



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB0529

Introduced 2/23/2021, by Sen. Michael E. Hastings

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-20  
20 ILCS 3855/1-75  
30 ILCS 105/5.935 new  
220 ILCS 5/16-108  
220 ILCS 5/16-111.5

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

LRB102 14240 SPS 19592 b

1 AN ACT concerning State government.

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

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

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

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

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

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

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

15 (4) Between 2015 and 2021, more than 4,300 megawatts  
16 of electric generating facilities located in Load Zone 4  
17 of the Midcontinent Independent System Operator, Inc. in  
18 downstate Illinois have been permanently retired,  
19 rendering this capacity unavailable to serve the demands  
20 of Illinois electricity consumers. Additional electric  
21 generating capacity in this downstate region has been  
22 announced for retirement by no later than 2027, with  
23 approximately 580 megawatts to be retired by the end of  
24 2022, 170 megawatts to be retired by end of 2023, 2,520  
25 megawatts announced for retirement no later than the end  
26 of 2025, and 615 megawatts announced for retirement by the

1 end of 2027, resulting in a total of almost 8,200  
2 megawatts of coal-fueled electric generating capacity in  
3 this downstate region that has recently been retired or  
4 announced for retirement by no later than 2027. It is  
5 estimated that of the 2,520 megawatts of generating  
6 capacity announced for retirement by the end of 2025,  
7 approximately 2,200 megawatts of generating capacity  
8 located in this downstate region is currently at  
9 significant risk of retirement as soon as the end of 2022,  
10 without additional revenues or transition support, in  
11 light of prevailing low prices for electric generating  
12 capacity and electric energy in Load Zone 4 of the  
13 Midcontinent Independent System Operator, Inc., or due to  
14 recently enacted or adopted environmental regulations.  
15 Further, an additional 1,108 megawatts of coal-fueled  
16 electric generating capacity that is located in the  
17 downstate region but is interconnected with the ComEd Zone  
18 of the PJM Interconnection, LLC has been announced for  
19 retirement by the end of 2027. In short, a vast majority of  
20 the coal-fueled generation located in the downstate region  
21 has been recently retired or will be retired by no later  
22 than the end of 2027.

23 (5) To a significant extent, as the existing bulk  
24 power system is presently configured, electricity, when  
25 generated, cannot yet be stored for future use in any  
26 significant amount relative to the total amount of

1 electricity that existing generating facilities can  
2 produce. Rather, for the most part, electricity must be  
3 generated instantaneously at the time and in the amount  
4 that it is demanded by residential and business consumers.  
5 This characteristic of the existing bulk power system is  
6 unlikely to change significantly in the near term. The  
7 development of energy storage facilities provides some  
8 opportunity to store some amounts of electricity for use  
9 at later times. However, energy storage facilities with  
10 sufficient capacity to deliver electricity to meet the  
11 demands of consumers within each load zone in this State,  
12 24 hours per day, 7 days per week on every day of the year,  
13 have not yet been built.

14 (6) Reliable electric service at all times is  
15 essential to the functioning of a modern economy and of  
16 society in general. The health, welfare, and prosperity of  
17 Illinois citizens, including the attractiveness of the  
18 State of Illinois to business and industry, requires the  
19 availability of sufficient electric generating capacity,  
20 including energy storage capacity, to meet the demands of  
21 consumers and businesses in this State at all times. In  
22 fact, during the COVID-19 crisis, electric generating  
23 facilities in Illinois, including those scheduled for  
24 retirement, have been declared essential services and the  
25 employees at these facilities declared essential employees  
26 who have gallantly answered the call of duty to continue

1 providing reliable electric service in the face of the  
2 pandemic threat.

3 (7) In the near term, there is uncertainty as to the  
4 sufficiency of electric generating resources to reliably  
5 serve the electric capacity and energy needs of  
6 residential and business electricity customers in the  
7 downstate region, particularly in light of the additional  
8 amounts of coal-fueled electric generating resources in  
9 the downstate region that are economically at risk and may  
10 retire in the near future. Both the Midcontinent  
11 Independent System Operator, Inc., which is the  
12 independent transmission system operator for downstate  
13 Illinois, and its Independent Market Monitor, have  
14 expressed concerns about the sufficiency of electric  
15 generating resources in downstate Illinois over the next  
16 several years, due primarily to the possibility of  
17 retirements of coal-fueled electric generating facilities  
18 and concerns about how quickly and extensively new wind  
19 and solar generating facilities will be placed into  
20 service. These concerns were originally expressed by these  
21 organizations prior to the announcements in 2019 of  
22 additional retirements of electric generating plants with  
23 more than 2,600 megawatts of capacity in the downstate  
24 region and subsequent announcements of the scheduled  
25 retirements of additional electric generating facilities  
26 in the downstate region. Concerns have also been

1 expressed, based on the intermittent nature of wind and  
2 solar generating facilities, as to whether the grid can  
3 operate reliably without sufficient dispatchable  
4 generation resources or significant additions of energy  
5 storage facilities to balance the output of renewable  
6 generating facilities. Other commentators have stated that  
7 such concerns about resource adequacy in downstate  
8 Illinois are overstated. However, the General Assembly  
9 believes that the State cannot afford to find itself in a  
10 situation of insufficient electric generating resources to  
11 meet the needs of Illinois residential and business  
12 consumers.

13 (8) Consistent with the overall objectives of the  
14 regulation of the electric utility industry in this State,  
15 regulation should ensure that sufficient generating  
16 capacity resources, including energy storage resources,  
17 are available on both a short-term basis and a long-term  
18 basis to enable the electric utility grid to meet the  
19 demands of Illinois electricity consumers at all times.

20 (9) Through previous enactments beginning in 1997, the  
21 General Assembly has mandated that electric utilities and  
22 other load-serving entities in this State obtain specified  
23 portions of the electric energy needed to serve their  
24 retail loads in this State through the procurement of  
25 electricity or renewable energy credits from renewable  
26 energy resources, among other means through procurement

1 events managed and supervised by the Illinois Power  
2 Agency.

3 (10) Correspondingly, through previous enactments  
4 beginning in 2007, the General Assembly has provided  
5 incentives for the construction and operation of wind,  
6 solar, and other types of renewable energy resources to  
7 serve load in Illinois, and has mandated the imposition of  
8 charges to retail customers, subject to caps, to fund the  
9 procurement of electricity and renewable energy credits  
10 from such facilities. In such enactments, the General  
11 Assembly has recognized that providing opportunities to  
12 enter into long-term contracts for the purchase of  
13 electricity and renewable energy credits from renewable  
14 energy resources creates incentives, and in fact is  
15 necessary, for the construction and operation of such  
16 resources. Developers typically will not and cannot,  
17 financially, develop new, large-scale renewable energy  
18 generating resources without having secured long-term  
19 contracts for the electricity output and renewable energy  
20 credits of the new facilities.

21 (11) The permitting and siting of new wind and solar  
22 generating resources in Illinois are subject to local  
23 governmental control, rather than State control, and in  
24 many areas of this State, there has been strong opposition  
25 to the siting and construction of new utility-scale wind  
26 and solar generating resources, which in turn has resulted



1 in the denial of, or withdrawal of requests for, necessary  
2 approvals for some projects and the enactment of local  
3 zoning ordinances imposing requirements and restrictions  
4 that increase the costs and reduce the economic  
5 attractiveness of such projects. This has resulted in the  
6 delay or cancellation of a number of new renewable energy  
7 resource projects.

8 (12) In light of the intermittent nature of many types  
9 of renewable energy resources, such as wind and solar  
10 generation resources, the installation and operation of  
11 electricity storage facilities in conjunction with the  
12 installation and operation of renewable generation  
13 resources can enhance the value of renewable energy  
14 resources to the electric grid, particularly as a reliable  
15 source of electric capacity as well as electric energy.

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

1 in the legislation.

2 (14) The sites of many of the large coal-fueled  
3 electric generating stations located in the downstate  
4 region of this State that have recently been retired or  
5 are at risk of retirement in the near term have existing  
6 infrastructure and other characteristics that make them  
7 suitable potential sites for development of new renewable  
8 energy generating resources and electricity storage  
9 resources. This infrastructure and other characteristics  
10 include large amounts of available land situated at a  
11 suitable distance from populated areas, suitable levels of  
12 exposure to sunlight, and high voltage interconnections to  
13 the bulk electric system transmission grid at strategic  
14 locations. Development of these generating plant sites for  
15 large-scale renewable energy generating resources and  
16 electricity storage resources can help advance this  
17 State's objective of increasing the portion of the State's  
18 total electricity usage that is supplied by zero emission  
19 resources, while supporting the reliability of electric  
20 service in the downstate region. Further, development of  
21 these generating plant sites for large-scale renewable  
22 energy generating resources and electricity storage  
23 resources can provide employment, local economic activity,  
24 and tax base for the nearby communities, offsetting, at  
25 least in part, the reduction in employment, economic  
26 activity, and tax revenues resulting from the retirement

1 of nearby coal-fueled electric generating stations.  
2 Accordingly, the General Assembly finds that it is in the  
3 public interest to encourage the redevelopment of the  
4 sites of retired and to-be retired coal-fueled electric  
5 generating stations as locations for renewable energy  
6 generating resources and electricity storage resources.

7 (15) The General Assembly finds that it is appropriate  
8 for the State of Illinois to establish a program to  
9 provide for incentives for the installation and operation  
10 of new renewable energy resources, along with energy  
11 storage resources, at the sites of retired and at-risk  
12 coal-fueled electric generating facilities in the  
13 downstate region of this State, to provide incentives for  
14 continued operation, in the near term, of the remaining  
15 coal-fueled generating facilities in the downstate region  
16 to ensure the availability of sufficient electric capacity  
17 and energy resources to meet the demands of residential  
18 and business electricity consumers in the downstate region  
19 as well as in the State as a whole, while at the same time  
20 also providing incentives for the transition to retirement  
21 of some additional portion of the coal-fueled electric  
22 generating facilities in the downstate region.

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

1 (20 ILCS 3855/1-20)

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

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

4 (1) Develop electricity procurement plans to ensure  
5 adequate, reliable, affordable, efficient, and  
6 environmentally sustainable electric service at the lowest  
7 total cost over time, taking into account any benefits of  
8 price stability, for electric utilities that on December  
9 31, 2005 provided electric service to at least 100,000  
10 customers in Illinois and for small multi-jurisdictional  
11 electric utilities that (A) on December 31, 2005 served  
12 less than 100,000 customers in Illinois and (B) request a  
13 procurement plan for their Illinois jurisdictional load.  
14 Except as provided in paragraph (1.5) of this subsection  
15 (a), the electricity procurement plans shall be updated on  
16 an annual basis and shall include electricity generated  
17 from renewable resources sufficient to achieve the  
18 standards specified in this Act. Beginning with the  
19 delivery year commencing June 1, 2017, develop procurement  
20 plans to include zero emission credits generated from zero  
21 emission facilities sufficient to achieve the standards  
22 specified in this Act.

23 (1.5) Develop a long-term renewable resources  
24 procurement plan in accordance with subsection (c) of  
25 Section 1-75 of this Act for renewable energy credits in  
26 amounts sufficient to achieve the standards specified in

1 this Act for delivery years commencing June 1, 2017 and  
2 for the programs and renewable energy credits specified in  
3 Section 1-56 of this Act. Electricity procurement plans  
4 for delivery years commencing after May 31, 2017, shall  
5 not include procurement of renewable energy resources.

6 (2) Conduct competitive procurement processes to  
7 procure the supply resources identified in the electricity  
8 procurement plan, pursuant to Section 16-111.5 of the  
9 Public Utilities Act, and, for the delivery year  
10 commencing June 1, 2017, conduct procurement processes to  
11 procure zero emission credits from zero emission  
12 facilities, under subsection (d-5) of Section 1-75 of this  
13 Act.

14 (2.5) Beginning with the procurement for the 2017  
15 delivery year, conduct competitive procurement processes  
16 and implement programs to procure renewable energy credits  
17 identified in the long-term renewable resources  
18 procurement plan developed and approved under subsection  
19 (c) of Section 1-75 of this Act and Section 16-111.5 of the  
20 Public Utilities Act.

21 (2.10) Oversee the procurement by electric utilities  
22 that served more than 300,000 customers in this State as  
23 of January 1, 2019 of renewable energy credits from new  
24 renewable energy resources to be installed, along with  
25 energy storage resources, at or adjacent to the sites of  
26 electric generating facilities that burned coal as their

1       primary fuel source as of January 1, 2019, in accordance  
2       with subsection (c-5) of Section 1-75 of this Act.

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

7           (4) Supply electricity from the Agency's facilities at  
8       cost to one or more of the following: municipal electric  
9       systems, governmental aggregators, or rural electric  
10      cooperatives in Illinois.

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

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

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

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

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

26           (5) To purchase, receive, take by grant, gift, devise,

1 bequest, or otherwise, lease, or otherwise acquire, own,  
2 hold, improve, employ, use, and otherwise deal in and  
3 with, real or personal property whether tangible or  
4 intangible, or any interest therein, within the State.

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

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

17 (8) To purchase, take, receive, subscribe for, or  
18 otherwise acquire, hold, make a tender offer for, vote,  
19 employ, sell, lend, lease, exchange, transfer, or  
20 otherwise dispose of, mortgage, pledge, or grant a  
21 security interest in, use, and otherwise deal in and with,  
22 bonds and other obligations, shares, or other securities  
23 (or interests therein) issued by others, whether engaged  
24 in a similar or different business or activity.

25 (9) To make and execute agreements, contracts, and  
26 other instruments necessary or convenient in the exercise

1 of the powers and functions of the Agency under this Act,  
2 including contracts with any person, including personal  
3 service contracts, or with any local government, State  
4 agency, or other entity; and all State agencies and all  
5 local governments are authorized to enter into and do all  
6 things necessary to perform any such agreement, contract,  
7 or other instrument with the Agency. No such agreement,  
8 contract, or other instrument shall exceed 40 years.

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

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

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

24 (13) To procure insurance against any loss in  
25 connection with its properties or operations in such  
26 amount or amounts and from such insurers, including the



1 federal government, as it may deem necessary or desirable,  
2 and to pay any premiums therefor.

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

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

13 (16) To enter into management agreements for the  
14 operation of any of the property or facilities owned by  
15 the Agency.

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

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

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

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

7           (21) To accept and expend appropriations.

8           (22) To engage in any activity or operation that is  
9 incidental to and in furtherance of efficient operation to  
10 accomplish the Agency's purposes, including hiring  
11 employees that the Director deems essential for the  
12 operations of the Agency.

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

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

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

25           (26) To review, revise, and approve sourcing  
26 agreements and mediate and resolve disputes between gas

1 utilities and the clean coal SNG brownfield facility  
2 pursuant to subsection (h-1) of Section 9-220 of the  
3 Public Utilities Act.

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

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

11 (20 ILCS 3855/1-75)

12 Sec. 1-75. Planning and Procurement Bureau. The Planning  
13 and Procurement Bureau has the following duties and  
14 responsibilities:

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

1 Section. The Planning and Procurement Bureau shall also  
2 develop procurement plans and conduct competitive procurement  
3 processes in accordance with the requirements of Section  
4 16-111.5 of the Public Utilities Act for the eligible retail  
5 customers of small multi-jurisdictional electric utilities  
6 that (i) on December 31, 2005 served less than 100,000  
7 customers in Illinois and (ii) request a procurement plan for  
8 their Illinois jurisdictional load. This Section shall not  
9 apply to a small multi-jurisdictional utility until such time  
10 as a small multi-jurisdictional utility requests the Agency to  
11 prepare a procurement plan for their Illinois jurisdictional  
12 load. For the purposes of this Section, the term "eligible  
13 retail customers" has the same definition as found in Section  
14 16-111.5(a) of the Public Utilities Act.

15 Beginning with the plan or plans to be implemented in the  
16 2017 delivery year, the Agency shall no longer include the  
17 procurement of renewable energy resources in the annual  
18 procurement plans required by this subsection (a), except as  
19 provided in subsection (q) of Section 16-111.5 of the Public  
20 Utilities Act, and shall instead develop a long-term renewable  
21 resources procurement plan in accordance with subsection (c)  
22 of this Section and Section 16-111.5 of the Public Utilities  
23 Act.

24 In accordance with subsection (c-5) of this Section, the  
25 Planning and Procurement Bureau shall oversee the procurement  
26 by electric utilities that served more than 300,000 retail

1 customers in this State as of January 1, 2019 of renewable  
2 energy credits from new renewable energy resources to be  
3 installed, along with energy storage resources, at or adjacent  
4 to the sites of electric generating facilities that, as of  
5 January 1, 2019, burned coal as their primary fuel source.

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

12 (A) direct previous experience assembling  
13 large-scale power supply plans or portfolios for  
14 end-use customers;

15 (B) an advanced degree in economics, mathematics,  
16 engineering, risk management, or a related area of  
17 study;

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

20 (D) expertise in wholesale electricity market  
21 rules, including those established by the Federal  
22 Energy Regulatory Commission and regional transmission  
23 organizations;

24 (E) expertise in credit protocols and familiarity  
25 with contract protocols;

26 (F) adequate resources to perform and fulfill the

1 required functions and responsibilities; and

2 (G) the absence of a conflict of interest and  
3 inappropriate bias for or against potential bidders or  
4 the affected electric utilities.

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

11 (A) direct previous experience administering a  
12 large-scale competitive procurement process;

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

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

17 (D) expertise in wholesale electricity market  
18 rules, including those established by the Federal  
19 Energy Regulatory Commission and regional transmission  
20 organizations;

21 (E) expertise in credit and contract protocols;

22 (F) adequate resources to perform and fulfill the  
23 required functions and responsibilities; and

24 (G) the absence of a conflict of interest and  
25 inappropriate bias for or against potential bidders or  
26 the affected electric utilities.

