
11 of the groups described in subparagraphs (a) through (e) of  
12 paragraph (A) of subsection (1) of Section 2 of the Business  
13 Enterprise for Minorities, Women, and Persons with  
14 Disabilities Act.

15 (a-5) This Section applies to electric utilities serving  
16 more than 500,000 retail customers in the State for those  
17 multi-year plans commencing after December 31, 2017.

18 (b) For purposes of this Section, electric utilities  
19 subject to this Section that serve more than 3,000,000 retail  
20 customers in the State shall be deemed to have achieved a  
21 cumulative persisting annual savings of 6.6% from energy  
22 efficiency measures and programs implemented during the period  
23 beginning January 1, 2012 and ending December 31, 2017, which  
24 percent is based on the deemed average weather normalized  
25 sales of electric power and energy during calendar years 2014,  
26 2015, and 2016 of 88,000,000 MWhs. ~~For the purposes of this~~

1 ~~subsection (b) and subsection (b-5), the 88,000,000 MWhs of~~  
2 ~~deemed electric power and energy sales shall be reduced by the~~  
3 ~~number of MWhs equal to the sum of the annual consumption of~~  
4 ~~customers that are exempt from subsections (a) through (j) of~~  
5 ~~this Section under subsection (1) of this Section, as averaged~~  
6 ~~across the calendar years 2014, 2015, and 2016.~~ After 2017,  
7 the deemed value of cumulative persisting annual savings from  
8 energy efficiency measures and programs implemented during the  
9 period beginning January 1, 2012 and ending December 31, 2017,  
10 shall be reduced each year, as follows, and the applicable  
11 value shall be applied to and count toward the utility's  
12 achievement of the cumulative persisting annual savings goals  
13 set forth in subsection (b-5):

14 (1) 5.8% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2018;

16 (2) 5.2% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2019;

18 (3) 4.5% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2020;

20 (4) 4.0% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2021;

22 (5) 3.5% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2022;

24 (6) 3.1% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2023;

26 (7) 2.8% deemed cumulative persisting annual savings

1 for the year ending December 31, 2024;

2 (8) 2.5% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2025;

4 (9) 2.3% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2026;

6 (10) 2.1% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2027;

8 (11) 1.8% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2028;

10 (12) 1.7% deemed cumulative persisting annual savings  
11 for the year ending December 31, 2029; ~~and~~

12 (13) 1.5% deemed cumulative persisting annual savings  
13 for the year ending December 31, 2030;~~;~~

14 (14) 1.3% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2031;

16 (15) 1.1% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2032;

18 (16) 0.9% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2033;

20 (17) 0.7% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2034;

22 (18) 0.5% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2035;

24 (19) 0.4% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2036;

26 (20) 0.3% deemed cumulative persisting annual savings



1 for the year ending December 31, 2037;

2 (21) 0.2% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2038;

4 (22) 0.1% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2039; and

6 (23) 0.0% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2040 and all subsequent  
8 years.

9 For purposes of this Section, "cumulative persisting  
10 annual savings" means the total electric energy savings in a  
11 given year from measures installed in that year or in previous  
12 years, but no earlier than January 1, 2012, that are still  
13 operational and providing savings in that year because the  
14 measures have not yet reached the end of their useful lives.

15 (b-5) Beginning in 2018, electric utilities subject to  
16 this Section that serve more than 3,000,000 retail customers  
17 in the State shall achieve the following cumulative persisting  
18 annual savings goals, as modified by subsection (f) of this  
19 Section and as compared to the deemed baseline of 88,000,000  
20 MWhs of electric power and energy sales set forth in  
21 subsection (b), ~~as reduced by the number of MWhs equal to the~~  
22 ~~sum of the annual consumption of customers that are exempt~~  
23 ~~from subsections (a) through (j) of this Section under~~  
24 ~~subsection (l) of this Section as averaged across the calendar~~  
25 ~~years 2014, 2015, and 2016,~~ through the implementation of  
26 energy efficiency measures during the applicable year and in

1 prior years, but no earlier than January 1, 2012:

2 (1) 7.8% cumulative persisting annual savings for the  
3 year ending December 31, 2018;

4 (2) 9.1% cumulative persisting annual savings for the  
5 year ending December 31, 2019;

6 (3) 10.4% cumulative persisting annual savings for the  
7 year ending December 31, 2020;

8 (4) 11.8% cumulative persisting annual savings for the  
9 year ending December 31, 2021;

10 (5) 13.1% cumulative persisting annual savings for the  
11 year ending December 31, 2022;

12 (6) 14.4% cumulative persisting annual savings for the  
13 year ending December 31, 2023;

14 (7) 15.7% cumulative persisting annual savings for the  
15 year ending December 31, 2024;

16 (8) 17% cumulative persisting annual savings for the  
17 year ending December 31, 2025;

18 (9) 17.9% cumulative persisting annual savings for the  
19 year ending December 31, 2026;

20 (10) 18.8% cumulative persisting annual savings for  
21 the year ending December 31, 2027;

22 (11) 19.7% cumulative persisting annual savings for  
23 the year ending December 31, 2028;

24 (12) 20.6% cumulative persisting annual savings for  
25 the year ending December 31, 2029; and

26 (13) 21.5% cumulative persisting annual savings for

1 the year ending December 31, 2030.

2 No later than December 31, 2021, the Illinois Commerce  
3 Commission shall establish additional cumulative persisting  
4 annual savings goals for the years 2031 through 2035. No later  
5 than December 31, 2024, the Illinois Commerce Commission shall  
6 establish additional cumulative persisting annual savings  
7 goals for the years 2036 through 2040. The Commission shall  
8 also establish additional cumulative persisting annual savings  
9 goals every 5 years thereafter to ensure utilities always have  
10 goals that extend at least 11 years into the future. The  
11 cumulative persisting annual savings goals beyond the year  
12 2030 shall increase by 0.9 percentage points per year, absent  
13 a Commission decision to initiate a proceeding to consider  
14 establishing goals that increase by more or less than that  
15 amount. Such a proceeding must be conducted in accordance with  
16 the procedures described in subsection (f) of this Section. If  
17 such a proceeding is initiated, the cumulative persisting  
18 annual savings goals established by the Commission through  
19 that proceeding shall reflect the Commission's best estimate  
20 of the maximum amount of additional savings that are forecast  
21 to be cost-effectively achievable unless such best estimates  
22 would result in goals that represent less than 0.5 percentage  
23 point annual increases in total cumulative persisting annual  
24 savings. The Commission may only establish goals that  
25 represent less than 0.5 percentage point annual increases in  
26 cumulative persisting annual savings if it can demonstrate,

1 based on clear and convincing evidence and through independent  
2 analysis, that 0.5 percentage point increases are not  
3 cost-effectively achievable. The Commission shall inform its  
4 decision based on an energy efficiency potential study that  
5 conforms to the requirements of subsection (f-5) of this  
6 Section.

7 (b-10) For purposes of this Section, electric utilities  
8 subject to this Section that serve less than 3,000,000 retail  
9 customers but more than 500,000 retail customers in the State  
10 shall be deemed to have achieved a cumulative persisting  
11 annual savings of 6.6% from energy efficiency measures and  
12 programs implemented during the period beginning January 1,  
13 2012 and ending December 31, 2017, which is based on the deemed  
14 average weather normalized sales of electric power and energy  
15 during calendar years 2014, 2015, and 2016 of 36,900,000 MWhs.  
16 ~~For the purposes of this subsection (b-10) and subsection~~  
17 ~~(b-15), the 36,900,000 MWhs of deemed electric power and~~  
18 ~~energy sales shall be reduced by the number of MWhs equal to~~  
19 ~~the sum of the annual consumption of customers that are exempt~~  
20 ~~from subsections (a) through (j) of this Section under~~  
21 ~~subsection (l) of this Section, as averaged across the~~  
22 ~~calendar years 2014, 2015, and 2016.~~ After 2017, the deemed  
23 value of cumulative persisting annual savings from energy  
24 efficiency measures and programs implemented during the period  
25 beginning January 1, 2012 and ending December 31, 2017, shall  
26 be reduced each year, as follows, and the applicable value

1 shall be applied to and count toward the utility's achievement  
2 of the cumulative persisting annual savings goals set forth in  
3 subsection (b-15):

4 (1) 5.8% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2018;

6 (2) 5.2% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2019;

8 (3) 4.5% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2020;

10 (4) 4.0% deemed cumulative persisting annual savings  
11 for the year ending December 31, 2021;

12 (5) 3.5% deemed cumulative persisting annual savings  
13 for the year ending December 31, 2022;

14 (6) 3.1% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2023;

16 (7) 2.8% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2024;

18 (8) 2.5% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2025;

20 (9) 2.3% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2026;

22 (10) 2.1% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2027;

24 (11) 1.8% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2028;

26 (12) 1.7% deemed cumulative persisting annual savings

1 for the year ending December 31, 2029; ~~and~~  
2 (13) 1.5% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2030;  
4 (14) 1.3% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2031;  
6 (15) 1.1% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2032;  
8 (16) 0.9% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2033;  
10 (17) 0.7% deemed cumulative persisting annual savings  
11 for the year ending December 31, 2034;  
12 (18) 0.5% deemed cumulative persisting annual savings  
13 for the year ending December 31, 2035;  
14 (19) 0.4% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2036;  
16 (20) 0.3% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2037;  
18 (21) 0.2% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2038;  
20 (22) 0.1% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2039; and  
22 (23) 0.0% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2040 and all subsequent  
24 years.  
25 (b-15) Beginning in 2018, electric utilities subject to  
26 this Section that serve less than 3,000,000 retail customers

1 but more than 500,000 retail customers in the State shall  
2 achieve the following cumulative persisting annual savings  
3 goals, ~~as modified by subsection (b-20) and subsection (f) of~~  
4 ~~this Section and as compared to the deemed baseline as reduced~~  
5 ~~by the number of MWhs equal to the sum of the annual~~  
6 ~~consumption of customers that are exempt from subsections (a)~~  
7 ~~through (j) of this Section under subsection (1) of this~~  
8 ~~Section as averaged across the calendar years 2014, 2015, and~~  
9 ~~2016,~~ through the implementation of energy efficiency measures  
10 during the applicable year and in prior years, but no earlier  
11 than January 1, 2012:

12 (1) 7.4% cumulative persisting annual savings for the  
13 year ending December 31, 2018;

14 (2) 8.2% cumulative persisting annual savings for the  
15 year ending December 31, 2019;

16 (3) 9.0% cumulative persisting annual savings for the  
17 year ending December 31, 2020;

18 (4) 9.8% cumulative persisting annual savings for the  
19 year ending December 31, 2021;

20 (5) 10.6% cumulative persisting annual savings for the  
21 year ending December 31, 2022;

22 (6) 11.4% cumulative persisting annual savings for the  
23 year ending December 31, 2023;

24 (7) 12.2% cumulative persisting annual savings for the  
25 year ending December 31, 2024;

26 (8) 13% cumulative persisting annual savings for the

1 year ending December 31, 2025;

2 (9) 13.6% cumulative persisting annual savings for the  
3 year ending December 31, 2026;

4 (10) 14.2% cumulative persisting annual savings for  
5 the year ending December 31, 2027;

6 (11) 14.8% cumulative persisting annual savings for  
7 the year ending December 31, 2028;

8 (12) 15.4% cumulative persisting annual savings for  
9 the year ending December 31, 2029; and

10 (13) 16% cumulative persisting annual savings for the  
11 year ending December 31, 2030.

12 No later than December 31, 2021, the Illinois Commerce  
13 Commission shall establish additional cumulative persisting  
14 annual savings goals for the years 2031 through 2035. No later  
15 than December 31, 2024, the Illinois Commerce Commission shall  
16 establish additional cumulative persisting annual savings  
17 goals for the years 2036 through 2040. The Commission shall  
18 also establish additional cumulative persisting annual savings  
19 goals every 5 years thereafter to ensure utilities always have  
20 goals that extend at least 11 years into the future. The  
21 cumulative persisting annual savings goals beyond the year  
22 2030 shall increase by 0.6 percentage points per year, absent  
23 a Commission decision to initiate a proceeding to consider  
24 establishing goals that increase by more or less than that  
25 amount. Such a proceeding must be conducted in accordance with  
26 the procedures described in subsection (f) of this Section. If



1 such a proceeding is initiated, the cumulative persisting  
2 annual savings goals established by the Commission through  
3 that proceeding shall reflect the Commission's best estimate  
4 of the maximum amount of additional savings that are forecast  
5 to be cost-effectively achievable unless such best estimates  
6 would result in goals that represent less than 0.4 percentage  
7 point annual increases in total cumulative persisting annual  
8 savings. The Commission may only establish goals that  
9 represent less than 0.4 percentage point annual increases in  
10 cumulative persisting annual savings if it can demonstrate,  
11 based on clear and convincing evidence and through independent  
12 analysis, that 0.4 percentage point increases are not  
13 cost-effectively achievable. The Commission shall inform its  
14 decision based on an energy efficiency potential study that  
15 conforms to the requirements of subsection (f-5) of this  
16 Section.

17 ~~The difference between the cumulative persisting annual~~  
18 ~~savings goal for the applicable calendar year and the~~  
19 ~~cumulative persisting annual savings goal for the immediately~~  
20 ~~preceding calendar year is 0.8% for the period of January 1,~~  
21 ~~2018 through December 31, 2025 and 0.6% for the period of~~  
22 ~~January 1, 2026 through December 31, 2030.~~

23 (b-20) Each electric utility subject to this Section may  
24 include cost-effective voltage optimization measures in its  
25 plans submitted under subsections (f) and (g) of this Section,  
26 and the costs incurred by a utility to implement the measures

1 under a Commission-approved plan shall be recovered under the  
2 provisions of Article IX or Section 16-108.5 of this Act. For  
3 purposes of this Section, the measure life of voltage  
4 optimization measures shall be 15 years. The measure life  
5 period is independent of the depreciation rate of the voltage  
6 optimization assets deployed. Utilities may claim savings from  
7 voltage optimization on circuits for more than 15 years if  
8 they can demonstrate that they have made additional  
9 investments necessary to enable voltage optimization savings  
10 to continue beyond 15 years. Such demonstrations must be  
11 subject to the review of independent evaluation.

12 Within 270 days after June 1, 2017 (the effective date of  
13 Public Act 99-906), an electric utility that serves less than  
14 3,000,000 retail customers but more than 500,000 retail  
15 customers in the State shall file a plan with the Commission  
16 that identifies the cost-effective voltage optimization  
17 investment the electric utility plans to undertake through  
18 December 31, 2024. The Commission, after notice and hearing,  
19 shall approve or approve with modification the plan within 120  
20 days after the plan's filing and, in the order approving or  
21 approving with modification the plan, the Commission shall  
22 adjust the applicable cumulative persisting annual savings  
23 goals set forth in subsection (b-15) to reflect any amount of  
24 cost-effective energy savings approved by the Commission that  
25 is greater than or less than the following cumulative  
26 persisting annual savings values attributable to voltage

1 optimization for the applicable year:

2 (1) 0.0% of cumulative persisting annual savings for  
3 the year ending December 31, 2018;

4 (2) 0.17% of cumulative persisting annual savings for  
5 the year ending December 31, 2019;

6 (3) 0.17% of cumulative persisting annual savings for  
7 the year ending December 31, 2020;

8 (4) 0.33% of cumulative persisting annual savings for  
9 the year ending December 31, 2021;

10 (5) 0.5% of cumulative persisting annual savings for  
11 the year ending December 31, 2022;

12 (6) 0.67% of cumulative persisting annual savings for  
13 the year ending December 31, 2023;

14 (7) 0.83% of cumulative persisting annual savings for  
15 the year ending December 31, 2024; and

16 (8) 1.0% of cumulative persisting annual savings for  
17 the year ending December 31, 2025 and all subsequent  
18 years.

19 (b-25) In the event an electric utility jointly offers an  
20 energy efficiency measure or program with a gas utility under  
21 plans approved under this Section and Section 8-104 of this  
22 Act, the electric utility may continue offering the program,  
23 including the gas energy efficiency measures, in the event the  
24 gas utility discontinues funding the program. In that event,  
25 the energy savings value associated with such other fuels  
26 shall be converted to electric energy savings on an equivalent

1 Btu basis for the premises. However, the electric utility  
2 shall prioritize programs for low-income residential customers  
3 to the extent practicable. An electric utility may recover the  
4 costs of offering the gas energy efficiency measures under  
5 this subsection (b-25).

