



Sen. Michael E. Hastings

**Filed: 3/30/2021**

10200SB1100sam001

LRB102 04924 SPS 24488 a

1 AMENDMENT TO SENATE BILL 1100

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1100 by replacing  
3 everything after the enacting clause with the following:

4 "Article 5. Energy Community Reinvestment Act

5 Section 5-1. Short title. This Article may be cited as the  
6 Energy Community Reinvestment Act. References in this Article  
7 to "this Act" mean this Article.

8 Section 5-5. Findings. The General Assembly finds that, as  
9 part of putting Illinois on a path to 100% renewable energy,  
10 the State of Illinois should ensure a just transition to that  
11 goal, providing support for the transition of Illinois'  
12 communities and workers impacted by closures or reduced use of  
13 fossil fuel power plants, nuclear power plants, or coal mines  
14 by allocating new economic development resources for business  
15 tax incentives, workforce training, site clean-up and reuse,

1 and local tax revenue replacement.

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

20 Therefore, it is declared to be the purpose of this Act to  
21 explore ways of stimulating the growth of new private  
22 investment, including renewable energy investment, in this  
23 State and to foster job growth in areas impacted by the closure  
24 of coal energy plants, coal mines, and nuclear energy plants.

25 Section 5-10. Definitions. As used in this Act, unless the

1 context otherwise requires:

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

5 "Board" means the Empowerment Zone Board created in  
6 Section 5-20.

7 "Commission" means the Energy Transition Workforce  
8 Commission created in Section 5-45.

9 "Department" means the Department of Commerce and Economic  
10 Opportunity.

11 "Displaced energy worker" means an energy worker who has  
12 lost employment, or is anticipated by the Department to lose  
13 employment within the next 2 years, due to the reduced  
14 operation or closure of a fossil fuel power plant, nuclear  
15 power plant, or coal mine.

16 "Empowerment Zone" means an area of the State certified by  
17 the Department as an Empowerment Zone under this Act.

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

1 Classification of an individual as an energy worker continues  
2 for 5 years from the latest date of employment or the effective  
3 date of this Act, whichever is later.

4 "Environmental justice communities" shall have the meaning  
5 set forth in Section 1-56 of the Illinois Power Agency Act and  
6 the most recent Commission-approved long-term renewable  
7 resources procurement plan of the Illinois Power Agency.

8 "Fossil fuel power plant" means an electric generating  
9 facility powered by gas, coal, other fossil fuels, or a  
10 combination thereof.

11 "Local labor market area" means an economically integrated  
12 area within which individuals reside and find employment  
13 within a reasonable distance of their places of residence or  
14 can readily change jobs without changing their places of  
15 residence.

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

19 Section 5-15. Designation of Empowerment Zones.

20 (a) Purpose. It is the intent of the General Assembly that  
21 designation of a community as an Empowerment Zone shall be  
22 reserved for communities that have experienced economic or  
23 environmental hardship due to the transition to clean and  
24 renewable energy, including closure of fossil fuel power  
25 generation, reduction in coal mining and extraction, and the

1 failure to timely recognize the value of the clean attributes  
2 of nuclear generation. The purpose of this Section 5-15 is to  
3 establish an efficient and equitable process by which the  
4 Department and communities across the State may seek the  
5 designation of Empowerment Zones. The process conducted by the  
6 Department, the Board, and participating units of local  
7 government shall be as transparent and inclusive as is  
8 reasonably practical.

9 (b) Notification of local governments. Within 30 days  
10 after the effective date of this Act, the Department shall  
11 publish a notice on its website stating its intention to begin  
12 the review of potential locations for Empowerment Zone  
13 regional designations, and solicit information from the public  
14 on this topic. Within 45 days after the effective date of this  
15 Act, the Department shall submit a notice to the county board  
16 of each jurisdiction in which a fossil fuel power plant, coal  
17 mine, or nuclear power plant is, or was, within 30 years of the  
18 effective date of this Act, located, informing the local  
19 governments of their intention to develop a list of  
20 Empowerment Zones, providing a basic explanation of the  
21 benefits of designation as an Empowerment Zone, and informing  
22 them of participation opportunities in the designation  
23 process. The Department may notify other persons or local  
24 government units of this process at any time.

25 (c) Proposed list of Empowerment Zones. Within 120 days  
26 after the effective date of this Act, the Department shall

1 develop a proposed list of geographic regions in Illinois that  
2 qualify as Empowerment Zones. The Department shall work with  
3 the Illinois Environmental Protection Agency, the Commission  
4 on Environmental Justice, the Department of Labor, the  
5 Department of Natural Resources, and community organizations  
6 to identify regions impacted by the decline of coal  
7 generation, gas generation, nuclear generation, and coal  
8 mining to develop the recommended list of regions that qualify  
9 for Empowerment Zone designations. The Department shall  
10 furnish maps that identify the proposed boundaries of proposed  
11 Empowerment Zones, and include justification for the inclusion  
12 or exclusion of certain locations or regions. The proposed  
13 list shall be subject to the notice and comment process  
14 established in subsection (e).

15 (d) Criteria for designation as an Empowerment Zone. A  
16 region shall be proposed by the Department, and certified by  
17 the Board as an Empowerment Zone if it meets all of the  
18 following characteristics:

19 (1) the region is a contiguous area, provided that a  
20 Zone area may exclude wholly surrounded territory within  
21 its boundaries;

22 (2) the region satisfies any additional criteria  
23 established by the Department consistent with the purposes  
24 of this Act; and

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

26 (A) the area contains a fossil fuel or nuclear

1 power plant that was retired from service or has  
2 significantly reduced service within 10 years before  
3 the application for designation or will be retired or  
4 have service significantly reduced within 5 years  
5 following the application for designation;

6 (B) the area contains a coal mine that was closed  
7 or had operations significantly reduced within 10  
8 years before the application for designation or is  
9 anticipated to be closed or have operations  
10 significantly reduced within 5 years following the  
11 application for designation; or

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

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

1 Internet.

2 Within 30 days after concluding the public comment  
3 process, the Department shall modify or finalize the proposed  
4 list of geographic regions that qualify as Empowerment Zones  
5 and submit the list to the Empowerment Zone Board for approval  
6 or modification as described in Section 5-20.

7 (f) Local government self-designation. After the  
8 Department submits its first list of proposed Empowerment  
9 Zones to the Board, units of local government may, on an  
10 ongoing basis, submit applications to the Department to  
11 designate an area wholly or partially in their jurisdiction as  
12 an Empowerment Zone if the Department has not proposed the  
13 region as a potential Empowerment Zone to the Board. Multiple  
14 units of local government may submit a joint application for  
15 designation if the proposed region or regions fall partially  
16 or wholly within their combined jurisdictions. A unit of local  
17 government may submit an application to the Department if:

18 (1) the area meets the criteria for designation as an  
19 Empowerment Zone established in subsection (d); and

20 (2) the unit of local government has conducted at  
21 least one public hearing within the proposed Zone area  
22 considering all of the following questions: (A) whether to  
23 create the Zone; (B) what local plans, tax incentives, and  
24 other programs should be established in connection with  
25 the zone; and (C) what the boundaries of the Zone should  
26 be; public notice of the hearing shall be published in at



1           least one newspaper of general circulation within the Zone  
2           area, not more than 21 days nor less than 7 days before the  
3           hearing.

4           An application submitted under this subsection (f) shall  
5           include a certified copy of the ordinance designating the  
6           proposed Zone; a map of the proposed Empowerment Zone, showing  
7           existing streets and highways; an analysis, and any  
8           appropriate supporting documents and statistics, demonstrating  
9           that the proposed zone area is qualified in accordance with  
10          subsection (d); a statement detailing any tax, grant, and  
11          other financial incentives or benefits, and any programs, to  
12          be provided by the municipality or county to business  
13          enterprises within the Zone, which are not otherwise provided  
14          throughout the municipality or county; a statement setting  
15          forth the economic development and planning objectives for the  
16          Zone; an estimate of the economic impact of the Zone,  
17          considering all of the tax incentives, financial benefits and  
18          programs contemplated, upon the revenues of the municipality  
19          or county; a specific definition of the applicant's local  
20          labor market area; a transcript of all public hearings on the  
21          Zone; and any additional information as the Department may by  
22          rule require.

23          Within 60 days after receiving an application from a unit  
24          of local government, the Department shall review the  
25          application to determine whether the designated area qualifies  
26          as an Empowerment Zone under this Section, and submit its

1 recommendation to the Empowerment Zone Board including all  
2 necessary information and records for the Board to review, as  
3 described in Section 5-20. Within 7 days after submitting the  
4 recommendation to the Board, the Department shall provide a  
5 copy of its recommendation to the applicant, including all  
6 supporting documents and information submitted to the Board.

7 (g) Application process. The Department shall develop an  
8 ongoing application process for Empowerment Zone applications  
9 by units of local government. The application process shall be  
10 open through January 1, 2050. The Department, or any  
11 predecessor of the Department, may extend the application  
12 process beyond that date if it deems it is necessary or prudent  
13 to accomplish the purpose of this Act.

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

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

1 Section 5-20. Empowerment Zone Board.

2 (a) An Empowerment Zone Board is hereby created within the  
3 Department.

4 (b) The Board shall consist of 9 voting members, one of  
5 whom shall be the Director of the Department, or his or her  
6 designee, who shall serve as chairperson; one of whom shall be  
7 the Director of Revenue, or his or her designee; 3 of whom  
8 shall be members appointed by the Governor, with the advice  
9 and consent of the Senate; one of whom shall be appointed by  
10 the Speaker of the House of Representatives; one of whom shall  
11 be appointed by the President of the Senate; one of whom shall  
12 be appointed by the Minority Leader of the House; and one of  
13 whom shall be appointed by the Minority Leader of the Senate.  
14 Designees shall be appointed within 60 days after a vacancy.  
15 No fewer than 2 of the members shall consist of low-income  
16 residents or residents of environmental justice communities.  
17 At least 2 of the Board members shall be representatives of  
18 organized labor. At least one member shall be a representative  
19 of a community with a generation or mine closure. At least one  
20 member shall be a representative of the owner or operator of a  
21 coal plant that either closed in the past 3 years or has  
22 announced a closure. At least one member shall be a  
23 representative of the owner or operator of a nuclear plant  
24 that either closed or has announced a closure. All meetings  
25 shall be accessible, with rotating locations, call-in options,

1 and materials and agendas circulated well in advance, and  
2 there shall also be opportunities for input outside of  
3 meetings from those with limited capacity and ability to  
4 attend, via one-on-one meetings, surveys, and calls.

5 Board members shall serve without compensation, but may be  
6 reimbursed for necessary expenses incurred in the performance  
7 of their duties from funds appropriated for that purpose. Each  
8 member appointed shall have at least 5 years of experience in  
9 business development, economic development, or workforce  
10 training. The Department shall provide administrative support  
11 to the Board, including the selection of a Department staff  
12 member to serve as a Board Liaison between the Department and  
13 the Advisory Board.

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

17 (1) reviewing applications and extensions for  
18 designation as an Empowerment Zone, including Department  
19 recommendations, testimony from public hearings, public  
20 comment, and supporting materials;

21 (2) voting to approve, disapprove, or modify  
22 applications for designation and extensions as an  
23 Empowerment Zone;

24 (3) the approval of tax credits under the Empowerment  
25 Zone Tax Credit Act; and

26 (4) modifying applications for designation or

1 extensions as an Empowerment Zone before approval.

2 (d) Within 60 days after submission of applications or tax  
3 credits, pursuant to subsection (c) of this Section, to the  
4 Board by the Department, the Board shall approve, disapprove,  
5 or modify applications for certification of regions as  
6 Empowerment Zones. If the Board does not take final action on a  
7 submission within 60 days after the submission, the  
8 application submitted by the Department shall be considered  
9 approved, and the regions proposed in the application shall be  
10 certified as Empowerment Zones.

11 Section 5-25. Incentives for business enterprises located  
12 within an Empowerment Zone.

13 (a) Business enterprises located in Empowerment Zones are  
14 eligible to receive an investment credit subject to the  
15 requirements of paragraph (1) of subsection (f) of Section 201  
16 of the Illinois Income Tax Act.

17 (b) Business enterprises are eligible to purchase building  
18 materials exempt from use and occupation taxes to be  
19 incorporated into their development projects within the  
20 Empowerment Zone when purchased from a retailer within the  
21 Empowerment Zone under Section 5k-5 of the Retailers'  
22 Occupation Tax Act.

23 (c) Business enterprises located in an Empowerment Zone  
24 that meet the qualifications of Section 9-222.1B of the Public  
25 Utilities Act are exempt, in part or in whole, from State and

1 local taxes on gas and electricity.

2 Section 5-30. State incentives regarding public services  
3 and physical infrastructure.

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

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

10 Section 5-35. Supporting impacted communities.

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

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

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

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

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

1 measure the revenue impacts of the energy transition.

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

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

18 (5) If the total amount of qualified proposals exceeds  
19 the available present and anticipated future funding in  
20 the Energy Community Reinvestment Fund, the Department may  
21 prorate payments to units of local government, or  
22 prioritize communities for investment based on severity of  
23 impact and environmental justice screens in coordination  
24 with the Commission on Environmental Justice, and input  
25 from stakeholders. The Department shall allocate funding  
26 in an equitable and effective manner. Nothing in this Act



1 shall be interpreted to infer that units of local  
2 government have a right to revenue replacement from the  
3 State.

4 (6) At least once every 2 years following the  
5 allocation of funds for this program, the Department shall  
6 publish a document available online detailing the  
7 allocation of funds, including a map that shows the  
8 geographic distribution of the funds and the locations of  
9 Empowerment Zones.

10 (c) The Department shall contact all units of local  
11 government in Empowerment Zones and provide information on the  
12 application process for funding under this Section and a  
13 reasonable estimate of total funding that will be available  
14 for this program. The Department shall request that  
15 applications for funding contain the information necessary for  
16 the Department to evaluate the fiscal impact of the energy  
17 transition on communities located in Empowerment Zones;  
18 however the Department shall allow for reasonable flexibility  
19 in the applications to accommodate local government units that  
20 may have less resources available to prepare an application.  
21 The Department shall, to the extent practical, assist local  
22 government units in the application process.

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

25 Section 5-40. Empowerment Task Forces.

1           (a) The Department and the Board shall work with local  
2 stakeholders in Empowerment Zones to support the convening of  
3 local Empowerment Task Forces.

4           (b) Local Empowerment Task Forces shall include a broad  
5 range of local stakeholders to inform transition needs and  
6 include, at a minimum, elected representatives from municipal  
7 and State governments, operators of local power plants or  
8 mines, multiple representatives from community-based  
9 organizations, local environmental, fish, or wildlife groups,  
10 organized labor, and the Illinois Environmental Protection  
11 Agency.

12           (c) The Board shall put forward requests for proposals for  
13 third-party facilitators for Task Forces in prioritized  
14 Empowerment Zones based on need and those facing recent or  
15 near-term retirements of plants or mines.

16           (d) The Department shall work with local Task Forces to  
17 develop local transition plans that identify economic,  
18 workforce, and environmental health needs with strategies to  
19 mitigate energy transition impacts and any accompanying  
20 funding requests from the Energy Community Reinvestment Fund.

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

25           Section 5-45. Energy Transition Workforce Commission.

1 (a) The Energy Transition Workforce Commission is hereby  
2 created within the Department of Commerce and Economic  
3 Opportunity.

4 (b) The Commission shall consist of the following members:

5 (1) the Director of Commerce and Economic Opportunity;

6 (2) the Director of Labor, or his or her designee, who  
7 shall serve as chairperson; and

8 (3) 5 members appointed by the Governor, with the  
9 advice and consent of the Senate, of which at least one  
10 shall be a representative of a local labor organization,  
11 at least one shall be a resident of an environmental  
12 justice community, at least one shall be a representative  
13 of a national labor organization, and at least one shall  
14 be a representative of the administrator of the workforce  
15 training program described in subsection (b) of Section  
16 16-108.13 of the Public Utilities Act.

17 Designees shall be appointed within 60 days after a  
18 vacancy.

19 (c) Members of the Commission shall serve without  
20 compensation, but may be reimbursed for necessary expenses  
21 incurred in the performance of their duties from funds  
22 appropriated for that purpose. The Department of Commerce and  
23 Economic Opportunity shall provide administrative support to  
24 the Commission.