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

16           (A) failure to satisfy qualification criteria;

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

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

20           The Agency shall remove experts or expert consulting  
21 firms from the lists within 10 days if there is a  
22 reasonable basis for an objection and provide the updated  
23 lists to the affected utilities and other interested  
24 parties. If the Agency fails to remove an expert or expert  
25 consulting firm from a list, an objecting party may seek  
26 review by the Commission within 5 days thereafter by

1 filing a petition, and the Commission shall render a  
2 ruling on the petition within 10 days. There is no right of  
3 appeal of the Commission's ruling.

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

8 (5) The Agency shall select an expert or expert  
9 consulting firm to develop procurement plans based on the  
10 proposals submitted and shall award contracts of up to 5  
11 years to those selected.

12 (6) The Agency shall select an expert or expert  
13 consulting firm, with approval of the Commission, to serve  
14 as procurement administrator based on the proposals  
15 submitted. If the Commission rejects, within 5 days, the  
16 Agency's selection, the Agency shall submit another  
17 recommendation within 3 days based on the proposals  
18 submitted. The Agency shall award a 5-year contract to the  
19 expert or expert consulting firm so selected with  
20 Commission approval.

21 (b) The experts or expert consulting firms retained by the  
22 Agency shall, as appropriate, prepare procurement plans, and  
23 conduct a competitive procurement process as prescribed in  
24 Section 16-111.5 of the Public Utilities Act, to ensure  
25 adequate, reliable, affordable, efficient, and environmentally  
26 sustainable electric service at the lowest total cost over



1 time, taking into account any benefits of price stability, for  
2 eligible retail customers of electric utilities that on  
3 December 31, 2005 provided electric service to at least  
4 100,000 customers in the State of Illinois, and for eligible  
5 Illinois retail customers of small multi-jurisdictional  
6 electric utilities that (i) on December 31, 2005 served less  
7 than 100,000 customers in Illinois and (ii) request a  
8 procurement plan for their Illinois jurisdictional load.

9 (c) Renewable portfolio standard.

10 (1) (A) The Agency shall develop a long-term renewable  
11 resources procurement plan that shall include procurement  
12 programs and competitive procurement events necessary to  
13 meet the goals set forth in this subsection (c). The  
14 initial long-term renewable resources procurement plan  
15 shall be released for comment no later than 160 days after  
16 June 1, 2017 (the effective date of Public Act 99-906).  
17 The Agency shall review, and may revise on an expedited  
18 basis, the long-term renewable resources procurement plan  
19 at least every 2 years, which shall be conducted in  
20 conjunction with the procurement plan under Section  
21 16-111.5 of the Public Utilities Act to the extent  
22 practicable to minimize administrative expense. The  
23 long-term renewable resources procurement plans shall be  
24 subject to review and approval by the Commission under  
25 Section 16-111.5 of the Public Utilities Act.

26 (B) Subject to subparagraph (F) of this paragraph (1),

1 the long-term renewable resources procurement plan shall  
2 include the goals for procurement of renewable energy  
3 credits to meet at least the following overall  
4 percentages: 13% by the 2017 delivery year; increasing by  
5 at least 1.5% each delivery year thereafter to at least  
6 25% by the 2025 delivery year; and continuing at no less  
7 than 25% for each delivery year thereafter. In the event  
8 of a conflict between these goals and the new wind and new  
9 photovoltaic procurement requirements described in items  
10 (i) through (iii) of subparagraph (C) of this paragraph  
11 (1), the long-term plan shall prioritize compliance with  
12 the new wind and new photovoltaic procurement requirements  
13 described in items (i) through (iii) of subparagraph (C)  
14 of this paragraph (1) over the annual percentage targets  
15 described in this subparagraph (B).

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

25 For the delivery year beginning June 1, 2018, the  
26 procurement plan shall include cost-effective renewable

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

8 For the delivery year beginning June 1, 2019, and for  
9 each year thereafter, the procurement plans shall include  
10 cost-effective renewable energy resources equal to a  
11 minimum percentage of each utility's load for all retail  
12 customers as follows: 16% by June 1, 2019; increasing by  
13 1.5% each year thereafter to 25% by June 1, 2025; and 25%  
14 by June 1, 2026 and each year thereafter.

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

22 (C) Of the renewable energy credits procured under  
23 this subsection (c), at least 75% shall come from wind and  
24 photovoltaic projects. The long-term renewable resources  
25 procurement plan described in subparagraph (A) of this  
26 paragraph (1) shall include the procurement of renewable

1 energy credits in amounts equal to at least the following:

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

3 At least 2,000,000 renewable energy credits  
4 for each delivery year shall come from new wind  
5 projects; and

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

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

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

25 At least 3,000,000 renewable energy credits  
26 for each delivery year shall come from new

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

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

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

18 At least 4,000,000 renewable energy credits  
19 for each delivery year shall come from new  
20 photovoltaic projects; of that amount, to the  
21 extent possible, the Agency shall procure: at  
22 least 50% from solar photovoltaic projects using  
23 the program outlined in subparagraph (K) of this  
24 paragraph (1) from distributed renewable energy  
25 devices or community renewable generation  
26 projects; at least 40% from utility-scale solar

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

7 For purposes of this Section:

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

13 "New photovoltaic projects" means photovoltaic  
14 renewable energy facilities that are energized  
15 after June 1, 2017. Photovoltaic projects  
16 developed under Section 1-56 of this Act shall not  
17 apply towards the new photovoltaic project  
18 requirements in this subparagraph (C).

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

20 For purposes of this subsection (c), "cost effective"  
21 means that the costs of procuring renewable energy  
22 resources do not cause the limit stated in subparagraph  
23 (E) of this paragraph (1) to be exceeded and, for  
24 renewable energy credits procured through a competitive  
25 procurement event, do not exceed benchmarks based on  
26 market prices for like products in the region. For

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

20 (E) For purposes of this subsection (c), the required  
21 procurement of cost-effective renewable energy resources  
22 for a particular year commencing prior to June 1, 2017  
23 shall be measured as a percentage of the actual amount of  
24 electricity (megawatt-hours) supplied by the electric  
25 utility to eligible retail customers in the delivery year  
26 ending immediately prior to the procurement, and, for

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

15 Notwithstanding the requirements of this subsection  
16 (c), the total of renewable energy resources procured  
17 under the procurement plan for any single year shall be  
18 subject to the limitations of this subparagraph (E). Such  
19 procurement shall be reduced for all retail customers  
20 based on the amount necessary to limit the annual  
21 estimated average net increase due to the costs of these  
22 resources included in the amounts paid by eligible retail  
23 customers in connection with electric service to no more  
24 than the greater of 2.015% of the amount paid per  
25 kilowatthour by those customers during the year ending May  
26 31, 2007 or the incremental amount per kilowatthour paid



1 for these resources in 2011. To arrive at a maximum dollar  
2 amount of renewable energy resources to be procured for  
3 the particular delivery year, the resulting per  
4 kilowatthour amount shall be applied to the actual amount  
5 of kilowatthours of electricity delivered, or applicable  
6 portion of such amount as specified in paragraph (1) of  
7 this subsection (c), as applicable, by the electric  
8 utility in the delivery year immediately prior to the  
9 procurement to all retail customers in its service  
10 territory. The calculations required by this subparagraph  
11 (E) shall be made only once for each delivery year at the  
12 time that the renewable energy resources are procured.  
13 Once the determination as to the amount of renewable  
14 energy resources to procure is made based on the  
15 calculations set forth in this subparagraph (E) and the  
16 contracts procuring those amounts are executed, no  
17 subsequent rate impact determinations shall be made and no  
18 adjustments to those contract amounts shall be allowed.  
19 All costs incurred under such contracts shall be fully  
20 recoverable by the electric utility as provided in this  
21 Section.

22 (F) If the limitation on the amount of renewable  
23 energy resources procured in subparagraph (E) of this  
24 paragraph (1) prevents the Agency from meeting all of the  
25 goals in this subsection (c), the Agency's long-term plan  
26 shall prioritize compliance with the requirements of this

1 subsection (c) regarding renewable energy credits in the  
2 following order:

3 (i) renewable energy credits under existing  
4 contractual obligations;

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

8 (ii) renewable energy credits necessary to comply  
9 with the new wind and new photovoltaic procurement  
10 requirements described in items (i) through (iii) of  
11 subparagraph (C) of this paragraph (1); and

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

14 (G) The following provisions shall apply to the  
15 Agency's procurement of renewable energy credits under  
16 this subsection (c):

17 (i) Notwithstanding whether a long-term renewable  
18 resources procurement plan has been approved, the  
19 Agency shall conduct an initial forward procurement  
20 for renewable energy credits from new utility-scale  
21 wind projects within 160 days after June 1, 2017 (the  
22 effective date of Public Act 99-906). For the purposes  
23 of this initial forward procurement, the Agency shall  
24 solicit 15-year contracts for delivery of 1,000,000  
25 renewable energy credits delivered annually from new  
26 utility-scale wind projects to begin delivery on June

1 1, 2019, if available, but not later than June 1, 2021,  
2 unless the project has delays in the establishment of  
3 an operating interconnection with the applicable  
4 transmission or distribution system as a result of the  
5 actions or inactions of the transmission or  
6 distribution provider, or other causes for force  
7 majeure as outlined in the procurement contract, in  
8 which case, not later than June 1, 2022. Payments to  
9 suppliers of renewable energy credits shall commence  
10 upon delivery. Renewable energy credits procured under  
11 this initial procurement shall be included in the  
12 Agency's long-term plan and shall apply to all  
13 renewable energy goals in this subsection (c).

14 (ii) Notwithstanding whether a long-term renewable  
15 resources procurement plan has been approved, the  
16 Agency shall conduct an initial forward procurement  
17 for renewable energy credits from new utility-scale  
18 solar projects and brownfield site photovoltaic  
19 projects within one year after June 1, 2017 (the  
20 effective date of Public Act 99-906). For the purposes  
21 of this initial forward procurement, the Agency shall  
22 solicit 15-year contracts for delivery of 1,000,000  
23 renewable energy credits delivered annually from new  
24 utility-scale solar projects and brownfield site  
25 photovoltaic projects to begin delivery on June 1,  
26 2019, if available, but not later than June 1, 2021,

1 unless the project has delays in the establishment of  
2 an operating interconnection with the applicable  
3 transmission or distribution system as a result of the  
4 actions or inactions of the transmission or  
5 distribution provider, or other causes for force  
6 majeure as outlined in the procurement contract, in  
7 which case, not later than June 1, 2022. The Agency may  
8 structure this initial procurement in one or more  
9 discrete procurement events. Payments to suppliers of  
10 renewable energy credits shall commence upon delivery.  
11 Renewable energy credits procured under this initial  
12 procurement shall be included in the Agency's  
13 long-term plan and shall apply to all renewable energy  
14 goals in this subsection (c).

15 (iii) Subsequent forward procurements for  
16 utility-scale wind projects shall solicit at least  
17 1,000,000 renewable energy credits delivered annually  
18 per procurement event and shall be planned, scheduled,  
19 and designed such that the cumulative amount of  
20 renewable energy credits delivered from all new wind  
21 projects in each delivery year shall not exceed the  
22 Agency's projection of the cumulative amount of  
23 renewable energy credits that will be delivered from  
24 all new photovoltaic projects, including utility-scale  
25 and distributed photovoltaic devices, in the same  
26 delivery year at the time scheduled for wind contract

1 delivery.

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

1           executed contract. The Agency shall update, on a  
2           quarterly basis, its projection of the renewable  
3           energy credits to be delivered from all projects in  
4           each delivery year. Notwithstanding anything to the  
5           contrary, the Agency may adjust the timing of  
6           procurement events conducted under this subparagraph  
7           (G). The long-term renewable resources procurement  
8           plan shall set forth the process by which the  
9           adjustments may be made.

10           (v) All procurements under this subparagraph (G)  
11           shall comply with the geographic requirements in  
12           subparagraph (I) of this paragraph (1) and shall  
13           follow the procurement processes and procedures  
14           described in this Section and Section 16-111.5 of the  
15           Public Utilities Act to the extent practicable, and  
16           these processes and procedures may be expedited to  
17           accommodate the schedule established by this  
18           subparagraph (G).

19           (H) The procurement of renewable energy resources for  
20           a given delivery year shall be reduced as described in  
21           this subparagraph (H) if an alternative retail electric  
22           supplier meets the requirements described in this  
23           subparagraph (H).

24           (i) Within 45 days after June 1, 2017 (the  
25           effective date of Public Act 99-906), an alternative  
26           retail electric supplier or its successor shall submit

1 an informational filing to the Illinois Commerce  
2 Commission certifying that, as of December 31, 2015,  
3 the alternative retail electric supplier owned one or  
4 more electric generating facilities that generates  
5 renewable energy resources as defined in Section 1-10  
6 of this Act, provided that such facilities are not  
7 powered by wind or photovoltaics, and the facilities  
8 generate one renewable energy credit for each  
9 megawatthour of energy produced from the facility.

10 The informational filing shall identify each  
11 facility that was eligible to satisfy the alternative  
12 retail electric supplier's obligations under Section  
13 16-115D of the Public Utilities Act as described in  
14 this item (i).

15 (ii) For a given delivery year, the alternative  
16 retail electric supplier may elect to supply its  
17 retail customers with renewable energy credits from  
18 the facility or facilities described in item (i) of  
19 this subparagraph (H) that continue to be owned by the  
20 alternative retail electric supplier.

21 (iii) The alternative retail electric supplier  
22 shall notify the Agency and the applicable utility, no  
23 later than February 28 of the year preceding the  
24 applicable delivery year or 15 days after June 1, 2017  
25 (the effective date of Public Act 99-906), whichever  
26 is later, of its election under item (ii) of this

1           subparagraph (H) to supply renewable energy credits to  
2           retail customers of the utility. Such election shall  
3           identify the amount of renewable energy credits to be  
4           supplied by the alternative retail electric supplier  
5           to the utility's retail customers and the source of  
6           the renewable energy credits identified in the  
7           informational filing as described in item (i) of this  
8           subparagraph (H), subject to the following  
9           limitations:

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

20                   For delivery years beginning June 1, 2019 and  
21                   each year thereafter, the maximum amount of  
22                   renewable energy credits to be supplied by an  
23                   alternative retail electric supplier under this  
24                   subparagraph (H) shall be 68% multiplied by 50%  
25                   multiplied by 16% multiplied by the amount of  
26                   metered electricity (megawatt-hours) delivered by



1           the alternative retail electric supplier to  
2           Illinois retail customers during the delivery year  
3           ending May 31, 2016, provided that the 16% value  
4           shall increase by 1.5% each delivery year  
5           thereafter to 25% by the delivery year beginning  
6           June 1, 2025, and thereafter the 25% value shall  
7           apply to each delivery year.

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

21          If the requirements set forth in items (i) through  
22          (iii) of this subparagraph (H) are met, the charges  
23          that would otherwise be applicable to the retail  
24          customers of the alternative retail electric supplier  
25          under paragraph (6) of this subsection (c) for the  
26          applicable delivery year shall be reduced by the ratio

1 of the quantity of renewable energy credits supplied  
2 by the alternative retail electric supplier compared  
3 to that supplier's target renewable energy credit  
4 quantity. The supplier's target renewable energy  
5 credit quantity for the delivery year beginning June  
6 1, 2018 is 14.5% multiplied by the total amount of  
7 metered electricity (megawatt-hours) delivered by the  
8 alternative retail supplier in that delivery year,  
9 provided that the 14.5% shall increase by 1.5% each  
10 delivery year thereafter to 25% by the delivery year  
11 beginning June 1, 2025, and thereafter the 25% value  
12 shall apply to each delivery year.

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

18 (I) The Agency shall design its long-term renewable  
19 energy procurement plan to maximize the State's interest  
20 in the health, safety, and welfare of its residents,  
21 including but not limited to minimizing sulfur dioxide,  
22 nitrogen oxide, particulate matter and other pollution  
23 that adversely affects public health in this State,  
24 increasing fuel and resource diversity in this State,  
25 enhancing the reliability and resiliency of the  
26 electricity distribution system in this State, meeting

1 goals to limit carbon dioxide emissions under federal or  
2 State law, and contributing to a cleaner and healthier  
3 environment for the citizens of this State. In order to  
4 further these legislative purposes, renewable energy  
5 credits shall be eligible to be counted toward the  
6 renewable energy requirements of this subsection (c) if  
7 they are generated from facilities located in this State.  
8 The Agency may qualify renewable energy credits from  
9 facilities located in states adjacent to Illinois if the  
10 generator demonstrates and the Agency determines that the  
11 operation of such facility or facilities will help promote  
12 the State's interest in the health, safety, and welfare of  
13 its residents based on the public interest criteria  
14 described above. To ensure that the public interest  
15 criteria are applied to the procurement and given full  
16 effect, the Agency's long-term procurement plan shall  
17 describe in detail how each public interest factor shall  
18 be considered and weighted for facilities located in  
19 states adjacent to Illinois.

20 (J) In order to promote the competitive development of  
21 renewable energy resources in furtherance of the State's  
22 interest in the health, safety, and welfare of its  
23 residents, renewable energy credits shall not be eligible  
24 to be counted toward the renewable energy requirements of  
25 this subsection (c) if they are sourced from a generating  
26 unit whose costs were being recovered through rates

1 regulated by this State or any other state or states on or  
2 after January 1, 2017. Each contract executed to purchase  
3 renewable energy credits under this subsection (c) shall  
4 provide for the contract's termination if the costs of the  
5 generating unit supplying the renewable energy credits  
6 subsequently begin to be recovered through rates regulated  
7 by this State or any other state or states; and each  
8 contract shall further provide that, in that event, the  
9 supplier of the credits must return 110% of all payments  
10 received under the contract. Amounts returned under the  
11 requirements of this subparagraph (J) shall be retained by  
12 the utility and all of these amounts shall be used for the  
13 procurement of additional renewable energy credits from  
14 new wind or new photovoltaic resources as defined in this  
15 subsection (c). The long-term plan shall provide that  
16 these renewable energy credits shall be procured in the  
17 next procurement event.

18 Notwithstanding the limitations of this subparagraph  
19 (J), renewable energy credits sourced from generating  
20 units that are constructed, purchased, owned, or leased by  
21 an electric utility as part of an approved project,  
22 program, or pilot under Section 1-56 of this Act shall be  
23 eligible to be counted toward the renewable energy  
24 requirements of this subsection (c), regardless of how the  
25 costs of these units are recovered.