6 For those energy efficiency measures or programs that save  
7 both electricity and other fuels but are not jointly offered  
8 with a gas utility under plans approved under this Section and  
9 Section 8-104 or not offered with an affiliated gas utility  
10 under paragraph (6) of subsection (f) of Section 8-104 of this  
11 Act, the electric utility may count savings of fuels other  
12 than electricity toward the achievement of its annual savings  
13 goal, and the energy savings value associated with such other  
14 fuels shall be converted to electric energy savings on an  
15 equivalent Btu basis at the premises.

16 In no event shall more than 10% of each year's applicable  
17 annual total savings requirement ~~incremental goal~~ as defined  
18 in paragraph (7.5) ~~(7)~~ of subsection (g) of this Section be met  
19 through savings of fuels other than electricity.

20 (b-27) Beginning in 2022, an electric utility may offer  
21 and promote measures that electrify space heating, water  
22 heating, cooling, drying, cooking, industrial processes, and  
23 other building and industrial end uses that would otherwise be  
24 served by combustion of fossil fuel at the premises, provided  
25 that the electrification measures reduce total energy  
26 consumption at the premises. The electric utility may count

1 the reduction in energy consumption at the premises toward  
2 achievement of its annual savings goals. The reduction in  
3 energy consumption at the premises shall be calculated as the  
4 difference between: (A) the reduction in Btu consumption of  
5 fossil fuels as a result of electrification, converted to  
6 kilowatt-hour equivalents by dividing by 3,412 Btu's per  
7 kilowatt hour; and (B) the increase in kilowatt hours of  
8 electricity consumption resulting from the displacement of  
9 fossil fuel consumption as a result of electrification. An  
10 electric utility may recover the costs of offering and  
11 promoting electrification measures under this subsection  
12 (b-27).

13 In no event shall electrification savings counted toward  
14 each year's applicable annual total savings requirement, as  
15 defined in paragraph (7.5) of subsection (g) of this Section,  
16 be greater than:

17 (1) 5% per year for each year from 2022 through 2025;

18 (2) 10% per year for each year from 2026 through 2029;

19 and

20 (3) 15% per year for 2030 and all subsequent years.

21 In addition, a minimum of 25% of all electrification savings  
22 counted toward a utility's applicable annual total savings  
23 requirement must be from electrification of end uses in  
24 low-income housing. The limitations on electrification savings  
25 that may be counted toward a utility's annual savings goals  
26 are separate from and in addition to the subsection (b-25)

1 limitations governing the counting of the other fuel savings  
2 resulting from efficiency measures and programs.

3 As part of the annual informational filing to the  
4 Commission that is required under paragraph (9) of subsection  
5 (g) of this Section, each utility shall identify the specific  
6 electrification measures offered under this subsection (b-27);  
7 the quantity of each electrification measure that was  
8 installed by its customers; the average total cost, average  
9 utility cost, average reduction in fossil fuel consumption,  
10 and average increase in electricity consumption associated  
11 with each electrification measure; the portion of  
12 installations of each electrification measure that were in  
13 low-income single-family housing, low-income multifamily  
14 housing, non-low-income single-family housing, non-low-income  
15 multifamily housing, commercial buildings, and industrial  
16 facilities; and the quantity of savings associated with each  
17 measure category in each customer category that are being  
18 counted toward the utility's applicable annual total savings  
19 requirement.

20 (c) Electric utilities shall be responsible for overseeing  
21 the design, development, and filing of energy efficiency plans  
22 with the Commission and may, as part of that implementation,  
23 outsource various aspects of program development and  
24 implementation. A minimum of 10%, for electric utilities that  
25 serve more than 3,000,000 retail customers in the State, and a  
26 minimum of 7%, for electric utilities that serve less than

1 3,000,000 retail customers but more than 500,000 retail  
2 customers in the State, of the utility's entire portfolio  
3 funding level for a given year shall be used to procure  
4 cost-effective energy efficiency measures from units of local  
5 government, municipal corporations, school districts, public  
6 housing, ~~and~~ community college districts, and buildings owned  
7 by nonprofit organizations, provided that a minimum percentage  
8 of available funds shall be used to procure energy efficiency  
9 from public housing, which percentage shall be equal to public  
10 housing's share of public building energy consumption.

11 The utilities shall also implement energy efficiency  
12 measures targeted at low-income households, which, for  
13 purposes of this Section, shall be defined as households at or  
14 below 80% of area median income, and expenditures to implement  
15 the measures shall be no less than \$40,000,000 ~~\$25,000,000~~ per  
16 year for electric utilities that serve more than 3,000,000  
17 retail customers in the State and no less than \$13,000,000  
18 ~~\$8,350,000~~ per year for electric utilities that serve less  
19 than 3,000,000 retail customers but more than 500,000 retail  
20 customers in the State. The ratio of spending on efficiency  
21 programs targeted at low-income multifamily buildings to  
22 spending on efficiency programs targeted at low-income  
23 single-family buildings shall be designed to achieve levels of  
24 savings from each building type that are approximately  
25 proportional to the magnitude of cost-effective lifetime  
26 savings potential in each building type.

1       The utilities shall work to bundle low-income energy  
2 efficiency offerings with other programs that serve low-income  
3 households to maximize the benefits going to these households.  
4 The utilities shall market and implement low-income energy  
5 efficiency programs in coordination with low-income assistance  
6 programs, Solar for All, and weatherization whenever  
7 practicable. The program implementer shall walk the customer  
8 through the enrollment process for any programs for which the  
9 customer is eligible. The utilities shall also pilot targeting  
10 customers with high arrearages, high energy intensity (ratio  
11 of energy usage divided by home or unit square footage), or  
12 energy assistance programs with energy efficiency offerings,  
13 and then track reduction in arrearages as a result of the  
14 targeting. This targeting and bundling of low-income energy  
15 programs shall be offered to both low-income single-family and  
16 multifamily customers (owners and residents).

17       The utilities shall also implement a health and safety  
18 fund of a minimum of 0.5% of the total portfolio budget, for  
19 electric utilities that serve more than 3,000,000 retail  
20 customers in the State, and a minimum of 0.5% of the total  
21 portfolio budget, for electric utilities that serve less than  
22 3,000,000 retail customers but more than 500,000 retail  
23 customers in the State, of the utility's entire portfolio  
24 funding level for a given year, that shall be used for the  
25 purpose of making grants for technical assistance,  
26 construction, reconstruction, improvement, or repair of



1 buildings to facilitate their participation in the energy  
2 efficiency programs targeted at low-income single-family and  
3 multifamily households. These funds may also be used for the  
4 purpose of making grants for technical assistance,  
5 construction, reconstruction, improvement, or repair of the  
6 following buildings to facilitate their participation in the  
7 energy efficiency programs created by this Section: (1)  
8 buildings that are owned or operated by registered 501(c)(3)  
9 public charities; and (2) day care centers, day care homes, or  
10 group day care homes, as defined under 89 Ill. Adm. Code Part  
11 406, 407, or 408, respectively. Utilities shall also ensure  
12 that thermal insulating materials used for energy efficiency  
13 programs targeted at low-income single-family and multifamily  
14 households do not contain any substance that is a Category 1  
15 respiratory sensitizer as defined by Appendix A to 29 CFR  
16 1910.1200 (Health Hazard Criteria: A.4 Respiratory or Skin  
17 Sensitization) that was intentionally added or is present at  
18 greater than 0.1% (1000 ppm) by weight in the product.

19 Each electric utility shall assess opportunities to  
20 implement cost-effective energy efficiency measures and  
21 programs through a public housing authority or authorities  
22 located in its service territory. If such opportunities are  
23 identified, the utility shall propose such measures and  
24 programs to address the opportunities. Expenditures to address  
25 such opportunities shall be credited toward the minimum  
26 procurement and expenditure requirements set forth in this

1 subsection (c).

2 Implementation of energy efficiency measures and programs  
3 targeted at low-income households should be contracted, when  
4 it is practicable, to independent third parties that have  
5 demonstrated capabilities to serve such households, with a  
6 preference for not-for-profit entities and government agencies  
7 that have existing relationships with or experience serving  
8 low-income communities in the State.

9 Each electric utility shall develop and implement  
10 reporting procedures that address and assist in determining  
11 the amount of energy savings that can be applied to the  
12 low-income procurement and expenditure requirements set forth  
13 in this subsection (c). Each electric utility shall also track  
14 the types and quantities or volumes of insulation and air  
15 sealing materials, and their associated energy saving  
16 benefits, installed in energy efficiency programs targeted at  
17 low-income single-family and multifamily households.

18 The electric utilities shall participate in ~~also convene~~ a  
19 low-income energy efficiency accountability advisory committee  
20 ("the committee"), which will directly inform ~~to assist in~~ the  
21 design, implementation, and evaluation of the low-income and  
22 public-housing energy efficiency programs. The committee shall  
23 be comprised of the electric utilities subject to the  
24 requirements of this Section, the gas utilities subject to the  
25 requirements of Section 8-104.1 ~~8-104~~ of this Act, the  
26 utilities' low-income energy efficiency implementation

1 contractors, nonprofit organizations, community action  
2 agencies, advocacy groups, State and local governmental  
3 agencies, public-housing organizations, and representatives of  
4 community-based organizations, especially those living in or  
5 working with environmental justice communities and BIPOC  
6 communities. The committee shall be composed of 2  
7 geographically differentiated subcommittees: one for  
8 stakeholders in northern Illinois and one for stakeholders in  
9 central and southern Illinois. The subcommittees shall meet  
10 together at least twice per year.

11 There shall be one statewide leadership committee led by  
12 and composed of community-based organizations that are  
13 representative of BIPOC and environmental justice communities  
14 and that includes equitable representation from BIPOC  
15 communities. The leadership committee shall be composed of an  
16 equal number of representatives from the 2 subcommittees. The  
17 subcommittees shall address specific programs and issues, with  
18 the leadership committee convening targeted workgroups as  
19 needed. The leadership committee may elect to work with an  
20 independent facilitator to solicit and organize feedback,  
21 recommendations and meeting participation from a wide variety  
22 of community-based stakeholders. If a facilitator is used,  
23 they shall be fair and responsive to the needs of all  
24 stakeholders involved in the committee.

25 All committee meetings must be accessible, with rotating  
26 locations if meetings are held in-person, virtual

1 participation options, and materials and agendas circulated  
2 well in advance.

3 There shall also be opportunities for direct input by  
4 committee members outside of committee meetings, such as via  
5 individual meetings, surveys, emails and calls, to ensure  
6 robust participation by stakeholders with limited capacity and  
7 ability to attend committee meetings. Committee meetings shall  
8 emphasize opportunities to bundle and coordinate delivery of  
9 low-income energy efficiency with other programs that serve  
10 low-income communities, such as Solar for All and bill payment  
11 assistance programs. Meetings shall include educational  
12 opportunities for stakeholders to learn more about these  
13 additional offerings, and the committee shall assist in  
14 figuring out the best methods for coordinated delivery and  
15 implementation of offerings when serving low-income  
16 communities. The committee shall directly and equitably  
17 influence and inform utility low-income and public-housing  
18 energy efficiency programs and priorities. Participating  
19 utilities shall implement recommendations from the committee  
20 whenever possible.

21 Participating utilities shall track and report how input  
22 from the committee has led to new approaches and changes in  
23 their energy efficiency portfolios. This reporting shall occur  
24 at committee meetings and in quarterly energy efficiency  
25 reports to the Stakeholder Advisory Group and Illinois  
26 Commerce Commission, and other relevant reporting mechanisms.

1 Participating utilities shall also report on relevant equity  
2 data and metrics requested by the committee, such as energy  
3 burden data, geographic, racial, and other relevant  
4 demographic data on where programs are being delivered and  
5 what populations programs are serving.

6 The Illinois Commerce Commission shall oversee and have  
7 relevant staff participate in the committee. The committee  
8 shall have a budget of 0.25% of each utility's entire  
9 efficiency portfolio funding for a given year. The budget  
10 shall be overseen by the Commission. The budget shall be used  
11 to provide grants for community-based organizations serving on  
12 the leadership committee, stipends for community-based  
13 organizations participating in the committee, grants for  
14 community-based organizations to do energy efficiency outreach  
15 and education, and relevant meeting needs as determined by the  
16 leadership committee. The education and outreach shall  
17 include, but is not limited to, basic energy efficiency  
18 education, information about low-income energy efficiency  
19 programs, and information on the committee's purpose,  
20 structure, and activities.

21 (d) Notwithstanding any other provision of law to the  
22 contrary, a utility providing approved energy efficiency  
23 measures and, if applicable, demand-response measures in the  
24 State shall be permitted to recover all reasonable and  
25 prudently incurred costs of those measures from all retail  
26 customers, except as provided in subsection (1) of this

1 Section, as follows, provided that nothing in this subsection

2 (d) permits the double recovery of such costs from customers:

3 (1) The utility may recover its costs through an  
4 automatic adjustment clause tariff filed with and approved  
5 by the Commission. The tariff shall be established outside  
6 the context of a general rate case. Each year the  
7 Commission shall initiate a review to reconcile any  
8 amounts collected with the actual costs and to determine  
9 the required adjustment to the annual tariff factor to  
10 match annual expenditures. To enable the financing of the  
11 incremental capital expenditures, including regulatory  
12 assets, for electric utilities that serve less than  
13 3,000,000 retail customers but more than 500,000 retail  
14 customers in the State, the utility's actual year-end  
15 capital structure that includes a common equity ratio,  
16 excluding goodwill, of up to and including 50% of the  
17 total capital structure shall be deemed reasonable and  
18 used to set rates.

19 (2) A utility may recover its costs through an energy  
20 efficiency formula rate approved by the Commission under a  
21 filing under subsections (f) and (g) of this Section,  
22 which shall specify the cost components that form the  
23 basis of the rate charged to customers with sufficient  
24 specificity to operate in a standardized manner and be  
25 updated annually with transparent information that  
26 reflects the utility's actual costs to be recovered during

1 the applicable rate year, which is the period beginning  
2 with the first billing day of January and extending  
3 through the last billing day of the following December.  
4 The energy efficiency formula rate shall be implemented  
5 through a tariff filed with the Commission under  
6 subsections (f) and (g) of this Section that is consistent  
7 with the provisions of this paragraph (2) and that shall  
8 be applicable to all delivery services customers. The  
9 Commission shall conduct an investigation of the tariff in  
10 a manner consistent with the provisions of this paragraph  
11 (2), subsections (f) and (g) of this Section, and the  
12 provisions of Article IX of this Act to the extent they do  
13 not conflict with this paragraph (2). The energy  
14 efficiency formula rate approved by the Commission shall  
15 remain in effect at the discretion of the utility and  
16 shall do the following:

17 (A) Provide for the recovery of the utility's  
18 actual costs incurred under this Section that are  
19 prudently incurred and reasonable in amount consistent  
20 with Commission practice and law. The sole fact that a  
21 cost differs from that incurred in a prior calendar  
22 year or that an investment is different from that made  
23 in a prior calendar year shall not imply the  
24 imprudence or unreasonableness of that cost or  
25 investment.

26 (B) Reflect the utility's actual year-end capital

1 structure for the applicable calendar year, excluding  
2 goodwill, subject to a determination of prudence and  
3 reasonableness consistent with Commission practice and  
4 law. To enable the financing of the incremental  
5 capital expenditures, including regulatory assets, for  
6 electric utilities that serve less than 3,000,000  
7 retail customers but more than 500,000 retail  
8 customers in the State, a participating electric  
9 utility's actual year-end capital structure that  
10 includes a common equity ratio, excluding goodwill, of  
11 up to and including 50% of the total capital structure  
12 shall be deemed reasonable and used to set rates.

13 (C) Include a cost of equity, which shall be  
14 calculated as the sum of the following:

15 (i) the average for the applicable calendar  
16 year of the monthly average yields of 30-year U.S.  
17 Treasury bonds published by the Board of Governors  
18 of the Federal Reserve System in its weekly H.15  
19 Statistical Release or successor publication; and

20 (ii) 580 basis points.