25 (d) Within 240 days after the effective date of this Act,  
26 the Commission shall produce an Energy Transition Workforce

1 Report regarding the anticipated impact of the energy  
2 transition and a comprehensive set of recommendations to  
3 address changes to the Illinois workforce during the period of  
4 2020 through 2050, or a later year. The report shall contain  
5 the following elements, designed to be used for the programs  
6 created in this Act:

7 (1) Information related to the impact on current  
8 workers, including:

9 (A) a comprehensive accounting of all employees  
10 who currently work in fossil fuel energy generation,  
11 nuclear energy generation, and coal mining in the  
12 State; this shall include information on their  
13 location, employer, salary ranges, full-time or  
14 part-time status, nature of their work, educational  
15 attainment, union status, and other factors the  
16 Commission finds relevant; the Commission shall keep a  
17 confidential list of these employees and the  
18 information necessary to identify them for the purpose  
19 of their eligibility to participate in programs  
20 designed for their benefit;

21 (B) the anticipated schedule of closures of fossil  
22 fuel power plants, nuclear power plants, and coal  
23 mines across the State; when information is  
24 unavailable to provide exact data, the report shall  
25 include approximations based upon the best available  
26 information;

1 (C) an estimate of worker impacts due to scheduled  
2 closures, including layoffs, early retirements, salary  
3 changes, and other factors the Commission finds  
4 relevant; and

5 (D) the likely outcome for workers who are  
6 employed by facilities that are anticipated to close  
7 or have significant layoffs during their tenure or  
8 lifetime.

9 (2) Information regarding impact on communities and  
10 local governments, including:

11 (A) changes in the revenue for units of local  
12 government in areas that currently or recently have  
13 had a closure or reduction in operation of a fossil  
14 fuel power plant, nuclear power plant, coal mine, or  
15 related industry;

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

19 (C) economic impacts of the energy transition,  
20 including, but not limited to, the supply chain  
21 impacts of the energy transition shift toward new  
22 energy sources across the State.

23 (3) Information on emerging industries and State  
24 economic development opportunities in regions that have  
25 historically been the site of fossil fuel power plants,  
26 nuclear power plants, or coal mining.

1           (e) Following the completion of each report, or if the  
2 Department finds that it is prudent to begin before the  
3 completion of a report, the Department shall coordinate with  
4 the Commission to create a comprehensive draft plan for  
5 designing, maintaining, and funding programs established under  
6 this Act, including the Energy Workforce Development Program  
7 created under Section 5-50, the Energy Community Development  
8 Program created under Section 5-55, and the Displaced Energy  
9 Workers Bill of Rights provided under Section 5-60. The draft  
10 plan shall include, at a minimum, the following information:

11           (1) A detailed accounting of the anticipated costs for  
12 each program and the anticipated amount of funding that  
13 will be provided for each program.

14           (2) Information on the locations at which each program  
15 shall have services provided; if this information is not  
16 yet known by the Department at the time of the plan's  
17 drafting, the Department shall generally explain how they  
18 intend to determine the program locations.

19           Within 240 days after the effective date of this Act, the  
20 Department shall publish the draft plan online. The Department  
21 shall take public comments on the draft plan for a period of no  
22 less than 45 days and publish the final plan within 60 days  
23 after the closing of the comment period.

24           (f) The Department shall periodically review its findings  
25 in the developed reports and make modifications to the report  
26 and programs based on new findings. The Department shall

1 conduct a comprehensive reevaluation of the report, and  
2 publish a modified version along with a new draft plan, on each  
3 of the following years following initial publication: 2023;  
4 2027; 2030; 2035; 2040; and any year thereafter which the  
5 Department determines is necessary or prudent.

6 Section 5-50. Energy Workforce Development Program.

7 (a) The purpose of the Energy Workforce Development  
8 Program is to proactively assist energy workers in their  
9 search for economic opportunity.

10 (b) The Director of Commerce and Economic Opportunity  
11 shall design, develop, and administer the Energy Workforce  
12 Development Program. The Energy Workforce Development Program  
13 shall include the following elements:

14 (1) comprehensive career services for displaced energy  
15 workers, including advising displaced energy workers  
16 looking for new positions on finding new employment or  
17 preparing for retirement;

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

22 (3) administrative assistance for displaced energy  
23 workers in applying for programs provided by the State,  
24 the federal government, nonprofit organizations, or other  
25 programs that are designed to offer career or financial

1 assistance;

2 (4) the creation and maintenance of a registry of all  
3 persons in Illinois who qualify as an energy worker to use  
4 for coordination with programs created under this Act or  
5 other benefits for those workers, including all  
6 information necessary or beneficial for the implementation  
7 of this Act;

8 (5) the management of funding for services outlined in  
9 this Section; and

10 (6) financial advice for displaced energy workers  
11 designed to assist workers with retirement, a change in  
12 positions, pursuing an education, or other goals that the  
13 energy worker has identified.

14 (c) In administering the Energy Workforce Development  
15 Program, the Department shall develop and implement the  
16 Program with the following goals:

17 (1) to use the recommendations and information  
18 contained in the report created under Section 5-45 to  
19 proactively plan for each phase of the energy transition  
20 in Illinois;

21 (2) to increase access to the services contained in  
22 this Program by locating services in different regions of  
23 the State as dictated by the anticipated schedule of power  
24 plant and coal mine closures and regional economic  
25 changes;

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



1           (4) to design the Energy Workforce Development Program  
2 to work in collaboration with the Displaced Energy Workers  
3 Bill of Rights; and

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

5           Section 5-55. Energy Community Development Program.

6           (a) The purpose of the Energy Community Development  
7 Program is to proactively assist Empowerment Zone communities  
8 in their search for economic opportunities leading up to and  
9 after the closure of a fossil fuel power plant, nuclear power  
10 plant, or coal mine.

11           (b) The Director of Commerce and Economic Opportunity  
12 shall, subject to appropriation, administer the Energy  
13 Community Development Program. In administering the Energy  
14 Community Development Program, the Department shall:

15           (1) assist local governments in Empowerment Zones in  
16 finding private and public sector partners to invest in  
17 regional development;

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

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

24           (4) conduct outreach and educational events for  
25 private sector organizations for the purpose of attracting

1 investment in Empowerment Zones; and

2 (5) gather and incorporate public comment and feedback  
3 so that local knowledge, priorities, and strengths help  
4 shape and guide private and public development.

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

8 (1) to increase private sector development in  
9 Empowerment Zones;

10 (2) to replace and improve employment opportunities in  
11 Empowerment Zones for community members;

12 (3) to provide resources for Empowerment Zone  
13 communities across the State, and avoid geographic  
14 preferences in the allocation of resources; and

15 (4) to create a healthful environment for community  
16 members in Empowerment Zones.

17 Section 5-60. Displaced Energy Workers Bill of Rights.

18 (a) The Department shall implement the Displaced Energy  
19 Workers Bill of Rights and shall be responsible for the  
20 implementation of the Displaced Energy Workers Bill of Rights  
21 programs and rights created under this Section. The Department  
22 shall provide the following benefits to displaced energy  
23 workers listed in paragraphs (1) through (4) of this  
24 subsection:

25 (1) Advance notice of power plant or coal mine

1 closure.

2 (A) The Department shall notify all energy workers  
3 of the upcoming closure of any qualifying facility as  
4 far in advance of the scheduled closing date as it can.

5 (B) In providing the advance notice described in  
6 this paragraph (1), the Department shall take  
7 reasonable steps to ensure that all displaced energy  
8 workers are educated on the various programs available  
9 through the Department to assist with the energy  
10 transition.

11 (2) Employment assistance and career services. The  
12 Department shall provide displaced energy workers with  
13 assistance in finding new sources of employment through  
14 the Energy Workforce Development Program established in  
15 this Act.

16 (3) Full-tuition scholarship for Illinois institutions  
17 and trade schools.

18 (A) The Department shall provide any displaced  
19 energy worker with a full-tuition scholarship to any  
20 of the following programs: (i) public universities in  
21 this State; (ii) trade schools in this State; (iii)  
22 community college programs in this State; or (iv)  
23 union training programs in this State. The Department  
24 may set cost caps on the maximum amount of tuition that  
25 may be funded.

26 (B) The Department shall provide information and

1           consultation to displaced energy workers on the  
2           various educational opportunities available through  
3           this Program, and advise workers on which  
4           opportunities meet their needs and preferences.

5           (C) Displaced energy workers who are eligible for  
6           scholarships created under this Section by the date of  
7           their enrollment shall be considered eligible for  
8           scholarship funding for up to 4 years or until  
9           completion of their degree or certification, whichever  
10          is the shorter duration.

11          (4) Financial Planning Services. Displaced energy  
12          workers shall be entitled to services as described in the  
13          energy worker Programs in this subsection, including  
14          financial planning services.

15          (5) Insurance Alternatives. Displaced energy workers  
16          shall be entitled to 24 months of insurance coverage that  
17          (A) costs no more than the average monthly premium paid by  
18          the worker over the last 12 months and (B) offers the same  
19          level of benefits, including, but not limited to,  
20          coverage, in-network providers, deductibles, and  
21          copayments covered during the previous 12 months.

22          (b) The owners of power plants with a nameplate capacity  
23          of greater than 300 megawatts and the owners of coal mines  
24          located in Illinois shall be required to comply with the  
25          requirements set out in this subsection (b). The owners shall  
26          be required to take the following actions:

1           (1) provide employment information for energy workers;  
2           prior to the closure of an electric generating unit or  
3           mine, the owners of the power plant or mine shall provide  
4           energy workers information on whether there are employment  
5           opportunities provided by their employer; and

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

11          Section 5-65. Consideration of energy worker employment.

12          (a) All State departments and agencies shall conduct a  
13          review of the Department of Commerce and Economic  
14          Opportunity's registry of energy workers to determine whether  
15          any qualified candidates are displaced energy workers before  
16          making a final hiring decision for a position in State  
17          employment.

18          (b) The Department of Commerce and Economic Opportunity  
19          shall inform all State agencies and departments of the  
20          obligations created by this Section and take steps to ensure  
21          compliance.

22          (c) Nothing in this Section shall be interpreted to  
23          indicate that the State is required to hire displaced energy  
24          workers for any position.

25          (d) No part of this Section shall be interpreted to be in

1 conflict with federal or State civil rights or employment law.

2 Section 5-70. Energy Community Reinvestment Fund.

3 (a) The General Assembly hereby declares that management  
4 of several economic development programs requires a  
5 consolidated funding source to improve resource efficiency.  
6 The General Assembly specifically recognizes that properly  
7 serving communities and workers impacted by the energy  
8 transition requires that the Department have access to the  
9 resources required for the execution of the programs in the  
10 Energy Community Reinvestment Act.

11 The intent of the General Assembly is that the Energy  
12 Community Reinvestment Fund is able to provide all funding for  
13 development programs created in the Energy Community  
14 Reinvestment Act, and that no additional charge is borne by  
15 the taxpayers or utility customers of Illinois absent a  
16 deficiency.

17 (b) The Energy Community Reinvestment Fund is created as a  
18 special fund in the State treasury to be used by the Department  
19 for purposes provided under this Section. The Fund shall be  
20 used to fund programs specified under subsection (c). The  
21 objective of the Fund is to provide transition benefits as  
22 described in this Act to displaced energy workers and to bring  
23 economic development to communities in this State in a manner  
24 that equitably maximizes economic opportunity in all  
25 communities by increasing efficiency of resource allocation

1 across the programs listed in subsection (c). The Department  
2 shall include a description of its proposed approach to the  
3 design, administration, implementation, and evaluation of the  
4 Fund, as part of the Energy Transition Workforce Plan  
5 described in this Act. Contracts that will be paid with moneys  
6 in the Fund shall be executed by the Department.

7 (c) The Department shall be responsible for the  
8 administration of the Fund and shall allocate funding on the  
9 basis of priorities established in this Section. Each year,  
10 the Department shall determine the available amount of  
11 resources in the Fund that can be allocated to the programs  
12 identified in this Section, and allocate the funding  
13 accordingly. The Department shall, to the extent practical,  
14 consider both the short-term and long-term costs of the  
15 programs and allocate, save, or invest funding so that the  
16 Department is able to cover both the short-term and long-term  
17 costs of these programs using projected revenue.

18 The available funding for each year shall be allocated  
19 from the Fund in the following order of priority:

20 (1) for costs related to the Energy Community  
21 Development programs in this Act, up to \$2,000,000;

22 (2) for costs related to the Energy Workforce  
23 Development programs and the Displaced Energy Workers Bill  
24 of Rights in this Act, including all programs created by  
25 the Energy Transition Workforce Commission, up to  
26 \$13,000,000 annually; and

1           (3) for costs, up to \$100,000,000 annually, to support  
2           units of local government in Empowerment Zones, as  
3           described in Section 5-35.

4           (d) The Department shall, on an ongoing basis, seek out  
5           and apply for funding from alternative sources to cover the  
6           costs of these programs. Alternative sources may include the  
7           federal government, other State programs, funding provided  
8           through subsection (d-16) of Section 1-75 of the Illinois  
9           Power Agency Act, private foundations, donors, or other  
10          opportunities for funding. The Department shall, as described  
11          in subsection (c), use any additional funding obtained for  
12          these programs to reduce or eliminate any costs borne by  
13          taxpayers and utility customers.

14          (e) Notwithstanding any other law to the contrary, the  
15          Energy Community Reinvestment Fund is not subject to sweeps,  
16          administrative chargebacks, or any other fiscal or budgetary  
17          maneuver that would in any way transfer any amounts from the  
18          Energy Community Reinvestment Fund into any other fund of the  
19          State.

20          (f) The Department is granted all powers necessary for the  
21          implementation of this Section.

22          Section 5-75. Administrative review. All final  
23          administrative decisions, including, but not limited to,  
24          funding allocation and rules issued by the Department under  
25          this Act are subject to judicial review under the



1 Administrative Review Law. No action may be commenced under  
2 this Section prior to 60 days after the complainant has given  
3 notice in writing of the action to the Department.

4 Article 10. Empowerment Zone Tax Credit Act

5 Section 10-1. Short title. This Article may be cited as  
6 the Empowerment Zone Tax Credit Act. References in this  
7 Article to "this Act" mean this Article.

8 Part 1.

9 Section 10-100. Definitions. As used in this Part 1:

10 "Applicant" means a person that is operating a business  
11 located within the State of Illinois and has applied for an  
12 income tax credit through a program under this Act.

13 "Basic wage" means compensation for employment that meets  
14 the prevailing wage standards as defined by the Department.

15 "Certificate" means the tax credit certificate issued by  
16 the Department under Section 10-125.

17 "Certificate of eligibility" means the certificate issued  
18 by the Department under Section 10-110.

19 "Credit" means the amount awarded by the Department to an  
20 applicant by issuance of a certificate under Section 10-125  
21 for each new full-time equivalent employee hired or job  
22 created.

1 "Department" means the Department of Commerce and Economic  
2 Opportunity.

3 "Director" means the Director of Commerce and Economic  
4 Opportunity.

5 "Former energy worker" means an individual who is  
6 employed, or was employed, at a fossil fuel power plant,  
7 nuclear power plant, or coal mine, and is listed in the  
8 registry of energy workers developed by the Department of  
9 Commerce and Economic Opportunity pursuant to Section 5-50 of  
10 the Energy Community Reinvestment Act.

11 "Full-time employee" means an individual who is employed  
12 at a prevailing wage for at least 35 hours each week, and  
13 provided standard worker benefits, or who renders any other  
14 standard of service generally accepted by industry custom or  
15 practice as full-time employment. An individual for whom a W-2  
16 is issued by a Professional Employer Organization is a  
17 full-time employee if he or she is employed in the service of  
18 the applicant for a basic wage for at least 35 hours each week  
19 or renders any other standard of service generally accepted by  
20 industry custom or practice as full-time employment. For the  
21 purposes of this Act, such an individual shall be considered a  
22 full-time employee of the applicant.

23 "Incentive period" means the period beginning on July 1  
24 and ending on June 30 of the following year. The first  
25 incentive period shall begin on July 1, 2021 and the last  
26 incentive period shall end on June 30, 2040.

1 "New employee" means a full-time employee:

2 (1) who first became employed by an applicant within  
3 the incentive period whose hire results in a net increase  
4 in the applicant's full-time Illinois employees and who is  
5 receiving a prevailing wage as compensation; and

6 (2) who was previously employed in a fossil fuel power  
7 plant, nuclear power plant, or coal mine in the State of  
8 Illinois that has since closed.