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

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

13 The Adjustable Block program shall include for each  
14 category of eligible projects: a schedule of standard  
15 block purchase prices to be offered; a series of steps,  
16 with associated nameplate capacity and purchase prices  
17 that adjust from step to step; and automatic opening of  
18 the next step as soon as the nameplate capacity and  
19 available purchase prices for an open step are fully  
20 committed or reserved. Only projects energized on or after  
21 June 1, 2017 shall be eligible for the Adjustable Block  
22 program. For each block group the Agency shall determine  
23 the number of blocks, the amount of generation capacity in  
24 each block, and the purchase price for each block,  
25 provided that the purchase price provided and the total  
26 amount of generation in all blocks for all block groups

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

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

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

24 (ii) At least 25% from distributed renewable  
25 energy generation devices with a nameplate capacity of  
26 more than 10 kilowatts and no more than 2,000

1 kilowatts. The Agency may create sub-categories within  
2 this category to account for the differences between  
3 projects for small commercial customers, large  
4 commercial customers, and public or non-profit  
5 customers.

6 (iii) At least 25% from photovoltaic community  
7 renewable generation projects.

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

11 The Adjustable Block program shall be designed to  
12 ensure that renewable energy credits are procured from  
13 photovoltaic distributed renewable energy generation  
14 devices and new photovoltaic community renewable energy  
15 generation projects in diverse locations and are not  
16 concentrated in a few geographic areas.

17 (L) The procurement of photovoltaic renewable energy  
18 credits under items (i) through (iv) of subparagraph (K)  
19 of this paragraph (1) shall be subject to the following  
20 contract and payment terms:

21 (i) The Agency shall procure contracts of at least  
22 15 years in length.

23 (ii) For those renewable energy credits that  
24 qualify and are procured under item (i) of  
25 subparagraph (K) of this paragraph (1), the renewable  
26 energy credit purchase price shall be paid in full by

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

8 (iii) For those renewable energy credits that  
9 qualify and are procured under item (ii) and (iii) of  
10 subparagraph (K) of this paragraph (1) and any  
11 additional categories of distributed generation  
12 included in the long-term renewable resources  
13 procurement plan and approved by the Commission, 20  
14 percent of the renewable energy credit purchase price  
15 shall be paid by the contracting utilities at the time  
16 that the facility producing the renewable energy  
17 credits is interconnected at the distribution system  
18 level of the utility and energized. The remaining  
19 portion shall be paid ratably over the subsequent  
20 4-year period. The electric utility shall receive and  
21 retire all renewable energy credits generated by the  
22 project for the first 15 years of operation.

23 (iv) Each contract shall include provisions to  
24 ensure the delivery of the renewable energy credits  
25 for the full term of the contract.

26 (v) The utility shall be the counterparty to the



1 contracts executed under this subparagraph (L) that  
2 are approved by the Commission under the process  
3 described in Section 16-111.5 of the Public Utilities  
4 Act. No contract shall be executed for an amount that  
5 is less than one renewable energy credit per year.

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

17 (vii) Nothing in this Section shall require the  
18 utility to advance any payment or pay any amounts that  
19 exceed the actual amount of revenues collected by the  
20 utility under paragraph (6) of this subsection (c) and  
21 subsection (k) of Section 16-108 of the Public  
22 Utilities Act, and contracts executed under this  
23 Section shall expressly incorporate this limitation.

24 (M) The Agency shall be authorized to retain one or  
25 more experts or expert consulting firms to develop,  
26 administer, implement, operate, and evaluate the

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

13 The Agency and its consultant or consultants shall  
14 monitor block activity, share program activity with  
15 stakeholders and conduct regularly scheduled meetings to  
16 discuss program activity and market conditions. If  
17 necessary, the Agency may make prospective administrative  
18 adjustments to the Adjustable Block program design, such  
19 as redistributing available funds or making adjustments to  
20 purchase prices as necessary to achieve the goals of this  
21 subsection (c). Program modifications to any price,  
22 capacity block, or other program element that do not  
23 deviate from the Commission's approved value by more than  
24 25% shall take effect immediately and are not subject to  
25 Commission review and approval. Program modifications to  
26 any price, capacity block, or other program element that

1 deviate more than 25% from the Commission's approved value  
2 must be approved by the Commission as a long-term plan  
3 amendment under Section 16-111.5 of the Public Utilities  
4 Act. The Agency shall consider stakeholder feedback when  
5 making adjustments to the Adjustable Block design and  
6 shall notify stakeholders in advance of any planned  
7 changes.

8 (N) The long-term renewable resources procurement plan  
9 required by this subsection (c) shall include a community  
10 renewable generation program. The Agency shall establish  
11 the terms, conditions, and program requirements for  
12 community renewable generation projects with a goal to  
13 expand renewable energy generating facility access to a  
14 broader group of energy consumers, to ensure robust  
15 participation opportunities for residential and small  
16 commercial customers and those who cannot install  
17 renewable energy on their own properties. Any plan  
18 approved by the Commission shall allow subscriptions to  
19 community renewable generation projects to be portable and  
20 transferable. For purposes of this subparagraph (N),  
21 "portable" means that subscriptions may be retained by the  
22 subscriber even if the subscriber relocates or changes its  
23 address within the same utility service territory; and  
24 "transferable" means that a subscriber may assign or sell  
25 subscriptions to another person within the same utility  
26 service territory.

1           Electric utilities shall provide a monetary credit to  
2           a subscriber's subsequent bill for service for the  
3           proportional output of a community renewable generation  
4           project attributable to that subscriber as specified in  
5           Section 16-107.5 of the Public Utilities Act.

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

17          The owners of and any subscribers to a community  
18          renewable generation project shall not be considered  
19          public utilities or alternative retail electricity  
20          suppliers under the Public Utilities Act solely as a  
21          result of their interest in or subscription to a community  
22          renewable generation project and shall not be required to  
23          become an alternative retail electric supplier by  
24          participating in a community renewable generation project  
25          with a public utility.

26          (O) For the delivery year beginning June 1, 2018, the

1 long-term renewable resources procurement plan required by  
2 this subsection (c) shall provide for the Agency to  
3 procure contracts to continue offering the Illinois Solar  
4 for All Program described in subsection (b) of Section  
5 1-56 of this Act, and the contracts approved by the  
6 Commission shall be executed by the utilities that are  
7 subject to this subsection (c). The long-term renewable  
8 resources procurement plan shall allocate 5% of the funds  
9 available under the plan for the applicable delivery year,  
10 or \$10,000,000 per delivery year, whichever is greater, to  
11 fund the programs, and the plan shall determine the amount  
12 of funding to be apportioned to the programs identified in  
13 subsection (b) of Section 1-56 of this Act; provided that  
14 for the delivery years beginning June 1, 2017, June 1,  
15 2021, and June 1, 2025, the long-term renewable resources  
16 procurement plan shall allocate 10% of the funds available  
17 under the plan for the applicable delivery year, or  
18 \$20,000,000 per delivery year, whichever is greater, and  
19 \$10,000,000 of such funds in such year shall be used by an  
20 electric utility that serves more than 3,000,000 retail  
21 customers in the State to implement a Commission-approved  
22 plan under Section 16-108.12 of the Public Utilities Act.  
23 In making the determinations required under this  
24 subparagraph (O), the Commission shall consider the  
25 experience and performance under the programs and any  
26 evaluation reports. The Commission shall also provide for

1 an independent evaluation of those programs on a periodic  
2 basis that are funded under this subparagraph (O).

3 (2) (Blank).

4 (3) (Blank).

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

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

1 spending on the purchase of renewable energy resources to  
2 be procured by the electric utility for the next plan year  
3 by an amount equal to the amounts collected by the utility  
4 under the alternative compliance payment rate or rates in  
5 the prior year ending May 31.

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

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

24 In meeting the renewable energy requirements of this  
25 subsection (c), to the extent feasible and consistent with  
26 State and federal law, the renewable energy credit

1 procurements, Adjustable Block solar program, and  
2 community renewable generation program shall provide  
3 employment opportunities for all segments of the  
4 population and workforce, including minority-owned and  
5 female-owned business enterprises, and shall not,  
6 consistent with State and federal law, discriminate based  
7 on race or socioeconomic status.

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

12 (1) In addition to the procurement of renewable energy  
13 credits pursuant to long-term renewable resources  
14 procurement plans in accordance with subsection (c) of  
15 this Section and Section 16-111.5 of the Public Utilities  
16 Act, the Agency shall conduct a procurement event in  
17 accordance with this subsection (c-5) for the procurement  
18 by electric utilities that served more than 300,000 retail  
19 customers in this State as of January 1, 2019 of renewable  
20 energy credits from new renewable energy resources to be  
21 installed at or adjacent to the sites of electric  
22 generating facilities that, as of January 1, 2019, burned  
23 coal as their primary fuel source. The renewable energy  
24 credits procured pursuant to this subsection (c-5) may be  
25 included or counted for purposes of compliance with the  
26 amounts of renewable energy credits required to be



1 procured pursuant to subsection (c) of this Section. The  
2 procurement of renewable energy credits by electric  
3 utilities pursuant to this subsection (c-5) shall be  
4 funded solely by revenues collected from the Coal to Solar  
5 and Energy Storage Initiative Charge provided for in this  
6 subsection (c-5) and subsection (i-5) of Section 16-108 of  
7 the Public Utilities Act, shall not be funded by revenues  
8 collected through any of the other funding mechanisms  
9 provided for in subsection (c) of this Section, shall not  
10 be subject to the limitation imposed by subsection (c) on  
11 charges to retail customers for costs to procure renewable  
12 energy resources pursuant to subsection (c), and shall not  
13 be subject to any other requirements or limitations of  
14 subsection (c).

15 (2) No later than October 31, 2021, the Agency shall  
16 conduct a procurement event to select owners of electric  
17 generating facilities meeting the eligibility criteria  
18 specified in this subsection (c-5) to enter into long-term  
19 contracts to sell renewable energy credits to electric  
20 utilities that served more than 300,000 retail customers  
21 in this State as of January 1, 2019. The Agency shall  
22 establish and announce a time period, which shall begin no  
23 later than 30 days prior to the scheduled date for the  
24 procurement event, during which applicants may submit  
25 applications to be selected as suppliers of renewable  
26 energy credits pursuant to this subsection (c-5). The

1 eligibility criteria for selection as a supplier of  
2 renewable energy credits pursuant to this subsection (c-5)  
3 shall be as follows:

4 (A) The applicant owns an electric generating  
5 facility located in this State and south of federal  
6 Interstate Highway 80 that (i) as of January 1, 2019,  
7 burned coal as its primary fuel to generate  
8 electricity and (ii) has, or had prior to retirement,  
9 an electric generating capacity of at least 150  
10 megawatts. The electric generating facility can be  
11 either (i) retired as of October 31, 2021, or (ii)  
12 still operating as of October 31, 2021.

13 (B) The applicant is not (i) a public utility as  
14 defined in Section 3-105 of the Public Utilities Act,  
15 (ii) an electric cooperative as defined in Section  
16 3-119 of the Public Utilities Act, or (iii) an entity  
17 described in paragraph (1) of subsection (b) of  
18 Section 3-105 of the Public Utilities Act, or an  
19 association or consortium of or an entity owned by  
20 entities described in (ii) or (iii).

21 (C) The applicant proposes and commits to  
22 construct and operate, at the site, or on property  
23 adjacent to the existing property, of the electric  
24 generating facility identified in paragraph (A): (i) a  
25 new renewable energy resource of at least 20 megawatts  
26 but no more than 100 megawatts of electric generating

1 capacity; and (ii) an energy storage facility to be  
2 operated in conjunction with the new renewable energy  
3 resource and having a storage capacity of at least 2  
4 megawatts and at most 10 megawatts.

5 (D) The applicant agrees that the new renewable  
6 energy resource and the energy storage facility will  
7 be constructed or installed by a qualified entity or  
8 entities in compliance with the requirements of  
9 subsection (g) of Section 16-128A of the Public  
10 Utilities Act and any rules adopted thereunder.

11 (E) The applicant agrees that the personnel  
12 operating the new renewable energy resource and the  
13 energy storage facility will have the requisite  
14 skills, knowledge, training, experience, and  
15 competence, which may be demonstrated by completion or  
16 current participation and ultimate completion by  
17 employees of an accredited or otherwise recognized  
18 apprenticeship program for the employee's particular  
19 craft, trade, or skill, including through training and  
20 education courses and opportunities offered by the  
21 applicant to employees of the coal-fueled electric  
22 generating facilities being retired, or by previous  
23 employment experience performing the employee's  
24 particular work skill or function.

25 (F) The applicant commits to enter into a contract  
26 or contracts of 15 years duration to provide a

1 specified number of renewable energy credits to  
2 electric utilities that served more than 300,000  
3 retail customers in this State as of January 1, 2019 at  
4 a price of \$35 per renewable energy credit.

5 (G) The applicant's application is certified by an  
6 officer of the applicant and by an officer of the  
7 applicant's ultimate parent company, if any.

8 (3) An applicant may submit applications to contract  
9 to supply renewable energy credits from more than one new  
10 renewable energy resource to be constructed at or adjacent  
11 to more than one qualifying electric generating facility  
12 site owned by the applicant. The Agency may select new  
13 renewable energy resources to be located at or adjacent to  
14 the sites of more than one qualifying electric generating  
15 facility owned by an applicant to contract with electric  
16 utilities to supply renewable energy credits from such  
17 facilities.

18 (4) The Agency shall assess fees to each applicant to  
19 recover the Agency's costs incurred in receiving and  
20 evaluating applications, conducting the procurement event,  
21 developing contracts for sale, delivery, and purchase of  
22 renewable energy credits, and monitoring the  
23 administration of such contracts, as provided for in this  
24 subsection (c-5), including fees paid to a procurement  
25 administrator retained by the Agency for one or more of  
26 these purposes.

1           (5) The Agency shall select the applicants and the new  
2           renewable energy resources to contract with electric  
3           utilities to supply renewable energy credits in accordance  
4           with this subsection (c-5). The Agency shall select  
5           applicants and new renewable energy resources to supply  
6           renewable energy credits aggregating to no less than  
7           400,000 renewable energy credits per year for 15 years,  
8           assuming sufficient qualifying applications to supply at  
9           least that amount of renewable energy credits per year;  
10           and no more than 600,000 renewable energy credits per year  
11           for 15 years. The obligation to purchase renewable energy  
12           credits from the applicants and their new renewable energy  
13           resources selected by the Agency shall be allocated to  
14           electric utilities as follows: (i) electric utilities  
15           serving more than 1,000,000 retail customers in this State  
16           shall be required to contract to purchase 70%, and  
17           electric utilities serving more than 300,000 but less than  
18           1,000,000 retail customers in this State shall be required  
19           to contract to purchase 30 %, of the renewable energy  
20           credits from the applicants and the new renewable energy  
21           resources selected by the Agency. In order to achieve  
22           these allocation percentages between or among the electric  
23           utilities, the Agency may require an applicant to enter  
24           into contracts with more than one electric utility for the  
25           sale and purchase of renewable energy credits from a new  
26           renewable energy resource to be constructed and operated

1 by the applicant, with the sale and purchase obligations  
2 under the contracts to aggregate to the total number of  
3 renewable energy credits per year to be supplied by the  
4 applicant from such new renewable energy resource. The  
5 Agency shall submit its proposed selection of applicants,  
6 new renewable energy resources to be constructed, and  
7 renewable energy credit amounts, to the Commission for  
8 approval. The Commission shall, within 2 business days  
9 after receipt of the Agency's proposed selections, approve  
10 the proposed selections if it determines that the  
11 applicants and the new renewable energy resources to be  
12 constructed meet the selection criteria set forth in this  
13 subsection (c-5) and that the Agency proposes to select  
14 applicants for contracts aggregating to no more than  
15 600,000 renewable energy credits per year for 15 years.

16 (6) The Agency, in conjunction with its procurement  
17 administrator if one is retained, the electric utilities,  
18 and potential applicants for contracts to produce and  
19 supply renewable energy credits pursuant to this  
20 subsection (c-5) shall develop a standard form contract  
21 for the sale, delivery and purchase of renewable energy  
22 credits pursuant to this subsection (c-5). The contracts  
23 shall provide for commercial operation dates for the new  
24 renewable energy resources such that (i) the new renewable  
25 energy resources from which approximately 50% of the  
26 renewable energy credits are contracted will be required

1 to achieve commercial operation by June 1, 2023, and will  
2 receive payments for renewable energy credits for the  
3 15-year period beginning June 1, 2023, and (ii) the new  
4 renewable energy resources from which the remainder of the  
5 renewable energy credits are contracted will be required  
6 to achieve commercial operation by June 1, 2024, and will  
7 receive payments for renewable energy credits for the  
8 15-year period beginning June 1, 2024, with such dates  
9 subject to adjustment as provided in the this paragraph.  
10 The form contract shall provide for adjustments to the  
11 commercial operation and payment start dates as needed due  
12 to any delays in completing the procurement and  
13 contracting processes, in finalizing interconnection  
14 agreements and installing interconnection facilities, and  
15 in obtaining other necessary governmental permits and  
16 approvals. The form contract shall be, to the maximum  
17 extent possible, consistent with standard electric  
18 industry contracts for sale, delivery, and purchase of  
19 renewable energy credits while taking into account the  
20 specific requirements of this subsection (c-5). The form  
21 contract shall provide for over-delivery and  
22 under-delivery of renewable energy credits within  
23 reasonable ranges during each 12-month period and penalty,  
24 default, and enforcement provisions for failure of the  
25 selling party to deliver renewable energy credits as  
26 specified in the contract and to comply with the

1 requirements of this subsection (c-5). The standard form  
2 contract shall specify that all renewable energy credits  
3 delivered to the electric utility pursuant to the contract  
4 shall be retired. The Agency shall make the proposed  
5 contracts available for a reasonable period for comment by  
6 potential applicants, and shall publish the final form  
7 contract at least 30 days before the date of the  
8 procurement event.