21 At such time as the Board of Governors of the  
22 Federal Reserve System ceases to include the monthly  
23 average yields of 30-year U.S. Treasury bonds in its  
24 weekly H.15 Statistical Release or successor  
25 publication, the monthly average yields of the U.S.  
26 Treasury bonds then having the longest duration



1 published by the Board of Governors in its weekly H.15  
2 Statistical Release or successor publication shall  
3 instead be used for purposes of this paragraph (2).

4 (D) Permit and set forth protocols, subject to a  
5 determination of prudence and reasonableness  
6 consistent with Commission practice and law, for the  
7 following:

8 (i) recovery of incentive compensation expense  
9 that is based on the achievement of operational  
10 metrics, including metrics related to budget  
11 controls, outage duration and frequency, safety,  
12 customer service, efficiency and productivity, and  
13 environmental compliance; however, this protocol  
14 shall not apply if such expense related to costs  
15 incurred under this Section is recovered under  
16 Article IX or Section 16-108.5 of this Act;  
17 incentive compensation expense that is based on  
18 net income or an affiliate's earnings per share  
19 shall not be recoverable under the energy  
20 efficiency formula rate;

21 (ii) recovery of pension and other  
22 post-employment benefits expense, provided that  
23 such costs are supported by an actuarial study;  
24 however, this protocol shall not apply if such  
25 expense related to costs incurred under this  
26 Section is recovered under Article IX or Section

1 16-108.5 of this Act;

2 (iii) recovery of existing regulatory assets  
3 over the periods previously authorized by the  
4 Commission;

5 (iv) as described in subsection (e),  
6 amortization of costs incurred under this Section;  
7 and

8 (v) projected, weather normalized billing  
9 determinants for the applicable rate year.

10 (E) Provide for an annual reconciliation, as  
11 described in paragraph (3) of this subsection (d),  
12 less any deferred taxes related to the reconciliation,  
13 with interest at an annual rate of return equal to the  
14 utility's weighted average cost of capital, including  
15 a revenue conversion factor calculated to recover or  
16 refund all additional income taxes that may be payable  
17 or receivable as a result of that return, of the energy  
18 efficiency revenue requirement reflected in rates for  
19 each calendar year, beginning with the calendar year  
20 in which the utility files its energy efficiency  
21 formula rate tariff under this paragraph (2), with  
22 what the revenue requirement would have been had the  
23 actual cost information for the applicable calendar  
24 year been available at the filing date.

25 The utility shall file, together with its tariff, the  
26 projected costs to be incurred by the utility during the

1 rate year under the utility's multi-year plan approved  
2 under subsections (f) and (g) of this Section, including,  
3 but not limited to, the projected capital investment costs  
4 and projected regulatory asset balances with  
5 correspondingly updated depreciation and amortization  
6 reserves and expense, that shall populate the energy  
7 efficiency formula rate and set the initial rates under  
8 the formula.

9 The Commission shall review the proposed tariff in  
10 conjunction with its review of a proposed multi-year plan,  
11 as specified in paragraph (5) of subsection (g) of this  
12 Section. The review shall be based on the same evidentiary  
13 standards, including, but not limited to, those concerning  
14 the prudence and reasonableness of the costs incurred by  
15 the utility, the Commission applies in a hearing to review  
16 a filing for a general increase in rates under Article IX  
17 of this Act. The initial rates shall take effect beginning  
18 with the January monthly billing period following the  
19 Commission's approval.

20 The tariff's rate design and cost allocation across  
21 customer classes shall be consistent with the utility's  
22 automatic adjustment clause tariff in effect on June 1,  
23 2017 (the effective date of Public Act 99-906); however,  
24 the Commission may revise the tariff's rate design and  
25 cost allocation in subsequent proceedings under paragraph  
26 (3) of this subsection (d).

1           If the energy efficiency formula rate is terminated,  
2           the then current rates shall remain in effect until such  
3           time as the energy efficiency costs are incorporated into  
4           new rates that are set under this subsection (d) or  
5           Article IX of this Act, subject to retroactive rate  
6           adjustment, with interest, to reconcile rates charged with  
7           actual costs.

8           (3) The provisions of this paragraph (3) shall only  
9           apply to an electric utility that has elected to file an  
10          energy efficiency formula rate under paragraph (2) of this  
11          subsection (d). Subsequent to the Commission's issuance of  
12          an order approving the utility's energy efficiency formula  
13          rate structure and protocols, and initial rates under  
14          paragraph (2) of this subsection (d), the utility shall  
15          file, on or before June 1 of each year, with the Chief  
16          Clerk of the Commission its updated cost inputs to the  
17          energy efficiency formula rate for the applicable rate  
18          year and the corresponding new charges, as well as the  
19          information described in paragraph (9) of subsection (g)  
20          of this Section. Each such filing shall conform to the  
21          following requirements and include the following  
22          information:

23                (A) The inputs to the energy efficiency formula  
24                rate for the applicable rate year shall be based on the  
25                projected costs to be incurred by the utility during  
26                the rate year under the utility's multi-year plan

1 approved under subsections (f) and (g) of this  
2 Section, including, but not limited to, projected  
3 capital investment costs and projected regulatory  
4 asset balances with correspondingly updated  
5 depreciation and amortization reserves and expense.  
6 The filing shall also include a reconciliation of the  
7 energy efficiency revenue requirement that was in  
8 effect for the prior rate year (as set by the cost  
9 inputs for the prior rate year) with the actual  
10 revenue requirement for the prior rate year  
11 (determined using a year-end rate base) that uses  
12 amounts reflected in the applicable FERC Form 1 that  
13 reports the actual costs for the prior rate year. Any  
14 over-collection or under-collection indicated by such  
15 reconciliation shall be reflected as a credit against,  
16 or recovered as an additional charge to, respectively,  
17 with interest calculated at a rate equal to the  
18 utility's weighted average cost of capital approved by  
19 the Commission for the prior rate year, the charges  
20 for the applicable rate year. Such over-collection or  
21 under-collection shall be adjusted to remove any  
22 deferred taxes related to the reconciliation, for  
23 purposes of calculating interest at an annual rate of  
24 return equal to the utility's weighted average cost of  
25 capital approved by the Commission for the prior rate  
26 year, including a revenue conversion factor calculated

1 to recover or refund all additional income taxes that  
2 may be payable or receivable as a result of that  
3 return. Each reconciliation shall be certified by the  
4 participating utility in the same manner that FERC  
5 Form 1 is certified. The filing shall also include the  
6 charge or credit, if any, resulting from the  
7 calculation required by subparagraph (E) of paragraph  
8 (2) of this subsection (d).

9 Notwithstanding any other provision of law to the  
10 contrary, the intent of the reconciliation is to  
11 ultimately reconcile both the revenue requirement  
12 reflected in rates for each calendar year, beginning  
13 with the calendar year in which the utility files its  
14 energy efficiency formula rate tariff under paragraph  
15 (2) of this subsection (d), with what the revenue  
16 requirement determined using a year-end rate base for  
17 the applicable calendar year would have been had the  
18 actual cost information for the applicable calendar  
19 year been available at the filing date.

20 For purposes of this Section, "FERC Form 1" means  
21 the Annual Report of Major Electric Utilities,  
22 Licensees and Others that electric utilities are  
23 required to file with the Federal Energy Regulatory  
24 Commission under the Federal Power Act, Sections 3,  
25 4(a), 304 and 209, modified as necessary to be  
26 consistent with 83 Ill. Admin. Code Part 415 as of May

1           1, 2011. Nothing in this Section is intended to allow  
2           costs that are not otherwise recoverable to be  
3           recoverable by virtue of inclusion in FERC Form 1.

4           (B) The new charges shall take effect beginning on  
5           the first billing day of the following January billing  
6           period and remain in effect through the last billing  
7           day of the next December billing period regardless of  
8           whether the Commission enters upon a hearing under  
9           this paragraph (3).

10          (C) The filing shall include relevant and  
11          necessary data and documentation for the applicable  
12          rate year. Normalization adjustments shall not be  
13          required.

14          Within 45 days after the utility files its annual  
15          update of cost inputs to the energy efficiency formula  
16          rate, the Commission shall with reasonable notice,  
17          initiate a proceeding concerning whether the projected  
18          costs to be incurred by the utility and recovered during  
19          the applicable rate year, and that are reflected in the  
20          inputs to the energy efficiency formula rate, are  
21          consistent with the utility's approved multi-year plan  
22          under subsections (f) and (g) of this Section and whether  
23          the costs incurred by the utility during the prior rate  
24          year were prudent and reasonable. The Commission shall  
25          also have the authority to investigate the information and  
26          data described in paragraph (9) of subsection (g) of this

1 Section, including the proposed adjustment to the  
2 utility's return on equity component of its weighted  
3 average cost of capital. During the course of the  
4 proceeding, each objection shall be stated with  
5 particularity and evidence provided in support thereof,  
6 after which the utility shall have the opportunity to  
7 rebut the evidence. Discovery shall be allowed consistent  
8 with the Commission's Rules of Practice, which Rules of  
9 Practice shall be enforced by the Commission or the  
10 assigned administrative law judge. The Commission shall  
11 apply the same evidentiary standards, including, but not  
12 limited to, those concerning the prudence and  
13 reasonableness of the costs incurred by the utility,  
14 during the proceeding as it would apply in a proceeding to  
15 review a filing for a general increase in rates under  
16 Article IX of this Act. The Commission shall not, however,  
17 have the authority in a proceeding under this paragraph  
18 (3) to consider or order any changes to the structure or  
19 protocols of the energy efficiency formula rate approved  
20 under paragraph (2) of this subsection (d). In a  
21 proceeding under this paragraph (3), the Commission shall  
22 enter its order no later than the earlier of 195 days after  
23 the utility's filing of its annual update of cost inputs  
24 to the energy efficiency formula rate or December 15. The  
25 utility's proposed return on equity calculation, as  
26 described in paragraphs (7) through (9) of subsection (g)



1 of this Section, shall be deemed the final, approved  
2 calculation on December 15 of the year in which it is filed  
3 unless the Commission enters an order on or before  
4 December 15, after notice and hearing, that modifies such  
5 calculation consistent with this Section. The Commission's  
6 determinations of the prudence and reasonableness of the  
7 costs incurred, and determination of such return on equity  
8 calculation, for the applicable calendar year shall be  
9 final upon entry of the Commission's order and shall not  
10 be subject to reopening, reexamination, or collateral  
11 attack in any other Commission proceeding, case, docket,  
12 order, rule, or regulation; however, nothing in this  
13 paragraph (3) shall prohibit a party from petitioning the  
14 Commission to rehear or appeal to the courts the order  
15 under the provisions of this Act.

16 (e) Beginning on June 1, 2017 (the effective date of  
17 Public Act 99-906), a utility subject to the requirements of  
18 this Section may elect to defer, as a regulatory asset, up to  
19 the full amount of its expenditures incurred under this  
20 Section for each annual period, including, but not limited to,  
21 any expenditures incurred above the funding level set by  
22 subsection (f) of this Section for a given year. The total  
23 expenditures deferred as a regulatory asset in a given year  
24 shall be amortized and recovered over a period that is equal to  
25 the weighted average of the energy efficiency measure lives  
26 implemented for that year that are reflected in the regulatory

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

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

1 General Assembly that an electric utility that elects to  
2 create a regulatory asset under the provisions of this Section  
3 shall recover all of the associated costs as set forth in this  
4 Section. After 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 all  
7 such costs, and the value and recoverability through rates of  
8 the associated regulatory asset shall not be limited, altered,  
9 impaired, or reduced.

10 (f) Beginning in 2017, each electric utility shall file an  
11 energy efficiency plan with the Commission to meet the energy  
12 efficiency standards for the next applicable multi-year period  
13 beginning January 1 of the year following the filing,  
14 according to the schedule set forth in paragraphs (1) through  
15 (3) of this subsection (f). If a utility does not file such a  
16 plan on or before the applicable filing deadline for the plan,  
17 it shall face a penalty of \$100,000 per day until the plan is  
18 filed.

19 (1) No later than 30 days after June 1, 2017 (the  
20 effective date of Public Act 99-906), each electric  
21 utility shall file a 4-year energy efficiency plan  
22 commencing on January 1, 2018 that is designed to achieve  
23 the cumulative persisting annual savings goals specified  
24 in paragraphs (1) through (4) of subsection (b-5) of this  
25 Section or in paragraphs (1) through (4) of subsection  
26 (b-15) of this Section, as applicable, through

1 implementation of energy efficiency measures; however, the  
2 goals may be reduced if the utility's expenditures are  
3 limited pursuant to subsection (m) of this Section or, for  
4 a utility that serves less than 3,000,000 retail  
5 customers, if each of the following conditions are met:  
6 (A) the plan's analysis and forecasts of the utility's  
7 ability to acquire energy savings demonstrate that  
8 achievement of such goals is not cost effective; and (B)  
9 the amount of energy savings achieved by the utility as  
10 determined by the independent evaluator for the most  
11 recent year for which savings have been evaluated  
12 preceding the plan filing was less than the average annual  
13 amount of savings required to achieve the goals for the  
14 applicable 4-year plan period. Except as provided in  
15 subsection (m) of this Section, annual increases in  
16 cumulative persisting annual savings goals during the  
17 applicable 4-year plan period shall not be reduced to  
18 amounts that are less than the maximum amount of  
19 cumulative persisting annual savings that is forecast to  
20 be cost-effectively achievable during the 4-year plan  
21 period. The Commission shall review any proposed goal  
22 reduction as part of its review and approval of the  
23 utility's proposed plan.

24 (2) No later than March 1, 2021, each electric utility  
25 shall file a 4-year energy efficiency plan commencing on  
26 January 1, 2022 that is designed to achieve the cumulative

1 persisting annual savings goals specified in paragraphs  
2 (5) through (8) of subsection (b-5) of this Section or in  
3 paragraphs (5) through (8) of subsection (b-15) of this  
4 Section, as applicable, through implementation of energy  
5 efficiency measures; however, the goals may be reduced if  
6 either (1) clear and convincing evidence demonstrates,  
7 through independent analysis, that the expenditure limits  
8 in subsection (m) of this Section preclude full  
9 achievement of the goals or (2) ~~the utility's expenditures~~  
10 ~~are limited pursuant to subsection (m) of this Section or,~~  
11 each of the following conditions are met: (A) the plan's  
12 analysis and forecasts of the utility's ability to acquire  
13 energy savings demonstrate by clear and convincing  
14 evidence and through independent analysis that achievement  
15 of such goals is not cost effective; and (B) the amount of  
16 energy savings achieved by the utility as determined by  
17 the independent evaluator for the most recent year for  
18 which savings have been evaluated preceding the plan  
19 filing was less than the average annual amount of savings  
20 required to achieve the goals for the applicable 4-year  
21 plan period. If there is any significant uncertainty  
22 regarding whether achieving the savings goals specified in  
23 paragraph (b-5) or (b-15) of this Section is possible both  
24 cost-effectively and within the expenditure limits in  
25 subsection (m), such savings goals shall not be reduced.  
26 Except as provided in subsection (m) of this Section,

1 annual increases in cumulative persisting annual savings  
2 goals during the applicable 4-year plan period shall not  
3 be reduced to amounts that are less than the maximum  
4 amount of cumulative persisting annual savings that is  
5 forecast to be cost-effectively achievable during the  
6 4-year plan period. The Commission shall review any  
7 proposed goal reduction as part of its review and approval  
8 of the utility's proposed plan, taking into account the  
9 results of the potential study required by subsection  
10 (f-5) of this Section.