9 "New employee" does not include:

10 (1) a person who was previously employed in Illinois  
11 by the applicant or a related member, unless the new  
12 employee is hired for site remediation work; or

13 (2) a person who has a direct or indirect ownership  
14 interest of at least 5% in the profits, capital, or value  
15 of the applicant or a related member; or

16 (3) a person who has been hired to assist in the  
17 production of fossil fuel derived energy directly or  
18 indirectly, unless that person has been hired to assist in  
19 the deconstruction of a fossil fuel power plant, the  
20 deconstruction of a coal mine, the remediation of a site  
21 formerly used for fossil fuel power production, or the  
22 remediation of a coal mine.

23 "Noncompliance date" means, in the case of an applicant  
24 that is not complying with the requirements of this Act, the  
25 day following the last date upon which the taxpayer was in  
26 compliance with the requirements of this Act, as determined by

1 the Director under Section 10-135.

2 "Professional Employer Organization" has the same meaning  
3 as ascribed to that term under Section 5-5 of the Economic  
4 Development for a Growing Economy Tax Credit Act.

5 "Professional Employer Organization" does not include a day  
6 and temporary labor service agency regulated under the Day and  
7 Temporary Labor Services Act.

8 "Related member" means a person that, with respect to the  
9 applicant's annual incentive period, is any one of the  
10 following:

11 (1) An individual, if the individual and the members  
12 of the individual's family, as defined in Section 318 of  
13 the Internal Revenue Code, own directly, indirectly,  
14 beneficially, or constructively, in the aggregate, at  
15 least 50% of the value of the outstanding profits,  
16 capital, stock, or other ownership interest in the  
17 applicant.

18 (2) A partnership, estate, or trust and any partner or  
19 beneficiary, if the partnership, estate, or trust and its  
20 partners or beneficiaries own directly, indirectly,  
21 beneficially, or constructively, in the aggregate, at  
22 least 50% of the profits, capital, stock, or other  
23 ownership interest in the applicant.

24 (3) A corporation, and any party related to the  
25 corporation, in a manner that would require an attribution  
26 of stock from the corporation under the attribution rules

1 of Section 318 of the Internal Revenue Code, if the  
2 applicant and any other related member own, in the  
3 aggregate, directly, indirectly, beneficially, or  
4 constructively, at least 50% of the value of the  
5 corporation's outstanding stock.

6 (4) A corporation and any party related to that  
7 corporation in a manner that would require an attribution  
8 of stock from the corporation to the party or from the  
9 party to the corporation under the attribution rules of  
10 Section 318 of the Internal Revenue Code, if the  
11 corporation and all such related parties own, in the  
12 aggregate, at least 50% of the profits, capital, stock, or  
13 other ownership interest in the applicant.

14 (5) A person to or from whom there is attribution of  
15 stock ownership in accordance with subsection (e) of  
16 Section 1563 of the Internal Revenue Code, except that for  
17 purposes of determining whether a person is a related  
18 member under this paragraph (5):

19 (A) stock owned, directly or indirectly, by or for  
20 a partnership shall be considered as owned by any  
21 partner having an interest of 20% or more in either the  
22 capital or profits of the partnership in proportion to  
23 his or her interest in capital or profits, whichever  
24 such proportion is the greater;

25 (B) stock owned, directly or indirectly, by or for  
26 an estate or trust shall be considered as owned by any

1 beneficiary who has an actuarial interest of 20% or  
2 more in such stock, to the extent of such actuarial  
3 interest. For purposes of this subparagraph, the  
4 actuarial interest of each beneficiary shall be  
5 determined by assuming the maximum exercise of  
6 discretion by the fiduciary in favor of such  
7 beneficiary and the maximum use of such stock to  
8 satisfy his or her rights as a beneficiary; and

9 (C) stock owned, directly or indirectly, by or for  
10 a corporation shall be considered as owned by any  
11 person who owns 20% or more in value of its stock in  
12 that proportion which the value of the stock which the  
13 person so owns bears to the value of all the stock in  
14 the corporation.

15 Section 10-105. Powers of the Department. The Department,  
16 in addition to those powers granted under the Civil  
17 Administrative Code of Illinois, is granted and shall have all  
18 the powers necessary or convenient to carry out and effectuate  
19 the purposes and provisions of this Act, including, but not  
20 limited to, power and authority to:

21 (1) Adopt rules deemed necessary and appropriate for  
22 the administration of this Act; establish forms for  
23 applications, notifications, contracts, or any other  
24 agreements; and accept applications at any time during the  
25 year and require that all applications be submitted

1 electronically through the Internet.

2 (2) Provide guidance and assistance to applicants  
3 under the provisions of this Act, and cooperate with  
4 applicants to promote, foster, and support job creation  
5 within this State.

6 (3) Enter into agreements and memoranda of  
7 understanding for participation of and engage in  
8 cooperation with agencies of the federal government, units  
9 of local government, universities, research foundations or  
10 institutions, regional economic development corporations,  
11 or other organizations for the purposes of this Act.

12 (4) Gather information and conduct inquiries, in the  
13 manner and by the methods it deems desirable, including,  
14 without limitation, gathering information with respect to  
15 applicants for the purpose of making any designations or  
16 certifications necessary or desirable or to gather  
17 information in furtherance of the purposes of this Act.

18 (5) Establish, negotiate, and effectuate any term,  
19 agreement, or other document with any person necessary or  
20 appropriate to accomplish the purposes of this Act, and  
21 consent, subject to the provisions of any agreement with  
22 another party, to the modification or restructuring of any  
23 agreement to which the Department is a party.

24 (6) Provide for sufficient personnel to permit  
25 administration, staffing, operation, and related support  
26 required to adequately discharge its duties and

1 responsibilities described in this Act from funds made  
2 available through charges to applicants or from funds as  
3 may be appropriated by the General Assembly for the  
4 administration of this Act.

5 (7) Require applicants, upon written request, to issue  
6 any necessary authorization to the appropriate federal,  
7 State, or local authority or any other person for the  
8 release to the Department of information requested by the  
9 Department, with the information requested to include, but  
10 not be limited to, financial reports, returns, or records  
11 relating to the applicant or to the amount of credit  
12 allowable under this Act.

13 (8) Require that an applicant shall at all times keep  
14 proper books of record and account in accordance with  
15 generally accepted accounting principles consistently  
16 applied, with the books, records, or papers related to the  
17 agreement in the custody or control of the applicant open  
18 for reasonable Department inspection and audits, and  
19 including, without limitation, the making of copies of the  
20 books, records, or papers.

21 (9) Take whatever actions are necessary or appropriate  
22 to protect the State's interest in the event of  
23 bankruptcy, default, foreclosure, or noncompliance with  
24 the terms and conditions of financial assistance or  
25 participation required under this Act, including the power  
26 to sell, dispose of, lease, or rent, upon terms and



1 conditions determined by the Director to be appropriate,  
2 real or personal property that the Department may recover  
3 as a result of these actions.

4 Section 10-110. Certificate of eligibility for tax credit.

5 (a) An applicant that has hired a former energy worker as a  
6 new employee during the incentive period may apply for a  
7 certificate of eligibility for the credit with respect to that  
8 position on or after the date of hire of the new employee. The  
9 date of hire shall be the first day on which the employee  
10 begins providing services for basic wage compensation.

11 (b) An applicant may apply for a certificate of  
12 eligibility for the credit for more than one new employee on or  
13 after the date of hire of each qualifying new employee.

14 (c) After receipt of an application under this Section,  
15 the Department shall issue a certificate of eligibility to the  
16 applicant that states the following:

17 (1) the date and time on which the application was  
18 received by the Department and an identifying number  
19 assigned to the applicant by the Department;

20 (2) the maximum amount of the credit the applicant  
21 could potentially receive under this Act with respect to  
22 the new employees listed on the application; and

23 (3) the maximum amount of the credit potentially  
24 allowable on certificates of eligibility issued for  
25 applications received prior to the application for which

1 the certificate of eligibility is issued.

2 Section 10-115. Tax credit.

3 (a) Subject to the conditions set forth in this Act, an  
4 applicant is entitled to a credit against payment of taxes  
5 withheld under Section 704A of the Illinois Income Tax Act:

6 (1) for former energy workers hired as new employees  
7 who the applicant hires and retains for a minimum of one  
8 year; and

9 (2) in the amount of:

10 (A) 30% of the salary paid to the new employee for  
11 employees hired and retained for between the time of  
12 hiring and one year;

13 (B) 25% of the salary paid to the new employee for  
14 employees hired and retained between one year and 2  
15 years; and

16 (C) 20% of the salary paid to the new employee for  
17 employees hired and retained between 2 years and 3  
18 years.

19 (b) The Department shall make credit awards under this Act  
20 to further job creation.

21 (c) The credit shall be claimed for the first calendar  
22 year ending on or after the date on which the certificate is  
23 issued by the Department.

24 (d) The net increase in full-time Illinois employees,  
25 measured on an annual full-time equivalent basis, shall be the

1 total number of full-time Illinois employees of the applicant  
2 on the final day of the incentive period, minus the number of  
3 full-time Illinois employees employed by the employer on the  
4 first day of that same incentive period. For purposes of the  
5 calculation, an employer that begins doing business in this  
6 State during the incentive period, as determined by the  
7 Director, shall be treated as having zero Illinois employees  
8 on the first day of the incentive period.

9 (e) The net increase in the number of full-time Illinois  
10 employees of the applicant under subsection (d) must be  
11 sustained continuously for at least 12 months, starting with  
12 the date of hire of a new employee during the incentive period.  
13 Eligibility for the credit does not depend on the continuous  
14 employment of any particular individual. For purposes of this  
15 subsection (e), if a new employee ceases to be employed before  
16 the completion of the 12-month period for any reason, the net  
17 increase in the number of full-time Illinois employees shall  
18 be treated as continuous if a different new employee is hired  
19 as a replacement within a reasonable time for the same  
20 position. The new employees must be hired to fill positions  
21 that the applicant reasonably anticipates will be available  
22 for the new employee as a long-term position. For the purposes  
23 of this subsection (e), "long-term position" means a position  
24 that will be available for 3 years or longer.

25 (f) The Department shall adopt rules to enable an  
26 applicant for which a Professional Employer Organization has

1 been contracted to issue W-2s and make payment of taxes  
2 withheld under Section 704A of the Illinois Income Tax Act for  
3 new employees to retain the benefit of tax credits to which the  
4 applicant is otherwise entitled under this Act.

5 Section 10-120. Maximum amount of credits allowed. The  
6 Department shall limit the monetary amount of credits awarded  
7 under this Act to no more than \$25,000,000 annually during the  
8 incentive period. If applications for a greater amount are  
9 received, credits shall be allowed on a first-come,  
10 first-served basis, based on the date on which each properly  
11 completed application for a certificate of eligibility is  
12 received by the Department. If more than one certificate of  
13 eligibility is received on the same day, the credits shall be  
14 awarded based on the time of submission for that particular  
15 day.

16 Section 10-125. Application for award of tax credit; tax  
17 credit certificate.

18 (a) On or after the conclusion of the 12-month period, or  
19 other period, after a new employee has been hired, for the  
20 purposes of subsection (a) of Section 10-115, an applicant  
21 shall file with the Department an application for award of a  
22 credit. The application shall include the following:

23 (1) the names, Social Security numbers, job  
24 descriptions, salary or wage rates, and dates of hire of

1 the new employees with respect to whom the credit is being  
2 requested;

3 (2) a certification that each new employee listed has  
4 been retained on the job for at least one year from the  
5 date of hire;

6 (3) the number of new employees hired by the applicant  
7 during the incentive period;

8 (4) the net increase in the number of full-time  
9 Illinois employees of the applicant, including the new  
10 employees listed in the request, between the beginning of  
11 the incentive period and the dates on which the new  
12 employees listed in the request were hired;

13 (5) an agreement that the Director is authorized to  
14 verify with the appropriate State agencies the information  
15 contained in the request before issuing a certificate to  
16 the applicant; and

17 (6) any other information the Department determines to  
18 be appropriate.

19 (b) Although an application may be filed at any time after  
20 the conclusion of the 12-month period after a new employee was  
21 hired, an application filed more than 90 days after the  
22 earliest date on which it could have been filed shall not be  
23 awarded any credit if, prior to the date it is filed, the  
24 Department has received applications under this Section for  
25 credits totaling more than \$30,000,000.

26 (c) The Department shall issue a certificate to each

1 applicant awarded a credit under this Act. The certificate  
2 shall include the following:

3 (1) the name and taxpayer identification number of the  
4 applicant;

5 (2) the date on which the certificate is issued;

6 (3) the credit amount that will be allowed; and

7 (4) any other information the Department determines to  
8 be appropriate.

9 Section 10-130. Submission of tax credit certificate to  
10 the Department of Revenue. An applicant claiming a credit  
11 under this Act shall submit to the Department of Revenue a copy  
12 of each certificate issued under Section 10-125 with the first  
13 tax return for which the credit shown on the certificate is  
14 claimed. Failure to submit a copy of the certificate with the  
15 applicant's tax return shall not invalidate a claim for a  
16 credit.

17 Section 10-135. Administrative review.

18 (a) If the Director determines that an applicant who has  
19 received a credit under this Act is not complying with the  
20 requirements of this Act, the Director shall provide notice to  
21 the applicant of the alleged noncompliance, and allow the  
22 taxpayer a hearing under the provisions of the Illinois  
23 Administrative Procedure Act. If, after the notice and  
24 hearing, the Director determines that noncompliance exists,

1 the Director shall issue to the Department of Revenue notice  
2 to that effect, and state the date of noncompliance.

3 (b) All final administrative decisions, including, but not  
4 limited to, funding allocation and rules issued by the  
5 Department under this Act are subject to judicial review under  
6 the Administrative Review Law. No action may be commenced  
7 under this Section prior to 60 days after the complainant has  
8 given notice in writing of the action to the Department.

9 Section 10-140. Rules. The Department may adopt rules  
10 necessary to implement this Part 1. The rules may provide for  
11 recipients of credits under this Part 1 to be charged fees to  
12 cover administrative costs of the tax credit program.

13 Part 2.

14 Section 10-200. Definitions. As used in this Part 2:

15 "Agreement" means the agreement between a taxpayer and the  
16 Department entered into for a tax credit awarded under Section  
17 10-210.

18 "Applicant" means a taxpayer operating a business  
19 enterprise, as determined under the Energy Community  
20 Reinvestment Act, located within or that the business  
21 enterprise plans to locate within an Empowerment Zone.

22 "Applicant" does not include a taxpayer who closes or  
23 substantially reduces an operation at one location in this

1 State and relocates substantially the same operation to a  
2 location in an Empowerment Zone. A taxpayer is not prohibited  
3 from expanding its operations at a location in an Empowerment  
4 Zone, provided that existing operations of a similar nature  
5 located within the State are not closed or substantially  
6 reduced. A taxpayer is also not prohibited from moving  
7 operations from one location in this State to an Empowerment  
8 Zone for the purpose of expanding the operation provided that  
9 the Department determines that expansion cannot reasonably be  
10 accommodated within the municipality in which the business is  
11 located, or in the case of a business located in an  
12 incorporated area of the county, within the county in which  
13 the business is located, after conferring with the chief  
14 elected official of the municipality or county and taking into  
15 consideration any evidence offered by the municipality or  
16 county regarding the ability to accommodate expansion within  
17 the municipality or county.

18 "Board" means the Empowerment Zone Board created under  
19 Section 5-20 of the Illinois Energy Community Reinvestment  
20 Act.

21 "Credit" means the amount agreed to between the Department  
22 and the Applicant under this Act, but not to exceed the lesser  
23 of: (1) the sum of (i) 50% of the incremental income tax  
24 attributable to new employees at the applicant's project and  
25 (ii) 10% of the training costs of new employees; or (2) 100% of  
26 the incremental income tax attributable to new employees at



1 the applicant's project. If the project is located in an  
2 underserved area, then the amount of the credit may not exceed  
3 the lesser of: (1) the sum of (i) 75% of the incremental income  
4 tax attributable to new employees at the applicant's project  
5 and (ii) 10% of the training costs of new employees; or (2)  
6 100% of the incremental income tax attributable to new  
7 employees at the applicant's project. If an applicant agrees  
8 to hire the required number of new employees, then the maximum  
9 amount of the credit for that applicant may be increased by an  
10 amount not to exceed 25% of the incremental income tax  
11 attributable to retained employees at the applicant's project;  
12 provided that, in order to receive the increase for retained  
13 employees, the applicant must provide the additional evidence  
14 required under paragraph (3) of subsection (c) of Section  
15 10-215.