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

11 (A) Within 30 days following the effective date of  
12 this amendatory Act of the 102nd General Assembly,  
13 each electric utility that served more than 300,000  
14 retail customers in this State as of January 1, 2019  
15 shall file a tariff for the billing and collection of a  
16 Coal to Solar and Energy Storage Initiative Charge in  
17 accordance with subsection (i-5) of Section 16-108 of  
18 the Public Utilities Act. The electric utility's  
19 tariff shall provide for the billing and collection of  
20 the Coal to Solar and Energy Storage Initiative Charge  
21 on each kilowatthour of electricity delivered to its  
22 delivery services customers within its service  
23 territory of (i) 0.072 cents per kilowatthour from the  
24 effective date of the tariff through December 31,  
25 2024, (ii) 0.055 cents per kilowatthour from January  
26 1, 2025 through December 31, 2025, (iii) 0.030 cents



1 per kilowatthour from January 1, 2026 through December  
2 31, 2033, (iv) 0.024 cents per kilowatthour from  
3 January 1, 2034 through December 31, 2034, (v) 0.018  
4 cents per kilowatthour from January 1, 2035 through  
5 December 31, 2037, and (vi) 0.009 cents per  
6 kilowatthour from January 1, 2038 through December 31  
7 of the year in which the last renewable energy credit  
8 sale and purchase contract entered into pursuant to  
9 this subsection (c-5) terminates.

10 (B) Each electric utility shall remit, on a  
11 monthly basis, to the State Treasurer for deposit into  
12 the Coal to Solar and Energy Storage Incentive and  
13 Plant Transition Fund provided for in this subsection  
14 (c-5), 100% of its collections of the Coal to Solar and  
15 Energy Storage Initiative Charge, less, beginning  
16 March 1, 2023, sufficient funds for the electric  
17 utility to make its estimated next 3 monthly payments  
18 for renewable energy credits pursuant to contracts  
19 entered into pursuant to this subsection (c-5).  
20 Provided, that if as of May 31 of any year beginning  
21 January 1, 2025 or thereafter, an electric utility  
22 holds Coal to Solar and Energy Storage Initiative  
23 Charge collections greater than 110% of its projected  
24 payment obligations under such contracts for the  
25 following 6 months, the electric utility shall refund  
26 one-half of such excess collections to its delivery

1 services customers on a uniform cents per kilowatthour  
2 basis over a 6-month period, in accordance with a  
3 procedure specified in its Coal to Solar and Energy  
4 Storage Initiative Charge tariff.

5 (8) Coal to Solar and Energy Storage Incentive and  
6 Plant Transition Fund.

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

1 resource to an electric utility in accordance with  
2 this subsection (c-5).

3 (B) The objective of the transitional support  
4 funding provided for in this paragraph (8) is to  
5 assist and enable qualifying electric generating  
6 facilities in this State to remain in operation during  
7 the period from the effective date of this amendatory  
8 Act of the 102nd General Assembly through May 31,  
9 2025, in order to ensure that adequate electric  
10 generating resources are available in this State  
11 through that date, while the State's portfolio of  
12 renewable energy resources is being expanded, and to  
13 provide a transition period for the communities in  
14 which qualifying electric generating facilities are  
15 located prior to the retirement of the qualifying  
16 electric generating facilities.

17 (C) The Coal to Solar and Energy Storage Incentive  
18 and Plant Transition Fund shall not be subject to  
19 sweeps, administrative charges, or chargebacks,  
20 including, but not limited to, those authorized under  
21 Section 8h of the State Finance Act, that would in any  
22 way result in the transfer of those funds from the Coal  
23 to Solar and Energy Storage Incentive and Plant  
24 Transition Fund to any other fund of this State or in  
25 having any such funds used for any purpose other than  
26 the express purposes set forth in this paragraph (8)

1 of subsection (c-5).

2 (D) The Department shall provide grants of  
3 transitional support funding from the Coal to Solar  
4 and Energy Storage Incentive and Plant Transition Fund  
5 to owners of qualifying electric generating facilities  
6 in this State that meet the criteria specified in this  
7 paragraph (8) of subsection (c-5), for the period  
8 January 1, 2022 through May 31, 2025, in aggregate  
9 amounts not exceeding \$75,000,000 in each calendar  
10 year 2022 through 2024 and \$31,000,000 for the period  
11 January 1, 2025 through May 31, 2025, for grants in  
12 respect of 2,200 megawatts of electric generating  
13 capacity. The amount of transitional support funding  
14 granted to the owner of a qualifying electric  
15 generating facility for a calendar year shall be equal  
16 to the product of (i) \$93 less the clearing price per  
17 megawatt-day in the Planning Resource Auction of the  
18 Midcontinent Independent System Operator, Inc., which  
19 shall be referred to in this subparagraph (D) as MISO,  
20 held in the preceding calendar year (but not less than  
21 \$0), times (ii) the megawatts of electric generating  
22 capacity of the qualifying electric generating  
23 facility, times (iii) 365, which the General Assembly  
24 finds is an amount that should enable a qualifying  
25 electric generating facility to recover its annual  
26 cost of service; provided, (1) that for the period

1 January 1, 2025 through May 31, 2025, the amount of  
2 transitional support funding granted to the owner of a  
3 qualifying electric generating facility shall be equal  
4 to the product of (i) \$93 less the clearing price per  
5 megawatt-day in the Planning Resource Auction of the  
6 MISO held in the preceding calendar year (but not less  
7 than \$0), times (ii) the megawatts of electric  
8 generating capacity of the qualifying electric  
9 generating facility, times (iii) 151; and provided  
10 further that for each calendar year 2022 through 2024  
11 and for the period January 31, 2025 through May 31,  
12 2025, the owner may request that a lower number of  
13 megawatts than the full rated generating capacity of  
14 an electric generating facility be used to calculate  
15 the amount of transitional support funding provided to  
16 that electric generating facility for such period. For  
17 avoidance of doubt and by way of example, if grants of  
18 transitional support funding for 2,200 megawatts of  
19 electric generating capacity of qualifying electric  
20 generating facilities are made for a calendar year and  
21 the clearing price in the MISO Planning Resource  
22 Auction for the preceding calendar year equaled \$50  
23 per megawatt-day, the aggregate amount of the grants  
24 of transitional support funding for the calendar year  
25 would be \$34,529,000. If the clearing price in the  
26 MISO Planning Resource Auction in the preceding

1 calendar year is equal to or greater than \$93 per  
2 megawatt-day, no transition support funding shall be  
3 paid for the current year.

4 (E) The grant amounts shall be paid to the  
5 recipients on a quarterly basis with payments to be  
6 made on May 31, August 31, November 30, and February 28  
7 for the immediately preceding calendar quarter, with  
8 the final payment for the period April 1, 2025 through  
9 May 31, 2025, to be made on July 31, 2025, in each case  
10 subject to the availability of sufficient funds in the  
11 Coal to Solar and Energy Storage Incentive and Plant  
12 Transition Fund, with any shortfall in a payment to be  
13 added to the payment due for the period immediately  
14 following. No grant payments for transitional support  
15 funding shall be made to the owner of a qualifying  
16 electric generating facility in respect of any period  
17 subsequent to the retirement date of the electric  
18 generating facility.

19 (F) The qualifications for a grant of transitional  
20 support funding from the Coal to Solar and Energy  
21 Storage Incentive and Plant Transition Fund for an  
22 electric generating facility are as follows: (i) the  
23 electric generating facility is located in this State  
24 south of federal Interstate Highway 80, but is not  
25 directly interconnected to an electric utility located  
26 within the PJM Interconnection, LLC independent system

1 operator region; (ii) the electric generating facility  
2 has an electric generating capacity of at least 150  
3 megawatts; (iii) the electric generating facility  
4 burned coal as its primary source of fuel as of January  
5 1, 2019; (iv) the electric generating facility either  
6 is owned by an applicant that has been selected by the  
7 Agency pursuant to this subsection (c-5) to enter into  
8 a contract or contracts with one or more electric  
9 utilities to deliver renewable energy credits from a  
10 new renewable energy resource to be constructed at or  
11 adjacent to an existing or retired electric generating  
12 facility owned by the applicant, or is owned by a  
13 company that has a common parent company with such an  
14 applicant and has been designated by the applicant to  
15 the Department as a candidate to receive a grant of  
16 transitional support funding; and (v) the owner of the  
17 electric generating facility commits, as a condition  
18 to receiving the grant of transitional support  
19 funding, to maintain the electric generating facility  
20 in operation until at least May 31, 2025.

21 (G) If a coal-fueled electric generating facility  
22 that is awarded a grant of transitional support  
23 funding pursuant to this paragraph (8) and therefore  
24 is designated pursuant to subparagraph (F) for  
25 retirement no earlier than May 31, 2025, is required  
26 (i) prior to May 31, 2025, to make capital

1 expenditures of at least \$5,000,000 in order to remain  
2 in or attain compliance with any environmental law or  
3 regulation, (ii) prior to May 31, 2025, to make  
4 capital expenditures for purposes other than  
5 environmental compliance of at least \$5,000,000 that  
6 were neither known or reasonably foreseeable as of  
7 September 1, 2021, or (iii) prior to May 31, 2025, to  
8 retire or cease operations pursuant to an order or  
9 approval of a court, regulatory agency, or  
10 administrative body, consent decree, administrative  
11 compliance order or agreement, or other similar  
12 legally enforceable order or agreement, then such  
13 coal-fueled electric generating facility may be  
14 retired, (1) in the event of (i) or (ii) above, by  
15 December 31 of the year prior to the year in which such  
16 capital expenditures must be incurred, and (2) in the  
17 event of (iii) above, by such date as required  
18 pursuant to the applicable order or approval, consent  
19 decree, administrative compliance order or agreement,  
20 or other similar legally enforceable order or  
21 agreement. Additionally, if the owner of the electric  
22 generating facility does not receive a full grant  
23 payment in accordance with the grant contract for 2  
24 consecutive quarters for any reason other than  
25 insufficient collections deposited into the Coal to  
26 Solar and Energy Storage Incentive and Plant



1 Transition Fund to make the full quarterly grant  
2 payment, the owner may forthwith retire the electric  
3 generating facility. The owner of any coal-fueled  
4 electric generating facility retired pursuant to this  
5 paragraph shall receive no further grant payments of  
6 transitional support funding in respect of that  
7 facility for periods after its retirement date.

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

12 (I) The Department shall establish a schedule for  
13 receiving and evaluating applications for grants of  
14 transitional support funding from the Coal to Solar  
15 and Energy Storage Incentive and Plant Transition  
16 Fund. The schedule shall be consistent with the  
17 schedule established by the Agency for receiving and  
18 evaluating applications to be selected to enter into  
19 contracts to sell renewable energy credits from new  
20 renewable energy resources in accordance with this  
21 subsection (c-5). The Department shall announce the  
22 qualifying electric generating facilities that will  
23 receive grants of transitional funding support from  
24 the Coal to Solar and Energy Storage Incentive and  
25 Plant Transition Fund no later than November 30, 2021.

26 (J) In addition to the grants for transitional

1 support funding provided for in this paragraph (8),  
2 the Department shall utilize up to \$150,000,000 in the  
3 Coal to Solar and Energy Storage Incentive and Plant  
4 Transition Fund for grants, assuming sufficient  
5 qualifying applicants, to support installation of  
6 energy storage facilities at the sites of up to 5  
7 electric generating facilities in Illinois that meet  
8 the criteria set forth in this paragraph (J). The  
9 criteria for receipt of a grant pursuant to this  
10 paragraph (J) are as follows: (1) the site is located  
11 south of federal Interstate Highway 80; (2) the  
12 electric generating facility has, or had prior to  
13 retirement, an electric generating capacity of at  
14 least 150 megawatts; (3) the electric generating  
15 facility burns (or burned prior to retirement) coal as  
16 its primary source of fuel; (4) if the electric  
17 generating facility is retired, it was retired  
18 subsequent to July 1, 2011; (5) the electric  
19 generating facility has not been selected by the  
20 Agency pursuant to subsection (c-5) of this Section to  
21 enter into a contract to sell renewable energy credits  
22 to one or more electric utilities from a new renewable  
23 energy resource located or to be located at or  
24 adjacent to the site of the electric generating  
25 facility; (6) the electric generating facility or the  
26 site of the facility is not owned by (i) a public

1 utility as defined in Section 3-105 of the Public  
2 Utilities Act, (ii) an electric cooperative as defined  
3 in Section 3-119 of the Public Utilities Act, or (iii)  
4 an entity described in paragraph (1) of subsection (b)  
5 of Section 3-105 of the Public Utilities Act, or an  
6 association or consortium of or an entity owned by  
7 entities described in (ii) or (iii); (7) the proposed  
8 energy storage facility at the site will have energy  
9 storage capacity of at least 20 megawatts; (8) the  
10 owner commits to place the energy storage facility  
11 into commercial operation to begin service either by  
12 June 1, 2024 or June 1, 2025, with such dates subject  
13 to adjustment as needed due to any delays in  
14 completing the grant contracting process, in  
15 finalizing interconnection agreements and installing  
16 interconnection facilities, and in obtaining necessary  
17 governmental permits and approvals; (9) the owner  
18 agrees that the new energy storage facility will be  
19 constructed or installed by a qualified entity or  
20 entities consistent with the requirements of  
21 subsection (g) of Section 16-128A of the Public  
22 Utilities Act and any rules adopted thereunder; and  
23 (10) the owner agrees that personnel operating the  
24 energy storage facility will have the requisite  
25 skills, knowledge, training, experience, and  
26 competence, which may be demonstrated by completion or

1 current participation and ultimate completion by  
2 employees of an accredited or otherwise recognized  
3 apprenticeship program for the employee's particular  
4 craft, trade, or skill, including through training and  
5 education courses and opportunities offered by the  
6 owner to employees of the coal-fueled generating  
7 facility being retired or by previous employment  
8 experience performing the employee's particular work  
9 skill or function. The Department shall accept  
10 applications for this grant program until June 30,  
11 2022, and shall announce the award of grants no later  
12 than September 30, 2022. The Department shall make the  
13 grant payments to a recipient in equal annual amounts  
14 for 10 years July 1 next following the date the energy  
15 storage facility is placed into commercial operation.  
16 The annual grant payments to a qualifying energy  
17 storage facility shall be \$110,000 per megawatt of  
18 energy storage capacity, with total annual grant  
19 payments pursuant to this paragraph (J) for qualifying  
20 energy storage facilities not to exceed \$15,000,000.  
21 Any uncommitted portion of the amount of funding set  
22 aside by the Department for grants to support  
23 installation of energy storage facilities pursuant to  
24 this subparagraph (J) shall be used for grants of  
25 transitional support funding in accordance with this  
26 paragraph (8), to the extent needed.

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

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

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

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

10          (d) Clean coal portfolio standard.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

8           (B) power purchase provisions, which shall:

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

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

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

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

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

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

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

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

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

1 facility busbar, multiplied by (2) the quantity of  
2 electricity determined pursuant to the preceding  
3 clause (i); and

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

7 (D) general provisions, which shall:

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

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

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

25 (iv) permit the Illinois Power Agency to  
26 assume ownership of the initial clean coal

1 facility, without monetary consideration and  
2 otherwise on reasonable terms acceptable to the  
3 Agency, if the Agency so requests no less than 3  
4 years prior to the end of the stated contract  
5 term;

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



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

1           reduce the allowable return on equity for the  
2           facility if the facility willfully fails to comply  
3           with the carbon capture and sequestration  
4           requirements set forth in this item (v);

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

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

25          (viii) limit the utility's obligation to such  
26          amount as the utility is allowed to recover

1 through tariffs filed with the Commission,  
2 provided that neither the clean coal facility nor  
3 the utility waives any right to assert federal  
4 pre-emption or any other argument in response to a  
5 purported disallowance of recovery costs;

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

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

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

25 (xii) provide that any changes to the terms of  
26 the contract, insofar as such changes relate to

1           the power purchase provisions, are subject to  
2           review under the public interest standard applied  
3           by the Federal Energy Regulatory Commission  
4           pursuant to Sections 205 and 206 of the Federal  
5           Power Act; and

6                   (xiii) conform with customary lender  
7           requirements in power purchase agreements used as  
8           the basis for financing non-utility generators.

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

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

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

23           (iii) General Assembly approval. The proposed  
24 sourcing agreements shall not take effect unless,  
25 based on the facility cost report and the Commission's  
26 report, the General Assembly enacts authorizing

1           legislation approving (A) the projected price, stated  
2           in cents per kilowatthour, to be charged for  
3           electricity generated by the initial clean coal  
4           facility, (B) the projected impact on residential and  
5           small business customers' bills over the life of the  
6           sourcing agreements, and (C) the maximum allowable  
7           return on equity for the project; and

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

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

1 facility. The facility cost report shall include:

2 (i) an estimate of the capital cost of the  
3 core plant based on one or more front end  
4 engineering and design studies for the  
5 gasification island and related facilities. The  
6 core plant shall include all civil, structural,  
7 mechanical, electrical, control, and safety  
8 systems.

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

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

1 (B) The front end engineering and design study for  
2 the gasification island and the cost study for the  
3 balance of plant shall include sufficient design work  
4 to permit quantification of major categories of  
5 materials, commodities and labor hours, and receipt of  
6 quotes from vendors of major equipment required to  
7 construct and operate the clean coal facility.

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

24 The operating and maintenance cost quote  
25 (including the cost of the front end engineering and  
26 design study) shall be expressed in nominal dollars as



1 of the date that the quote is prepared and shall  
2 include taxes, insurance, and other owner's costs, and  
3 an assumed escalation in materials and labor beyond  
4 the date as of which the operating and maintenance  
5 cost quote is expressed.

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

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

18 (5) Re-powering and retrofitting coal-fired power  
19 plants previously owned by Illinois utilities to qualify  
20 as clean coal facilities. During the 2009 procurement  
21 planning process and thereafter, the Agency and the  
22 Commission shall consider sourcing agreements covering  
23 electricity generated by power plants that were previously  
24 owned by Illinois utilities and that have been or will be  
25 converted into clean coal facilities, as defined by  
26 Section 1-10 of this Act. Pursuant to such procurement

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

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

1 (d-5) Zero emission standard.