11 (3) No later than March 1, 2025, each electric utility  
12 shall file a 4-year ~~5-year~~ energy efficiency plan  
13 commencing on January 1, 2026 that is designed to achieve  
14 the cumulative persisting annual savings goals specified  
15 in paragraphs (9) through (12) ~~(13)~~ of subsection (b-5) of  
16 this Section or in paragraphs (9) through (12) ~~(13)~~ of  
17 subsection (b-15) of this Section, as applicable, through  
18 implementation of energy efficiency measures; however, the  
19 goals may be reduced if either (1) clear and convincing  
20 evidence demonstrates, through independent analysis, that  
21 the expenditure limits in subsection (m) of this Section  
22 preclude full achievement of the goals or (2) ~~the~~  
23 ~~utility's expenditures are limited pursuant to subsection~~  
24 ~~(m) of this Section or,~~ each of the following conditions  
25 are met: (A) the plan's analysis and forecasts of the  
26 utility's ability to acquire energy savings demonstrate by

1 clear and convincing evidence and through independent  
2 analysis that achievement of such goals is not cost  
3 effective; and (B) the amount of energy savings achieved  
4 by the utility as determined by the independent evaluator  
5 for the most recent year for which savings have been  
6 evaluated preceding the plan filing was less than the  
7 average annual amount of savings required to achieve the  
8 goals for the applicable 4-year ~~5-year~~ plan period. If  
9 there is any significant uncertainty regarding whether  
10 achieving the savings goals specified in paragraphs (b-5)  
11 or (b-15) of this Section is possible both  
12 cost-effectively and within the expenditure limits in  
13 subsection (m), such savings goals shall not be reduced.  
14 Except as provided in subsection (m) of this Section,  
15 annual increases in cumulative persisting annual savings  
16 goals during the applicable 4-year ~~5-year~~ plan period  
17 shall not be reduced to amounts that are less than the  
18 maximum amount of cumulative persisting annual savings  
19 that is forecast to be cost-effectively achievable during  
20 the 4-year ~~5-year~~ plan period. The Commission shall review  
21 any proposed goal reduction as part of its review and  
22 approval of the utility's proposed plan, taking into  
23 account the results of the potential study required by  
24 subsection (f-5) of this Section.

25 (4) No later than March 1, 2029, and every 4 years  
26 thereafter, each electric utility shall file a 4-year

1 energy efficiency plan commencing on January 1, 2030, and  
2 every 4 years thereafter, respectively, that is designed  
3 to achieve the cumulative persisting annual savings goals  
4 established by the Illinois Commerce Commission pursuant  
5 to direction of subsections (b-5) and (b-15) of this  
6 Section, as applicable, through implementation of energy  
7 efficiency measures; however, the goals may be reduced if  
8 either (1) clear and convincing evidence and independent  
9 analysis demonstrates that the expenditure limits in  
10 subsection (m) of this Section preclude full achievement  
11 of the goals or (2) each of the following conditions are  
12 met: (A) the plan's analysis and forecasts of the  
13 utility's ability to acquire energy savings demonstrate by  
14 clear and convincing evidence and through independent  
15 analysis that achievement of such goals is not  
16 cost-effective; and (B) the amount of energy savings  
17 achieved by the utility as determined by the independent  
18 evaluator for the most recent year for which savings have  
19 been evaluated preceding the plan filing was less than the  
20 average annual amount of savings required to achieve the  
21 goals for the applicable 4-year plan period. If there is  
22 any significant uncertainty regarding whether achieving  
23 the savings goals specified in paragraphs (b-5) or (b-15)  
24 of this Section is possible both cost-effectively and  
25 within the expenditure limits in subsection (m), such  
26 savings goals shall not be reduced. Except as provided in



1 subsection (m) of this Section, annual increases in  
2 cumulative persisting annual savings goals during the  
3 applicable 4-year plan period shall not be reduced to  
4 amounts that are less than the maximum amount of  
5 cumulative persisting annual savings that is forecast to  
6 be cost-effectively achievable during the 4-year plan  
7 period. The Commission shall review any proposed goal  
8 reduction as part of its review and approval of the  
9 utility's proposed plan.

10 Each utility's plan shall set forth the utility's  
11 proposals to meet the energy efficiency standards identified  
12 in subsection (b-5) or (b-15), as applicable and as such  
13 standards may have been modified under this subsection (f),  
14 taking into account the unique circumstances of the utility's  
15 service territory and results of an energy efficiency  
16 potential study as described in subsection (f-5) of this  
17 Section. For those plans commencing on January 1, 2018, the  
18 Commission shall seek public comment on the utility's plan and  
19 shall issue an order approving or disapproving each plan no  
20 later than 105 days after June 1, 2017 (the effective date of  
21 Public Act 99-906). For those plans commencing after December  
22 31, 2021, the Commission shall seek public comment on the  
23 utility's plan and shall issue an order approving or  
24 disapproving each plan within 6 months after its submission.  
25 If the Commission disapproves a plan, the Commission shall,  
26 within 30 days, describe in detail the reasons for the

1 disapproval and describe a path by which the utility may file a  
2 revised draft of the plan to address the Commission's concerns  
3 satisfactorily. If the utility does not refile with the  
4 Commission within 60 days, the utility shall be subject to  
5 penalties at a rate of \$100,000 per day until the plan is  
6 filed. This process shall continue, and penalties shall  
7 accrue, until the utility has successfully filed a portfolio  
8 of energy efficiency and demand-response measures. Penalties  
9 shall be deposited into the Energy Efficiency Trust Fund.

10 (f-5) Energy efficiency potential study. An energy  
11 efficiency potential study shall be commissioned and overseen  
12 by the Illinois Commerce Commission. The potential study shall  
13 be a dual fuel study, addressing both gas and electric  
14 efficiency potential, such that the requirements both in this  
15 subsection (f-5) and in subsection (j-5) of Section 8-104.1  
16 are met in an integrated and cost-efficient manner. The  
17 potential study shall be reviewed as part of the approval of a  
18 utility's plan filed pursuant to subsection (f) of this  
19 Section. The potential study shall be designed and conducted  
20 with input from a Potential Study Stakeholder Committee  
21 established by the Commission. This Committee shall be  
22 composed of representatives from each electric utility, the  
23 Illinois Attorney General's office, at least 2 environmental  
24 stakeholders, at least one community-based organization, and  
25 additional parties representing consumers. The Committee shall  
26 provide input, at a minimum, into the scope of work for the

1 studies, the selection of vendors to perform the studies in  
2 accordance with appropriate confidentiality and conflict of  
3 interest provisions, and draft work products. The Committee  
4 shall make best efforts to achieve consensus on the key  
5 elements of the potential study, including:

6 (i) savings potential from efficiency measures and  
7 program concepts that are known at the time of the study;

8 (ii) likely emergence of new technology or new program  
9 concepts that could emerge;

10 (iii) likely savings potential from efficiency  
11 measures that may be unique to individual industries or  
12 individual facilities; and

13 (iv) the experience of other similar utilities, areas  
14 and jurisdictions in maximizing achievement of  
15 cost-effective savings.

16 When the Committee is not able to reach consensus, the  
17 Commission shall make the final decision.

18 (g) In submitting proposed plans and funding levels under  
19 subsection (f) of this Section to meet the savings goals  
20 identified in subsection (b-5) or (b-15) of this Section, as  
21 applicable, the utility shall:

22 (1) Demonstrate that its proposed energy efficiency  
23 measures will achieve the applicable requirements that are  
24 identified in subsection (b-5) or (b-15) of this Section,  
25 as modified by subsection (f) of this Section.

26 (2) (Blank). ~~Present specific proposals to implement~~

1 ~~new building and appliance standards that have been placed~~  
2 ~~into effect.~~

3 (2.5) Demonstrate consideration of program options for  
4 (A) advancing new building codes, appliance standards, and  
5 municipal regulations governing existing and new building  
6 efficiency improvements and (B) supporting efforts to  
7 improve compliance with new building codes, appliance  
8 standards and municipal regulations, as potentially  
9 cost-effective means of acquiring energy savings to count  
10 toward savings goals.

11 (3) Demonstrate that its overall portfolio of  
12 measures, not including low-income programs described in  
13 subsection (c) of this Section, is cost-effective using  
14 the total resource cost test or complies with paragraphs  
15 (1) through (3) of subsection (f) of this Section and  
16 represents a diverse cross-section of opportunities for  
17 customers of all rate classes, other than those customers  
18 described in subsection (1) of this Section, to  
19 participate in the programs. Individual measures need not  
20 be cost effective.

21 (3.5) Demonstrate that the utility's plan integrates  
22 the delivery of energy efficiency programs with natural  
23 gas efficiency programs, programs promoting distributed  
24 solar, programs promoting demand response and other  
25 efforts to address bill payment issues, including, but not  
26 limited to, LIHEAP and the Percentage of Income Payment

1       Plan, to the extent such integration is practical and has  
2       the potential to enhance customer engagement, minimize  
3       market confusion, or reduce administrative costs.

4           (4) Present a third-party energy efficiency  
5       implementation program subject to the following  
6       requirements:

7           (A) beginning with the year commencing January 1,  
8       2019, electric utilities that serve more than  
9       3,000,000 retail customers in the State shall fund  
10      third-party energy efficiency programs in an amount  
11      that is no less than \$25,000,000 per year, and  
12      electric utilities that serve less than 3,000,000  
13      retail customers but more than 500,000 retail  
14      customers in the State shall fund third-party energy  
15      efficiency programs in an amount that is no less than  
16      \$8,350,000 per year;

17          (B) during 2018, the utility shall conduct a  
18      solicitation process for purposes of requesting  
19      proposals from third-party vendors for those  
20      third-party energy efficiency programs to be offered  
21      during one or more of the years commencing January 1,  
22      2019, January 1, 2020, and January 1, 2021; for those  
23      multi-year plans commencing on January 1, 2022 and  
24      January 1, 2026, the utility shall conduct a  
25      solicitation process during 2021 and 2025,  
26      respectively, for purposes of requesting proposals

1 from third-party vendors for those third-party energy  
2 efficiency programs to be offered during one or more  
3 years of the respective multi-year plan period; for  
4 each solicitation process, the utility shall identify  
5 the sector, technology, or geographical area for which  
6 it is seeking requests for proposals; the solicitation  
7 process must be either for programs that fill gaps in  
8 the utility's program portfolio or for programs that  
9 target business sectors, building types, geographies,  
10 or other specific parts of its customer base with  
11 initiatives that would be more effective at reaching  
12 these customer segments than the utilities' programs  
13 filed in its energy efficiency plans;

14 (C) the utility shall propose the bidder  
15 qualifications, performance measurement process, and  
16 contract structure, which must include a performance  
17 payment mechanism and general terms and conditions;  
18 the proposed qualifications, process, and structure  
19 shall be subject to Commission approval; and

20 (D) the utility shall retain an independent third  
21 party to score the proposals received through the  
22 solicitation process described in this paragraph (4),  
23 rank them according to their cost per lifetime  
24 kilowatt-hours saved, and assemble the portfolio of  
25 third-party programs.

26 The electric utility shall recover all costs

1 associated with Commission-approved, third-party  
2 administered programs regardless of the success of those  
3 programs.

4 (4.5) Implement cost-effective demand-response  
5 measures to reduce peak demand by 0.1% over the prior year  
6 for eligible retail customers, as defined in Section  
7 16-111.5 of this Act, and for customers that elect hourly  
8 service from the utility pursuant to Section 16-107 of  
9 this Act, provided those customers have not been declared  
10 competitive. This requirement continues until December 31,  
11 2026.

12 (5) Include a proposed or revised cost-recovery tariff  
13 mechanism, as provided for under subsection (d) of this  
14 Section, to fund the proposed energy efficiency and  
15 demand-response measures and to ensure the recovery of the  
16 prudently and reasonably incurred costs of  
17 Commission-approved programs.

18 (6) Provide for an annual independent evaluation of  
19 the performance of the cost-effectiveness of the utility's  
20 portfolio of measures, as well as a full review of the  
21 multi-year plan results of the broader net program impacts  
22 and, to the extent practical, for adjustment of the  
23 measures on a going-forward basis as a result of the  
24 evaluations. The resources dedicated to evaluation shall  
25 not exceed 3% of portfolio resources in any given year.

26 (7) For electric utilities that serve more than

1           3,000,000 retail customers in the State:

2           (A) Through December 31, 2025, provide for an  
3           adjustment to the return on equity component of the  
4           utility's weighted average cost of capital calculated  
5           under subsection (d) of this Section:

6                   (i) If the independent evaluator determines  
7                   that the utility achieved a cumulative persisting  
8                   annual savings that is less than the applicable  
9                   annual incremental goal, then the return on equity  
10                  component shall be reduced by a maximum of 200  
11                  basis points in the event that the utility  
12                  achieved no more than 75% of such goal. If the  
13                  utility achieved more than 75% of the applicable  
14                  annual incremental goal but less than 100% of such  
15                  goal, then the return on equity component shall be  
16                  reduced by 8 basis points for each percent by  
17                  which the utility failed to achieve the goal.

18                   (ii) If the independent evaluator determines  
19                   that the utility achieved a cumulative persisting  
20                   annual savings that is more than the applicable  
21                   annual incremental goal, then the return on equity  
22                   component shall be increased by a maximum of 200  
23                   basis points in the event that the utility  
24                   achieved at least 125% of such goal. If the  
25                   utility achieved more than 100% of the applicable  
26                   annual incremental goal but less than 125% of such



1 goal, then the return on equity component shall be  
2 increased by 8 basis points for each percent by  
3 which the utility achieved above the goal. If the  
4 applicable annual incremental goal was reduced  
5 under paragraphs (1) or (2) of subsection (f) of  
6 this Section, then the following adjustments shall  
7 be made to the calculations described in this item  
8 (ii):

9 (aa) the calculation for determining  
10 achievement that is at least 125% of the  
11 applicable annual incremental goal shall use  
12 the unreduced applicable annual incremental  
13 goal to set the value; and

14 (bb) the calculation for determining  
15 achievement that is less than 125% but more  
16 than 100% of the applicable annual incremental  
17 goal shall use the reduced applicable annual  
18 incremental goal to set the value for 100%  
19 achievement of the goal and shall use the  
20 unreduced goal to set the value for 125%  
21 achievement. The 8 basis point value shall  
22 also be modified, as necessary, so that the  
23 200 basis points are evenly apportioned among  
24 each percentage point value between 100% and  
25 125% achievement.

26 (B) For the period January 1, 2026 through

1           December 31, 2029 and in all subsequent 4-year periods  
2           ~~2030~~, provide for an adjustment to the return on  
3           equity component of the utility's weighted average  
4           cost of capital calculated under subsection (d) of  
5           this Section:

6                   (i) If the independent evaluator determines  
7                   that the utility achieved a cumulative persisting  
8                   annual savings that is less than the applicable  
9                   annual incremental goal, then the return on equity  
10                  component shall be reduced by a maximum of 200  
11                  basis points in the event that the utility  
12                  achieved no more than 66% of such goal. If the  
13                  utility achieved more than 66% of the applicable  
14                  annual incremental goal but less than 100% of such  
15                  goal, then the return on equity component shall be  
16                  reduced by 6 basis points for each percent by  
17                  which the utility failed to achieve the goal.

18                   (ii) If the independent evaluator determines  
19                   that the utility achieved a cumulative persisting  
20                   annual savings that is more than the applicable  
21                   annual incremental goal, then the return on equity  
22                   component shall be increased by a maximum of 200  
23                   basis points in the event that the utility  
24                   achieved at least 134% of such goal. If the  
25                   utility achieved more than 100% of the applicable  
26                   annual incremental goal but less than 134% of such

1 goal, then the return on equity component shall be  
2 increased by 6 basis points for each percent by  
3 which the utility achieved above the goal. If the  
4 applicable annual incremental goal was reduced  
5 under paragraph (3) of subsection (f) of this  
6 Section, then the following adjustments shall be  
7 made to the calculations described in this item  
8 (ii):

9 (aa) the calculation for determining  
10 achievement that is at least 134% of the  
11 applicable annual incremental goal shall use  
12 the unreduced applicable annual incremental  
13 goal to set the value; and

14 (bb) the calculation for determining  
15 achievement that is less than 134% but more  
16 than 100% of the applicable annual incremental  
17 goal shall use the reduced applicable annual  
18 incremental goal to set the value for 100%  
19 achievement of the goal and shall use the  
20 unreduced goal to set the value for 134%  
21 achievement. The 6 basis point value shall  
22 also be modified, as necessary, so that the  
23 200 basis points are evenly apportioned among  
24 each percentage point value between 100% and  
25 134% achievement.