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

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

20 "Full-time employee" means an individual who is employed  
21 for consideration for at least 35 hours each week or who  
22 renders any other standard of service generally accepted by  
23 industry custom or practice as full-time employment. An  
24 individual for whom a W-2 is issued by a Professional Employer  
25 Organization is a full-time employee if employed in the  
26 service of the applicant for consideration for at least 35

1 hours each week or who renders any other standard of service  
2 generally accepted by industry custom or practice as full-time  
3 employment to the applicant.

4 "Incremental income tax" means the total amount withheld  
5 during the taxable year from the compensation of new employees  
6 and, if applicable, retained employees under Article 7 of the  
7 Illinois Income Tax Act arising from employment at a project  
8 that is the subject of an agreement.

9 "New employee" means a full-time employee first employed  
10 by a taxpayer in the project that is the subject of an  
11 agreement and who is hired after the taxpayer enters into the  
12 agreement.

13 "New employee" does not include:

14 (1) an employee of the taxpayer who performs a job  
15 that was previously performed by another employee, if that  
16 job existed for at least 6 months before hiring the  
17 employee;

18 (2) an employee of the taxpayer who was previously  
19 employed in Illinois by a related member of the taxpayer  
20 and whose employment was shifted to the taxpayer after the  
21 taxpayer entered into the agreement; or

22 (3) a child, grandchild, parent, or spouse, other than  
23 a spouse who is legally separated from the individual, of  
24 any individual who has a direct or an indirect ownership  
25 interest of at least 5% in the profits, capital, or value  
26 of the taxpayer.

1           Notwithstanding any other provisions of this Section, an  
2 employee may be considered a new employee under the agreement  
3 if the employee performs a job that was previously performed  
4 by an employee who was: (i) treated under the agreement as a  
5 new employee; and (ii) promoted by the taxpayer to another  
6 job.

7           Notwithstanding any other provisions of this Section, the  
8 Department may award a credit to an applicant with respect to  
9 an employee hired prior to the date of the agreement if: (i)  
10 the applicant is in receipt of a letter from the Department  
11 stating an intent to enter into a credit agreement; (ii) the  
12 letter described in item (i) of this paragraph is issued by the  
13 Department not later than 15 days after the effective date of  
14 this Act; and (iii) the employee was hired after the date the  
15 letter described in item (i) of this paragraph was issued.

16           "Pass-through entity" means an entity that is exempt from  
17 the tax under subsection (b) or (c) of Section 205 of the  
18 Illinois Income Tax Act.

19           "Related member" means a person that, with respect to the  
20 taxpayer during any portion of the taxable year, is any one of  
21 the following:

22           (1) An individual stockholder, if the stockholder and  
23 the members of the stockholder's family, as defined in  
24 Section 318 of the Internal Revenue Code, own directly,  
25 indirectly, beneficially, or constructively, in the  
26 aggregate, at least 50% of the value of the taxpayer's

1 outstanding stock.

2 (2) A partnership, estate, or trust and any partner or  
3 beneficiary, if the partnership, estate, or trust, and its  
4 partners or beneficiaries own directly, indirectly,  
5 beneficially, or constructively, in the aggregate, at  
6 least 50% of the profits, capital, stock, or value of the  
7 taxpayer.

8 (3) A corporation, and any party related to the  
9 corporation in a manner that would require an attribution  
10 of stock from the corporation to the party or from the  
11 party to the corporation under the attribution rules of  
12 Section 318 of the Internal Revenue Code, if the taxpayer  
13 owns directly, indirectly, beneficially, or constructively  
14 at least 50% of the value of the corporation's outstanding  
15 stock.

16 (4) A corporation and any party related to that  
17 corporation in a manner that would require an attribution  
18 of stock from the corporation to the party or from the  
19 party to the corporation under the attribution rules of  
20 Section 318 of the Internal Revenue Code, if the  
21 corporation and all such related parties own in the  
22 aggregate at least 50% of the profits, capital, stock, or  
23 value of the taxpayer.

24 (5) A person to or from whom there is attribution of  
25 stock ownership in accordance with subsection (e) of  
26 Section 1563 of the Internal Revenue Code, except that for

1 purposes of determining whether a person is a related  
2 member under this paragraph (5):

3 (A) stock owned, directly or indirectly, by or for  
4 a partnership shall be considered as owned by any  
5 partner having an interest of 20% or more in either the  
6 capital or profits of the partnership in proportion to  
7 his or her interest in capital or profits, whichever  
8 such proportion is the greater;

9 (B) stock owned, directly or indirectly, by or for  
10 an estate or trust shall be considered as owned by any  
11 beneficiary who has an actuarial interest of 20% or  
12 more in such stock, to the extent of such actuarial  
13 interest. For purposes of this subparagraph, the  
14 actuarial interest of each beneficiary shall be  
15 determined by assuming the maximum exercise of  
16 discretion by the fiduciary in favor of such  
17 beneficiary and the maximum use of such stock to  
18 satisfy his or her rights as a beneficiary; and

19 (C) stock owned, directly or indirectly, by or for  
20 a corporation shall be considered as owned by any  
21 person who owns 20% or more in value of its stock in  
22 that proportion which the value of the stock which the  
23 person so owns bears to the value of all the stock in  
24 the corporation.

25 "Taxpayer" means an individual, corporation, partnership,  
26 or other entity that has any Illinois income tax liability.

1 "Underserved area" means a geographic area that meets one  
2 or more of the following conditions:

3 (1) the area has a poverty rate of at least 20%  
4 according to the latest federal decennial census;

5 (2) 75% or more of the children in the area  
6 participate in the federal free lunch program according to  
7 reported statistics from the State Board of Education;

8 (3) at least 20% of the households in the area receive  
9 assistance under the Supplemental Nutrition Assistance  
10 Program; or

11 (4) the area has an average unemployment rate, as  
12 determined by the Department of Employment Security, that  
13 is more than 120% of the national unemployment average, as  
14 determined by the United States Department of Labor, for a  
15 period of at least 2 consecutive calendar years preceding  
16 the date of the application.

17 Section 10-205. Powers of the Department. The Department,  
18 in addition to those powers granted under the Civil  
19 Administrative Code of Illinois and Part 1 of this Act, is  
20 granted and has all the powers necessary or convenient to  
21 carry out and effectuate the purposes and provisions of this  
22 Act, including, but not limited to, power and authority to:

23 (1) Adopt rules deemed necessary and appropriate for  
24 the administration of programs; establish forms for  
25 applications, notifications, contracts, or any other

1 agreements; and accept applications at any time during the  
2 year.

3 (2) Provide and assist taxpayers pursuant to the  
4 provisions of this Act, and cooperate with taxpayers that  
5 are parties to agreements to promote, foster, and support  
6 economic development, capital investment, and job creation  
7 or retention within the Empowerment Zone.

8 (3) Enter into agreements and memoranda of  
9 understanding for participation of and engage in  
10 cooperation with agencies of the federal government, units  
11 of local government, universities, research foundations or  
12 institutions, regional economic development corporations,  
13 or other organizations for the purposes of this Act.

14 (4) Gather information and conduct inquiries, in the  
15 manner and by the methods as it deems desirable,  
16 including, without limitation, gathering information with  
17 respect to applicants for the purpose of making any  
18 designations or certifications necessary or desirable or  
19 to gather information to assist the Board with any  
20 recommendation or guidance in the furtherance of the  
21 purposes of this Act.

22 (5) Establish, negotiate and effectuate any term,  
23 agreement or other document with any person, necessary or  
24 appropriate to accomplish the purposes of this Act, and  
25 consent, subject to the provisions of any agreement with  
26 another party, to the modification or restructuring of any

1 agreement to which the Department is a party.

2 (6) Fix, determine, charge, and collect any premiums,  
3 fees, charges, costs, and expenses from applicants,  
4 including, without limitation, any application fees,  
5 commitment fees, program fees, financing charges, or  
6 publication fees as deemed appropriate to pay expenses  
7 necessary or incident to the administration, staffing, or  
8 operation in connection with the Department's or Board's  
9 activities under this Act, or for preparation,  
10 implementation, and enforcement of the terms of the  
11 agreement, or for consultation, advisory and legal fees,  
12 and other costs. All fees and expenses incident thereto  
13 shall be the responsibility of the applicant.

14 (7) Provide for sufficient personnel to permit  
15 administration, staffing, operation, and related support  
16 required to adequately discharge its duties and  
17 responsibilities described in this Act from funds made  
18 available through charges to applicants or from funds as  
19 may be appropriated by the General Assembly for the  
20 administration of this Act.

21 (8) Require applicants, upon written request, to issue  
22 any necessary authorization to the appropriate federal,  
23 State, or local authority for the release of information  
24 concerning a project being considered under the provisions  
25 of this Act, with the information requested to include,  
26 but not be limited to, financial reports, returns, or



1 records relating to the taxpayer or its project.

2 (9) Require that a taxpayer shall at all times keep  
3 proper books of record and account in accordance with  
4 generally accepted accounting principles consistently  
5 applied, with the books, records, or papers related to the  
6 agreement in the custody or control of the taxpayer open  
7 for reasonable Department inspection and audits, and  
8 including, without limitation, the making of copies of the  
9 books, records, or papers, and the inspection or appraisal  
10 of any of the taxpayer or project assets.

11 (10) Take whatever actions are necessary or  
12 appropriate to protect the State's interest in the event  
13 of bankruptcy, default, foreclosure, or noncompliance with  
14 the terms and conditions of financial assistance or  
15 participation required under this Act, including the power  
16 to sell, dispose, lease, or rent, upon terms and  
17 conditions determined by the Director to be appropriate,  
18 real or personal property that the Department may receive  
19 as a result of these actions.

20 Section 10-210. Tax credit awards.

21 (a) Subject to the conditions set forth in this Act, a  
22 taxpayer is entitled to a credit against or, as described in  
23 subsection (g), a payment toward taxes imposed pursuant to  
24 subsections (a) and (b) of Section 201 of the Illinois Income  
25 Tax Act that may be imposed on the taxpayer for a taxable year

1 beginning on or after January 1, 2019, if the taxpayer is  
2 awarded a credit by the Department under this Act for that  
3 taxable year.

4 (b) The Department shall make credit awards under this Act  
5 to foster job creation and the development of businesses in  
6 Empowerment Zones.

7 (c) A person that proposes a project to create new jobs and  
8 to invest in the development of a capital investment project  
9 in an Empowerment Zone must enter into an agreement with the  
10 Department for the credit under this Act.

11 (d) The credit shall be claimed for the taxable years  
12 specified in the agreement.

13 (e) The credit shall not exceed the incremental income tax  
14 attributable to the project that is the subject of the  
15 agreement.

16 (f) Nothing herein shall prohibit a tax credit award to an  
17 applicant that uses a Professional Employer Organization if  
18 all other award criteria are satisfied.

19 (g) A pass-through entity that has been awarded a credit  
20 under this Act, its shareholders, or its partners may treat  
21 some or all of the credit awarded under this Act as a tax  
22 payment for purposes of the Illinois Income Tax Act. In no  
23 event shall the amount of the award credited under this Act  
24 exceed the Illinois income tax liability of the pass-through  
25 entity or its shareholders or partners for the taxable year.

26 For the purposes of this subsection (g), "tax payment"

1 means a payment as described in Article 6 or Article 8 of the  
2 Illinois Income Tax Act or a composite payment made by a  
3 pass-through entity on behalf of any of its shareholders or  
4 partners to satisfy such shareholders' or partners' taxes  
5 imposed pursuant to subsections (a) and (b) of Section 201 of  
6 the Illinois Income Tax Act.

7 Section 10-215. Application for a project to create and  
8 retain new jobs and to develop new business enterprises.

9 (a) Any business enterprise proposing a capital investment  
10 project located or planned to be located in an Empowerment  
11 Zone may request consideration for designation of its project,  
12 by formal written letter of request or by formal application  
13 to the Department, in which the applicant states its intent to  
14 make at least a specified level of investment and intends to  
15 hire or retain a specified number of full-time employees at a  
16 designated location in Illinois. As circumstances require, the  
17 Department may require a formal application from an applicant  
18 and a formal letter of request for assistance.

19 (b) In order to qualify for credits under this Act, an  
20 applicant's project must:

21 (1) if the applicant has more than 100 employees,  
22 involve an investment of at least \$2,500,000 in capital  
23 improvements to be placed in service within an Empowerment  
24 Zone as a direct result of the project. If the applicant  
25 has 100 or fewer employees, then there is no capital

1 investment requirement; and

2 (2) if the applicant has more than 100 employees,  
3 employ a number of new employees in the Empowerment Zone  
4 equal to the lesser of: (A) 10% of the number of full-time  
5 employees employed by the applicant world-wide on the date  
6 the application is filed with the Department; or (B) 50  
7 new employees. If the applicant has 100 or fewer  
8 employees, employ a number of new employees in the State  
9 equal to the lesser of: (A) 5% of the number of full-time  
10 employees employed by the applicant world-wide on the date  
11 the application is filed with the Department; or (B) 50  
12 new employees.

13 (c) After receipt of an application, the Department shall  
14 review the application, make inquiries, and conduct studies in  
15 the manner and by the methods as it deems desirable, and  
16 consult with and make a recommendation to the Empowerment Zone  
17 Board created under the Energy Community Reinvestment Act. The  
18 Department and the Board shall make its recommendations and  
19 approvals based on whether they determine that all of the  
20 following conditions exist:

21 (1) The applicant's project will make the required  
22 investment in the State and the applicant intends to hire  
23 the required number of new employees in Illinois as a  
24 result of that project, as described in this Act.

25 (2) The applicant's project is economically sound and  
26 will benefit the people of the State of Illinois by

1 increasing opportunities for employment and strengthening  
2 the economy of Illinois.

3 (3) That, if not for the credit, the project would not  
4 occur in Illinois or in the Empowerment Zone, which may be  
5 demonstrated by evidence that receipt of the credit is  
6 essential to the applicant's decision to create new jobs  
7 in the State, such as the magnitude of the cost  
8 differential between Illinois and a competing state.

9 (4) The political subdivisions affected by the project  
10 have committed local incentives or other support with  
11 respect to the project, considering local ability to  
12 assist.

13 (5) Awarding the credit will result in an overall  
14 positive fiscal impact to the State, as certified by the  
15 Board using the best available data.

16 (6) The credit is not prohibited by Section 10-220.

17 (d) After approval by the Board, the Department may enter  
18 into an agreement with the applicant.

19 Section 10-220. Relocation of jobs to Empowerment Zone. A  
20 taxpayer is not entitled to claim the credit provided by this  
21 Act with respect to any jobs that the taxpayer relocates from  
22 one site in Illinois to another site in an Empowerment Zone. A  
23 taxpayer with respect to a qualifying project certified under  
24 the Corporate Headquarters Relocation Act, however, is not  
25 subject to the requirements of this Section, but is

1 nevertheless considered an applicant for purposes of this Act.  
2 Moreover, any full-time employee of an eligible business  
3 enterprise relocated to an Empowerment Zone in connection with  
4 that qualifying project is deemed to be a new employee for  
5 purposes of this Act. Determinations under this Section shall  
6 be made by the Department.

7 Section 10-225. Determination of the amount of credit. In  
8 determining the amount of credit that should be awarded, the  
9 Board shall provide guidance on, and the Department shall take  
10 into consideration, all of the following factors:

11 (1) the number and location of jobs created and  
12 retained in relation to the economy of the Empowerment  
13 Zone where the projected investment is to occur;

14 (2) the potential impact on the economy of the  
15 Empowerment Zone;

16 (3) the incremental payroll attributable to the  
17 project;

18 (4) the capital investment attributable to the  
19 project;

20 (5) the amount of the average wage and benefits paid  
21 by the applicant in relation to the wage and benefits of  
22 the Empowerment Zone;

23 (6) the costs to Illinois and the affected political  
24 subdivisions with respect to the project; and

25 (7) the financial assistance that is otherwise

1 provided by Illinois and the affected political  
2 subdivisions.