2 (1) Beginning with the delivery year commencing on  
3 June 1, 2017, the Agency shall, for electric utilities  
4 that serve at least 100,000 retail customers in this  
5 State, procure contracts with zero emission facilities  
6 that are reasonably capable of generating cost-effective  
7 zero emission credits in an amount approximately equal to  
8 16% of the actual amount of electricity delivered by each  
9 electric utility to retail customers in the State during  
10 calendar year 2014. For an electric utility serving fewer  
11 than 100,000 retail customers in this State that  
12 requested, under Section 16-111.5 of the Public Utilities  
13 Act, that the Agency procure power and energy for all or a  
14 portion of the utility's Illinois load for the delivery  
15 year commencing June 1, 2016, the Agency shall procure  
16 contracts with zero emission facilities that are  
17 reasonably capable of generating cost-effective zero  
18 emission credits in an amount approximately equal to 16%  
19 of the portion of power and energy to be procured by the  
20 Agency for the utility. The duration of the contracts  
21 procured under this subsection (d-5) shall be for a term  
22 of 10 years ending May 31, 2027. The quantity of zero  
23 emission credits to be procured under the contracts shall  
24 be all of the zero emission credits generated by the zero  
25 emission facility in each delivery year; however, if the  
26 zero emission facility is owned by more than one entity,

1           then the quantity of zero emission credits to be procured  
2           under the contracts shall be the amount of zero emission  
3           credits that are generated from the portion of the zero  
4           emission facility that is owned by the winning supplier.

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

9           The procurement process shall be subject to the  
10          following provisions:

11           (A) Those zero emission facilities that intend to  
12          participate in the procurement shall submit to the  
13          Agency the following eligibility information for each  
14          zero emission facility on or before the date  
15          established by the Agency:

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

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

24                   (iii) the annual zero emission facility cost  
25                   projections, expressed on a per megawatthour  
26                   basis, over the next 6 delivery years, which shall

1 include the following: operation and maintenance  
2 expenses; fully allocated overhead costs, which  
3 shall be allocated using the methodology developed  
4 by the Institute for Nuclear Power Operations;  
5 fuel expenditures; non-fuel capital expenditures;  
6 spent fuel expenditures; a return on working  
7 capital; the cost of operational and market risks  
8 that could be avoided by ceasing operation; and  
9 any other costs necessary for continued  
10 operations, provided that "necessary" means, for  
11 purposes of this item (iii), that the costs could  
12 reasonably be avoided only by ceasing operations  
13 of the zero emission facility; and

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

20 The information described in item (iii) of this  
21 subparagraph (A) may be submitted on a confidential  
22 basis and shall be treated and maintained by the  
23 Agency, the procurement administrator, and the  
24 Commission as confidential and proprietary and exempt  
25 from disclosure under subparagraphs (a) and (g) of  
26 paragraph (1) of Section 7 of the Freedom of

1 Information Act. The Office of Attorney General shall  
2 have access to, and maintain the confidentiality of,  
3 such information pursuant to Section 6.5 of the  
4 Attorney General Act.

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

22 (i) Social Cost of Carbon: The Social Cost of  
23 Carbon is \$16.50 per megawatthour, which is based  
24 on the U.S. Interagency Working Group on Social  
25 Cost of Carbon's price in the August 2016  
26 Technical Update using a 3% discount rate,

1 adjusted for inflation for each year of the  
2 program. Beginning with the delivery year  
3 commencing June 1, 2023, the price per  
4 megawatthour shall increase by \$1 per  
5 megawatthour, and continue to increase by an  
6 additional \$1 per megawatthour each delivery year  
7 thereafter.

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

23 (iii) Market price index: The market price  
24 index for a delivery year shall be the sum of  
25 projected energy prices and projected capacity  
26 prices determined as follows:

1 (aa) Projected energy prices: the  
2 projected energy prices for the applicable  
3 delivery year shall be calculated once for the  
4 year using the forward market price for the  
5 PJM Interconnection, LLC Northern Illinois  
6 Hub. The forward market price shall be  
7 calculated as follows: the energy forward  
8 prices for each month of the applicable  
9 delivery year averaged for each trade date  
10 during the calendar year immediately preceding  
11 that delivery year to produce a single energy  
12 forward price for the delivery year. The  
13 forward market price calculation shall use  
14 data published by the Intercontinental  
15 Exchange, or its successor.

16 (bb) Projected capacity prices:

17 (I) For the delivery years commencing  
18 June 1, 2017, June 1, 2018, and June 1,  
19 2019, the projected capacity price shall  
20 be equal to the sum of (1) 50% multiplied  
21 by the Base Residual Auction, or its  
22 successor, price for the rest of the RTO  
23 zone group as determined by PJM  
24 Interconnection LLC, divided by 24 hours  
25 per day and, (2) 50% multiplied by the  
26 resource auction price determined in the



1 resource auction administered by the  
2 Midcontinent Independent System Operator,  
3 Inc., in which the largest percentage of  
4 load cleared for Local Resource Zone 4,  
5 divided by 24 hours per day, and where  
6 such price is determined by the  
7 Midcontinent Independent System Operator,  
8 Inc.

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

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

1                   "Rest of the RTO" and "ComEd Zone" shall have  
2                   the meaning ascribed to them by PJM  
3                   Interconnection, LLC.

4                   "RTO" means regional transmission  
5                   organization.

6                   (C) No later than 45 days after June 1, 2017 (the  
7                   effective date of Public Act 99-906), the Agency shall  
8                   publish its proposed zero emission standard  
9                   procurement plan. The plan shall be consistent with  
10                  the provisions of this paragraph (1) and shall provide  
11                  that winning bids shall be selected based on public  
12                  interest criteria that include, but are not limited  
13                  to, minimizing carbon dioxide emissions that result  
14                  from electricity consumed in Illinois and minimizing  
15                  sulfur dioxide, nitrogen oxide, and particulate matter  
16                  emissions that adversely affect the citizens of this  
17                  State. In particular, the selection of winning bids  
18                  shall take into account the incremental environmental  
19                  benefits resulting from the procurement, such as any  
20                  existing environmental benefits that are preserved by  
21                  the procurements held under Public Act 99-906 and  
22                  would cease to exist if the procurements were not  
23                  held, including the preservation of zero emission  
24                  facilities. The plan shall also describe in detail how  
25                  each public interest factor shall be considered and  
26                  weighted in the bid selection process to ensure that

1 the public interest criteria are applied to the  
2 procurement and given full effect.

3 For purposes of developing the plan, the Agency  
4 shall consider any reports issued by a State agency,  
5 board, or commission under House Resolution 1146 of  
6 the 98th General Assembly and paragraph (4) of  
7 subsection (d) of this Section, as well as publicly  
8 available analyses and studies performed by or for  
9 regional transmission organizations that serve the  
10 State and their independent market monitors.

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

23 If the Commission determines that the plan will  
24 result in the procurement of cost-effective zero  
25 emission credits, then the Commission shall, after  
26 notice and hearing, but no later than 45 days after the

1 Agency filed the plan, approve the plan or approve  
2 with modification. For purposes of this subsection  
3 (d-5), "cost effective" means the projected costs of  
4 procuring zero emission credits from zero emission  
5 facilities do not cause the limit stated in paragraph  
6 (2) of this subsection to be exceeded.

7 (C-5) As part of the Commission's review and  
8 acceptance or rejection of the procurement results,  
9 the Commission shall, in its public notice of  
10 successful bidders:

11 (i) identify how the winning bids satisfy the  
12 public interest criteria described in subparagraph  
13 (C) of this paragraph (1) of minimizing carbon  
14 dioxide emissions that result from electricity  
15 consumed in Illinois and minimizing sulfur  
16 dioxide, nitrogen oxide, and particulate matter  
17 emissions that adversely affect the citizens of  
18 this State;

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

1 facilities;

2 (iii) quantify the environmental benefit of  
3 preserving the resources identified in item (ii)  
4 of this subparagraph (C-5), including the  
5 following:

6 (aa) the value of avoided greenhouse gas  
7 emissions measured as the product of the zero  
8 emission facilities' output over the contract  
9 term multiplied by the U.S. Environmental  
10 Protection Agency eGrid subregion carbon  
11 dioxide emission rate and the U.S. Interagency  
12 Working Group on Social Cost of Carbon's price  
13 in the August 2016 Technical Update using a 3%  
14 discount rate, adjusted for inflation for each  
15 delivery year; and

16 (bb) the costs of replacement with other  
17 zero carbon dioxide resources, including wind  
18 and photovoltaic, based upon the simple  
19 average of the following:

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

1 (II) the price, or if there is more  
2 than one price, the average of the prices,  
3 paid for renewable energy credits from new  
4 utility-scale solar projects and  
5 brownfield site photovoltaic projects in  
6 the procurement events specified in item  
7 (ii) of subparagraph (G) of paragraph (1)  
8 of subsection (c) of this Section and,  
9 after January 1, 2015, renewable energy  
10 credits from photovoltaic distributed  
11 generation projects in procurement events  
12 held under subsection (c) of this Section.

13 Each utility shall enter into binding contractual  
14 arrangements with the winning suppliers.

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

1 Utilities Act, to the extent practicable.  
2 Notwithstanding whether a procurement event is  
3 conducted under Section 16-111.5 of the Public  
4 Utilities Act, the Agency shall immediately initiate a  
5 procurement process on June 1, 2017 (the effective  
6 date of Public Act 99-906).

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

15 (E) Notwithstanding the requirements of this  
16 subsection (d-5), the contracts executed under this  
17 subsection (d-5) shall provide that the zero emission  
18 facility may, as applicable, suspend or terminate  
19 performance under the contracts in the following  
20 instances:

21 (i) A zero emission facility shall be excused  
22 from its performance under the contract for any  
23 cause beyond the control of the resource,  
24 including, but not restricted to, acts of God,  
25 flood, drought, earthquake, storm, fire,  
26 lightning, epidemic, war, riot, civil disturbance

1 or disobedience, labor dispute, labor or material  
2 shortage, sabotage, acts of public enemy,  
3 explosions, orders, regulations or restrictions  
4 imposed by governmental, military, or lawfully  
5 established civilian authorities, which, in any of  
6 the foregoing cases, by exercise of commercially  
7 reasonable efforts the zero emission facility  
8 could not reasonably have been expected to avoid,  
9 and which, by the exercise of commercially  
10 reasonable efforts, it has been unable to  
11 overcome. In such event, the zero emission  
12 facility shall be excused from performance for the  
13 duration of the event, including, but not limited  
14 to, delivery of zero emission credits, and no  
15 payment shall be due to the zero emission facility  
16 during the duration of the event.

17 (ii) A zero emission facility shall be  
18 permitted to terminate the contract if legislation  
19 is enacted into law by the General Assembly that  
20 imposes or authorizes a new tax, special  
21 assessment, or fee on the generation of  
22 electricity, the ownership or leasehold of a  
23 generating unit, or the privilege or occupation of  
24 such generation, ownership, or leasehold of  
25 generation units by a zero emission facility.  
26 However, the provisions of this item (ii) do not



1 apply to any generally applicable tax, special  
2 assessment or fee, or requirements imposed by  
3 federal law.

4 (iii) A zero emission facility shall be  
5 permitted to terminate the contract in the event  
6 that the resource requires capital expenditures in  
7 excess of \$40,000,000 that were neither known nor  
8 reasonably foreseeable at the time it executed the  
9 contract and that a prudent owner or operator of  
10 such resource would not undertake.

11 (iv) A zero emission facility shall be  
12 permitted to terminate the contract in the event  
13 the Nuclear Regulatory Commission terminates the  
14 resource's license.

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

24 (2) For purposes of this subsection (d-5), the amount  
25 paid per kilowatthour means the total amount paid for  
26 electric service expressed on a per kilowatthour basis.

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

5 Notwithstanding the requirements of this subsection  
6 (d-5), the contracts executed under this subsection (d-5)  
7 shall provide that the total of zero emission credits  
8 procured under a procurement plan shall be subject to the  
9 limitations of this paragraph (2). For each delivery year,  
10 the contractual volume receiving payments in such year  
11 shall be reduced for all retail customers based on the  
12 amount necessary to limit the net increase that delivery  
13 year to the costs of those credits included in the amounts  
14 paid by eligible retail customers in connection with  
15 electric service to no more than 1.65% of the amount paid  
16 per kilowatthour by eligible retail customers during the  
17 year ending May 31, 2009. The result of this computation  
18 shall apply to and reduce the procurement for all retail  
19 customers, and all those customers shall pay the same  
20 single, uniform cents per kilowatthour charge under  
21 subsection (k) of Section 16-108 of the Public Utilities  
22 Act. To arrive at a maximum dollar amount of zero emission  
23 credits to be paid for the particular delivery year, the  
24 resulting per kilowatthour amount shall be applied to the  
25 actual amount of kilowatthours of electricity delivered by  
26 the electric utility in the delivery year immediately

1 prior to the procurement, to all retail customers in its  
2 service territory. Unpaid contractual volume for any  
3 delivery year shall be paid in any subsequent delivery  
4 year in which such payments can be made without exceeding  
5 the amount specified in this paragraph (2). The  
6 calculations required by this paragraph (2) shall be made  
7 only once for each procurement plan year. Once the  
8 determination as to the amount of zero emission credits to  
9 be paid is made based on the calculations set forth in this  
10 paragraph (2), no subsequent rate impact determinations  
11 shall be made and no adjustments to those contract amounts  
12 shall be allowed. All costs incurred under those contracts  
13 and in implementing this subsection (d-5) shall be  
14 recovered by the electric utility as provided in this  
15 Section.

16 No later than June 30, 2019, the Commission shall  
17 review the limitation on the amount of zero emission  
18 credits procured under this subsection (d-5) and report to  
19 the General Assembly its findings as to whether that  
20 limitation unduly constrains the procurement of  
21 cost-effective zero emission credits.

22 (3) Six years after the execution of a contract under  
23 this subsection (d-5), the Agency shall determine whether  
24 the actual zero emission credit payments received by the  
25 supplier over the 6-year period exceed the Average ZEC  
26 Payment. In addition, at the end of the term of a contract

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

20           For purposes of this Section, the Average ZEC Payment  
21      shall be calculated by multiplying the quantity of zero  
22      emission credits delivered under the contract times the  
23      average contract price. The average contract price shall  
24      be determined by subtracting the amount calculated under  
25      subparagraph (B) of this paragraph (3) from the amount  
26      calculated under subparagraph (A) of this paragraph (3),

1 as follows:

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

5 (B) The average of the market price indices, as  
6 defined in subparagraph (B) of paragraph (1) of this  
7 subsection (d-5), during the term of the contract,  
8 minus the baseline market price index, as defined in  
9 subparagraph (B) of paragraph (1) of this subsection  
10 (d-5).

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

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

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

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

1 under subsection (m) of Section 16-108 of the Public  
2 Utilities Act.

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

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

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

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

15 (h) The Agency shall assess fees to each bidder to recover  
16 the costs incurred in connection with a competitive  
17 procurement process.

18 (i) A renewable energy credit (including renewable energy  
19 credits sold, delivered, and purchased under a contract  
20 entered into pursuant to subsection (c-5) of this Section),  
21 carbon emission credit, or zero emission credit can only be  
22 used once to comply with a single portfolio or other standard  
23 as set forth in subsection (c), subsection (d), or subsection  
24 (d-5) of this Section, respectively. A renewable energy  
25 credit, carbon emission credit, or zero emission credit cannot  
26 be used to satisfy the requirements of more than one standard.

1 If more than one type of credit is issued for the same megawatt  
2 hour of energy, only one credit can be used to satisfy the  
3 requirements of a single standard. After such use, the credit  
4 must be retired together with any other credits issued for the  
5 same megawatt hour of energy.

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

8 Section 15. The State Finance Act is amended by adding  
9 Section 5.935 as follows:

10 (30 ILCS 105/5.935 new)

11 Sec. 5.935. The Coal to Solar and Energy Storage Incentive  
12 and Plant Transition Fund.

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

15 (220 ILCS 5/16-108)

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

19 (a) An electric utility shall file a delivery services  
20 tariff with the Commission at least 210 days prior to the date  
21 that it is required to begin offering such services pursuant  
22 to this Act. An electric utility shall provide the components

1 of delivery services that are subject to the jurisdiction of  
2 the Federal Energy Regulatory Commission at the same prices,  
3 terms and conditions set forth in its applicable tariff as  
4 approved or allowed into effect by that Commission. The  
5 Commission shall otherwise have the authority pursuant to  
6 Article IX to review, approve, and modify the prices, terms  
7 and conditions of those components of delivery services not  
8 subject to the jurisdiction of the Federal Energy Regulatory  
9 Commission, including the authority to determine the extent to  
10 which such delivery services should be offered on an unbundled  
11 basis. In making any such determination the Commission shall  
12 consider, at a minimum, the effect of additional unbundling on  
13 (i) the objective of just and reasonable rates, (ii) electric  
14 utility employees, and (iii) the development of competitive  
15 markets for electric energy services in Illinois.

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

21 (c) The electric utility's tariffs shall define the  
22 classes of its customers for purposes of delivery services  
23 charges. Delivery services shall be priced and made available  
24 to all retail customers electing delivery services in each  
25 such class on a nondiscriminatory basis regardless of whether  
26 the retail customer chooses the electric utility, an affiliate



1 of the electric utility, or another entity as its supplier of  
2 electric power and energy. Charges for delivery services shall  
3 be cost based, and shall allow the electric utility to recover  
4 the costs of providing delivery services through its charges  
5 to its delivery service customers that use the facilities and  
6 services associated with such costs. Such costs shall include  
7 the costs of owning, operating and maintaining transmission  
8 and distribution facilities. The Commission shall also be  
9 authorized to consider whether, and if so to what extent, the  
10 following costs are appropriately included in the electric  
11 utility's delivery services rates: (i) the costs of that  
12 portion of generation facilities used for the production and  
13 absorption of reactive power in order that retail customers  
14 located in the electric utility's service area can receive  
15 electric power and energy from suppliers other than the  
16 electric utility, and (ii) the costs associated with the use  
17 and redispatch of generation facilities to mitigate  
18 constraints on the transmission or distribution system in  
19 order that retail customers located in the electric utility's  
20 service area can receive electric power and energy from  
21 suppliers other than the electric utility. Nothing in this  
22 subsection shall be construed as directing the Commission to  
23 allocate any of the costs described in (i) or (ii) that are  
24 found to be appropriately included in the electric utility's  
25 delivery services rates to any particular customer group or  
26 geographic area in setting delivery services rates.