26 (C) Notwithstanding the provisions of

1 subparagraphs (A) and (B) of this paragraph (7), if  
2 the applicable annual incremental goal for an electric  
3 utility is ever less than 0.6% of deemed average  
4 weather normalized sales of electric power and energy  
5 during calendar years 2014, 2015, and 2016, an  
6 adjustment to the return on equity component of the  
7 utility's weighted average cost of capital calculated  
8 under subsection (d) of this Section shall be made as  
9 follows:

10 (i) If the independent evaluator determines  
11 that the utility achieved a cumulative persisting  
12 annual savings that is less than would have been  
13 achieved had the applicable annual incremental  
14 goal been achieved, then the return on equity  
15 component shall be reduced by a maximum of 200  
16 basis points if the utility achieved no more than  
17 75% of its applicable annual total savings  
18 requirement as defined in paragraph (7.5) of this  
19 subsection. If the utility achieved more than 75%  
20 of the applicable annual total savings requirement  
21 but less than 100% of such goal, then the return on  
22 equity component shall be reduced by 8 basis  
23 points for each percent by which the utility  
24 failed to achieve the goal.

25 (ii) If the independent evaluator determines  
26 that the utility achieved a cumulative persisting

1 annual savings that is more than would have been  
2 achieved had the applicable annual incremental  
3 goal been achieved, then the return on equity  
4 component shall be increased by a maximum of 200  
5 basis points if the utility achieved at least 125%  
6 of its applicable annual total savings  
7 requirement. If the utility achieved more than  
8 100% of the applicable annual total savings  
9 requirement but less than 125% of such goal, then  
10 the return on equity component shall be increased  
11 by 8 basis points for each percent by which the  
12 utility achieved above the applicable annual total  
13 savings requirement. If the applicable annual  
14 incremental goal was reduced under paragraphs (1)  
15 or (2) of subsection (f) of this Section, then the  
16 following adjustments shall be made to the  
17 calculations described in this item (ii):

18 (aa) the calculation for determining  
19 achievement that is at least 125% of the  
20 applicable annual total savings requirement  
21 shall use the unreduced applicable annual  
22 incremental goal to set the value; and

23 (bb) the calculation for determining  
24 achievement that is less than 125% but more  
25 than 100% of the applicable annual total  
26 savings requirement shall use the reduced

1 applicable annual incremental goal to set the  
2 value for 100% achievement of the goal and  
3 shall use the unreduced goal to set the value  
4 for 125% achievement. The 8 basis point value  
5 shall also be modified, as necessary, so that  
6 the 200 basis points are evenly apportioned  
7 among each percentage point value between 100%  
8 and 125% achievement.

9 (7.5) For purposes of this Section, the term  
10 "applicable annual incremental goal" means the difference  
11 between the cumulative persisting annual savings goal for  
12 the calendar year that is the subject of the independent  
13 evaluator's determination and the cumulative persisting  
14 annual savings goal for the immediately preceding calendar  
15 year, as such goals are defined in subsections (b-5) and  
16 (b-15) of this Section and as these goals may have been  
17 modified as provided for under subsection (b-20) and  
18 paragraphs (1) through (3) of subsection (f) of this  
19 Section. Under subsections (b), (b-5), (b-10), and (b-15)  
20 of this Section, a utility must first replace energy  
21 savings from measures that have expired ~~reached the end of~~  
22 ~~their measure lives and would otherwise have to be~~  
23 ~~replaced to meet the applicable savings goals identified~~  
24 ~~in subsection (b-5) or (b-15) of this Section~~ before any  
25 progress towards achievement of its applicable annual  
26 incremental goal may be counted. Savings may expire

1 because measures installed in previous years have reached  
2 the end of their lives, because measures installed in  
3 previous years are producing lower savings in the current  
4 year than in the previous year, or for other reasons  
5 identified by independent evaluators. Notwithstanding  
6 anything else set forth in this Section, the difference  
7 between the actual annual incremental savings achieved in  
8 any given year, including the replacement of energy  
9 savings ~~from~~ measures that have expired, and the  
10 applicable annual incremental goal shall not affect  
11 adjustments to the return on equity for subsequent  
12 calendar years under this subsection (g).

13 In this Section, "applicable annual total savings  
14 requirement" means the total amount of new annual savings  
15 that the utility must achieve in any given year to achieve  
16 the applicable annual incremental goal. This is equal to  
17 the applicable annual incremental goal plus the total new  
18 annual savings that are required to replace savings that  
19 expired in or at the end of the previous year.

20 (8) For electric utilities that serve less than  
21 3,000,000 retail customers but more than 500,000 retail  
22 customers in the State:

23 (A) Through December 31, 2025, the applicable  
24 annual incremental goal shall be compared to the  
25 annual incremental savings as determined by the  
26 independent evaluator.

1 (i) The return on equity component shall be  
2 reduced by 8 basis points for each percent by  
3 which the utility did not achieve 84.4% of the  
4 applicable annual incremental goal.

5 (ii) The return on equity component shall be  
6 increased by 8 basis points for each percent by  
7 which the utility exceeded 100% of the applicable  
8 annual incremental goal.

9 (iii) The return on equity component shall not  
10 be increased or decreased if the annual  
11 incremental savings as determined by the  
12 independent evaluator is greater than 84.4% of the  
13 applicable annual incremental goal and less than  
14 100% of the applicable annual incremental goal.

15 (iv) The return on equity component shall not  
16 be increased or decreased by an amount greater  
17 than 200 basis points pursuant to this  
18 subparagraph (A).

19 (B) For the period of January 1, 2026 through  
20 December 31, 2029 and in all subsequent 4-year periods  
21 ~~2030~~, the applicable annual incremental goal shall be  
22 compared to the annual incremental savings as  
23 determined by the independent evaluator.

24 (i) The return on equity component shall be  
25 reduced by 6 basis points for each percent by  
26 which the utility did not achieve 100% of the



1 applicable annual incremental goal.

2 (ii) The return on equity component shall be  
3 increased by 6 basis points for each percent by  
4 which the utility exceeded 100% of the applicable  
5 annual incremental goal.

6 (iii) The return on equity component shall not  
7 be increased or decreased by an amount greater  
8 than 200 basis points pursuant to this  
9 subparagraph (B).

10 (C) Notwithstanding provisions in subparagraphs  
11 (A) and (B) of paragraph (7) of this subsection, if the  
12 applicable annual incremental goal for an electric  
13 utility is ever less than 0.6% of deemed average  
14 weather normalized sales of electric power and energy  
15 during calendar years 2014, 2015 and 2016, an  
16 adjustment to the return on equity component of the  
17 utility's weighted average cost of capital calculated  
18 under subsection (d) of this Section shall be made as  
19 follows:

20 (i) The return on equity component shall be  
21 reduced by 8 basis points for each percent by  
22 which the utility did not achieve 100% of the  
23 applicable annual total savings requirement.

24 (ii) The return on equity component shall be  
25 increased by 8 basis points for each percent by  
26 which the utility exceeded 100% of the applicable

1 annual total savings requirement.

2 (iii) The return on equity component shall not  
3 be increased or decreased by an amount greater  
4 than 200 basis points pursuant to this  
5 subparagraph (C).

6 (D) ~~(C)~~ If the applicable annual incremental goal  
7 was reduced under paragraphs (1), (2), ~~or~~ (3), or (4)  
8 of subsection (f) of this Section, then the following  
9 adjustments shall be made to the calculations  
10 described in subparagraphs (A), ~~and~~ (B), and (C) of  
11 this paragraph (8):

12 (i) The calculation for determining  
13 achievement that is at least 125% or 134%, as  
14 applicable, of the applicable annual incremental  
15 goal or the applicable annual total savings  
16 requirement, as applicable, shall use the  
17 unreduced applicable annual incremental goal to  
18 set the value.

19 (ii) For the period through December 31, 2025,  
20 the calculation for determining achievement that  
21 is less than 125% but more than 100% of the  
22 applicable annual incremental goal or the  
23 applicable annual total savings requirement, as  
24 applicable, shall use the reduced applicable  
25 annual incremental goal to set the value for 100%  
26 achievement of the goal and shall use the

1           unreduced goal to set the value for 125%  
2           achievement. The 8 basis point value shall also be  
3           modified, as necessary, so that the 200 basis  
4           points are evenly apportioned among each  
5           percentage point value between 100% and 125%  
6           achievement.

7           (iii) For the period of January 1, 2026  
8           through December 31, 2029 and all subsequent  
9           4-year periods, the calculation for determining  
10           achievement that is less than 125% or 134%, as  
11           applicable, but more than 100% of the applicable  
12           annual incremental goal or the applicable annual  
13           total savings requirement, as applicable, shall  
14           use the reduced applicable annual incremental goal  
15           to set the value for 100% achievement of the goal  
16           and shall use the unreduced goal to set the value  
17           for 125% achievement. The 6 or 8 basis point  
18           values, as applicable, shall also be modified, as  
19           necessary, so that the 200 basis points are evenly  
20           apportioned among each percentage point value  
21           between 100% and 125% or between 100% and 134%  
22           achievement, as applicable ~~2030, the calculation~~  
23           ~~for determining achievement that is less than 134%~~  
24           ~~but more than 100% of the applicable annual~~  
25           ~~incremental goal shall use the reduced applicable~~  
26           ~~annual incremental goal to set the value for 100%~~

~~achievement of the goal and shall use the  
unreduced goal to set the value for 125%  
achievement. The 6 basis point value shall also be  
modified, as necessary, so that the 200 basis  
points are evenly apportioned among each  
percentage point value between 100% and 134%  
achievement.~~

(9) The utility shall submit the energy savings data to the independent evaluator no later than 30 days after the close of the plan year. The independent evaluator shall determine the cumulative persisting annual savings for a given plan year, as well as an estimate of job impacts and other macroeconomic impacts of the efficiency programs for that year, no later than 120 days after the close of the plan year. The utility shall submit an informational filing to the Commission no later than 160 days after the close of the plan year that attaches the independent evaluator's final report identifying the cumulative persisting annual savings for the year and calculates, under paragraph (7) or (8) of this subsection (g), as applicable, any resulting change to the utility's return on equity component of the weighted average cost of capital applicable to the next plan year beginning with the January monthly billing period and extending through the December monthly billing period. However, if the utility recovers the costs incurred under this Section

1 under paragraphs (2) and (3) of subsection (d) of this  
2 Section, then the utility shall not be required to submit  
3 such informational filing, and shall instead submit the  
4 information that would otherwise be included in the  
5 informational filing as part of its filing under paragraph  
6 (3) of such subsection (d) that is due on or before June 1  
7 of each year.

8 For those utilities that must submit the informational  
9 filing, the Commission may, on its own motion or by  
10 petition, initiate an investigation of such filing,  
11 provided, however, that the utility's proposed return on  
12 equity calculation shall be deemed the final, approved  
13 calculation on December 15 of the year in which it is filed  
14 unless the Commission enters an order on or before  
15 December 15, after notice and hearing, that modifies such  
16 calculation consistent with this Section.

17 The adjustments to the return on equity component  
18 described in paragraphs (7) and (8) of this subsection (g)  
19 shall be applied as described in such paragraphs through a  
20 separate tariff mechanism, which shall be filed by the  
21 utility under subsections (f) and (g) of this Section.

22 (9.5) The utility must demonstrate how it will ensure  
23 that program implementation contractors and energy  
24 efficiency installation vendors will meet multiple  
25 workforce equity building criteria, including, but not  
26 limited to:

1           (i) Ensuring that an amount of program portfolio  
2           incentive funding proportional to the population of  
3           BIPOC persons within the utility's territory, as  
4           updated every 2 years, is administered or installed by  
5           energy efficiency installation vendors who meet one of  
6           the following criteria:

7                   (aa) certified under Section 2 of the Business  
8                   Enterprise for Minorities, Women, and Persons with  
9                   Disabilities Act; or

10                   (bb) certified by another municipal, state,  
11                   federal, or other certification for disadvantaged  
12                   businesses; or

13                   (cc) submit an affidavit showing that the  
14                   vendor meets the eligibility criteria for a  
15                   certification program such as those in subdivision  
16                   (aa) or (bb); or

17                   (dd) if the vendor is a nonprofit, meet any of  
18                   the criteria in subdivision (aa), (bb), or (cc) or  
19                   is controlled by a board of directors that  
20                   consists of 51% or greater individuals who are  
21                   minorities, women, or persons with a disability as  
22                   defined by the Business Enterprise for Minorities,  
23                   Women, and Persons with a Disability Act.

24           (ii) Ensuring that program implementation  
25           contractors and energy efficiency installation vendors  
26           pay employees working on energy efficiency programs at

1 or above the prevailing wage rate when such a wage rate  
2 has been published by the Illinois Department of Labor  
3 and pay employees working on energy efficiency  
4 programs at or above the median wage rate for a similar  
5 job description in the nearest metropolitan area when  
6 there is no applicable published prevailing wage rate.  
7 If necessary, utilities may conduct surveys to  
8 establish the median wage rate for a given job  
9 description. Utilities shall establish reporting  
10 procedures for vendors that ensure compliance with  
11 this subsection, but are structured to avoid, wherever  
12 possible, placing an undue administrative burden on  
13 vendors.

14 (iii) Ensuring that program implementation  
15 contractor employees and energy efficiency  
16 installation vendor employees are proportional to the  
17 population of BIPOC persons, within the utility's  
18 territory, as updated every 2 years.

19 (iv) Ensuring that 30% or more of the energy  
20 efficiency installation vendor employees working for  
21 vendors reporting to each program implementation  
22 contractor are graduates or trainees from  
23 equity-focused workforce training programs designated  
24 by the Illinois Power Agency or similar programs  
25 offering equivalent certifications.

26 (v) Ensuring that vendors who are very small

1 businesses of 5 or fewer full-time employees or  
2 businesses that have completed or are participating in  
3 contractor incubator programs or entrepreneurship  
4 programs designated by the Illinois Power Agency,  
5 receive a substantial portion of program portfolio  
6 funding. Utility plans to achieve this shall include  
7 efforts to provide the necessary training and  
8 administrative support needed for very small  
9 businesses to meet utility-mandated training,  
10 certification, insurance, and security-related  
11 contract requirements.

12 (9.6) Utilities shall collect data necessary to ensure  
13 compliance with paragraph (9.5) no less than quarterly and  
14 shall communicate progress toward compliance with  
15 paragraph (9.5) to program implementation contractors and  
16 energy efficiency installation vendors no less than  
17 quarterly. When it seems unlikely that the criteria in  
18 paragraph (9.5) will be met, utilities shall work with  
19 relevant vendors, providing education, training, and other  
20 resources needed to ensure compliance and, where  
21 necessary, adjusting or terminating work with vendors that  
22 cannot assist with compliance.

23 (10) Utilities required to implement efficiency  
24 programs under subsections (b-5) and (b-10) shall report  
25 annually to the Illinois Commerce Commission and the  
26 General Assembly on how hiring, contracting, job training,



1 and other practices related to its energy efficiency  
2 programs enhance the diversity of vendors working on such  
3 programs. These reports must include data on vendor and  
4 employee diversity, including data on the implementation  
5 of paragraphs (9.5) and (9.6). If the utility is not  
6 meeting the requirements of paragraphs (9.5) and (9.6),  
7 the utility shall submit a plan to adjust their activities  
8 so that they meet the requirements of paragraphs (9.5) and  
9 (9.6) within the following year.

10 (h) No more than 6% of energy efficiency and  
11 demand-response program revenue may be allocated for research,  
12 development, or pilot deployment of new equipment or measures.

13 (i) When practicable, electric utilities shall incorporate  
14 advanced metering infrastructure data into the planning,  
15 implementation, and evaluation of energy efficiency measures  
16 and programs, subject to the data privacy and confidentiality  
17 protections of applicable law.

18 (j) The independent evaluator shall follow the guidelines  
19 and use the savings set forth in Commission-approved energy  
20 efficiency policy manuals and technical reference manuals, as  
21 each may be updated from time to time. Until such time as  
22 measure life values for energy efficiency measures implemented  
23 for low-income households under subsection (c) of this Section  
24 are incorporated into such Commission-approved manuals, the  
25 low-income measures shall have the same measure life values  
26 that are established for same measures implemented in

1 households that are not low-income households.