3 Section 10-230. Amount and duration of credit.

4 (a) The Department shall determine the amount and duration  
5 of the credit awarded under this Act. The duration of the  
6 credit may not exceed 10 taxable years. The credit may be  
7 stated as a percentage of the incremental income tax  
8 attributable to the applicant's project and may include a  
9 fixed dollar limitation. An agreement for the credit must be  
10 finalized and signed by all parties while the area in which the  
11 project is located is designated an Empowerment Zone. The  
12 credit may last longer than the applicable Empowerment Zone  
13 designation. Agreements entered into prior to the  
14 de-designation of an Empowerment Zone shall be honored for the  
15 length of the agreement.

16 (b) Notwithstanding subsection (a), and except as the  
17 credit may be applied in a carryover year as otherwise  
18 provided in this subsection (b), the credit may be applied  
19 against the State income tax liability in more than 10 taxable  
20 years, but not in more than 15 taxable years for an eligible  
21 green energy enterprise that: (i) qualifies under this Act and  
22 the Corporate Headquarters Relocation Act and has in fact  
23 undertaken a qualifying project within the time frame  
24 specified by the Department of Commerce and Economic  
25 Opportunity under that Act; and (ii) applies against its State

1 income tax liability, during the entire 15-year period, no  
2 more than 60% of the maximum credit per year that would  
3 otherwise be available under this Act.

4 Any credit that is unused in the year the credit is  
5 computed may be carried forward and applied to the tax  
6 liability of the 5 taxable years following the excess credit  
7 year. The credit shall be applied to the earliest year for  
8 which there is a tax liability. If there are credits from more  
9 than one tax year that are available to offset a liability, the  
10 earlier credit shall be applied first.

11 Section 10-235. Contents of agreements with applicants.  
12 The Department shall enter into an agreement with an applicant  
13 that is awarded a credit under this Act.

14 Section 10-240. Certificate of verification; submission to  
15 the Department of Revenue. A taxpayer claiming a credit under  
16 this Act shall submit to the Department of Revenue a copy of  
17 the Director's certificate of verification under this Act for  
18 the taxable year. Failure to submit a copy of the certificate  
19 with the taxpayer's tax return shall not invalidate a claim  
20 for a credit.

21 Section 10-245. Supplier diversity. Each taxpayer claiming  
22 a credit under this Act shall, no later than April 15 of each  
23 taxable year for which the taxpayer claims a credit under this



1 Act, submit to the Department of Commerce and Economic  
2 Opportunity an annual report containing the information  
3 described in subsections (b), (c), (d), and (e) of Section  
4 5-117 of the Public Utilities Act. Those reports shall be  
5 submitted in the form and manner required by the Department of  
6 Commerce and Economic Opportunity.

7 Section 10-250. Pass-through entity. The shareholders or  
8 partners of a taxpayer that is a pass-through entity shall be  
9 entitled to the credit allowed under the agreement. The credit  
10 is in addition to any credit to which a shareholder or partner  
11 is otherwise entitled under a separate agreement under this  
12 Act. A pass-through entity and a shareholder or partner of the  
13 pass-through entity may not claim more than one credit under  
14 the same agreement.

15 Section 10-255. Rules. The Department may adopt rules  
16 necessary to implement this Part 2. The rules may provide for  
17 recipients of credits under this Part 2 to be charged fees to  
18 cover administrative costs of the tax credit program. Fees  
19 collected shall be deposited into the Energy Community  
20 Reinvestment Fund.

21 Section 10-260. Program terms and conditions.

22 (a) Any documentary materials or data made available or  
23 received by any member of a board or any agent or employee of

1 the Department shall be deemed confidential and shall not be  
2 deemed public records to the extent that the materials or data  
3 consists of trade secrets, commercial or financial information  
4 regarding the operation of the business conducted by the  
5 applicant for or recipient of any tax credit under this Act, or  
6 any information regarding the competitive position of a  
7 business in a particular field of endeavor.

8 (b) Nothing in this Act shall be construed as creating any  
9 rights in any applicant to enter into an agreement or in any  
10 person to challenge the terms of any agreement.

11 Article 90. Amendatory Provisions

12 Section 90-5. The Illinois Administrative Procedure Act is  
13 amended by adding Section 45-8 as follows:

14 (5 ILCS 100/45-8 new)

15 Sec. 45-8. Emergency rulemaking; Energy Community  
16 Reinvestment Act. To provide for the expeditious and timely  
17 implementation of the Energy Community Reinvestment Act,  
18 emergency rules may be adopted in accordance with Section 5-45  
19 by the Department of Commerce and Economic Opportunity to  
20 implement Section 5-15 of the Energy Community Reinvestment  
21 Act with respect to applications for designation as  
22 Empowerment Zones. The adoption of emergency rules authorized  
23 by Section 5-45 and this Section is deemed to be necessary for

1 the public interest, safety, and welfare.

2 Section 90-10. The Illinois Power Agency Act is amended by  
3 changing Sections 1-20, 1-56, and 1-75 and by adding 1-76 as  
4 follows:

5 (20 ILCS 3855/1-20)

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

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

8 (1) Develop electricity procurement plans to 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, for electric utilities that on December  
13 31, 2005 provided electric service to at least 100,000  
14 customers in Illinois and for small multi-jurisdictional  
15 electric utilities that (A) on December 31, 2005 served  
16 less than 100,000 customers in Illinois and (B) request a  
17 procurement plan for their Illinois jurisdictional load.  
18 Except as provided in paragraph (1.5) of this subsection  
19 (a), the electricity procurement plans shall be updated on  
20 an annual basis and shall include electricity generated  
21 from renewable resources sufficient to achieve the  
22 standards specified in this Act. Beginning with the  
23 delivery year commencing June 1, 2017, develop procurement  
24 plans to include zero emission credits generated from zero

1 emission facilities sufficient to achieve the standards  
2 specified in this Act. If the Commission approves an  
3 electric utility's election pursuant to paragraph (6) of  
4 subsection (b) of Section 16-111.5 of the Public Utilities  
5 Act, then, beginning with the procurement for the first  
6 delivery year approved in such election, the Agency shall  
7 for each year develop a plan, as part of its procurement  
8 plan, to conduct a procurement of capacity from qualified  
9 resources needed to meet capacity requirements of all of  
10 the retail customers of the electric utility, subject to  
11 the open access tariff and manuals of PJM Interconnection,  
12 LLC, or its successor. The Capacity Procurement Plan shall  
13 be updated annually and shall include electricity  
14 generated from renewable resources sufficient to achieve  
15 the renewable portfolio standards as specified in this  
16 Act.

17 (1.5) Develop a long-term renewable resources  
18 procurement plan in accordance with subsection (c) of  
19 Section 1-75 of this Act for renewable energy credits in  
20 amounts sufficient to achieve the standards specified in  
21 this Act for delivery years commencing June 1, 2017 and  
22 for the programs and renewable energy credits specified in  
23 Section 1-56 of this Act. Electricity procurement plans  
24 for delivery years commencing after May 31, 2017, shall  
25 not include procurement of renewable energy resources.

26 (2) Conduct competitive procurement processes to

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

8 (2.5) Beginning with the procurement for the 2017  
9 delivery year, conduct competitive procurement processes  
10 and implement programs to procure renewable energy credits  
11 identified in the long-term renewable resources  
12 procurement plan developed and approved under subsection  
13 (c) of Section 1-75 of this Act and Section 16-111.5 of the  
14 Public Utilities Act.

15 (3) Develop electric generation and cogeneration  
16 ~~co-generation~~ facilities that use indigenous coal or  
17 renewable resources, or both, financed with bonds issued  
18 by the Illinois Finance Authority.

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

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

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

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

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

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

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

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

25          (7) To sell, convey, lease, exchange, transfer,  
26          abandon, or otherwise dispose of, or mortgage, pledge, or

1 create a security interest in, any of its assets,  
2 properties, or any interest therein, wherever situated.

3 (8) To purchase, take, receive, subscribe for, or  
4 otherwise acquire, hold, make a tender offer for, vote,  
5 employ, sell, lend, lease, exchange, transfer, or  
6 otherwise dispose of, mortgage, pledge, or grant a  
7 security interest in, use, and otherwise deal in and with,  
8 bonds and other obligations, shares, or other securities  
9 (or interests therein) issued by others, whether engaged  
10 in a similar or different business or activity.

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

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

25 (11) To borrow money at such rate or rates of interest  
26 as the Agency may determine, issue its notes, bonds, or

1 other obligations to evidence that indebtedness, and  
2 secure any of its obligations by mortgage or pledge of its  
3 real or personal property, machinery, equipment,  
4 structures, fixtures, inventories, revenues, grants, and  
5 other funds as provided or any interest therein, wherever  
6 situated.

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

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

15 (14) To negotiate and enter into agreements with  
16 trustees or receivers appointed by United States  
17 bankruptcy courts or federal district courts or in other  
18 proceedings involving adjustment of debts and authorize  
19 proceedings involving adjustment of debts and authorize  
20 legal counsel for the Agency to appear in any such  
21 proceedings.

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

25 (16) To enter into management agreements for the  
26 operation of any of the property or facilities owned by



1 the Agency.

2 (17) To enter into an agreement to transfer and to  
3 transfer any land, facilities, fixtures, or equipment of  
4 the Agency to one or more municipal electric systems,  
5 governmental aggregators, or rural electric agencies or  
6 cooperatives, for such consideration and upon such terms  
7 as the Agency may determine to be in the best interest of  
8 the citizens of Illinois.

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

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

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

19 (21) To accept and expend appropriations.

20 (22) To engage in any activity or operation that is  
21 incidental to and in furtherance of efficient operation to  
22 accomplish the Agency's purposes, including hiring  
23 employees that the Director deems essential for the  
24 operations of the Agency.

25 (23) To adopt, revise, amend, and repeal rules with  
26 respect to its operations, properties, and facilities as

1           may be necessary or convenient to carry out the purposes  
2           of this Act, subject to the provisions of the Illinois  
3           Administrative Procedure Act and Sections 1-22 and 1-35 of  
4           this Act.

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

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

11          (26) To review, revise, and approve sourcing  
12          agreements and mediate and resolve disputes between gas  
13          utilities and the clean coal SNG brownfield facility  
14          pursuant to subsection (h-1) of Section 9-220 of the  
15          Public Utilities Act.

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

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

23                 (20 ILCS 3855/1-56)

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

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

3           (b) The Illinois Power Agency Renewable Energy Resources  
4 Fund shall be administered by the Agency as described in this  
5 subsection (b), provided that the changes to this subsection  
6 (b) made by this amendatory Act of the 99th General Assembly  
7 shall not interfere with existing contracts under this  
8 Section.

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

13           (2) The Illinois Power Agency Renewable Energy  
14 Resources Fund shall also be used to create the Illinois  
15 Solar for All Program, which shall include incentives for  
16 low-income distributed generation and community solar  
17 projects, and other associated approved expenditures. The  
18 objectives of the Illinois Solar for All Program are to  
19 bring photovoltaics to low-income communities in this  
20 State in a manner that maximizes the development of new  
21 photovoltaic generating facilities, to create a long-term,  
22 low-income solar marketplace throughout this State, to  
23 integrate, through interaction with stakeholders, with  
24 existing energy efficiency initiatives, and to minimize  
25 administrative costs. The Agency shall include a  
26 description of its proposed approach to the design,

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

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

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

1 resources procurement plans as specified in subsection (c)  
2 of Section 1-75 of this Act and subparagraph (O) of  
3 paragraph (1) of such subsection (c). Beginning after the  
4 effective date of this amendatory Act of the 102nd General  
5 Assembly, the Agency's updates to its long-term renewable  
6 resources procurement plan under Section 16-111.5 of the  
7 Public Utilities Act shall set forth the Agency's detailed  
8 plan to ensure that at least 80% of the funding available  
9 to the Illinois Solar for All Program in a given delivery  
10 year will be used and spent on the programs set forth in  
11 this subsection (b).

12 Contracts that will be paid with funds in the Illinois  
13 Power Agency Renewable Energy Resources Fund shall be  
14 executed by the Agency. Contracts that will be paid with  
15 funds collected by an electric utility shall be executed  
16 by the electric utility.

17 Contracts under the Illinois Solar for All Program  
18 shall include an approach, as set forth in the long-term  
19 renewable resources procurement plans, to ensure the  
20 wholesale market value of the energy is credited to  
21 participating low-income customers or organizations and to  
22 ensure tangible economic benefits flow directly to program  
23 participants, except in the case of low-income  
24 multi-family housing where the low-income customer does  
25 not directly pay for energy. Priority shall be given to  
26 projects that demonstrate meaningful involvement of

1 low-income community members in designing the initial  
2 proposals. Acceptable proposals to implement projects must  
3 demonstrate the applicant's ability to conduct initial  
4 community outreach, education, and recruitment of  
5 low-income participants in the community. Projects must  
6 include job training opportunities if available, and shall  
7 endeavor to coordinate with the job training programs  
8 described in paragraph (1) of subsection (a) of Section  
9 16-108.12 of the Public Utilities Act.

10 (A) Low-income distributed generation incentive.

11 This program will provide incentives to low-income  
12 customers, either directly or through solar providers,  
13 to increase the participation of low-income households  
14 in photovoltaic on-site distributed generation.  
15 Companies participating in this program that install  
16 solar panels shall commit to hiring job trainees for a  
17 portion of their low-income installations, and an  
18 administrator shall facilitate partnering the  
19 companies that install solar panels with entities that  
20 provide solar panel installation job training. It is a  
21 goal of this program that a minimum of 25% of the  
22 incentives for this program be allocated to projects  
23 located within environmental justice communities.  
24 Contracts entered into under this paragraph may be  
25 entered into with an entity that will develop and  
26 administer the program and shall also include

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

5 (B) Low-Income Community Solar Project Initiative.  
6 Incentives shall be offered to low-income customers,  
7 either directly or through developers, to increase the  
8 participation of low-income subscribers of community  
9 solar projects. The developer of each project shall  
10 identify its partnership with community stakeholders  
11 regarding the location, development, and participation  
12 in the project, provided that nothing shall preclude a  
13 project from including an anchor tenant that does not  
14 qualify as low-income. Incentives should also be  
15 offered to community solar projects that are 100%  
16 low-income subscriber owned, which includes low-income  
17 households, not-for-profit organizations, and  
18 affordable housing owners. It is a goal of this  
19 program that a minimum of 25% of the incentives for  
20 this program be allocated to community photovoltaic  
21 projects in environmental justice communities.  
22 Contracts entered into under this paragraph may be  
23 entered into with developers and shall also include  
24 contracts for renewable energy credits related to the  
25 program.

26 (C) Incentives for non-profits and public



1 facilities. Under this program funds shall be used to  
2 support on-site photovoltaic distributed renewable  
3 energy generation devices to serve the load associated  
4 with not-for-profit customers and to support  
5 photovoltaic distributed renewable energy generation  
6 that uses photovoltaic technology to serve the load  
7 associated with public sector customers taking service  
8 at public buildings. It is a goal of this program that  
9 at least 25% of the incentives for this program be  
10 allocated to projects located in environmental justice  
11 communities. Contracts entered into under this  
12 paragraph may be entered into with an entity that will  
13 develop and administer the program or with developers  
14 and shall also include contracts for renewable energy  
15 credits related to the program.

16 (D) Low-Income Community Solar Pilot Projects.  
17 Under this program, persons, including, but not  
18 limited to, electric utilities, shall propose pilot  
19 community solar projects. Community solar projects  
20 proposed under this subparagraph (D) may exceed 2,000  
21 kilowatts in nameplate capacity, but the amount paid  
22 per project under this program may not exceed  
23 \$20,000,000. Pilot projects must result in economic  
24 benefits for the members of the community in which the  
25 project will be located. The proposed pilot project  
26 must include a partnership with at least one

1 community-based organization. Approved pilot projects  
2 shall be competitively bid by the Agency, subject to  
3 fair and equitable guidelines developed by the Agency.  
4 Funding available under this subparagraph (D) may not  
5 be distributed solely to a utility, and at least some  
6 funds under this subparagraph (D) must include a  
7 project partnership that includes community ownership  
8 by the project subscribers. Contracts entered into  
9 under this paragraph may be entered into with an  
10 entity that will develop and administer the program or  
11 with developers and shall also include contracts for  
12 renewable energy credits related to the program. A  
13 project proposed by a utility that is implemented  
14 under this subparagraph (D) shall not be included in  
15 the utility's rate base ~~ratebase~~.