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

17           (e) Electric utilities shall recover the costs of  
18 installing, operating or maintaining facilities for the  
19 particular benefit of one or more delivery services customers,  
20 including without limitation any costs incurred in complying  
21 with a customer's request to be served at a different voltage  
22 level, directly from the retail customer or customers for  
23 whose benefit the costs were incurred, to the extent such  
24 costs are not recovered through the charges referred to in  
25 subsections (c) and (d) of this Section.

26           (f) An electric utility shall be entitled but not required

1 to implement transition charges in conjunction with the  
2 offering of delivery services pursuant to Section 16-104. If  
3 an electric utility implements transition charges, it shall  
4 implement such charges for all delivery services customers and  
5 for all customers described in subsection (h), but shall not  
6 implement transition charges for power and energy that a  
7 retail customer takes from cogeneration or self-generation  
8 facilities located on that retail customer's premises, if such  
9 facilities meet the following criteria:

10 (i) the cogeneration or self-generation facilities  
11 serve a single retail customer and are located on that  
12 retail customer's premises (for purposes of this  
13 subparagraph and subparagraph (ii), an industrial or  
14 manufacturing retail customer and a third party contractor  
15 that is served by such industrial or manufacturing  
16 customer through such retail customer's own electrical  
17 distribution facilities under the circumstances described  
18 in subsection (vi) of the definition of "alternative  
19 retail electric supplier" set forth in Section 16-102,  
20 shall be considered a single retail customer);

21 (ii) the cogeneration or self-generation facilities  
22 either (A) are sized pursuant to generally accepted  
23 engineering standards for the retail customer's electrical  
24 load at that premises (taking into account standby or  
25 other reliability considerations related to that retail  
26 customer's operations at that site) or (B) if the facility

1 is a cogeneration facility located on the retail  
2 customer's premises, the retail customer is the thermal  
3 host for that facility and the facility has been designed  
4 to meet that retail customer's thermal energy requirements  
5 resulting in electrical output beyond that retail  
6 customer's electrical demand at that premises, comply with  
7 the operating and efficiency standards applicable to  
8 "qualifying facilities" specified in title 18 Code of  
9 Federal Regulations Section 292.205 as in effect on the  
10 effective date of this amendatory Act of 1999;

11 (iii) the retail customer on whose premises the  
12 facilities are located either has an exclusive right to  
13 receive, and corresponding obligation to pay for, all of  
14 the electrical capacity of the facility, or in the case of  
15 a cogeneration facility that has been designed to meet the  
16 retail customer's thermal energy requirements at that  
17 premises, an identified amount of the electrical capacity  
18 of the facility, over a minimum 5-year period; and

19 (iv) if the cogeneration facility is sized for the  
20 retail customer's thermal load at that premises but  
21 exceeds the electrical load, any sales of excess power or  
22 energy are made only at wholesale, are subject to the  
23 jurisdiction of the Federal Energy Regulatory Commission,  
24 and are not for the purpose of circumventing the  
25 provisions of this subsection (f).

26 If a generation facility located at a retail customer's

1 premises does not meet the above criteria, an electric utility  
2 implementing transition charges shall implement a transition  
3 charge until December 31, 2006 for any power and energy taken  
4 by such retail customer from such facility as if such power and  
5 energy had been delivered by the electric utility. Provided,  
6 however, that an industrial retail customer that is taking  
7 power from a generation facility that does not meet the above  
8 criteria but that is located on such customer's premises will  
9 not be subject to a transition charge for the power and energy  
10 taken by such retail customer from such generation facility if  
11 the facility does not serve any other retail customer and  
12 either was installed on behalf of the customer and for its own  
13 use prior to January 1, 1997, or is both predominantly fueled  
14 by byproducts of such customer's manufacturing process at such  
15 premises and sells or offers an average of 300 megawatts or  
16 more of electricity produced from such generation facility  
17 into the wholesale market. Such charges shall be calculated as  
18 provided in Section 16-102, and shall be collected on each  
19 kilowatt-hour delivered under a delivery services tariff to a  
20 retail customer from the date the customer first takes  
21 delivery services until December 31, 2006 except as provided  
22 in subsection (h) of this Section. Provided, however, that an  
23 electric utility, other than an electric utility providing  
24 service to at least 1,000,000 customers in this State on  
25 January 1, 1999, shall be entitled to petition for entry of an  
26 order by the Commission authorizing the electric utility to

1 implement transition charges for an additional period ending  
2 no later than December 31, 2008. The electric utility shall  
3 file its petition with supporting evidence no earlier than 16  
4 months, and no later than 12 months, prior to December 31,  
5 2006. The Commission shall hold a hearing on the electric  
6 utility's petition and shall enter its order no later than 8  
7 months after the petition is filed. The Commission shall  
8 determine whether and to what extent the electric utility  
9 shall be authorized to implement transition charges for an  
10 additional period. The Commission may authorize the electric  
11 utility to implement transition charges for some or all of the  
12 additional period, and shall determine the mitigation factors  
13 to be used in implementing such transition charges; provided,  
14 that the Commission shall not authorize mitigation factors  
15 less than 110% of those in effect during the 12 months ended  
16 December 31, 2006. In making its determination, the Commission  
17 shall consider the following factors: the necessity to  
18 implement transition charges for an additional period in order  
19 to maintain the financial integrity of the electric utility;  
20 the prudence of the electric utility's actions in reducing its  
21 costs since the effective date of this amendatory Act of 1997;  
22 the ability of the electric utility to provide safe, adequate  
23 and reliable service to retail customers in its service area;  
24 and the impact on competition of allowing the electric utility  
25 to implement transition charges for the additional period.

26 (g) The electric utility shall file tariffs that establish

1 the transition charges to be paid by each class of customers to  
2 the electric utility in conjunction with the provision of  
3 delivery services. The electric utility's tariffs shall define  
4 the classes of its customers for purposes of calculating  
5 transition charges. The electric utility's tariffs shall  
6 provide for the calculation of transition charges on a  
7 customer-specific basis for any retail customer whose average  
8 monthly maximum electrical demand on the electric utility's  
9 system during the 6 months with the customer's highest monthly  
10 maximum electrical demands equals or exceeds 3.0 megawatts for  
11 electric utilities having more than 1,000,000 customers, and  
12 for other electric utilities for any customer that has an  
13 average monthly maximum electrical demand on the electric  
14 utility's system of one megawatt or more, and (A) for which  
15 there exists data on the customer's usage during the 3 years  
16 preceding the date that the customer became eligible to take  
17 delivery services, or (B) for which there does not exist data  
18 on the customer's usage during the 3 years preceding the date  
19 that the customer became eligible to take delivery services,  
20 if in the electric utility's reasonable judgment there exists  
21 comparable usage information or a sufficient basis to develop  
22 such information, and further provided that the electric  
23 utility can require customers for which an individual  
24 calculation is made to sign contracts that set forth the  
25 transition charges to be paid by the customer to the electric  
26 utility pursuant to the tariff.

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

23           (i) An electric utility shall be entitled to add to the  
24 bills of delivery services customers charges pursuant to  
25 Sections 9-221, 9-222 (except as provided in Section 9-222.1),  
26 and Section 16-114 of this Act, Section 5-5 of the Electricity



1 Infrastructure Maintenance Fee Law, Section 6-5 of the  
2 Renewable Energy, Energy Efficiency, and Coal Resources  
3 Development Law of 1997, and Section 13 of the Energy  
4 Assistance Act.

5 (i-5) An electric utility required to impose the Coal to  
6 Solar and Energy Storage Initiative Charge provided for in  
7 subsection (c-5) of Section 1-75 of the Illinois Power Agency  
8 Act shall add such charge to the bills of its delivery services  
9 customers pursuant to the terms of a tariff conforming to the  
10 requirements of subsection (c-5) of Section 1-75 of the  
11 Illinois Power Agency Act and filed with and approved by the  
12 Commission. The electric utility shall file its proposed  
13 tariff with the Commission within 30 days following the  
14 effective date of this amendatory Act of the 102nd General  
15 Assembly. Within 30 days following the date the proposed  
16 tariff is filed with the Commission, the Commission shall  
17 review and approve the electric utility's proposed tariff, or  
18 direct the electric utility to make modifications to conform  
19 to the requirements of subsection (c-5) of Section 1-75 of the  
20 Illinois Power Agency Act. The electric utility's tariff shall  
21 be placed into effect no later than 90 days following the  
22 effective date of this amendatory Act of the 102nd General  
23 Assembly. The electric utility shall use the funds collected  
24 pursuant to the tariff in accordance with subsection (c-5) of  
25 Section 1-75 of the Illinois Power Agency Act, including  
26 remitting a portion of such funds to the State Treasurer for

1 deposit into the Coal to Solar and Energy Storage Incentive  
2 and Plant Transition Fund as provided for in subsection (c-5)  
3 of Section 1-75 of the Illinois Power Agency Act.

4 (j) If a retail customer that obtains electric power and  
5 energy from cogeneration or self-generation facilities  
6 installed for its own use on or before January 1, 1997,  
7 subsequently takes service from an alternative retail electric  
8 supplier or an electric utility other than the electric  
9 utility in whose service area the customer is located for any  
10 portion of the customer's electric power and energy  
11 requirements formerly obtained from those facilities  
12 (including that amount purchased from the utility in lieu of  
13 such generation and not as standby power purchases, under a  
14 cogeneration displacement tariff in effect as of the effective  
15 date of this amendatory Act of 1997), the transition charges  
16 otherwise applicable pursuant to subsections (f), (g), or (h)  
17 of this Section shall not be applicable in any year to that  
18 portion of the customer's electric power and energy  
19 requirements formerly obtained from those facilities,  
20 provided, that for purposes of this subsection (j), such  
21 portion shall not exceed the average number of kilowatt-hours  
22 per year obtained from the cogeneration or self-generation  
23 facilities during the 3 years prior to the date on which the  
24 customer became eligible for delivery services, except as  
25 provided in subsection (f) of Section 16-110.

26 (k) The electric utility shall be entitled to recover

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

1 utility procures for such customers through a single, uniform  
2 cents per kilowatt-hour charge applicable to such retail  
3 customers, which shall appear as a separate line item on each  
4 such customer's bill.

5       Notwithstanding whether the Commission has approved the  
6 initial long-term renewable resources procurement plan as of  
7 June 1, 2017, an electric utility shall place new tariffed  
8 charges into effect beginning with the June 2017 monthly  
9 billing period, to the extent practicable, to begin recovering  
10 the costs of procuring renewable energy resources, as those  
11 charges are calculated under the limitations described in  
12 subparagraph (E) of paragraph (1) of subsection (c) of Section  
13 1-75 of the Illinois Power Agency Act. Notwithstanding the  
14 date on which the utility places such new tariffed charges  
15 into effect, the utility shall be permitted to collect the  
16 charges under such tariff as if the tariff had been in effect  
17 beginning with the first day of the June 2017 monthly billing  
18 period. For the delivery years commencing June 1, 2017, June  
19 1, 2018, and June 1, 2019, the electric utility shall deposit  
20 into a separate interest bearing account of a financial  
21 institution the monies collected under the tariffed charges.  
22 Any interest earned shall be credited back to retail customers  
23 under the reconciliation proceeding provided for in this  
24 subsection (k), provided that the electric utility shall first  
25 be reimbursed from the interest for the administrative costs  
26 that it incurs to administer and manage the account. Any taxes

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

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

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

12 Nothing in this subsection (k) is intended to affect,  
13 limit, or change the right of the electric utility to recover  
14 the costs associated with the procurement of renewable energy  
15 resources for periods commencing before, on, or after June 1,  
16 2017, as otherwise provided in the Illinois Power Agency Act.

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

1 August 31, 2021. During the 4-year period, the utility shall  
2 be permitted to collect and retain funds under this subsection  
3 (k) and to purchase renewable energy resources under an  
4 approved long-term renewable resources procurement plan using  
5 those funds regardless of the delivery year in which the funds  
6 were collected during the 4-year period.

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

23 If the amount of funds collected during the delivery year  
24 commencing June 1, 2018, exceeds the costs incurred during  
25 that delivery year, then up to half of this excess amount, as  
26 calculated on June 1, 2019, may be used to fund the programs

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

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

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



1 the funding, and the contracts approved by the Commission  
2 shall be executed by the applicable utility or utilities.

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

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

1 per kilowatt-hour, which is the average amount paid per  
2 kilowatthour for electric service during the year ending  
3 December 31, 2015 by Illinois industrial retail customers,  
4 as reported to the Edison Electric Institute.

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

8 (2) For purposes of this Section, "future energy  
9 investment costs" shall be calculated by subtracting the  
10 cents-per-kilowatthour charge identified in subparagraph  
11 (A) of this paragraph (2) from the sum of the  
12 cents-per-kilowatthour charges identified in subparagraph  
13 (B) of this paragraph (2):

14 (A) The cents-per-kilowatthour charge identified  
15 in the electric utility's tariff placed into effect  
16 under Section 8-103 of the Public Utilities Act that,  
17 on December 1, 2016, was applicable to those retail  
18 customers that are exempt from subsections (a) through  
19 (j) of Section 8-103B of this Act under subsection (1)  
20 of Section 8-103B.

21 (B) The sum of the following  
22 cents-per-kilowatthour charges applicable to those  
23 retail customers that are exempt from subsections (a)  
24 through (j) of Section 8-103B of this Act under  
25 subsection (1) of Section 8-103B, provided that if one  
26 or more of the following charges has been in effect and

1 applied to such customers for more than one calendar  
2 year, then each charge shall be equal to the average of  
3 the charges applied over a period that commences with  
4 the calendar year ending December 31, 2017 and ends  
5 with the most recently completed calendar year prior  
6 to the calculation required by this subsection (m):

7 (i) the cents-per-kilowatthour charge to  
8 recover the costs incurred by the utility under  
9 subsection (d-5) of Section 1-75 of the Illinois  
10 Power Agency Act, adjusted for any reductions  
11 required under this subsection (m); and

12 (ii) the cents-per-kilowatthour charge to  
13 recover the costs incurred by the utility under  
14 Section 16-107.6 of the Public Utilities Act.

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

18 (3) If a reduction is required by the calculation  
19 performed under this subsection (m), then the amount of  
20 the reduction shall be multiplied by the number of years  
21 reflected in the averages calculated under subparagraph  
22 (B) of paragraph (2) of this subsection (m). Such  
23 reduction shall be applied to the cents-per-kilowatthour  
24 charge that is applicable to those retail customers that  
25 are exempt from subsections (a) through (j) of Section  
26 8-103B of this Act under subsection (l) of Section 8-103B

1 beginning with the next delivery year commencing after the  
2 date of the calculation required by this subsection (m).

3 (4) The electric utility shall file a notice with the  
4 Commission on May 1 of 2018 and each May 1 thereafter until  
5 May 1, 2026 containing the reduction, if any, which must  
6 be applied for the delivery year which begins in the year  
7 of the filing. The notice shall contain the calculations  
8 made pursuant to this Section. By October 1 of each year  
9 beginning in 2018, each electric utility shall notify the  
10 Commission if it appears, based on an estimate of the  
11 calculation required in this subsection (m), that a  
12 reduction will be required in the next year.

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

14 (220 ILCS 5/16-111.5)

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

16 (a) An electric utility that on December 31, 2005 served  
17 at least 100,000 customers in Illinois shall procure power and  
18 energy for its eligible retail customers in accordance with  
19 the applicable provisions set forth in Section 1-75 of the  
20 Illinois Power Agency Act and this Section. Beginning with the  
21 delivery year commencing on June 1, 2017, such electric  
22 utility shall also procure zero emission credits from zero  
23 emission facilities in accordance with the applicable  
24 provisions set forth in Section 1-75 of the Illinois Power  
25 Agency Act, and, for years beginning on or after June 1, 2017,

1 the utility shall procure renewable energy resources in  
2 accordance with the applicable provisions set forth in Section  
3 1-75 of the Illinois Power Agency Act and this Section. A small  
4 multi-jurisdictional electric utility that on December 31,  
5 2005 served less than 100,000 customers in Illinois may elect  
6 to procure power and energy for all or a portion of its  
7 eligible Illinois retail customers in accordance with the  
8 applicable provisions set forth in this Section and Section  
9 1-75 of the Illinois Power Agency Act. This Section shall not  
10 apply to a small multi-jurisdictional utility until such time  
11 as a small multi-jurisdictional utility requests the Illinois  
12 Power Agency to prepare a procurement plan for its eligible  
13 retail customers. "Eligible retail customers" for the purposes  
14 of this Section means those retail customers that purchase  
15 power and energy from the electric utility under fixed-price  
16 bundled service tariffs, other than those retail customers  
17 whose service is declared or deemed competitive under Section  
18 16-113 and those other customer groups specified in this  
19 Section, including self-generating customers, customers  
20 electing hourly pricing, or those customers who are otherwise  
21 ineligible for fixed-price bundled tariff service. For those  
22 customers that are excluded from the procurement plan's  
23 electric supply service requirements, and the utility shall  
24 procure any supply requirements, including capacity, ancillary  
25 services, and hourly priced energy, in the applicable markets  
26 as needed to serve those customers, provided that the utility

1 may include in its procurement plan load requirements for the  
2 load that is associated with those retail customers whose  
3 service has been declared or deemed competitive pursuant to  
4 Section 16-113 of this Act to the extent that those customers  
5 are purchasing power and energy during one of the transition  
6 periods identified in subsection (b) of Section 16-113 of this  
7 Act.