2 (k) Notwithstanding any provision of law to the contrary,  
3 an electric utility subject to the requirements of this  
4 Section may file a tariff cancelling an automatic adjustment  
5 clause tariff in effect under this Section or Section 8-103,  
6 which shall take effect no later than one business day after  
7 the date such tariff is filed. Thereafter, the utility shall  
8 be authorized to defer and recover its expenditures incurred  
9 under this Section through a new tariff authorized under  
10 subsection (d) of this Section or in the utility's next rate  
11 case under Article IX or Section 16-108.5 of this Act, with  
12 interest at an annual rate equal to the utility's weighted  
13 average cost of capital as approved by the Commission in such  
14 case. If the utility elects to file a new tariff under  
15 subsection (d) of this Section, the utility may file the  
16 tariff within 10 days after June 1, 2017 (the effective date of  
17 Public Act 99-906), and the cost inputs to such tariff shall be  
18 based on the projected costs to be incurred by the utility  
19 during the calendar year in which the new tariff is filed and  
20 that were not recovered under the tariff that was cancelled as  
21 provided for in this subsection. Such costs shall include  
22 those incurred or to be incurred by the utility under its  
23 multi-year plan approved under subsections (f) and (g) of this  
24 Section, including, but not limited to, projected capital  
25 investment costs and projected regulatory asset balances with  
26 correspondingly updated depreciation and amortization reserves

1 and expense. The Commission shall, after notice and hearing,  
2 approve, or approve with modification, such tariff and cost  
3 inputs no later than 75 days after the utility filed the  
4 tariff, provided that such approval, or approval with  
5 modification, shall be consistent with the provisions of this  
6 Section to the extent they do not conflict with this  
7 subsection (k). The tariff approved by the Commission shall  
8 take effect no later than 5 days after the Commission enters  
9 its order approving the tariff.

10 No later than 60 days after the effective date of the  
11 tariff cancelling the utility's automatic adjustment clause  
12 tariff, the utility shall file a reconciliation that  
13 reconciles the moneys collected under its automatic adjustment  
14 clause tariff with the costs incurred during the period  
15 beginning June 1, 2016 and ending on the date that the electric  
16 utility's automatic adjustment clause tariff was cancelled. In  
17 the event the reconciliation reflects an under-collection, the  
18 utility shall recover the costs as specified in this  
19 subsection (k). If the reconciliation reflects an  
20 over-collection, the utility shall apply the amount of such  
21 over-collection as a one-time credit to retail customers'  
22 bills.

23 (1) (Blank). ~~For the calendar years covered by a~~  
24 ~~multi-year plan commencing after December 31, 2017,~~  
25 ~~subsections (a) through (j) of this Section do not apply to any~~  
26 ~~retail customers of an electric utility that serves more than~~

~~3,000,000 retail customers in the State and whose total highest 30 minute demand was more than 10,000 kilowatts, or any retail customers of an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State and whose total highest 15 minute demand was more than 10,000 kilowatts. For purposes of this subsection (l), "retail customer" has the meaning set forth in Section 16-102 of this Act. A determination of whether this subsection is applicable to a customer shall be made for each multi year plan beginning after December 31, 2017. The criteria for determining whether this subsection (l) is applicable to a retail customer shall be based on the 12 consecutive billing periods prior to the start of the first year of each such multi year plan.~~

(m) Notwithstanding the requirements of this Section, as part of a proceeding to approve a multi-year plan under subsections (f) and (g) of this Section if the multi-year plan has been designed to maximize savings, but does not meet the cost cap limitations of this subsection, the Commission shall reduce the amount of energy efficiency measures implemented for any single year, and whose costs are recovered under subsection (d) of this Section, by an amount necessary to limit the estimated average net increase due to the cost of the measures to no more than

(1) 3.5% for each of the 4 years beginning January 1,

2018,

1           (2) (blank), ~~3.75% for each of the 4 years beginning~~  
2           ~~January 1, 2022, and~~

3           (3) 4% for each of the 4 ~~5~~ years beginning January 1,  
4           2022 ~~2026~~,

5           (4) 4.25% for the 4 years beginning January 1, 2026,  
6           and

7           (5) 4.25% plus an increase sufficient to account for  
8           the rate of inflation between January 1, 2026 and January  
9           1 of the first year of each subsequent 4-year plan cycle,  
10          of the average amount paid per kilowatthour by residential  
11          eligible retail customers during calendar year 2015. An  
12          electric utility may plan to spend up to 10% more in any year  
13          during an applicable multi-year plan period to  
14          cost-effectively achieve additional savings so long as the  
15          average over the applicable multi-year plan period does not  
16          exceed the percentages defined in items (1) through (5). To  
17          determine the total amount that may be spent by an electric  
18          utility in any single year, the applicable percentage of the  
19          average amount paid per kilowatthour shall be multiplied by  
20          the total amount of energy delivered by such electric utility  
21          in the calendar year 2015, ~~adjusted to reflect the proportion~~  
22          ~~of the utility's load attributable to customers who are exempt~~  
23          ~~from subsections (a) through (j) of this Section under~~  
24          ~~subsection (l) of this Section.~~ For purposes of this  
25          subsection (m), the amount paid per kilowatthour includes,  
26          without limitation, estimated amounts paid for supply,

1 transmission, distribution, surcharges, and add-on taxes. For  
2 purposes of this Section, "eligible retail customers" shall  
3 have the meaning set forth in Section 16-111.5 of this Act.  
4 Once the Commission has approved a plan under subsections (f)  
5 and (g) of this Section, no subsequent rate impact  
6 determinations shall be made.

7 (Source: P.A. 100-840, eff. 8-13-18; 101-81, eff. 7-12-19.)

8 (220 ILCS 5/8-104.1 new)

9 Sec. 8-104.1. Gas utilities; annual savings goals.

10 (a) It is the policy of the State that gas utilities are  
11 required to use cost-effective energy efficiency to reduce  
12 delivery load. Requiring investment in cost-effective energy  
13 efficiency will reduce direct and indirect costs to consumers  
14 by decreasing environmental impacts and by reducing the amount  
15 of natural gas that needs to be purchased and avoiding or  
16 delaying the need for new transmission, distribution, storage  
17 and other related infrastructure. It serves the public  
18 interest to allow gas utilities to recover costs for  
19 reasonably and prudently incurred expenditures for energy  
20 efficiency measures.

21 (b) In this Section:

22 "Cost-effective" means that the measures satisfy the total  
23 resource cost test that, for purposes of this Section, means a  
24 standard that is met if, for an investment in energy  
25 efficiency, the benefit-cost ratio is greater than one. The

1 benefit-cost ratio is the ratio of the net present value of the  
2 total benefits of the measures to the net present value of the  
3 total costs as calculated over the lifetime of the measures.  
4 The total resource cost test compares the sum of avoided  
5 natural gas utility costs, representing the benefits that  
6 accrue to the natural gas system and the participant in the  
7 delivery of those efficiency measures and including avoided  
8 costs associated with the use of electricity or other fuels,  
9 avoided cost associated with reduced water consumption, and  
10 avoided costs associated with reduced operation and  
11 maintenance costs, as well as other quantifiable societal  
12 benefits, to the sum of all incremental costs of end-use  
13 measures (including both utility and participant  
14 contributions), plus costs to administer, deliver, and  
15 evaluate each demand-side measure, to quantify the net savings  
16 obtained by substituting demand-side measures for supply  
17 resources. In calculating avoided costs, reasonable estimates  
18 shall be included for financial costs likely to be imposed by  
19 future regulation of emissions of greenhouse gases. In  
20 discounting future societal costs and benefits for the purpose  
21 of calculating net present values, a societal discount rate  
22 based on actual, long-term Treasury bond yields shall be used.  
23 The low-income measures described in subsection (f) of this  
24 Section shall not be required to meet the total resource cost  
25 test.

26 "Cumulative persisting annual savings" means the total gas

1 energy savings in a given year from measures installed in that  
2 year or in previous years, but no earlier than January 1, 2022,  
3 that are still operational and providing savings in that year  
4 because the measures have not yet reached the end of their  
5 useful lives.

6 "Energy efficiency" means measures that reduce the amount  
7 of energy required to achieve a given end use. "Energy  
8 efficiency" also includes measures that reduce the total Btus  
9 of electricity and natural gas needed to meet the end use or  
10 uses. "Black, indigenous, and people of color" and "BIPOC"  
11 means people who are members of the groups described in  
12 subparagraphs (a) through (e) of paragraph (A) of subsection  
13 (1) of Section 2 of the Business Enterprise for Minorities,  
14 Women, and Persons with Disabilities Act.

15 (c) This Section applies to all gas distribution utilities  
16 in the State for those multi-year plans that include energy  
17 efficiency programs commencing after December 31, 2022.

18 (d) Beginning in 2023, gas utilities subject to this  
19 Section shall achieve the following cumulative persisting  
20 annual savings goals, as compared to a deemed baseline  
21 equivalent to the utility's average annual therm throughput in  
22 2016 through 2020 through the implementation of energy  
23 efficiency measures during the applicable year and in prior  
24 years, but no earlier than January 1, 2023:

25 (1) 1.2% cumulative persisting annual savings for the  
26 year ending December 31, 2023;



1           (2) 2.1% cumulative persisting annual savings for the  
2           year ending December 31, 2024;

3           (3) 3.0% cumulative persisting annual savings for the  
4           year ending December 31, 2025;

5           (4) 3.9% cumulative persisting annual savings for the  
6           year ending December 31, 2026;

7           (5) 4.8% cumulative persisting annual savings for the  
8           year ending December 31, 2027;

9           (6) 5.7% cumulative persisting annual savings for the  
10          year ending December 31, 2028;

11          (7) 6.6% cumulative persisting annual savings for the  
12          year ending December 31, 2029;

13          (8) 7.4% cumulative persisting annual savings for the  
14          year ending December 31, 2030;

15          (9) 8.2% cumulative persisting annual savings for the  
16          year ending December 31, 2031;

17          (10) 9.0% cumulative persisting annual savings for the  
18          year ending December 31, 2032;

19          (11) 9.8% cumulative persisting annual savings for the  
20          year ending December 31, 2033;

21          (12) 10.6% cumulative persisting annual savings for  
22          the year ending December 31, 2034;

23          (13) 11.4% cumulative persisting annual savings for  
24          the year ending December 31, 2035;

25          (14) 12.1% cumulative persisting annual savings for  
26          the year ending December 31, 2036; and

1           (15) 12.8% cumulative persisting annual savings for  
2           the year ending December 31, 2037.

3           No later than December 31, 2025, the Illinois Commerce  
4           Commission shall establish additional cumulative persisting  
5           annual savings goals for the years 2037 through 2041. The  
6           Commission shall also establish additional cumulative  
7           persisting annual savings goals every 5 years thereafter to  
8           ensure utilities always have goals that extend at least 11  
9           years into the future. The cumulative persisting annual  
10           savings goals beyond the year 2035 shall increase by 0.6  
11           percentage points per year absent a Commission decision to  
12           initiate a proceeding to consider establishing goals that  
13           increase by more or less than that amount. Such a proceeding  
14           must be conducted in accordance with the procedures described  
15           in subsection (f) of this Section. If such a proceeding is  
16           initiated, the cumulative persisting annual savings goals  
17           established by the Commission through that proceeding shall  
18           reflect the Commission's best estimate of the maximum amount  
19           of additional gas savings that are forecast to be  
20           cost-effectively achievable unless such best estimates would  
21           result in goals that represent less than 0.4 percentage point  
22           annual increases in total cumulative persisting annual  
23           savings. The Commission may only establish goals that  
24           represent less than 0.4 percentage point annual increases in  
25           cumulative persisting annual savings if it can demonstrate,  
26           based on clear and convincing evidence, that 0.4 percentage

1 point increases are not cost-effectively achievable. The  
2 Commission shall inform its decision based on an energy  
3 efficiency potential study that conforms to the requirements  
4 of subsection (j-5) of this Section.

5 (e) If a gas utility jointly offers an energy efficiency  
6 measure or program with an electric utility under plans  
7 approved under this Section and Section 8-103B of this Act,  
8 the gas utility may continue offering the program, including  
9 the electric energy efficiency measures, if the electric  
10 utility discontinues funding the program. In that event, the  
11 energy-savings value associated with such other fuels shall be  
12 converted to gas energy savings on an equivalent Btu basis for  
13 the premises. However, the gas utility shall prioritize  
14 programs for low-income residential customers to the extent  
15 practicable. A gas utility may recover the costs of offering  
16 the gas energy efficiency measures under this subsection (e).

17 For those energy efficiency measures or programs that save  
18 both gas and other fuels but are not jointly offered with an  
19 electric utility under plans approved under this Section and  
20 Section 8-103B, the gas utility may count savings of fuels  
21 other than gas toward the achievement of its annual savings  
22 goal, and the energy-savings value associated with such other  
23 fuels shall be converted to gas energy savings on an  
24 equivalent Btu basis at the premises.

25 In no event shall more than 10% of each year's applicable  
26 annual total savings requirement as defined in paragraph (8)

1 of subsection (j) of this Section be met through savings of  
2 fuels other than gas.

3 (f) Gas utilities are responsible for overseeing the  
4 design, development, and filing of energy efficiency plans  
5 with the Commission and may, as part of that implementation,  
6 outsource various aspects of program development and  
7 implementation. A minimum of 10% of the utility's entire  
8 portfolio funding level for a given year shall be used to  
9 procure cost-effective energy efficiency measures from units  
10 of local government, municipal corporations, school districts,  
11 public housing, community college districts, and  
12 nonprofit-owned buildings provided that a minimum percentage  
13 of available funds shall be used to procure energy efficiency  
14 from public housing, which percentage shall be equal to public  
15 housing's share of public building energy consumption.

16 The utilities shall also implement energy efficiency  
17 measures targeted at low-income single-family and multifamily  
18 households, which, as used in this Section, means households  
19 at or below 80% of area median income, and expenditures to  
20 implement the measures shall be no less than 25% of the  
21 utility's total efficiency portfolio budget.

22 At least 70% of spending on programs targeted at  
23 low-income households shall go toward integrated whole  
24 building efficiency programs, as defined in subsection (g), or  
25 individual measures that reduce space heating needs through  
26 improvements to the building envelope, heating distribution

1 systems, or heating system controls. In implementing these  
2 programs, utilities shall ensure that thermal insulating  
3 materials used in the building envelope do not contain any  
4 substance that is a Category 1 respiratory sensitizer as  
5 defined by Appendix A to 29 CFR 1910.1200 (Health Hazard  
6 Criteria: A.4 Respiratory or Skin Sensitization) that was  
7 intentionally added or is present at greater than 0.1% (1000  
8 ppm) by weight in the product. Programs targeted at low-income  
9 households, which address single-family and multifamily  
10 buildings shall be treated such that forecast savings to be  
11 achieved in each building type are approximately in  
12 proportional to the magnitude of cost-effective energy  
13 efficiency opportunities in these respective building types.

14 Each gas utility shall assess opportunities to implement  
15 cost-effective energy efficiency measures and programs through  
16 a public-housing authority or authorities located in its  
17 service territory. If such opportunities are identified, the  
18 utility shall propose such measures and programs to address  
19 the opportunities. Expenditures to address such opportunities  
20 shall be credited toward the minimum procurement and  
21 expenditure requirements set forth in this subsection (f).

22 Implementation of energy efficiency measures and programs  
23 targeted at low-income households shall be contracted, when it  
24 is practical, to independent third parties that have  
25 demonstrated capabilities to serve such households, with a  
26 preference for not-for-profit entities and government agencies

1 that have existing relationships with or experience serving  
2 low-income communities in the State.

3 Each gas utility shall develop and implement reporting  
4 procedures that address and assist in determining the amount  
5 of energy savings that can be applied to the low-income  
6 procurement and expenditure requirements set forth in this  
7 subsection (f). Each gas utility shall also track the types  
8 and quantities or volumes of insulation and air sealing  
9 materials, and their associated energy saving benefits,  
10 installed in energy efficiency programs targeted at low-income  
11 single-family and multifamily households.