16 ~~The requirement that a qualified person, as defined in~~  
17 ~~paragraph (1) of subsection (i) of this Section, install~~  
18 ~~photovoltaic devices does not apply to the Illinois Solar~~  
19 ~~for All Program described in this subsection (b).~~

20 (3) Costs associated with the Illinois Solar for All  
21 Program and its components described in paragraph (2) of  
22 this subsection (b), including, but not limited to, costs  
23 associated with procuring experts, consultants, and the  
24 program administrator referenced in this subsection (b)  
25 and related incremental costs, and costs related to the  
26 evaluation of the Illinois Solar for All Program, may be

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

1 credits purchased from this program and the credits shall  
2 count toward ~~towards~~ the obligation under subsection (c)  
3 of Section 1-75 of this Act for the electric utility to  
4 which the project is interconnected.

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

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

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

25 (6) The long-term renewable resources procurement plan  
26 shall also provide for an independent evaluation of the

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

1 plan under subsection (c) of Section 1-75 of this Act.

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

11 As used in this subsection (b), "low-income households"  
12 means persons and families whose income does not exceed 80% of  
13 area median income, adjusted for family size and revised every  
14 5 years.

15 For the purposes of this subsection (b), the Agency shall  
16 define "environmental justice community" as part of long-term  
17 renewable resources procurement plan development, to ensure,  
18 to the extent practicable, compatibility with other agencies'  
19 definitions and may, for guidance, look to the definitions  
20 used by federal, state, or local governments.

21 (b-5) After the receipt of all payments required by  
22 Section 16-115D of the Public Utilities Act, no additional  
23 funds shall be deposited into the Illinois Power Agency  
24 Renewable Energy Resources Fund unless directed by order of  
25 the Commission.

26 (b-10) After the receipt of all payments required by

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

10 (c) (Blank).

11 (d) (Blank).

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

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

20 (g) All disbursements from the Illinois Power Agency  
21 Renewable Energy Resources Fund shall be made only upon  
22 warrants of the Comptroller drawn upon the Treasurer as  
23 custodian of the Fund upon vouchers signed by the Director or  
24 by the person or persons designated by the Director for that  
25 purpose. The Comptroller is authorized to draw the warrant  
26 upon vouchers so signed. The Treasurer shall accept all



1 warrants so signed and shall be released from liability for  
2 all payments made on those warrants.

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

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

15 (i) Supplemental procurement process.

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

24 Renewable energy credits procured from new  
25 photovoltaics, including, but not limited to, distributed  
26 photovoltaic generation, under this subsection (i) must be

1       procured from devices installed by a qualified person. In  
2       its supplemental procurement plan, the Agency shall  
3       establish contractually enforceable mechanisms for  
4       ensuring that the installation of new photovoltaics is  
5       performed by a qualified person.

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

1 (ETAI) Level 3 PV Installer Certificate; or (iv) an  
2 Associate in Applied Science degree from an Illinois  
3 Community College Board approved community college program  
4 in renewable energy or a distributed generation  
5 technology.

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

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

24 The renewable energy credits procured pursuant to the  
25 supplemental procurement plan shall be procured using up  
26 to \$30,000,000 from the Illinois Power Agency Renewable

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

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

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

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

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

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

15 (4) The supplemental procurement process under this  
16 subsection (i) shall include each of the following  
17 components:

18 (A) Procurement administrator. The Agency may  
19 retain a procurement administrator in the manner set  
20 forth in item (2) of subsection (a) of Section 1-75 of  
21 this Act to conduct the supplemental procurement or  
22 may elect to use the same procurement administrator  
23 administering the Agency's annual procurement under  
24 Section 1-75.

25 (B) Procurement monitor. The procurement monitor  
26 retained by the Commission pursuant to Section

1 16-111.5 of the Public Utilities Act shall:

2 (i) monitor interactions among the procurement  
3 administrator and bidders and suppliers;

4 (ii) monitor and report to the Commission on  
5 the progress of the supplemental procurement  
6 process;

7 (iii) provide an independent confidential  
8 report to the Commission regarding the results of  
9 the procurement events;

10 (iv) assess compliance with the procurement  
11 plan approved by the Commission for the  
12 supplemental procurement process;

13 (v) preserve the confidentiality of supplier  
14 and bidding information in a manner consistent  
15 with all applicable laws, rules, regulations, and  
16 tariffs;

17 (vi) provide expert advice to the Commission  
18 and consult with the procurement administrator  
19 regarding issues related to procurement process  
20 design, rules, protocols, and policy-related  
21 matters;

22 (vii) consult with the procurement  
23 administrator regarding the development and use of  
24 benchmark criteria, standard form contracts,  
25 credit policies, and bid documents; and

26 (viii) perform, with respect to the

1 supplemental procurement process, any other  
2 procurement monitor duties specifically delineated  
3 within subsection (i) of this Section.

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

24 (D) Standard contract forms and credit terms and  
25 instruments. The procurement administrator, in  
26 consultation with the Agency, the Commission, and



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

26 (E) Requests for proposals; competitive

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

12 (F) Benchmarks. Benchmarks for each product to be  
13 procured shall be developed by the procurement  
14 administrator in consultation with Commission staff,  
15 the Agency, and the procurement monitor for use in  
16 this supplemental procurement.

17 (G) A plan for implementing contingencies in the  
18 event of supplier default, Commission rejection of  
19 results, or any other cause.

20 (5) Within 2 business days after opening the sealed  
21 bids, the procurement administrator shall submit a  
22 confidential report to the Commission. The report shall  
23 contain the results of the bidding for each of the  
24 products along with the procurement administrator's  
25 recommendation for the acceptance and rejection of bids  
26 based on the price benchmark criteria and other factors

1 observed in the process. The procurement monitor also  
2 shall submit a confidential report to the Commission  
3 within 2 business days after opening the sealed bids. The  
4 report shall contain the procurement monitor's assessment  
5 of bidder behavior in the process as well as an assessment  
6 of the procurement administrator's compliance with the  
7 procurement process and rules. The Commission shall review  
8 the confidential reports submitted by the procurement  
9 administrator and procurement monitor and shall accept or  
10 reject the recommendations of the procurement  
11 administrator within 2 business days after receipt of the  
12 reports.

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

18 (7) The names of the successful bidders and the  
19 average of the winning bid prices for each contract type  
20 and for each contract term shall be made available to the  
21 public within 2 days after the supplemental procurement  
22 event. The Commission, the procurement monitor, the  
23 procurement administrator, the Agency, and all  
24 participants in the procurement process shall maintain the  
25 confidentiality of all other supplier and bidding  
26 information in a manner consistent with all applicable

1 laws, rules, regulations, and tariffs. Confidential  
2 information, including the confidential reports submitted  
3 by the procurement administrator and procurement monitor  
4 pursuant to this Section, shall not be made publicly  
5 available and shall not be discoverable by any party in  
6 any proceeding, absent a compelling demonstration of need,  
7 nor shall those reports be admissible in any proceeding  
8 other than one for law enforcement purposes.

9 (8) The supplemental procurement provided in this  
10 subsection (i) shall not be subject to the requirements  
11 and limitations of subsections (c) and (d) of this  
12 Section.

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

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

1 (20 ILCS 3855/1-75)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 organizations;

2 (E) expertise in credit and contract protocols;

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

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

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

23 (A) failure to satisfy qualification criteria;

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

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



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

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

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

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

1 Commission approval.

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

16 (c) Renewable portfolio standard.

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

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

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

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

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

6 For the delivery year beginning June 1, 2018, the  
7 procurement plan shall include cost-effective renewable  
8 energy resources equal to at least 14.5% of each utility's  
9 load for eligible retail customers and 14.5% of the  
10 applicable portion of each utility's load for retail  
11 customers who are not eligible retail customers, which  
12 applicable portion shall equal 75% of the utility's load  
13 for retail customers who are not eligible retail customers  
14 on February 28, 2017.

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

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

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

3 Notwithstanding the provisions of this subparagraph  
4 (B), the percentage goals identified in this subparagraph  
5 for the procurement of cost-effective renewable energy  
6 resources shall not apply after the delivery year ending  
7 May 31, 2022.

8 (B-5) Beginning after the effective date of this  
9 amendatory Act of the 102nd General Assembly, subject to  
10 subparagraph (F) of this paragraph (1), the long-term  
11 renewable resources procurement plan, as revised, shall  
12 include the goal of procuring a total of 35,000,000  
13 additional annual renewable energy credits by the delivery  
14 year commencing June 1, 2030, which amount shall be  
15 procured in accordance with subparagraph (C-5) of this  
16 paragraph (1).

17 (C) Of the renewable energy credits procured under  
18 this subsection (c), at least 75% shall come from wind and  
19 photovoltaic projects. The long-term renewable resources  
20 procurement plan described in subparagraph (A) of this  
21 paragraph (1) shall include the procurement of renewable  
22 energy credits in amounts equal to at least the following:

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

24 At least 2,000,000 renewable energy credits  
25 for each delivery year shall come from new wind  
26 projects; and

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

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

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

20                 At least 3,000,000 renewable energy credits  
21                 for each delivery year shall come from new  
22                 photovoltaic projects; of that amount, to the  
23                 extent possible, the Agency shall procure: at  
24                 least 50% from solar photovoltaic projects using  
25                 the program outlined in subparagraph (K) of this  
26                 paragraph (1) from distributed renewable energy

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

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

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

13 At least 4,000,000 renewable energy credits  
14 for each delivery year shall come from new  
15 photovoltaic projects; of that amount, to the  
16 extent possible, the Agency shall procure: at  
17 least 50% from solar photovoltaic projects using  
18 the program outlined in subparagraph (K) of this  
19 paragraph (1) from distributed renewable energy  
20 devices or community renewable generation  
21 projects; at least 40% from utility-scale solar  
22 projects; at least 2% from brownfield site  
23 photovoltaic projects that are not community  
24 renewable generation projects; and the remainder  
25 shall be determined through the long-term planning  
26 process described in subparagraph (A) of this

1 paragraph (1).

2 For purposes of this Section:

3 "New wind projects" means wind renewable  
4 energy facilities that are energized after June 1,  
5 2017 for the delivery year commencing June 1, 2017  
6 or within 3 years after the date the Commission  
7 approves contracts for subsequent delivery years.

8 "New photovoltaic projects" means photovoltaic  
9 renewable energy facilities that are energized  
10 after June 1, 2017. Photovoltaic projects  
11 developed under Section 1-56 of this Act shall not  
12 apply toward ~~towards~~ the new photovoltaic project  
13 requirements in this subparagraph (C).

14 Notwithstanding the provisions of this subparagraph  
15 (C), the renewable energy credit procurement requirements  
16 and goals of this subparagraph shall not apply after the  
17 delivery year ending May 31, 2022.

18 (C-5) Beginning after the effective date of this  
19 amendatory Act of the 102nd General Assembly, the  
20 long-term renewable resources procurement plan described  
21 in subparagraph (A) of this paragraph (1), as revised,  
22 shall include the procurement of renewable energy credits  
23 in amounts equal to at least 35,000,000 renewable energy  
24 credits from wind and solar projects by the end of the  
25 delivery year commencing June 1, 2030. Of that amount:

26 (i) at least 25,000,000 of the renewable energy



1           credits shall be procured for electric utilities that  
2           serve less than 3,000,000 retail customers but more  
3           than 500,000 retail customers in the State; and

4           (ii) at least 10,000,000 of the renewable energy  
5           credits shall be procured for electric utilities that  
6           serve more than 3,000,000 retail customers in the  
7           State.

8           The Agency's planning and procurement processes to  
9           implement the provisions of this subparagraph (C-5) shall  
10           conform to the requirements of subparagraph (I) of this  
11           paragraph (1), and the Agency shall be permitted to use  
12           those competitive procurement processes and programs  
13           authorized by this paragraph (1) to effect such  
14           implementation.

15           (D) Renewable energy credits shall be cost-effective  
16           ~~cost-effective~~. For purposes of this subsection (c),  
17           "cost-effective" ~~"cost-effective"~~ means that the costs of  
18           procuring renewable energy resources do not cause the  
19           limit stated in subparagraph (E) of this paragraph (1) to  
20           be exceeded and, for renewable energy credits procured  
21           through a competitive procurement event, do not exceed  
22           benchmarks based on market prices for like products in the  
23           region. For purposes of this subsection (c), "like  
24           products" means contracts for renewable energy credits  
25           from the same or substantially similar technology, same or  
26           substantially similar vintage (new or existing), the same

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

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

1 (megawatt-hours) delivered by the electric utility in the  
2 delivery year ending immediately prior to the procurement,  
3 to all retail customers in its service territory. For  
4 purposes of this subsection (c), 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 (c), 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 (c), the total of renewable energy resources procured  
13 under the procurement plan for any single year shall be  
14 subject to the limitations of this subparagraph (E). Such  
15 procurement shall be reduced for all retail customers  
16 based on the amount necessary to limit the annual  
17 estimated average net increase due to the costs of these  
18 resources included in the amounts paid by eligible retail  
19 customers in connection with electric service to no more  
20 than the greater of 2.015% of the amount paid per  
21 kilowatthour by those customers during the year ending May  
22 31, 2007 or the incremental amount per kilowatthour paid  
23 for these resources in 2011. Beginning with the delivery  
24 year commencing June 1, 2022, the 2.015% of the amount  
25 paid per kilowatthour by those customers during the year  
26 ending May 31, 2022 is increased to 4.030%. To arrive at a

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

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

1 following order:

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

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

7 (i-10) funding for the school solar program set  
8 forth in item (iv) of subparagraph (K) and  
9 subparagraph (K-10) of this paragraph (1);

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

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

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

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

1 renewable energy credits delivered annually from new  
2 utility-scale wind projects to begin delivery on June  
3 1, 2019, if available, but not later than June 1, 2021,  
4 unless the project has delays in the establishment of  
5 an operating interconnection with the applicable  
6 transmission or distribution system as a result of the  
7 actions or inactions of the transmission or  
8 distribution provider, or other causes for force  
9 majeure as outlined in the procurement contract, in  
10 which case, not later than June 1, 2022. Payments to  
11 suppliers of renewable energy credits shall commence  
12 upon delivery; however, for those contracts executed  
13 after the effective date of this amendatory Act of the  
14 102nd General Assembly, payments to a supplier of  
15 renewable energy credits shall commence upon delivery  
16 and after the supplier submits proof of compliance  
17 with subsection (d-20) of this Section. Renewable  
18 energy credits procured under this initial procurement  
19 shall be included in the Agency's long-term plan and  
20 shall apply to all renewable energy goals in this  
21 subsection (c).

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

1 projects within one year after June 1, 2017 (the  
2 effective date of Public Act 99-906). For the purposes  
3 of this initial forward procurement, the Agency shall  
4 solicit 15-year contracts for delivery of 1,000,000  
5 renewable energy credits delivered annually from new  
6 utility-scale solar projects and brownfield site  
7 photovoltaic projects to begin delivery on June 1,  
8 2019, if available, but not later than June 1, 2021,  
9 unless the project has delays in the establishment of  
10 an operating interconnection with the applicable  
11 transmission or distribution system as a result of the  
12 actions or inactions of the transmission or  
13 distribution provider, or other causes for force  
14 majeure as outlined in the procurement contract, in  
15 which case, not later than June 1, 2022. The Agency may  
16 structure this initial procurement in one or more  
17 discrete procurement events. Payments to suppliers of  
18 renewable energy credits shall commence upon delivery;  
19 however, for those contracts executed after the  
20 effective date of this amendatory Act of the 102nd  
21 General Assembly, payments to a supplier of renewable  
22 energy credits shall commence upon delivery and after  
23 the supplier submits proof of compliance with  
24 subsection (d-20) of this Section. Renewable energy  
25 credits procured under this initial procurement shall  
26 be included in the Agency's long-term plan and shall

1 apply to all renewable energy goals in this subsection  
2 (c).

3 (iii) Subsequent forward procurements for  
4 utility-scale wind projects shall solicit at least  
5 1,000,000 renewable energy credits delivered annually  
6 per procurement event and shall be planned, scheduled,  
7 and designed such that the cumulative amount of  
8 renewable energy credits delivered from all new wind  
9 projects in each delivery year shall not exceed the  
10 Agency's projection of the cumulative amount of  
11 renewable energy credits that will be delivered from  
12 all new photovoltaic projects, including utility-scale  
13 and distributed photovoltaic devices, in the same  
14 delivery year at the time scheduled for wind contract  
15 delivery.