8 (b) A procurement plan shall be prepared for each electric  
9 utility consistent with the applicable requirements of the  
10 Illinois Power Agency Act and this Section. For purposes of  
11 this Section, Illinois electric utilities that are affiliated  
12 by virtue of a common parent company are considered to be a  
13 single electric utility. Small multi-jurisdictional utilities  
14 may request a procurement plan for a portion of or all of its  
15 Illinois load. Each procurement plan shall analyze the  
16 projected balance of supply and demand for those retail  
17 customers to be included in the plan's electric supply service  
18 requirements over a 5-year period, with the first planning  
19 year beginning on June 1 of the year following the year in  
20 which the plan is filed. The plan shall specifically identify  
21 the wholesale products to be procured following plan approval,  
22 and shall follow all the requirements set forth in the Public  
23 Utilities Act and all applicable State and federal laws,  
24 statutes, rules, or regulations, as well as Commission orders.  
25 Nothing in this Section precludes consideration of contracts  
26 longer than 5 years and related forecast data. Unless

1 specified otherwise in this Section, in the procurement plan  
2 or in the implementing tariff, any procurement occurring in  
3 accordance with this plan shall be competitively bid through a  
4 request for proposals process. Approval and implementation of  
5 the procurement plan shall be subject to review and approval  
6 by the Commission according to the provisions set forth in  
7 this Section. A procurement plan shall include each of the  
8 following components:

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

10 (i) multi-year historical analysis of hourly  
11 loads;

12 (ii) switching trends and competitive retail  
13 market analysis;

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

15 and

16 (iv) growth forecasts by customer class.

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

19 (i) the impact of demand response programs and  
20 energy efficiency programs, both current and  
21 projected; for small multi-jurisdictional utilities,  
22 the impact of demand response and energy efficiency  
23 programs approved pursuant to Section 8-408 of this  
24 Act, both current and projected; and

25 (ii) supply side needs that are projected to be  
26 offset by purchases of renewable energy resources, if

1 any.

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

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

7 (ii) the proposed mix of demand-response products  
8 for which contracts will be executed during the next  
9 year. For small multi-jurisdictional electric  
10 utilities that on December 31, 2005 served fewer than  
11 100,000 customers in Illinois, these shall be defined  
12 as demand-response products offered in an energy  
13 efficiency plan approved pursuant to Section 8-408 of  
14 this Act. The cost-effective demand-response measures  
15 shall be procured whenever the cost is lower than  
16 procuring comparable capacity products, provided that  
17 such products shall:

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

21 (B) at least satisfy the demand-response  
22 requirements of the regional transmission  
23 organization market in which the utility's service  
24 territory is located, including, but not limited  
25 to, any applicable capacity or dispatch  
26 requirements;



1 (C) provide for customers' participation in  
2 the stream of benefits produced by the  
3 demand-response products;

4 (D) provide for reimbursement by the  
5 demand-response provider of the utility for any  
6 costs incurred as a result of the failure of the  
7 supplier of such products to perform its  
8 obligations thereunder; and

9 (E) meet the same credit requirements as apply  
10 to suppliers of capacity, in the applicable  
11 regional transmission organization market;

12 (iii) monthly forecasted system supply  
13 requirements, including expected minimum, maximum, and  
14 average values for the planning period;

15 (iv) the proposed mix and selection of standard  
16 wholesale products for which contracts will be  
17 executed during the next year, separately or in  
18 combination, to meet that portion of its load  
19 requirements not met through pre-existing contracts,  
20 including but not limited to monthly 5 x 16 peak period  
21 block energy, monthly off-peak wrap energy, monthly 7  
22 x 24 energy, annual 5 x 16 energy, annual off-peak wrap  
23 energy, annual 7 x 24 energy, monthly capacity, annual  
24 capacity, peak load capacity obligations, capacity  
25 purchase plan, and ancillary services;

26 (v) proposed term structures for each wholesale

1 product type included in the proposed procurement plan  
2 portfolio of products; and

3 (vi) an assessment of the price risk, load  
4 uncertainty, and other factors that are associated  
5 with the proposed procurement plan; this assessment,  
6 to the extent possible, shall include an analysis of  
7 the following factors: contract terms, time frames for  
8 securing products or services, fuel costs, weather  
9 patterns, transmission costs, market conditions, and  
10 the governmental regulatory environment; the proposed  
11 procurement plan shall also identify alternatives for  
12 those portfolio measures that are identified as having  
13 significant price risk.

14 (4) Proposed procedures for balancing loads. The  
15 procurement plan shall include, for load requirements  
16 included in the procurement plan, the process for (i)  
17 hourly balancing of supply and demand and (ii) the  
18 criteria for portfolio re-balancing in the event of  
19 significant shifts in load.

20 (5) Long-Term Renewable Resources Procurement Plan.  
21 The Agency shall prepare a long-term renewable resources  
22 procurement plan for the procurement of renewable energy  
23 credits under Sections 1-56 and 1-75 of the Illinois Power  
24 Agency Act for delivery beginning in the 2017 delivery  
25 year.

26 (i) The initial long-term renewable resources

1 procurement plan and all subsequent revisions shall be  
2 subject to review and approval by the Commission. For  
3 the purposes of this Section, "delivery year" has the  
4 same meaning as in Section 1-10 of the Illinois Power  
5 Agency Act. For purposes of this Section, "Agency"  
6 shall mean the Illinois Power Agency.

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

9 (A) Electric utilities shall provide a range  
10 of load forecasts to the Illinois Power Agency  
11 within 45 days of the Agency's request for  
12 forecasts, which request shall specify the length  
13 and conditions for the forecasts including, but  
14 not limited to, the quantity of distributed  
15 generation expected to be interconnected for each  
16 year.

17 (B) The Agency shall publish for comment the  
18 initial long-term renewable resources procurement  
19 plan no later than 120 days after the effective  
20 date of this amendatory Act of the 99th General  
21 Assembly and shall review, and may revise, the  
22 plan at least every 2 years thereafter. To the  
23 extent practicable, the Agency shall review and  
24 propose any revisions to the long-term renewable  
25 energy resources procurement plan in conjunction  
26 with the Agency's other planning and approval

1 processes conducted under this Section. The  
2 initial long-term renewable resources procurement  
3 plan shall:

4 (aa) Identify the procurement programs and  
5 competitive procurement events consistent with  
6 the applicable requirements of the Illinois  
7 Power Agency Act and shall be designed to  
8 achieve the goals set forth in subsection (c)  
9 of Section 1-75 of that Act.

10 (bb) Include a schedule for procurements  
11 for renewable energy credits from  
12 utility-scale wind projects, utility-scale  
13 solar projects, and brownfield site  
14 photovoltaic projects consistent with  
15 subparagraph (G) of paragraph (1) of  
16 subsection (c) of Section 1-75 of the Illinois  
17 Power Agency Act.

18 (cc) Identify the process whereby the  
19 Agency will submit to the Commission for  
20 review and approval the proposed contracts to  
21 implement the programs required by such plan.

22 Copies of the initial long-term renewable  
23 resources procurement plan and all subsequent  
24 revisions shall be posted and made publicly  
25 available on the Agency's and Commission's  
26 websites, and copies shall also be provided to

1 each affected electric utility. An affected  
2 utility and other interested parties shall have 45  
3 days following the date of posting to provide  
4 comment to the Agency on the initial long-term  
5 renewable resources procurement plan and all  
6 subsequent revisions. All comments submitted to  
7 the Agency shall be specific, supported by data or  
8 other detailed analyses, and, if objecting to all  
9 or a portion of the procurement plan, accompanied  
10 by specific alternative wording or proposals. All  
11 comments shall be posted on the Agency's and  
12 Commission's websites. During this 45-day comment  
13 period, the Agency shall hold at least one public  
14 hearing within each utility's service area that is  
15 subject to the requirements of this paragraph (5)  
16 for the purpose of receiving public comment.  
17 Within 21 days following the end of the 45-day  
18 review period, the Agency may revise the long-term  
19 renewable resources procurement plan based on the  
20 comments received and shall file the plan with the  
21 Commission for review and approval.

22 (C) Within 14 days after the filing of the  
23 initial long-term renewable resources procurement  
24 plan or any subsequent revisions, any person  
25 objecting to the plan may file an objection with  
26 the Commission. Within 21 days after the filing of

1 the plan, the Commission shall determine whether a  
2 hearing is necessary. The Commission shall enter  
3 its order confirming or modifying the initial  
4 long-term renewable resources procurement plan or  
5 any subsequent revisions within 120 days after the  
6 filing of the plan by the Illinois Power Agency.

7 (D) The Commission shall approve the initial  
8 long-term renewable resources procurement plan and  
9 any subsequent revisions, including expressly the  
10 forecast used in the plan and taking into account  
11 that funding will be limited to the amount of  
12 revenues actually collected by the utilities, if  
13 the Commission determines that the plan will  
14 reasonably and prudently accomplish the  
15 requirements of Section 1-56 and subsection (c) of  
16 Section 1-75 of the Illinois Power Agency Act. The  
17 Commission shall also approve the process for the  
18 submission, review, and approval of the proposed  
19 contracts to procure renewable energy credits or  
20 implement the programs authorized by the  
21 Commission pursuant to a long-term renewable  
22 resources procurement plan approved under this  
23 Section.

24 (iii) The Agency or third parties contracted by  
25 the Agency shall implement all programs authorized by  
26 the Commission in an approved long-term renewable

1 resources procurement plan without further review and  
2 approval by the Commission. Third parties shall not  
3 begin implementing any programs or receive any payment  
4 under this Section until the Commission has approved  
5 the contract or contracts under the process authorized  
6 by the Commission in item (D) of subparagraph (ii) of  
7 paragraph (5) of this subsection (b) and the third  
8 party and the Agency or utility, as applicable, have  
9 executed the contract. For those renewable energy  
10 credits subject to procurement through a competitive  
11 bid process under the plan or under the initial  
12 forward procurements for wind and solar resources  
13 described in subparagraph (G) of paragraph (1) of  
14 subsection (c) of Section 1-75 of the Illinois Power  
15 Agency Act, the Agency shall follow the procurement  
16 process specified in the provisions relating to  
17 electricity procurement in subsections (e) through (i)  
18 of this Section.

19 (iv) An electric utility shall recover its costs  
20 associated with the procurement of renewable energy  
21 credits under this Section and pursuant to subsection  
22 (c-5) of Section 1-75 of the Illinois Power Agency Act  
23 through an automatic adjustment clause tariff or  
24 tariffs under subsection (k) or subsection (i-5) of  
25 Section 16-108 of this Act, as applicable. A utility  
26 shall not be required to advance any payment or pay any

1 amounts under this Section that exceed the actual  
2 amount of revenues collected by the utility under  
3 paragraph (6) of subsection (c) of Section 1-75 of the  
4 Illinois Power Agency Act, subsection (c-5) of Section  
5 1-75 of the Illinois Power Agency Act, and subsection  
6 (k) or subsection (i-5) of Section 16-108 of this Act,  
7 as applicable, and contracts executed under this  
8 Section shall expressly incorporate this limitation.

9 (v) For the public interest, safety, and welfare,  
10 the Agency and the Commission may adopt rules to carry  
11 out the provisions of this Section on an emergency  
12 basis immediately following the effective date of this  
13 amendatory Act of the 99th General Assembly.

14 (vi) On or before July 1 of each year, the  
15 Commission shall hold an informal hearing for the  
16 purpose of receiving comments on the prior year's  
17 procurement process and any recommendations for  
18 change.

19 (b-5) An electric utility that as of January 1, 2019  
20 served more than 300,000 retail customers in this State shall  
21 purchase renewable energy credits from new renewable energy  
22 resources constructed at or adjacent to the sites of  
23 coal-fueled electric generating facilities in this State in  
24 accordance with subsection (c-5) of Section 1-75 of the  
25 Illinois Power Agency Act. Except as expressly provided in  
26 this Section, the plans and procedures for such procurements



1 shall not be included in the procurement plans provided for in  
2 this Section, but rather shall be conducted and implemented  
3 solely in accordance with subsection (c-5) of Section 1-75 of  
4 the Illinois Power Agency Act.

5 (c) The provisions of this subsection (c) shall not apply  
6 to procurements conducted pursuant to subsection (c-5) of  
7 Section 1-75 of the Illinois Power Agency Act. However, the  
8 Agency may retain a procurement administrator to assist the  
9 Agency in planning and carrying out the procurement event and  
10 implementing the other requirements specified in subsection  
11 (c-5) of Section 1-75 of the Illinois Power Agency Act, with  
12 the costs incurred by the Agency for the procurement  
13 administrator to be recovered through fees charged to  
14 applicants for selection to sell and deliver renewable energy  
15 credits to electric utilities pursuant to such subsection  
16 (c-5). The procurement process set forth in Section 1-75 of  
17 the Illinois Power Agency Act and subsection (e) of this  
18 Section shall be administered by a procurement administrator  
19 and monitored by a procurement monitor.

20 (1) The procurement administrator shall:

21 (i) design the final procurement process in  
22 accordance with Section 1-75 of the Illinois Power  
23 Agency Act and subsection (e) of this Section  
24 following Commission approval of the procurement plan;

25 (ii) develop benchmarks in accordance with  
26 subsection (e)(3) to be used to evaluate bids;

1           these benchmarks shall be submitted to the  
2           Commission for review and approval on a  
3           confidential basis prior to the procurement event;

4           (iii) serve as the interface between the electric  
5           utility and suppliers;

6           (iv) manage the bidder pre-qualification and  
7           registration process;

8           (v) obtain the electric utilities' agreement to  
9           the final form of all supply contracts and credit  
10          collateral agreements;

11          (vi) administer the request for proposals process;

12          (vii) have the discretion to negotiate to  
13          determine whether bidders are willing to lower the  
14          price of bids that meet the benchmarks approved by the  
15          Commission; any post-bid negotiations with bidders  
16          shall be limited to price only and shall be completed  
17          within 24 hours after opening the sealed bids and  
18          shall be conducted in a fair and unbiased manner; in  
19          conducting the negotiations, there shall be no  
20          disclosure of any information derived from proposals  
21          submitted by competing bidders; if information is  
22          disclosed to any bidder, it shall be provided to all  
23          competing bidders;

24          (viii) maintain confidentiality of supplier and  
25          bidding information in a manner consistent with all  
26          applicable laws, rules, regulations, and tariffs;

1           (ix) submit a confidential report to the  
2 Commission recommending acceptance or rejection of  
3 bids;

4           (x) notify the utility of contract counterparties  
5 and contract specifics; and

6           (xi) administer related contingency procurement  
7 events.

8           (2) The procurement monitor, who shall be retained by  
9 the Commission, shall:

10           (i) monitor interactions among the procurement  
11 administrator, suppliers, and utility;

12           (ii) monitor and report to the Commission on the  
13 progress of the procurement process;

14           (iii) provide an independent confidential report  
15 to the Commission regarding the results of the  
16 procurement event;

17           (iv) assess compliance with the procurement plans  
18 approved by the Commission for each utility that on  
19 December 31, 2005 provided electric service to at  
20 least 100,000 customers in Illinois and for each small  
21 multi-jurisdictional utility that on December 31, 2005  
22 served less than 100,000 customers in Illinois;

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

26           (vi) provide expert advice to the Commission and

1           consult with the procurement administrator regarding  
2           issues related to procurement process design, rules,  
3           protocols, and policy-related matters; and

4                   (vii) consult with the procurement administrator  
5           regarding the development and use of benchmark  
6           criteria, standard form contracts, credit policies,  
7           and bid documents.

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

10                   (1) Beginning in 2008, each Illinois utility procuring  
11           power pursuant to this Section shall annually provide a  
12           range of load forecasts to the Illinois Power Agency by  
13           July 15 of each year, or such other date as may be required  
14           by the Commission or Agency. The load forecasts shall  
15           cover the 5-year procurement planning period for the next  
16           procurement plan and shall include hourly data  
17           representing a high-load, low-load, and expected-load  
18           scenario for the load of those retail customers included  
19           in the plan's electric supply service requirements. The  
20           utility shall provide supporting data and assumptions for  
21           each of the scenarios.

22                   (2) Beginning in 2008, the Illinois Power Agency shall  
23           prepare a procurement plan by August 15th of each year, or  
24           such other date as may be required by the Commission. The  
25           procurement plan shall identify the portfolio of  
26           demand-response and power and energy products to be

1 procured. Cost-effective demand-response measures shall be  
2 procured as set forth in item (iii) of subsection (b) of  
3 this Section. Copies of the procurement plan shall be  
4 posted and made publicly available on the Agency's and  
5 Commission's websites, and copies shall also be provided  
6 to each affected electric utility. An affected utility  
7 shall have 30 days following the date of posting to  
8 provide comment to the Agency on the procurement plan.  
9 Other interested entities also may comment on the  
10 procurement plan. All comments submitted to the Agency  
11 shall be specific, supported by data or other detailed  
12 analyses, and, if objecting to all or a portion of the  
13 procurement plan, accompanied by specific alternative  
14 wording or proposals. All comments shall be posted on the  
15 Agency's and Commission's websites. During this 30-day  
16 comment period, the Agency shall hold at least one public  
17 hearing within each utility's service area for the purpose  
18 of receiving public comment on the procurement plan.  
19 Within 14 days following the end of the 30-day review  
20 period, the Agency shall revise the procurement plan as  
21 necessary based on the comments received and file the  
22 procurement plan with the Commission and post the  
23 procurement plan on the websites.

24 (3) Within 5 days after the filing of the procurement  
25 plan, any person objecting to the procurement plan shall  
26 file an objection with the Commission. Within 10 days

1 after the filing, the Commission shall determine whether a  
2 hearing is necessary. The Commission shall enter its order  
3 confirming or modifying the procurement plan within 90  
4 days after the filing of the procurement plan by the  
5 Illinois Power Agency.

6 (4) The Commission shall approve the procurement plan,  
7 including expressly the forecast used in the procurement  
8 plan, if the Commission determines that it will ensure  
9 adequate, reliable, affordable, efficient, and  
10 environmentally sustainable electric service at the lowest  
11 total cost over time, taking into account any benefits of  
12 price stability.