12 Each gas utility shall implement a health and safety fund  
13 of a minimum of 0.5% of the utility's entire portfolio funding  
14 level for a given year, that shall be used for the purpose of  
15 making grants for technical assistance, construction,  
16 reconstruction, improvement, or repair of buildings to  
17 facilitate their participation in the energy efficiency  
18 programs targeted at low-income single-family and multifamily  
19 households. These funds may also be used for the purpose of  
20 making grants for technical assistance, construction,  
21 reconstruction, improvement, or repair of the following  
22 buildings to facilitate their participation in the energy  
23 efficiency programs created by this Section: (1) buildings  
24 that are owned or operated by registered 501(c)(3) public  
25 charities; and (2) day care centers, day care homes, or group  
26 day care homes, as defined by 89 Ill. Adm. Code Part 406, 407,

1 or 408, respectively.

2 The gas utilities shall participate in a low-income energy  
3 efficiency accountability committee ("the committee"), which  
4 will directly inform the design, implementation, and  
5 evaluation of the low-income and public-housing energy  
6 efficiency programs. The committee shall be composed of the  
7 electric utilities subject to the requirements of Section  
8 8-103B of this Act, the gas utilities subject to the  
9 requirements of this Section, the utilities' low-income energy  
10 efficiency implementation contractors, nonprofit  
11 organizations, community action agencies, advocacy groups,  
12 State and local governmental agencies, public-housing  
13 organizations, and representatives of community-based  
14 organizations, especially those living in or working with  
15 environmental justice communities and BIPOC communities. The  
16 committee shall be composed of a statewide leadership  
17 committee and 2 geographically differentiated subcommittees:  
18 one for stakeholders in northern Illinois and one for  
19 stakeholders in central and southern Illinois. The  
20 subcommittees shall meet together at least twice per year.

21 There shall be a statewide leadership committee led by and  
22 composed of community-based organizations that are  
23 representative of BIPOC and environmental justice communities  
24 and that includes equitable representation from BIPOC  
25 communities. The leadership committee shall be composed of an  
26 equal number of representatives from the 2 subcommittees.

1       The subcommittees shall address specific programs and  
2 issues, with the leadership committee convening targeted  
3 workgroups as needed. The leadership committee may elect to  
4 work with an independent facilitator to solicit and organize  
5 feedback, recommendations and meeting participation from a  
6 wide variety of community-based stakeholders. If a facilitator  
7 is used, they shall be fair and responsive to the needs of all  
8 stakeholders involved in the committee.

9       All committee meetings must be accessible, with rotating  
10 locations if meetings are held in-person, virtual  
11 participation options, and materials and agendas circulated  
12 well in advance.

13       There shall also be opportunities for direct input by  
14 committee members outside of committee meetings, such as via  
15 individual meetings, surveys, emails and calls, to ensure  
16 robust participation by stakeholders with limited capacity and  
17 ability to attend committee meetings. Committee meetings shall  
18 emphasize opportunities to bundle and coordinate delivery of  
19 low-income energy efficiency with other programs that serve  
20 low-income communities, such as Solar for All and bill payment  
21 assistance programs. Meetings shall include educational  
22 opportunities for stakeholders to learn more about these  
23 additional offerings, and the committee shall assist in  
24 figuring out the best methods for coordinated delivery and  
25 implementation of offerings when serving low-income  
26 communities. The committee shall directly and equitably



1 influence and inform utility low-income and public-housing  
2 energy efficiency programs and priorities.

3 Participating utilities shall implement recommendations  
4 from the committee whenever possible. Participating utilities  
5 shall track and report how input from the committee has led to  
6 new approaches and changes in their energy efficiency  
7 portfolios. This reporting shall occur at committee meetings  
8 and in quarterly energy efficiency reports to the Stakeholder  
9 Advisory Group and Illinois Commerce Commission, and other  
10 relevant reporting mechanisms. Participating utilities shall  
11 also report on relevant equity data and metrics requested by  
12 the committee, such as energy burden data, geographic, racial,  
13 and other relevant demographic data on where programs are  
14 being delivered and what populations programs are serving.

15 The Illinois Commerce Commission shall oversee and have  
16 relevant staff participate in the committee. The committee  
17 shall have a budget of 0.25% of each utility's entire  
18 efficiency portfolio funding for a given year. The budget  
19 shall be overseen by the Commission. The budget shall be used  
20 to provide grants for community-based organizations serving on  
21 the leadership committee, stipends for community-based  
22 organizations participating in the committee, grants for  
23 community-based organizations to do energy efficiency outreach  
24 and education, and relevant meeting needs as determined by the  
25 leadership committee. The education and outreach shall  
26 include, but is not limited to, basic energy efficiency

1 education, information about low-income energy efficiency  
2 programs, and information on the committee's purpose,  
3 structure, and activities.

4 (g) At least 50% of the entire efficiency program  
5 portfolio budget shall be spent on any combination of (1)  
6 heating energy savings from integrated, residential or  
7 nonresidential, new or existing whole building efficiency  
8 programs; and (2) individual heating measures in residential  
9 or nonresidential buildings, new or existing, that reduce the  
10 amount of space heating needs through improvements to the  
11 efficiency of building envelopes (including, but not limited  
12 to, insulation measures, efficient windows and air leakage  
13 reduction), improvements to systems for distributing heat  
14 (including, but not limited to, duct leakage reduction, duct  
15 insulation or pipe insulation) in buildings, improvements to  
16 ventilation systems (including, but not limited to heat  
17 recovery ventilation and demand control ventilation measures)  
18 or improvements to controls of heating equipment (including,  
19 but not limited to, advanced thermostats). Spending on  
20 efficient furnaces, efficient boilers, or other efficient  
21 heating equipment measures outside of or separate from  
22 integrated whole building efficiency programs is permitted  
23 within the efficiency program portfolio, but does not count  
24 toward the minimum spending requirement in this subsection  
25 (g). Spending on integrated whole building efficiency programs  
26 targeted to low-income customers, as well as spending on

1 individual building envelope, heating distribution system,  
2 ventilation system and heating system control measures  
3 installed in low-income homes does count toward this  
4 requirement. The portion of portfolio spending on program  
5 marketing, training of installers, audits of buildings,  
6 inspections of work performed, and other administrative and  
7 technical expenses that are clearly tied to promotion and  
8 delivery of integrated whole building efficiency programs or  
9 installation of individual building envelope, heating  
10 distribution system, ventilation system or heating system  
11 control measures shall count toward this requirement. If this  
12 minimum requirement is not met, any performance incentive  
13 earned under paragraph (7) of subsection (j) should be reduced  
14 by the percentage point level of shortfall in meeting this  
15 requirement; if the utility is subject to a performance  
16 penalty, then the magnitude of the penalty shall be increased  
17 by the percentage point shortfall in meeting this requirement.

18 As used in this subsection (g), "integrated whole building  
19 efficiency programs" means programs designed to optimize the  
20 heating efficiency of buildings by comprehensively and  
21 simultaneously addressing cost-effective energy-savings  
22 opportunities associated with heating equipment, heating  
23 distribution systems, heating system controls, ventilation  
24 systems and building envelopes; such programs may be targeted  
25 to existing buildings or to construction of new buildings.

26 (h) Notwithstanding any other provision of law to the

1 contrary, a utility providing approved energy efficiency  
2 measures in the State shall be permitted to recover all  
3 reasonable and prudently incurred costs of those measures from  
4 all distribution system customers, provided that nothing in  
5 this subsection (h) permits the double recovery of such costs  
6 from customers.

7 (i) Beginning in 2022, each gas utility shall file an  
8 energy efficiency plan with the Commission to meet the energy  
9 efficiency standards for the next applicable multi-year period  
10 beginning January 1 of the year following the filing,  
11 according to the schedule set forth in paragraphs (1) through  
12 (5) of this subsection (i). If a utility does not file such a  
13 plan on or before the applicable filing deadline for the plan,  
14 it shall face a penalty of \$100,000 per day until the plan is  
15 filed.

16 (1) No later March 1, 2022, each gas utility shall  
17 file a 3-year energy efficiency plan commencing on January  
18 1, 2023 that is designed to achieve the cumulative  
19 persisting annual savings goals specified in paragraphs  
20 (1) through (3) of subsection (d) of this Section through  
21 implementation of energy efficiency measures; however, the  
22 goals may be reduced if the plan's analysis and forecasts  
23 of the utility's ability to acquire energy savings  
24 demonstrate beyond a reasonable doubt that achievement of  
25 such goals is not cost-effective. Annual increases in  
26 cumulative persisting annual savings goals during the

1 applicable 3-year plan period shall not be reduced to  
2 amounts that are less than the maximum amount of  
3 cumulative persisting annual savings that is forecast to  
4 be cost-effectively achievable during the 3-year plan  
5 period. The Commission shall review any proposed goal  
6 reduction as part of its review and approval of the  
7 utility's proposed plan, taking into account the results  
8 of the potential study required by subsection (j-5) of  
9 this Section.

10 (2) No later than March 1, 2025, each gas utility  
11 shall file a 4-year energy efficiency plan commencing on  
12 January 1, 2026 that is designed to achieve the cumulative  
13 persisting annual savings goals specified in paragraphs  
14 (4) through (7) of subsection (d) of this Section through  
15 implementation of energy efficiency measures; however, the  
16 goals may be reduced if each of the following conditions  
17 are met: (A) the plan's analysis and forecasts of the  
18 utility's ability to acquire energy savings demonstrate  
19 beyond a reasonable doubt that achievement of such goals  
20 is not cost-effective; and (B) the amount of energy  
21 savings achieved by the utility as determined by the  
22 independent evaluator for the most recent year for which  
23 savings have been evaluated preceding the plan filing was  
24 less than the average annual amount of savings required to  
25 achieve the goals for the applicable 4-year plan period.  
26 Annual increases in cumulative persisting annual savings

1 goals during the applicable 4-year plan period shall not  
2 be reduced to amounts that are less than the maximum  
3 amount of cumulative persisting annual savings that is  
4 forecast to be cost-effectively achievable during the  
5 4-year plan period. The Commission shall review any  
6 proposed goal reduction as part of its review and approval  
7 of the utility's proposed plan, taking into account the  
8 results of the potential study required by subsection  
9 (j-5) of this Section.

10 (3) No later than March 1, 2029, each gas utility  
11 shall file a 4-year energy efficiency plan commencing on  
12 January 1, 2030 that is designed to achieve the cumulative  
13 persisting annual savings goals specified in paragraphs  
14 (8) through (11) of subsection (d) of this Section through  
15 implementation of energy efficiency measures; however, the  
16 goals may be reduced if each of the following conditions  
17 are met: (A) the plan's analysis and forecasts of the  
18 utility's ability to acquire energy savings demonstrate  
19 beyond a reasonable doubt that achievement of such goals  
20 is not cost-effective; and (B) the amount of energy  
21 savings achieved by the utility as determined by the  
22 independent evaluator for the most recent year for which  
23 savings have been evaluated preceding the plan filing was  
24 less than the average annual amount of savings required to  
25 achieve the goals for the applicable 4-year plan period.  
26 Annual increases in cumulative persisting annual savings

1 goals during the applicable 4-year plan period shall not  
2 be reduced to amounts that are less than the maximum  
3 amount of cumulative persisting annual savings that is  
4 forecast to be cost-effectively achievable during the  
5 4-year plan period. The Commission shall review any  
6 proposed goal reduction as part of its review and approval  
7 of the utility's proposed plan, taking into account the  
8 results of the potential study required by subsection  
9 (j-5) of this Section.

10 (4) No later than March 1, beginning in 2033 and each 4  
11 years thereafter, each gas utility shall file a 4-year  
12 energy efficiency plan commencing on January 1, beginning  
13 in 2034 and each 4-year period thereafter, that is  
14 designed to achieve the cumulative persisting annual  
15 savings goals specified in paragraphs (12) through (15) of  
16 subsection (d), as well as goals for subsequent years that  
17 are established by the Illinois Commerce Commission  
18 pursuant to direction of subsection (d) of this Section,  
19 through implementation of energy efficiency measures;  
20 however, the goals may be reduced if each of the following  
21 conditions are met: (A) the plan's analysis and forecasts  
22 of the utility's ability to acquire energy savings  
23 demonstrate beyond a reasonable doubt that achievement of  
24 such goals is not cost-effective; and (B) the amount of  
25 energy savings achieved by the utility as determined by  
26 the independent evaluator for the most recent year for

1 which savings have been evaluated preceding the plan  
2 filing was less than the average annual amount of savings  
3 required to achieve the goals for the applicable 4-year  
4 plan period. Annual increases in cumulative persisting  
5 annual savings goals during the applicable 4-year plan  
6 period shall not be reduced to amounts that are less than  
7 the maximum amount of cumulative persisting annual savings  
8 that is forecast to be cost-effectively achievable during  
9 the 4-year plan period. The Commission shall review any  
10 proposed goal reduction as part of its review and approval  
11 of the utility's proposed plan, taking into account the  
12 results of the potential study required by subsection  
13 (j-5) of this Section.

14 Each utility's plan shall set forth the utility's  
15 proposals to meet the energy efficiency standards identified  
16 in subsection (d). The Commission shall seek public comment on  
17 the utility's plan and shall issue an order approving or  
18 disapproving each plan within 6 months after its submission.  
19 If the Commission disapproves a plan, the Commission shall,  
20 within 30 days, describe in detail the reasons for the  
21 disapproval and describe a path by which the utility may file a  
22 revised draft of the plan to address the Commission's concerns  
23 satisfactorily. If the utility does not refile with the  
24 Commission within 60 days, the utility shall be subject to  
25 penalties at a rate of \$100,000 per day until the plan is  
26 filed. This process shall continue, and penalties shall



1 accrue, until the utility has successfully filed a portfolio  
2 of energy efficiency measures. Penalties shall be deposited  
3 into the Energy Efficiency Trust Fund.

4 (j) In submitting proposed plans and funding levels under  
5 subsection (i) of this Section to meet the savings goals  
6 identified in subsection (d), the utility shall:

7 (1) Demonstrate that its proposed energy efficiency  
8 measures will achieve the applicable requirements that are  
9 identified in subsection (d) of this Section.

10 (2) Demonstrate consideration of program options for  
11 (A) advancing new building codes, appliance standards, and  
12 municipal regulations governing existing and new building  
13 efficiency improvements and (B) supporting efforts to  
14 improve compliance with new building codes, appliance  
15 standards and municipal regulations, as potentially  
16 cost-effective means of acquiring energy savings to count  
17 toward savings goals.

18 (3) Demonstrate that its overall portfolio of  
19 measures, not including low-income programs described in  
20 subsection (f) of this Section, is cost-effective using  
21 the total resource cost test, complies with subsection (i)  
22 of this Section and represents a diverse cross-section of  
23 opportunities for customers of all rate classes, to  
24 participate in the programs. Individual measures need not  
25 be cost-effective.

26 (3.5) Demonstrate that the utility's plan integrates

1 the delivery of energy efficiency programs with electric  
2 efficiency programs and other efforts to address bill  
3 payment issues, including, but not limited to, LIHEAP and  
4 the Percent Income Payment Plan, to the extent such  
5 integration is practical and has the potential to enhance  
6 customer engagement, minimize market confusion, or reduce  
7 administrative costs.

8 (4) Present a third-party energy efficiency  
9 implementation program subject to the following  
10 requirements:

11 (A) Beginning with the year commencing January 1,  
12 2024, gas utilities shall fund third-party energy  
13 efficiency programs in an amount that is no less than  
14 10% of total efficiency portfolio budgets per year.

15 (B) For the multi-year plans commencing on January  
16 1, 2023, the utility shall conduct a solicitation  
17 process during 2023 for purposes of requesting  
18 proposals from third-party vendors for those  
19 third-party energy efficiency programs to be offered  
20 during one or more years of the last 2 years of the  
21 2023 to 2025 plan period. For the solicitation  
22 process, the utility shall identify the sector,  
23 technology, or a geographic area for which it is  
24 seeking requests for proposals. The solicitation  
25 process must be for programs that fill gaps in the  
26 utility's program portfolio or target business

1 sectors, building types, geographies or other specific  
2 parts of its customer base with initiatives that would  
3 be more effective at reaching these customer segments  
4 than the utilities' programs filed in its energy  
5 efficiency plans.