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6           (I) The Agency shall design its long-term renewable  
7           energy procurement plan to maximize the State's interest  
8           in the health, safety, and welfare of its residents,  
9           including but not limited to ensuring that the renewable  
10          energy credits procured match the load of each utility  
11          consistent with subsection (j) of this Section and in a  
12          least-cost manner, which will advance the State's goals of  
13          minimizing sulfur dioxide, nitrogen oxide, particulate  
14          matter and other pollution that adversely affects public  
15          health in this State, increasing fuel and resource  
16          diversity in this State, enhancing the reliability and  
17          resiliency of the electricity distribution system in this  
18          State, meeting goals to limit carbon dioxide emissions  
19          under federal or State law, and contributing to a cleaner  
20          and healthier environment for the citizens of this State.  
21          Therefore, in ~~in~~ order to further these legislative  
22          purposes, renewable energy credits shall be eligible to be  
23          counted toward the renewable energy requirements of this  
24          subsection (c) if they are generated from facilities that  
25          can deliver to the purchasing utility ~~located in this~~  
26          ~~State~~. The Agency may qualify renewable energy credits

1 from facilities located in states adjacent to Illinois if  
2 the generator demonstrates and the Agency determines that  
3 the operation of such facility or facilities will help  
4 promote the State's interest in the health, safety, and  
5 welfare of its residents based on the public interest  
6 criteria described above. To ensure that the public  
7 interest criteria are applied to the procurement and given  
8 full effect, the Agency's long-term procurement plan shall  
9 describe in detail how each public interest factor shall  
10 be considered and weighted for facilities located in  
11 states adjacent to Illinois.

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

1 supplier of the credits must return 110% of all payments  
2 received under the contract. Amounts returned under the  
3 requirements of this subparagraph (J) shall be retained by  
4 the utility and all of these amounts shall be used for the  
5 procurement of additional renewable energy credits from  
6 new wind or new photovoltaic resources as defined in this  
7 subsection (c). The long-term plan shall provide that  
8 these renewable energy credits shall be procured in the  
9 next procurement event.

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

18 (K) The long-term renewable resources procurement plan  
19 developed by the Agency in accordance with subparagraph  
20 (A) of this paragraph (1) shall include an Adjustable  
21 Block program for the procurement of renewable energy  
22 credits from new photovoltaic projects that are  
23 distributed renewable energy generation devices or new  
24 photovoltaic community renewable generation projects. The  
25 Adjustable Block program shall be designed to provide a  
26 transparent schedule of prices and quantities to enable



1 the photovoltaic market to scale up and for renewable  
2 energy credit prices to adjust at a predictable rate over  
3 time. The prices set by the Adjustable Block program can  
4 be reflected as a set value or as the product of a formula.

5 The Adjustable Block program shall include for each  
6 category of eligible projects: a schedule of standard  
7 block purchase prices to be offered; a series of steps,  
8 with associated nameplate capacity and purchase prices  
9 that adjust from step to step; and automatic opening of  
10 the next step as soon as the nameplate capacity and  
11 available purchase prices for an open step are fully  
12 committed or reserved. Only projects energized on or after  
13 June 1, 2017 shall be eligible for the Adjustable Block  
14 program. For each block group the Agency shall determine  
15 the number of blocks, the amount of generation capacity in  
16 each block, and the purchase price for each block,  
17 provided that the purchase price provided and the total  
18 amount of generation in all blocks for all block groups  
19 shall be sufficient to meet the goals in this subsection  
20 (c). The Agency may periodically review its prior  
21 decisions establishing the number of blocks, the amount of  
22 generation capacity in each block, and the purchase price  
23 for each block, and may propose, on an expedited basis,  
24 changes to these previously set values, including but not  
25 limited to redistributing these amounts and the available  
26 funds as necessary and appropriate, subject to Commission

1 approval as part of the periodic plan revision process  
2 described in Section 16-111.5 of the Public Utilities Act.  
3 The Agency may define different block sizes, purchase  
4 prices, or other distinct terms and conditions for  
5 projects located in different utility service territories  
6 if the Agency deems it necessary to meet the goals in this  
7 subsection (c).

8 The Adjustable Block program shall include at least  
9 the following block groups in at least the following  
10 amounts, which may be adjusted upon review by the Agency  
11 and approval by the Commission as described in this  
12 subparagraph (K), all of which are subject to the  
13 prioritization of the school solar program described in  
14 subparagraph (K-10) of this paragraph (1):

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

18 (ii) At least 25% from distributed renewable  
19 energy generation devices with a nameplate capacity of  
20 more than 10 kilowatts and no more than 2,000  
21 kilowatts. The Agency may create sub-categories within  
22 this category to account for the differences between  
23 projects for small commercial customers, large  
24 commercial customers, and public or non-profit  
25 customers.

26 (iii) At least 25% from photovoltaic community

1 renewable generation projects.

2 (iv) Until the effective date of this amendatory  
3 Act of the 102nd General Assembly, the ~~The~~ remaining  
4 25% shall be allocated as specified by the Agency in  
5 the long-term renewable resources procurement plan;  
6 after the effective date of this amendatory Act of the  
7 102nd General Assembly, such remaining 25% shall be  
8 allocated to the school solar program described in  
9 subparagraph (K-10) of this paragraph (1).

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

16 (K-5) Beginning immediately after the effective date  
17 of this amendatory Act of the 102nd General Assembly, the  
18 Agency shall develop and implement a scoring system to  
19 evaluate and rank those new photovoltaic community  
20 renewable energy generation projects that are submitted  
21 under subparagraph (K) of this paragraph (1) when the  
22 number of such submissions exceeds the applicable block  
23 capacity under the Adjustable Block program. The scoring  
24 system shall be designed to ensure that renewable energy  
25 credits are procured from new photovoltaic community  
26 renewable energy generation projects in diverse geographic

1 locations while also maximizing the number of subscribers  
2 that can subscribe to the projects. For each such project,  
3 the Agency's scoring system shall consider, and assign a  
4 numerical point value to, each of the following factors,  
5 provided that factors (i) and (vi) shall be accorded the  
6 most weight:

7 (i) Population Density: This factor shall consider  
8 the population density of the township in which the  
9 project will be located and award the highest point  
10 value to those projects to be sited in townships with  
11 the highest development density.

12 (ii) Subscriber Proximity: This factor shall award  
13 a point value to those projects that have committed to  
14 only serve subscribers located in the same township as  
15 the project; for townships with fewer than 50,000  
16 residents, subscribers from adjacent townships can be  
17 included to satisfy this factor.

18 (iii) Community Impact: This factor shall award a  
19 point value to those projects to be located in  
20 environmental justice communities, as defined by the  
21 Agency in its Long-Term Renewable Resources  
22 Procurement Plan; low-income communities, where  
23 consideration shall be given to the percentage of  
24 households that earn an income of 80% or less of the  
25 area median with projects to be located in communities  
26 where greater than 50% of households earn 80% or less

1           of the area median income shall be awarded the highest  
2           point value; and Disproportionately Impacted Areas, as  
3           defined by and identified under the Business  
4           Interruption Grant program offered by the Department  
5           of Commerce and Economic Opportunity to provide  
6           economic relief to those small businesses most  
7           impacted by the COVID-19 pandemic.

8           (iv) Workforce Equity: This factor shall account  
9           for workforce equity achievements that are reflected  
10          in the project's workforce, including, but not limited  
11          to, employees who are or were foster children,  
12          veterans, returning citizens, attendees of a Tier 1 or  
13          Tier 2 school, as defined by subparagraph (K-10) of  
14          this paragraph (1) or residents of a  
15          Disproportionately Impacted Area as defined in factor  
16          (vi) of this subparagraph (K-5). The employers of such  
17          employees may include, but shall not be limited to,  
18          the following: the Agency-approved entity that submits  
19          the project application; the project's engineering,  
20          procurement and construction firm; a supplier of the  
21          project's components, materials and supplies; and the  
22          project entity itself. The Agency shall award point  
23          values based on the extent to which the project's  
24          workforce reflects such equity achievements.

25          (v) Participant Savings: This factor shall account  
26          for the extent to which the project will pass along its

1 savings to low-income participants, and award the  
2 highest point value to those projects that will pass  
3 along 100% of the savings to such customers. For  
4 purposes of this item (viii), "low-income" means  
5 households whose income does not exceed 80% of area  
6 median income.

7 (vi) Redevelopment Site: This factor shall award a  
8 point value to those projects that will be located on  
9 the site of a current or former conventional electric  
10 generating facility, which, for purposes of this  
11 subparagraph (K-5), includes coal-fired electric  
12 generating facilities, gas-fired electric generating  
13 facilities, and nuclear-fueled electric generating  
14 facilities.

15 (vii) Preapprenticeship Program: This factor shall  
16 account for the extent to which the project's  
17 workforce and employees include graduates of the  
18 preapprenticeship program set forth in subsection  
19 (d-20) of this Section 1-75. The employers of such  
20 employees may include, but shall not be limited to,  
21 the following: the Agency-approved entity that submits  
22 the project application; the project's engineering,  
23 procurement and construction firm; a supplier of the  
24 project's components, materials and supplies; and the  
25 project entity itself. The Agency shall award point  
26 values based on the number of such graduates that are

1           employed through the project's workforce.

2           The Agency shall assign at least one point that may be  
3 awarded under each factor, and the total point value to be  
4 awarded under the factors shall be at least 7 points. In  
5 order to be eligible to participate in an Adjustable Block  
6 program procurement for new photovoltaic community  
7 renewable energy generation projects held under  
8 subparagraph (K) of this paragraph (1), the project must  
9 receive a total score of at least 5 points from no fewer  
10 than 3 separate factors. If 2 or more projects have the  
11 same score, the Agency shall use a pay-as-bid auction  
12 among such projects to fill any remaining block capacity.  
13 However, if the size of the remaining block capacity is  
14 constrained such that it can only accommodate one or more  
15 projects below a certain size threshold, then the Agency  
16 may only consider those projects that would not exceed the  
17 remaining block capacity.

18           To the extent feasible and consistent with State and  
19 federal law, the Agency's implementation of this  
20 subparagraph (K-5) shall be designed to ensure that the  
21 projects selected provide employment opportunities for all  
22 segments of the population and workforce, including  
23 minority-owned, female-owned, veteran-owned, and  
24 disability-owned business enterprises, and shall not,  
25 consistent with State and federal law, discriminate based  
26 on race or socioeconomic status.

1           (K-10) School Solar Program. Beginning on the  
2           effective date of this amendatory Act of the 102nd General  
3           Assembly, and notwithstanding anything to the contrary,  
4           the Agency's updates to its long-term renewable resources  
5           procurement plan pursuant to item (ii) of subparagraph (B)  
6           of paragraph (5) of subsection (b) of Section 16-111.5 of  
7           the Public Utilities Act shall allocate, for each  
8           applicable delivery year, at least 25% of the Adjustable  
9           Block program's available funding to the procurement of  
10           renewable energy credits from photovoltaic distributed  
11           renewable energy generation devices installed at public  
12           schools throughout the State. Such procurements shall be  
13           designed to support the installation of at least 2.5  
14           gigawatts of photovoltaic distributed renewable energy  
15           generation devices at public schools by 2030. To ensure  
16           that the State remains on track to achieve this goal, and  
17           to relieve oversubscriptions to this program, the Agency  
18           shall allocate to a given delivery year or years more than  
19           25% of the funding available for the Adjustable Block  
20           program for such delivery year or years. If the Agency  
21           finds that a procurement under this subparagraph (K-10) is  
22           oversubscribed such that the number of eligible projects  
23           exceeds the available funding, the Agency shall prioritize  
24           the procurement of renewable energy credits from  
25           photovoltaic distributed renewable energy generation  
26           devices installed at public schools based on a scoring



1 system that takes into account, and gives the highest  
2 prioritization to, the following factors:

3 (i) projects located within environmental justice  
4 communities or within Organizational Units that fall  
5 within Tier 1 or Tier 2, which criteria shall be given  
6 the highest of all priorities;

7 (ii) projects that serve greater than 90% of a  
8 school facility's electricity usage;

9 (iii) projects that are done in coordination with  
10 significant energy efficiency efforts; and

11 (iv) projects that support decarbonization of  
12 heating systems and transportation.

13 The Agency shall also include in such a scoring system  
14 those additional criteria from items (i) through (vii) of  
15 subparagraph (K-5) of this paragraph (1) that are  
16 reasonably helpful in advancing the goals of this  
17 subparagraph (K-10).

18 For purposes of this subparagraph (K-10):

19 "Distributed renewable energy generation device"  
20 shall have the meaning set forth in Section 1-10 of  
21 this Act, except that the 2,000 kilowatts limitation  
22 on nameplate capacity imposed by paragraph (4) of such  
23 definition shall be increased to 5,000 kilowatts;

24 "Environmental justice communities" shall have the  
25 meaning set forth in the Agency's Long-Term Renewable  
26 Resources Procurement Plan;

1           "Organization Unit", "Tier 1", and "Tier 2" shall  
2           have the meanings set forth in Section 18-8.15 of the  
3           School Code; and

4           "Public schools" shall have the meaning set forth  
5           in Section 1-3 of the School Code.

6           The Agency's update to its long-term renewable  
7           resources procurement plan to incorporate the procurement  
8           described in this subparagraph (K-10) shall also include  
9           the proposed quantities or blocks, pricing, and contract  
10           terms applicable to the procurement; however, the price  
11           shall not be set at an amount that is less than \$60 per  
12           renewable energy credit and the contract length shall be  
13           for 25 years. The Agency shall establish pricing and  
14           payment terms for the renewable energy credits procured  
15           pursuant to this subparagraph (K-10) that make it feasible  
16           and affordable for public schools to install photovoltaic  
17           distributed renewable energy devices on their premises,  
18           including, but not limited to, those public schools  
19           subject to the prioritization provisions of this  
20           subparagraph. In no event shall the contract payment term  
21           period extend beyond the period set forth in item (iii) of  
22           subparagraph (L) of this paragraph (1), and the Agency  
23           shall be permitted to shorten this period in order to  
24           achieve the objectives identified in this subparagraph  
25           (K-10).

26           (L) The procurement of photovoltaic renewable energy

1 credits under items (i) through (iv) of subparagraph (K)  
2 of this paragraph (1) shall be subject to the following  
3 contract and payment terms:

4 (i) The Agency shall procure contracts of at least  
5 15 years in length.

6 (ii) For those renewable energy credits that  
7 qualify and are procured under item (i) of  
8 subparagraph (K) of this paragraph (1), the renewable  
9 energy credit purchase price shall be paid in full by  
10 the contracting utilities at the time that the  
11 facility producing the renewable energy credits is  
12 interconnected at the distribution system level of the  
13 utility and energized; however, for those contracts  
14 executed after the effective date of this amendatory  
15 Act of the 102nd General Assembly, such purchase price  
16 shall be paid in full by the contracting utilities at  
17 the time that the facility producing the renewable  
18 energy credits is interconnected at the distribution  
19 system level of the utility and energized and after  
20 the supplier submits proof of compliance with  
21 subsection (d-20) of this Section. The electric  
22 utility shall receive and retire all renewable energy  
23 credits generated by the project for the first 15  
24 years of operation.

25 (iii) For those renewable energy credits that  
26 qualify and are procured under item (ii) and (iii) of

1           subparagraph (K) of this paragraph (1) and any  
2           additional categories of distributed generation  
3           included in the long-term renewable resources  
4           procurement plan and approved by the Commission, 20  
5           percent of the renewable energy credit purchase price  
6           shall be paid by the contracting utilities at the time  
7           that the facility producing the renewable energy  
8           credits is interconnected at the distribution system  
9           level of the utility and energized; however, for those  
10          contracts executed after the effective date of this  
11          amendatory Act of the 102nd General Assembly, such  
12          purchase price shall be paid by the contracting  
13          utilities at the time that the facility producing the  
14          renewable energy credits is interconnected at the  
15          distribution system level of the utility and energized  
16          and after the supplier submits proof of compliance  
17          with subsection (d-20) of this Section. The remaining  
18          portion shall be paid ratably over the subsequent  
19          4-year period. The electric utility shall receive and  
20          retire all renewable energy credits generated by the  
21          project for the first 15 years of operation.

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

25                 (v) The utility shall be the counterparty to the  
26                 contracts executed under this subparagraph (L) that

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

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

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

23 The procurement of renewable energy credits under  
24 subparagraph (K-10) of this paragraph (1) shall also be  
25 subject to the contract and payment terms set forth in  
26 items (i) through (vii) of this subparagraph (L) to the

1       extent the terms do not conflict with the provisions or  
2       intent of subparagraph (K-10).