13 (4.5) The Commission shall review and approve the  
14 Agency's recommendation for the selection of applicants to  
15 enter into long-term contracts for the sale and delivery  
16 of renewable energy credits from new renewable energy  
17 resources to be constructed at or adjacent to the sites of  
18 coal-fueled electric generating facilities in this State  
19 in accordance with the provisions of subsection (c-5) of  
20 Section 1-75 of the Illinois Power Agency Act, if the  
21 Commission determines that the applicants recommended by  
22 the Agency for selection, the proposed new renewable  
23 energy resources to be constructed, the amounts of  
24 renewable energy credits to be delivered pursuant to such  
25 contracts, and the other terms of the contracts, are  
26 consistent with the requirements of subsection (c-5) of

1           Section 1-75 of the Illinois Power Agency Act.

2           (e) The procurement process shall include each of the  
3 following components:

4           (1) Solicitation, pre-qualification, and registration  
5 of bidders. The procurement administrator shall  
6 disseminate information to potential bidders to promote a  
7 procurement event, notify potential bidders that the  
8 procurement administrator may enter into a post-bid price  
9 negotiation with bidders that meet the applicable  
10 benchmarks, provide supply requirements, and otherwise  
11 explain the competitive procurement process. In addition  
12 to such other publication as the procurement administrator  
13 determines is appropriate, this information shall be  
14 posted on the Illinois Power Agency's and the Commission's  
15 websites. The procurement administrator shall also  
16 administer the prequalification process, including  
17 evaluation of credit worthiness, compliance with  
18 procurement rules, and agreement to the standard form  
19 contract developed pursuant to paragraph (2) of this  
20 subsection (e). The procurement administrator shall then  
21 identify and register bidders to participate in the  
22 procurement event.

23           (2) Standard contract forms and credit terms and  
24 instruments. The procurement administrator, in  
25 consultation with the utilities, the Commission, and other  
26 interested parties and subject to Commission oversight,

1 shall develop and provide standard contract forms for the  
2 supplier contracts that meet generally accepted industry  
3 practices. Standard credit terms and instruments that meet  
4 generally accepted industry practices shall be similarly  
5 developed. The procurement administrator shall make  
6 available to the Commission all written comments it  
7 receives on the contract forms, credit terms, or  
8 instruments. If the procurement administrator cannot reach  
9 agreement with the applicable electric utility as to the  
10 contract terms and conditions, the procurement  
11 administrator must notify the Commission of any disputed  
12 terms and the Commission shall resolve the dispute. The  
13 terms of the contracts shall not be subject to negotiation  
14 by winning bidders, and the bidders must agree to the  
15 terms of the contract in advance so that winning bids are  
16 selected solely on the basis of price.

17 (3) Establishment of a market-based price benchmark.  
18 As part of the development of the procurement process, the  
19 procurement administrator, in consultation with the  
20 Commission staff, Agency staff, and the procurement  
21 monitor, shall establish benchmarks for evaluating the  
22 final prices in the contracts for each of the products  
23 that will be procured through the procurement process. The  
24 benchmarks shall be based on price data for similar  
25 products for the same delivery period and same delivery  
26 hub, or other delivery hubs after adjusting for that



1 difference. The price benchmarks may also be adjusted to  
2 take into account differences between the information  
3 reflected in the underlying data sources and the specific  
4 products and procurement process being used to procure  
5 power for the Illinois utilities. The benchmarks shall be  
6 confidential but shall be provided to, and will be subject  
7 to Commission review and approval, prior to a procurement  
8 event.

9 (4) Request for proposals competitive procurement  
10 process. The procurement administrator shall design and  
11 issue a request for proposals to supply electricity in  
12 accordance with each utility's procurement plan, as  
13 approved by the Commission. The request for proposals  
14 shall set forth a procedure for sealed, binding commitment  
15 bidding with pay-as-bid settlement, and provision for  
16 selection of bids on the basis of price.

17 (5) A plan for implementing contingencies in the event  
18 of supplier default or failure of the procurement process  
19 to fully meet the expected load requirement due to  
20 insufficient supplier participation, Commission rejection  
21 of results, or any other cause.

22 (i) Event of supplier default: In the event of  
23 supplier default, the utility shall review the  
24 contract of the defaulting supplier to determine if  
25 the amount of supply is 200 megawatts or greater, and  
26 if there are more than 60 days remaining of the

1 contract term. If both of these conditions are met,  
2 and the default results in termination of the  
3 contract, the utility shall immediately notify the  
4 Illinois Power Agency that a request for proposals  
5 must be issued to procure replacement power, and the  
6 procurement administrator shall run an additional  
7 procurement event. If the contracted supply of the  
8 defaulting supplier is less than 200 megawatts or  
9 there are less than 60 days remaining of the contract  
10 term, the utility shall procure power and energy from  
11 the applicable regional transmission organization  
12 market, including ancillary services, capacity, and  
13 day-ahead or real time energy, or both, for the  
14 duration of the contract term to replace the  
15 contracted supply; provided, however, that if a needed  
16 product is not available through the regional  
17 transmission organization market it shall be purchased  
18 from the wholesale market.

19 (ii) Failure of the procurement process to fully  
20 meet the expected load requirement: If the procurement  
21 process fails to fully meet the expected load  
22 requirement due to insufficient supplier participation  
23 or due to a Commission rejection of the procurement  
24 results, the procurement administrator, the  
25 procurement monitor, and the Commission staff shall  
26 meet within 10 days to analyze potential causes of low

1 supplier interest or causes for the Commission  
2 decision. If changes are identified that would likely  
3 result in increased supplier participation, or that  
4 would address concerns causing the Commission to  
5 reject the results of the prior procurement event, the  
6 procurement administrator may implement those changes  
7 and rerun the request for proposals process according  
8 to a schedule determined by those parties and  
9 consistent with Section 1-75 of the Illinois Power  
10 Agency Act and this subsection. In any event, a new  
11 request for proposals process shall be implemented by  
12 the procurement administrator within 90 days after the  
13 determination that the procurement process has failed  
14 to fully meet the expected load requirement.

15 (iii) In all cases where there is insufficient  
16 supply provided under contracts awarded through the  
17 procurement process to fully meet the electric  
18 utility's load requirement, the utility shall meet the  
19 load requirement by procuring power and energy from  
20 the applicable regional transmission organization  
21 market, including ancillary services, capacity, and  
22 day-ahead or real time energy, or both; provided,  
23 however, that if a needed product is not available  
24 through the regional transmission organization market  
25 it shall be purchased from the wholesale market.

26 (6) The procurement processes ~~process~~ described in

1           this subsection and in subsection (c-5) of Section 1-75 of  
2           the Illinois Power Agency Act are ~~is~~ exempt from the  
3           requirements of the Illinois Procurement Code, pursuant to  
4           Section 20-10 of that Code.

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

22          (g) Within 3 business days after the Commission decision  
23          approving the results of a procurement event, the utility  
24          shall enter into binding contractual arrangements with the  
25          winning suppliers using the standard form contracts; except  
26          that the utility shall not be required either directly or

1 indirectly to execute the contracts if a tariff that is  
2 consistent with subsection (l) of this Section has not been  
3 approved and placed into effect for that utility.

4 (h) The names of the successful bidders and the load  
5 weighted average of the winning bid prices for each contract  
6 type and for each contract term shall be made available to the  
7 public at the time of Commission approval of a procurement  
8 event. The Commission, the procurement monitor, the  
9 procurement administrator, the Illinois Power Agency, and all  
10 participants in the procurement process shall maintain the  
11 confidentiality of all other supplier and bidding information  
12 in a manner consistent with all applicable laws, rules,  
13 regulations, and tariffs. Confidential information, including  
14 the confidential reports submitted by the procurement  
15 administrator and procurement monitor pursuant to subsection  
16 (f) of this Section, shall not be made publicly available and  
17 shall not be discoverable by any party in any proceeding,  
18 absent a compelling demonstration of need, nor shall those  
19 reports be admissible in any proceeding other than one for law  
20 enforcement purposes.

21 (i) Within 2 business days after a Commission decision  
22 approving the results of a procurement event or such other  
23 date as may be required by the Commission from time to time,  
24 the utility shall file for informational purposes with the  
25 Commission its actual or estimated retail supply charges, as  
26 applicable, by customer supply group reflecting the costs

1 associated with the procurement and computed in accordance  
2 with the tariffs filed pursuant to subsection (l) of this  
3 Section and approved by the Commission.

4 (j) Within 60 days following August 28, 2007 (the  
5 effective date of Public Act 95-481), each electric utility  
6 that on December 31, 2005 provided electric service to at  
7 least 100,000 customers in Illinois shall prepare and file  
8 with the Commission an initial procurement plan, which shall  
9 conform in all material respects to the requirements of the  
10 procurement plan set forth in subsection (b); provided,  
11 however, that the Illinois Power Agency Act shall not apply to  
12 the initial procurement plan prepared pursuant to this  
13 subsection. The initial procurement plan shall identify the  
14 portfolio of power and energy products to be procured and  
15 delivered for the period June 2008 through May 2009, and shall  
16 identify the proposed procurement administrator, who shall  
17 have the same experience and expertise as is required of a  
18 procurement administrator hired pursuant to Section 1-75 of  
19 the Illinois Power Agency Act. Copies of the procurement plan  
20 shall be posted and made publicly available on the  
21 Commission's website. The initial procurement plan may include  
22 contracts for renewable resources that extend beyond May 2009.

23 (i) Within 14 days following filing of the initial  
24 procurement plan, any person may file a detailed objection  
25 with the Commission contesting the procurement plan  
26 submitted by the electric utility. All objections to the

1 electric utility's plan shall be specific, supported by  
2 data or other detailed analyses. The electric utility may  
3 file a response to any objections to its procurement plan  
4 within 7 days after the date objections are due to be  
5 filed. Within 7 days after the date the utility's response  
6 is due, the Commission shall determine whether a hearing  
7 is necessary. If it determines that a hearing is  
8 necessary, it shall require the hearing to be completed  
9 and issue an order on the procurement plan within 60 days  
10 after the filing of the procurement plan by the electric  
11 utility.

12 (ii) The order shall approve or modify the procurement  
13 plan, approve an independent procurement administrator,  
14 and approve or modify the electric utility's tariffs that  
15 are proposed with the initial procurement plan. The  
16 Commission shall approve the procurement plan if the  
17 Commission determines that it will ensure adequate,  
18 reliable, affordable, efficient, and environmentally  
19 sustainable electric service at the lowest total cost over  
20 time, taking into account any benefits of price stability.

21 (k) (Blank).

22 (k-5) (Blank).

23 (l) An electric utility shall recover its costs incurred  
24 under this Section and subsection (c-5) of Section 1-75 of the  
25 Illinois Power Agency Act, including, but not limited to, the  
26 costs of procuring power and energy demand-response resources

1 under this Section and its costs for purchasing renewable  
2 energy credits pursuant to subsection (c-5) of Section 1-75 of  
3 the Illinois Power Agency Act. The utility shall file with the  
4 initial procurement plan its proposed tariffs through which  
5 its costs of procuring power that are incurred pursuant to a  
6 Commission-approved procurement plan and those other costs  
7 identified in this subsection (1), will be recovered. The  
8 tariffs shall include a formula rate or charge designed to  
9 pass through both the costs incurred by the utility in  
10 procuring a supply of electric power and energy for the  
11 applicable customer classes with no mark-up or return on the  
12 price paid by the utility for that supply, plus any just and  
13 reasonable costs that the utility incurs in arranging and  
14 providing for the supply of electric power and energy. The  
15 formula rate or charge shall also contain provisions that  
16 ensure that its application does not result in over or under  
17 recovery due to changes in customer usage and demand patterns,  
18 and that provide for the correction, on at least an annual  
19 basis, of any accounting errors that may occur. A utility  
20 shall recover through the tariff all reasonable costs incurred  
21 to implement or comply with any procurement plan that is  
22 developed and put into effect pursuant to Section 1-75 of the  
23 Illinois Power Agency Act and this Section, and for the  
24 procurement of renewable energy credits pursuant to subsection  
25 (c-5) of Section 1-75 of the Illinois Power Agency Act,  
26 including any fees assessed by the Illinois Power Agency,



1 costs associated with load balancing, and contingency plan  
2 costs. The electric utility shall also recover its full costs  
3 of procuring electric supply for which it contracted before  
4 the effective date of this Section in conjunction with the  
5 provision of full requirements service under fixed-price  
6 bundled service tariffs subsequent to December 31, 2006. All  
7 such costs shall be deemed to have been prudently incurred.  
8 The pass-through tariffs that are filed and approved pursuant  
9 to this Section shall not be subject to review under, or in any  
10 way limited by, Section 16-111(i) of this Act. All of the costs  
11 incurred by the electric utility associated with the purchase  
12 of zero emission credits in accordance with subsection (d-5)  
13 of Section 1-75 of the Illinois Power Agency Act and,  
14 beginning June 1, 2017, all of the costs incurred by the  
15 electric utility associated with the purchase of renewable  
16 energy resources in accordance with Sections 1-56 and 1-75 of  
17 the Illinois Power Agency Act, and all of the costs incurred by  
18 the electric utility in purchasing renewable energy credits in  
19 accordance with subsection (c-5) of Section 1-75 of the  
20 Illinois Power Agency Act, shall be recovered through the  
21 electric utility's tariffed charges applicable to all of its  
22 retail customers, as specified in subsection (k) or subsection  
23 (i-5), as applicable, of Section 16-108 of this Act, and shall  
24 not be recovered through the electric utility's tariffed  
25 charges for electric power and energy supply to its eligible  
26 retail customers.

1 (m) The Commission has the authority to adopt rules to  
2 carry out the provisions of this Section. For the public  
3 interest, safety, and welfare, the Commission also has  
4 authority to adopt rules to carry out the provisions of this  
5 Section on an emergency basis immediately following August 28,  
6 2007 (the effective date of Public Act 95-481).

7 (n) Notwithstanding any other provision of this Act, any  
8 affiliated electric utilities that submit a single procurement  
9 plan covering their combined needs may procure for those  
10 combined needs in conjunction with that plan, and may enter  
11 jointly into power supply contracts, purchases, and other  
12 procurement arrangements, and allocate capacity and energy and  
13 cost responsibility therefor among themselves in proportion to  
14 their requirements.

15 (o) On or before June 1 of each year, the Commission shall  
16 hold an informal hearing for the purpose of receiving comments  
17 on the prior year's procurement process and any  
18 recommendations for change.

19 (p) An electric utility subject to this Section may  
20 propose to invest, lease, own, or operate an electric  
21 generation facility as part of its procurement plan, provided  
22 the utility demonstrates that such facility is the least-cost  
23 option to provide electric service to those retail customers  
24 included in the plan's electric supply service requirements.  
25 If the facility is shown to be the least-cost option and is  
26 included in a procurement plan prepared in accordance with

1 Section 1-75 of the Illinois Power Agency Act and this  
2 Section, then the electric utility shall make a filing  
3 pursuant to Section 8-406 of this Act, and may request of the  
4 Commission any statutory relief required thereunder. If the  
5 Commission grants all of the necessary approvals for the  
6 proposed facility, such supply shall thereafter be considered  
7 as a pre-existing contract under subsection (b) of this  
8 Section. The Commission shall in any order approving a  
9 proposal under this subsection specify how the utility will  
10 recover the prudently incurred costs of investing in, leasing,  
11 owning, or operating such generation facility through just and  
12 reasonable rates charged to those retail customers included in  
13 the plan's electric supply service requirements. Cost recovery  
14 for facilities included in the utility's procurement plan  
15 pursuant to this subsection shall not be subject to review  
16 under or in any way limited by the provisions of Section  
17 16-111(i) of this Act. Nothing in this Section is intended to  
18 prohibit a utility from filing for a fuel adjustment clause as  
19 is otherwise permitted under Section 9-220 of this Act.

20 (q) If the Illinois Power Agency filed with the  
21 Commission, under Section 16-111.5 of this Act, its proposed  
22 procurement plan for the period commencing June 1, 2017, and  
23 the Commission has not yet entered its final order approving  
24 the plan on or before the effective date of this amendatory Act  
25 of the 99th General Assembly, then the Illinois Power Agency  
26 shall file a notice of withdrawal with the Commission, after

1 the effective date of this amendatory Act of the 99th General  
2 Assembly, to withdraw the proposed procurement of renewable  
3 energy resources to be approved under the plan, other than the  
4 procurement of renewable energy credits from distributed  
5 renewable energy generation devices using funds previously  
6 collected from electric utilities' retail customers that take  
7 service pursuant to electric utilities' hourly pricing tariff  
8 or tariffs and, for an electric utility that serves less than  
9 100,000 retail customers in the State, other than the  
10 procurement of renewable energy credits from distributed  
11 renewable energy generation devices. Upon receipt of the  
12 notice, the Commission shall enter an order that approves the  
13 withdrawal of the proposed procurement of renewable energy  
14 resources from the plan. The initially proposed procurement of  
15 renewable energy resources shall not be approved or be the  
16 subject of any further hearing, investigation, proceeding, or  
17 order of any kind.

18 This amendatory Act of the 99th General Assembly preempts  
19 and supersedes any order entered by the Commission that  
20 approved the Illinois Power Agency's procurement plan for the  
21 period commencing June 1, 2017, to the extent it is  
22 inconsistent with the provisions of this amendatory Act of the  
23 99th General Assembly. To the extent any previously entered  
24 order approved the procurement of renewable energy resources,  
25 the portion of that order approving the procurement shall be  
26 void, other than the procurement of renewable energy credits

1 from distributed renewable energy generation devices using  
2 funds previously collected from electric utilities' retail  
3 customers that take service under electric utilities' hourly  
4 pricing tariff or tariffs and, for an electric utility that  
5 serves less than 100,000 retail customers in the State, other  
6 than the procurement of renewable energy credits for  
7 distributed renewable energy generation devices.

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

9 Section 99. Effective date. This Act takes effect upon  
10 becoming law.