6 (C) For multi-year plans commencing on January 1,  
7 2026, January 1, 2030, and every 4 years thereafter,  
8 the utility shall conduct a solicitation process  
9 during 2025, 2029, and every 4 years thereafter,  
10 respectively, for purposes of requesting proposals  
11 from third-party vendors for those third-party energy  
12 efficiency programs to be offered during one or more  
13 years of the respective multi-year plan period; for  
14 each solicitation process, the utility shall identify  
15 the sector, technology, or geographic area for which  
16 it is seeking requests for proposals; the solicitation  
17 process must be for programs that fill gaps in the  
18 utility's program portfolio or target business  
19 sectors, building types, geographies or other specific  
20 parts of its customer base with initiatives that would  
21 be more effective at reaching these customer segments  
22 than the utilities' programs filed in its energy  
23 efficiency plans.

24 (D) The utility shall propose the bidder  
25 qualifications, performance measurement process, and  
26 contract structure, which must include a performance

1 payment mechanism and general terms and conditions;  
2 the proposed qualifications, process, and structure  
3 shall be subject to Commission approval.

4 (E) The utility shall retain an independent third  
5 party to score the proposals received through the  
6 solicitation process described in this paragraph (4),  
7 rank them according to their cost per lifetime  
8 kilowatt hours saved, and assemble the portfolio of  
9 third-party programs.

10 The gas utility shall recover all costs associated  
11 with Commission-approved, third-party administered  
12 programs regardless of the success of those programs.

13 (5) Include a proposed or revised cost-recovery  
14 mechanism, as provided for under subsection (h) of this  
15 Section, to fund the proposed energy efficiency measures  
16 and to ensure the recovery of the prudently and reasonably  
17 incurred costs of Commission-approved programs.

18 (6) Provide for an annual independent evaluation of  
19 the performance of the cost-effectiveness of the utility's  
20 portfolio of measures, as well as a full review of the  
21 multi-year plan results of the broader net program impacts  
22 and, to the extent practical, for adjustment of the  
23 measures on a going-forward basis as a result of the  
24 evaluations. The resources dedicated to evaluation shall  
25 not exceed 3% of portfolio resources in any given year.

26 (7) Each gas utility shall be eligible to earn a

1 shareholder incentive for effective implementation of its  
2 efficiency programs. The incentive shall be tied to each  
3 utility's annual energy efficiency spending and its  
4 savings relative to its applicable annual total savings  
5 requirement as defined in paragraph (8) of this subsection  
6 (j). There shall be no incentive if the independent  
7 evaluator determines the utility failed to achieve savings  
8 equal to at least 85% of its applicable annual total  
9 savings requirement. The utility shall earn an incentive  
10 equal 0.5% of total annual efficiency spending in the year  
11 being evaluated for every one percentage point above 85%  
12 up to 100% of its applicable annual total savings  
13 requirement that the utility achieved in that year, such  
14 that the utility shall earn an incentive equal to 7.5% of  
15 spending for meeting 100% of its applicable annual total  
16 savings requirement. The utility shall earn an additional  
17 0.3% of spending for every one percentage point above 100%  
18 of its applicable annual total savings requirement  
19 achieved, with a maximum incentive of 15% for achieving  
20 125% of its applicable annual total savings requirement.

21 (7.5) In this Section, "applicable annual incremental  
22 goal" means the difference between the cumulative  
23 persisting annual savings goal for the calendar year that  
24 is the subject of the independent evaluator's  
25 determination and the cumulative persisting annual savings  
26 goal for the immediately preceding calendar year, as such

1 goals are defined in subsection (d) of this Section. Under  
2 subsection (d) of this Section, a utility must first  
3 replace energy savings from measures that have expired and  
4 would otherwise have to be replaced to meet the applicable  
5 savings goals identified in subsection (d) of this Section  
6 before any progress toward achievement of its applicable  
7 annual incremental goal may be counted. Savings may expire  
8 because measures installed in previous years have reached  
9 the end of their lives, because measures installed in  
10 previous years are producing lower savings in the current  
11 year than in the previous year or for other reasons  
12 identified by independent evaluators. Notwithstanding  
13 anything else set forth in this Section, the difference  
14 between the actual annual incremental savings achieved in  
15 any given year, including the replacement of energy  
16 savings that have expired, and the applicable annual  
17 incremental goal shall not affect adjustments to the  
18 return on equity for subsequent calendar years under this  
19 subsection (j).

20 (8) In this Section, "applicable annual total savings  
21 requirement" means the total amount of new annual savings  
22 that the utility must achieve in any given year to achieve  
23 the applicable annual incremental goal. This shall be  
24 equal to the applicable annual incremental goal plus the  
25 total new annual savings that are required to replace  
26 savings that expired in or at the end of the previous year.

1           (9) The utility shall submit the energy-savings data  
2           to the independent evaluator no later than 30 days after  
3           the close of the plan year. The independent evaluator  
4           shall determine the cumulative persisting annual savings  
5           and the utility's performance relative to its applicable  
6           annual total savings requirement for a given plan year no  
7           later than 120 days after the close of the plan year. The  
8           independent evaluator must also estimate the job impacts  
9           and other macroeconomic impacts of the utility's  
10           efficiency programs. The utility shall submit an  
11           informational filing to the Commission no later than 160  
12           days after the close of the plan year that attaches the  
13           independent evaluator's final report identifying the  
14           cumulative persisting annual savings for the year and  
15           calculates, under paragraph (7) of this subsection (j), as  
16           applicable, the magnitude of any shareholder incentive  
17           that the utility has earned.

18           (9.5) The utility must demonstrate how it will ensure  
19           that program implementation contractors and energy  
20           efficiency installation vendors will meet multiple  
21           workforce equity building criteria, including, but not  
22           limited to:

23                   (i) Ensuring that an amount of program portfolio  
24                   incentive funding proportional to the population of  
25                   BIPOC persons within the utility's territory, as  
26                   updated every 2 years, is administered or installed by

1 energy efficiency installation vendors who meet one of  
2 the following criteria:

3 (aa) certified under Section 2 of the Business  
4 Enterprise for Minorities, Women, and Persons with  
5 Disabilities Act; or

6 (bb) certified by another municipal, state,  
7 federal, or other certification for disadvantaged  
8 businesses; or

9 (cc) submit an affidavit showing that the  
10 vendor meets the eligibility criteria for a  
11 certification program such as those in subdivision  
12 (aa) or (bb); or

13 (dd) if the vendor is a nonprofit, meet any of  
14 the criteria in subdivision (aa), (bb), or (cc) or  
15 is controlled by a board of directors that  
16 consists of 51% or greater BIPOC persons.

17 (ii) Ensuring that program implementation  
18 contractors and energy efficiency installation vendors  
19 pay employees working on energy efficiency programs at  
20 or above the prevailing wage rate when such a wage rate  
21 has been published by the Illinois Department of Labor  
22 and pay employees working on energy efficiency  
23 programs at or above the median wage rate for a similar  
24 job description in the nearest metropolitan area when  
25 there is no applicable published prevailing wage rate.  
26 If necessary, utilities may conduct surveys to



1 establish the median wage rate for a given job  
2 description. Utilities shall establish reporting  
3 procedures for vendors that ensure compliance with  
4 this subsection, but are structured to avoid, wherever  
5 possible, placing an undue administrative burden on  
6 vendors.

7 (iii) Ensuring that program implementation  
8 contractor employees and energy efficiency  
9 installation vendor employees are proportional to the  
10 population of people of color, as defined in  
11 subparagraphs (a) through (e) of paragraph (A)(1) of  
12 Section 2 of the Business Enterprise for Minorities,  
13 Women, and Persons with Disabilities Act, within the  
14 utility's territory, as updated every 2 years.

15 (iv) Ensuring that 30% or more of the energy  
16 efficiency installation vendor employees working for  
17 vendors reporting to each program implementation  
18 contractor are graduates or trainees from  
19 equity-focused workforce training programs designated  
20 by the Illinois Power Agency or similar programs  
21 offering equivalent certifications.

22 (v) Ensuring that vendors who are very small  
23 businesses of 5 or fewer full-time employees or  
24 businesses that have completed or are participating in  
25 contractor incubator programs or entrepreneurship  
26 programs designated by the Illinois Power Agency,

1 receive a substantial portion of program portfolio  
2 funding. Utility plans to achieve this shall include  
3 efforts to provide the necessary training and  
4 administrative support needed for very small  
5 businesses to meet utility-mandated training,  
6 certification, insurance, and security-related  
7 contract requirements.

8 (9.6) Utilities shall collect data necessary to ensure  
9 compliance with paragraph (9.5) no less than quarterly and  
10 shall communicate progress toward compliance with  
11 paragraph (9.5) to program implementation contractors and  
12 energy efficiency installation vendors no less than  
13 quarterly. When it seems unlikely that the criteria in  
14 paragraph (9.5) will be met, utilities shall work with  
15 relevant vendors, providing education, training, and other  
16 resources needed to ensure compliance and, where  
17 necessary, adjusting or terminating work with vendors that  
18 cannot assist with compliance.

19 (10) A utility required to implement efficiency  
20 programs under this Section shall report annually to the  
21 Illinois Commerce Commission and the General Assembly on  
22 how hiring, contracting, job training, and other practices  
23 related to its energy efficiency programs enhance the  
24 diversity of vendors working on such programs. These  
25 reports must include data on vendor and employee  
26 diversity, including data on the implementation of

1 paragraphs (9.5) and (9.6). If the utility is not meeting  
2 the requirements of paragraphs (9.5) and (9.6), the  
3 utility shall submit a plan to adjust their activities so  
4 that they meet the requirements of paragraphs (9.5) and  
5 (9.6) within the following year.

6 (j-5) Energy efficiency potential study. An energy  
7 efficiency potential study shall be commissioned and overseen  
8 by the Illinois Commerce Commission. The potential study shall  
9 be a dual fuel study, addressing both gas and electric  
10 efficiency potential, such that the requirements both in this  
11 subsection (j-5) and in subsection (f-5) of Section 8-103B are  
12 met in an integrated and cost-efficient manner. The potential  
13 study shall be designed and conducted with input from a  
14 Potential Study Stakeholder Committee established by the  
15 Commission. This Committee shall be composed of  
16 representatives from each electric utility, the Illinois  
17 Attorney General's office, at least 2 environmental  
18 stakeholders, at least one community-based organization, and  
19 additional parties representing consumers. The Committee shall  
20 provide input, at a minimum, into the scope of work for the  
21 studies, the selection of vendors to perform the studies in  
22 accordance with appropriate confidentiality and conflict of  
23 interest provisions, and draft work products. The Committee  
24 shall make best efforts to achieve consensus on the key  
25 elements of the potential study, including:

26 (i) savings potential from efficiency measures and

1 program concepts that are known at the time of the study;

2 (ii) likely emergence of new technology or new program  
3 concepts that could emerge, including proxies for new  
4 technologies or program concepts that cannot be  
5 specifically named, identified, or characterized at the  
6 time of the study;

7 (iii) likely savings potential from efficiency  
8 measures that may be unique to individual industries or  
9 individual facilities; and

10 (iv) the experience of other similar utilities, areas  
11 and jurisdictions in maximizing achievement of  
12 cost-effective savings.

13 When the committee is not able to reach consensus, the  
14 Commission shall make the final decision.

15 (k) No more than 6% of energy efficiency and  
16 demand-response program revenue may be allocated for research,  
17 development, or pilot deployment of new equipment or measures.

18 (l) When practical, gas utilities shall incorporate  
19 advanced metering infrastructure data into the planning,  
20 implementation, and evaluation of energy efficiency measures  
21 and programs, subject to the data privacy and confidentiality  
22 protections of applicable law.

23 (m) The independent evaluator shall follow the guidelines  
24 and use the savings set forth in Commission-approved energy  
25 efficiency policy manuals and technical reference manuals, as  
26 each may be updated from time to time. Until measure life

1 values for energy efficiency measures implemented for  
2 low-income households under subsection (f) of this Section are  
3 incorporated into such Commission-approved manuals, the  
4 low-income measures shall have the same measure life values  
5 that are established for same measures implemented in  
6 households that are not low-income households.

7 (220 ILCS 5/16-128B)

8 Sec. 16-128B. Qualified energy efficiency installers.

9 (a) Within 18 months after the effective date of this  
10 amendatory Act of the 99th General Assembly, the Commission  
11 shall adopt rules, including emergency rules, establishing a  
12 process for entities installing energy efficiency measures to  
13 certify compliance with the requirements of this Section.

14 The process shall include an option to complete the  
15 certification electronically by completing forms on-line. An  
16 entity installing energy efficiency measures shall be  
17 permitted to complete the certification after the subject work  
18 has been completed.

19 The Commission shall maintain on its website a list of  
20 entities installing energy efficiency measures that have  
21 successfully completed the certification process.

22 (b) In addition to any authority granted to the Commission  
23 under this Act, the Commission may:

24 (1) determine which entities are subject to  
25 certification under this Section;

1           (2) impose reasonable certification fees and  
2 penalties;

3           (3) adopt disciplinary procedures;

4           (4) investigate any and all activities subject to this  
5 Section, including violations thereof;

6           (5) adopt procedures to issue or renew, or to refuse  
7 to issue or renew, a certification or to revoke, suspend,  
8 place on probation, reprimand, or otherwise discipline a  
9 certified entity under this Act or take other enforcement  
10 action against an entity subject to this Section; and

11           (6) prescribe forms to be issued for the  
12 administration and enforcement of this Section.

13           (c) An electric utility may not provide a retail customer  
14 with a rebate or other energy efficiency incentive for a  
15 measure that exceeds a minimal amount determined by the  
16 Commission unless the customer provides the electric utility  
17 with (1) a certification that the person installing the energy  
18 efficiency measure was a self-installer; or (2) evidence that  
19 the energy efficiency measure was installed by an entity  
20 certified under this Section that is also in good standing  
21 with the Commission.

22           (d) The Commission shall:

23           (1) require entities installing energy efficiency  
24 measures to be certified to do business and to be bonded in  
25 this State;

26           (2) ensure that entities installing energy efficiency

1 measures have the requisite knowledge, skill, training,  
2 experience, and competence to perform functions in a safe  
3 and reliable manner as required under subsection (a) of  
4 Section 16-128 of this Act;

5 (3) ensure that entities installing energy efficiency  
6 measures conform to applicable building and electrical  
7 codes;

8 (4) ensure that all entities installing energy  
9 efficiency measures meet recognized industry standards as  
10 the Commission deems appropriate;

11 (5) include any additional requirements that the  
12 Commission deems reasonable to ensure that entities  
13 installing energy efficiency measures meet adequate  
14 training, financial, and competency requirements;

15 (6) ensure that all entities installing energy  
16 efficiency measures obtain certificates of insurance in  
17 sufficient amounts and coverages that the Commission so  
18 determines; and

19 (7) identify and determine the training or other  
20 programs by which persons or entities may obtain the  
21 requisite training, skill, or experience necessary to  
22 achieve and maintain compliance with the requirements of  
23 this Section.

24 (e) Fees and penalties collected under this Section shall  
25 be deposited into the Public Utility Fund and used to fund the  
26 Commission's compliance with the obligations imposed by this

1 Section.

2 (f) The rules adopted under this Section shall specify the  
3 initial dates for compliance with the rules.

4 (g) For purposes of this Section, entities installing  
5 energy efficiency measures shall endeavor to support the  
6 diversity goals of this State by attracting, developing,  
7 retaining, and providing opportunities to employees of all  
8 backgrounds and by supporting women-owned ~~female-owned~~, black,  
9 indigenous, and people of color-owned ~~minority-owned~~, and  
10 veteran-owned, ~~and~~ small businesses, and nonprofit  
11 organizations, worker-owned cooperatives, and other entities.

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

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.



1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 20 ILCS 3125/10

5 20 ILCS 3125/15

6 20 ILCS 3125/20

7 20 ILCS 3125/30

8 20 ILCS 3125/45

9 20 ILCS 3125/55 new

10 220 ILCS 5/8-103B

11 220 ILCS 5/8-104.1 new

12 220 ILCS 5/16-128B