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

18           The Agency and its consultant or consultants shall  
19      monitor block activity, share program activity with  
20      stakeholders and conduct regularly scheduled meetings to  
21      discuss program activity and market conditions. If  
22      necessary, the Agency may make prospective administrative  
23      adjustments to the Adjustable Block program design, such  
24      as redistributing available funds or making adjustments to  
25      purchase prices as necessary to achieve the goals of this  
26      subsection (c). Program modifications to any price,

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

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

1 subscriber even if the subscriber relocates or changes its  
2 address within the same utility service territory; and  
3 "transferable" means that a subscriber may assign or sell  
4 subscriptions to another person within the same utility  
5 service territory.

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

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

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



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

5 (O) For the delivery year beginning June 1, 2018, the  
6 long-term renewable resources procurement plan required by  
7 this subsection (c) shall provide for the Agency to  
8 procure contracts to continue offering the Illinois Solar  
9 for All Program described in subsection (b) of Section  
10 1-56 of this Act, and the contracts approved by the  
11 Commission shall be executed by the utilities that are  
12 subject to this subsection (c). The long-term renewable  
13 resources procurement plan shall allocate \$75,000,000 ~~5%~~  
14 ~~of the funds available under the plan for the applicable~~  
15 ~~delivery year, or \$10,000,000 per delivery year, whichever~~  
16 ~~is greater,~~ to fund the programs, and the plan shall  
17 determine the amount of funding to be apportioned to the  
18 programs identified in subsection (b) of Section 1-56 of  
19 this Act; provided that for the delivery years beginning  
20 ~~June 1, 2017,~~ June 1, 2021, and June 1, 2025, the long-term  
21 renewable resources procurement plan shall allocate  
22 \$85,000,000 ~~10% of the funds available under the plan for~~  
23 ~~the applicable delivery year, or \$20,000,000 per delivery~~  
24 ~~year, whichever is greater,~~ and \$10,000,000 of such funds  
25 in such year shall be used by an electric utility that  
26 serves more than 3,000,000 retail customers in the State

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

9 The Agency shall be permitted to revise its long-term  
10 renewable resources procurement plan to conform its  
11 provisions to the changes made by this amendatory Act of  
12 the 102nd General Assembly and shall submit the revised  
13 plan to the Commission as a compliance filing.

14 (2) (Blank).

15 (3) (Blank).

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

18 (5) Beginning with the 2010 delivery year and ending  
19 June 1, 2017, an electric utility subject to this  
20 subsection (c) shall apply the lesser of the maximum  
21 alternative compliance payment rate or the most recent  
22 estimated alternative compliance payment rate for its  
23 service territory for the corresponding compliance period,  
24 established pursuant to subsection (d) of Section 16-115D  
25 of the Public Utilities Act to its retail customers that  
26 take service pursuant to the electric utility's hourly

1 pricing tariff or tariffs. The electric utility shall  
2 retain all amounts collected as a result of the  
3 application of the alternative compliance payment rate or  
4 rates to such customers, and, beginning in 2011, the  
5 utility shall include in the information provided under  
6 item (1) of subsection (d) of Section 16-111.5 of the  
7 Public Utilities Act the amounts collected under the  
8 alternative compliance payment rate or rates for the prior  
9 year ending May 31. Notwithstanding any limitation on the  
10 procurement of renewable energy resources imposed by item  
11 (2) of this subsection (c), the Agency shall increase its  
12 spending on the purchase of renewable energy resources to  
13 be procured by the electric utility for the next plan year  
14 by an amount equal to the amounts collected by the utility  
15 under the alternative compliance payment rate or rates in  
16 the prior year ending May 31.

17 (6) The electric utility shall be entitled to recover  
18 all of its costs associated with the procurement of  
19 renewable energy credits under plans approved under this  
20 Section and Section 16-111.5 of the Public Utilities Act.  
21 These costs shall include associated reasonable expenses  
22 for implementing the procurement programs, including, but  
23 not limited to, the costs of administering and evaluating  
24 the Adjustable Block program, through an automatic  
25 adjustment clause tariff in accordance with subsection (k)  
26 of Section 16-108 of the Public Utilities Act.

1           (7) Renewable energy credits procured from new  
2 photovoltaic projects or new distributed renewable energy  
3 generation devices under this Section after June 1, 2017  
4 (the effective date of Public Act 99-906) must be procured  
5 from devices installed by a qualified person in compliance  
6 with the requirements of Section 16-128A of the Public  
7 Utilities Act and any rules or regulations adopted  
8 thereunder. Beginning after the effective date of this  
9 amendatory Act of the 102nd General Assembly, the Agency  
10 shall require, prior to participating in a procurement  
11 held under this Section, that each proposed new  
12 photovoltaic project or new distributed renewable energy  
13 generation device demonstrate that the installer of such  
14 project or device is a qualified person under and in  
15 compliance with Section 16-128A and any rules adopted  
16 thereunder. Each such project or device that is selected  
17 in a procurement shall be required to certify to the  
18 Agency that it was installed by such qualified person, and  
19 the Agency shall notify the applicable electric utility of  
20 whether the project or device provided the certification.  
21 The electric utility's contract with each such project or  
22 device shall require that the utility receive notice from  
23 the Agency that the certification requirement has been met  
24 prior to the utility initiating any payment to the project  
25 or device under the contract. No payment shall be due  
26 under the contract if the project or device was not

1       installed by a qualified person under Section 16-128A and  
2       any rules adopted thereunder.

3           In meeting the renewable energy requirements of this  
4       subsection (c), to the extent feasible and consistent with  
5       State and federal law, the renewable energy credit  
6       procurements, Adjustable Block solar program, and  
7       community renewable generation program shall provide  
8       employment opportunities for all segments of the  
9       population and workforce, including minority-owned  
10      businesses, women-owned businesses, veteran-owned  
11      businesses, and businesses owned by a person with a  
12      disability ~~and female owned business enterprises,~~ and  
13      shall not, consistent with State and federal law,  
14      discriminate based on race or socioeconomic status.

15      (d) Clean coal portfolio standard.

16           (1) The procurement plans shall include electricity  
17      generated using clean coal. Each utility shall enter into  
18      one or more sourcing agreements with the initial clean  
19      coal facility, as provided in paragraph (3) of this  
20      subsection (d), covering electricity generated by the  
21      initial clean coal facility representing at least 5% of  
22      each utility's total supply to serve the load of eligible  
23      retail customers in 2015 and each year thereafter, as  
24      described in paragraph (3) of this subsection (d), subject  
25      to the limits specified in paragraph (2) of this  
26      subsection (d). It is the goal of the State that by January

1 1, 2025, 25% of the electricity used in the State shall be  
2 generated by cost-effective clean coal facilities. For  
3 purposes of this subsection (d), "cost-effective" means  
4 that the expenditures pursuant to such sourcing agreements  
5 do not cause the limit stated in paragraph (2) of this  
6 subsection (d) to be exceeded and do not exceed cost-based  
7 benchmarks, which shall be developed to assess all  
8 expenditures pursuant to such sourcing agreements covering  
9 electricity generated by clean coal facilities, other than  
10 the initial clean coal facility, by the procurement  
11 administrator, in consultation with the Commission staff,  
12 Agency staff, and the procurement monitor and shall be  
13 subject to Commission review and approval.

14 A utility party to a sourcing agreement shall  
15 immediately retire any emission credits that it receives  
16 in connection with the electricity covered by such  
17 agreement.

18 Utilities shall maintain adequate records documenting  
19 the purchases under the sourcing agreement to comply with  
20 this subsection (d) and shall file an accounting with the  
21 load forecast that must be filed with the Agency by July 15  
22 of each year, in accordance with subsection (d) of Section  
23 16-111.5 of the Public Utilities Act.

24 A utility shall be deemed to have complied with the  
25 clean coal portfolio standard specified in this subsection  
26 (d) if the utility enters into a sourcing agreement as

1 required by this subsection (d).

2 (2) For purposes of this subsection (d), the required  
3 execution of sourcing agreements with the initial clean  
4 coal facility for a particular year shall be measured as a  
5 percentage of the actual amount of electricity  
6 (megawatt-hours) supplied by the electric utility to  
7 eligible retail customers in the planning year ending  
8 immediately prior to the agreement's execution. For  
9 purposes of this subsection (d), the amount paid per  
10 kilowatthour means the total amount paid for electric  
11 service expressed on a per kilowatthour basis. For  
12 purposes of this subsection (d), the total amount paid for  
13 electric service includes without limitation amounts paid  
14 for supply, transmission, distribution, surcharges and  
15 add-on taxes.

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

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

1 (B) in 2011, the greater of an additional 0.5% of  
2 the amount paid per kilowatthour by those customers  
3 during the year ending May 31, 2010 or 1% of the amount  
4 paid per kilowatthour by those customers during the  
5 year ending May 31, 2009;

6 (C) in 2012, the greater of an additional 0.5% of  
7 the amount paid per kilowatthour by those customers  
8 during the year ending May 31, 2011 or 1.5% of the  
9 amount paid per kilowatthour by those customers during  
10 the year ending May 31, 2009;

11 (D) in 2013, the greater of an additional 0.5% of  
12 the amount paid per kilowatthour by those customers  
13 during the year ending May 31, 2012 or 2% of the amount  
14 paid per kilowatthour by those customers during the  
15 year ending May 31, 2009; and

16 (E) thereafter, the total amount paid under  
17 sourcing agreements with clean coal facilities  
18 pursuant to the procurement plan for any single year  
19 shall be reduced by an amount necessary to limit the  
20 estimated average net increase due to the cost of  
21 these resources included in the amounts paid by  
22 eligible retail customers in connection with electric  
23 service to no more than the greater of (i) 2.015% of  
24 the amount paid per kilowatthour by those customers  
25 during the year ending May 31, 2009 or (ii) the  
26 incremental amount per kilowatthour paid for these



1 resources in 2013. These requirements may be altered  
2 only as provided by statute.

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

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

1 by the General Assembly. The Agency and the Commission  
2 shall have authority to inspect all books and records  
3 associated with the initial clean coal facility during the  
4 term of such a sourcing agreement. A utility's sourcing  
5 agreement for electricity produced by the initial clean  
6 coal facility shall include:

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

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

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

1 facility, energy or capacity derived from the  
2 facility and not covered by a sourcing agreement  
3 pursuant to paragraph (3) of this subsection (d)  
4 or item (5) of subsection (d) of Section 16-115 of  
5 the Public Utilities Act, whether generated from  
6 the synthesis gas derived from coal, from SNG, or  
7 from natural gas, shall be credited against the  
8 revenue requirement for this initial clean coal  
9 facility;

10 (B) power purchase provisions, which shall:

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

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

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

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

13 (iv) be considered preexisting ~~pre-existing~~  
14 contracts in such utility's procurement plans for  
15 eligible retail customers;

16 (C) contract for differences provisions, which  
17 shall:

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

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

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

1 price") on the day preceding the day on which the  
2 electricity is delivered to the initial clean coal  
3 facility busbar, multiplied by (2) the quantity of  
4 electricity determined pursuant to the preceding  
5 clause (i); and

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

9 (D) general provisions, which shall:

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

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

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

1           (iv) permit the Illinois Power Agency to  
2           assume ownership of the initial clean coal  
3           facility, without monetary consideration and  
4           otherwise on reasonable terms acceptable to the  
5           Agency, if the Agency so requests no less than 3  
6           years prior to the end of the stated contract  
7           term;

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

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



1 of the Attorney General. The Commission may, in  
2 the course of the review specified in item (vii),  
3 reduce the allowable return on equity for the  
4 facility if the facility willfully fails to comply  
5 with the carbon capture and sequestration  
6 requirements set forth in this item (v);

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

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

1 (viii) limit the utility's obligation to such  
2 amount as the utility is allowed to recover  
3 through tariffs filed with the Commission,  
4 provided that neither the clean coal facility nor  
5 the utility waives any right to assert federal  
6 preemption ~~pre-emption~~ or any other argument in  
7 response to a purported disallowance of recovery  
8 costs;

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

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

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

1 Power Act;

2 (xii) provide that any changes to the terms of  
3 the contract, insofar as such changes relate to  
4 the power purchase provisions, are subject to  
5 review under the public interest standard applied  
6 by the Federal Energy Regulatory Commission  
7 pursuant to Sections 205 and 206 of the Federal  
8 Power Act; and

9 (xiii) conform with customary lender  
10 requirements in power purchase agreements used as  
11 the basis for financing non-utility generators.

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

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

1 the Commission and the Agency access to the work  
2 papers, relied upon documents, and any other backup  
3 documentation related to the facility cost report.

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

26 (iii) General Assembly approval. The proposed

1 sourcing agreements shall not take effect unless,  
2 based on the facility cost report and the Commission's  
3 report, the General Assembly enacts authorizing  
4 legislation approving (A) the projected price, stated  
5 in cents per kilowatthour, to be charged for  
6 electricity generated by the initial clean coal  
7 facility, (B) the projected impact on residential and  
8 small business customers' bills over the life of the  
9 sourcing agreements, and (C) the maximum allowable  
10 return on equity for the project; and

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

23 (A) The facility cost report shall be prepared by  
24 duly licensed engineering and construction firms  
25 detailing the estimated capital costs payable to one  
26 or more contractors or suppliers for the engineering,

1 procurement and construction of the components  
2 comprising the initial clean coal facility and the  
3 estimated costs of operation and maintenance of the  
4 facility. The facility cost report shall include:

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

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

23 The quoted construction costs shall be expressed  
24 in nominal dollars as of the date that the quote is  
25 prepared and shall include capitalized financing costs  
26 during construction, taxes, insurance, and other

1 owner's costs, and an assumed escalation in materials  
2 and labor beyond the date as of which the construction  
3 cost quote is expressed.

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

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

1           The operating and maintenance cost quote  
2           (including the cost of the front end engineering and  
3           design study) shall be expressed in nominal dollars as  
4           of the date that the quote is prepared and shall  
5           include taxes, insurance, and other owner's costs, and  
6           an assumed escalation in materials and labor beyond  
7           the date as of which the operating and maintenance  
8           cost quote is expressed.

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

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

21          (5) Re-powering and retrofitting coal-fired power  
22          plants previously owned by Illinois utilities to qualify  
23          as clean coal facilities. During the 2009 procurement  
24          planning process and thereafter, the Agency and the  
25          Commission shall consider sourcing agreements covering  
26          electricity generated by power plants that were previously



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

24 (6) Costs incurred under this subsection (d) or  
25 pursuant to a contract entered into under this subsection  
26 (d) shall be deemed prudently incurred and reasonable in

1 amount and the electric utility shall be entitled to full  
2 cost recovery pursuant to the tariffs filed with the  
3 Commission.

4 (d-5) Zero emission standard.

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

1 be all of the zero emission credits generated by the zero  
2 emission facility in each delivery year; however, if the  
3 zero emission facility is owned by more than one entity,  
4 then the quantity of zero emission credits to be procured  
5 under the contracts shall be the amount of zero emission  
6 credits that are generated from the portion of the zero  
7 emission facility that is owned by the winning supplier.

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

12 The procurement process shall be subject to the  
13 following provisions:

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

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

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

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

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

23 The information described in item (iii) of this  
24 subparagraph (A) may be submitted on a confidential  
25 basis and shall be treated and maintained by the  
26 Agency, the procurement administrator, and the

1 Commission as confidential and proprietary and exempt  
2 from disclosure under subparagraphs (a) and (g) of  
3 paragraph (1) of Section 7 of the Freedom of  
4 Information Act. The Office of Attorney General shall  
5 have access to, and maintain the confidentiality of,  
6 such information pursuant to Section 6.5 of the  
7 Attorney General Act.

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

25 (i) Social Cost of Carbon: The Social Cost of  
26 Carbon is \$16.50 per megawatthour, which is based

1 on the U.S. Interagency Working Group on Social  
2 Cost of Carbon's price in the August 2016  
3 Technical Update using a 3% discount rate,  
4 adjusted for inflation for each year of the  
5 program. Beginning with the delivery year  
6 commencing June 1, 2023, the price per  
7 megawatthour shall increase by \$1 per  
8 megawatthour, and continue to increase by an  
9 additional \$1 per megawatthour each delivery year  
10 thereafter.

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

26 (iii) Market price index: The market price

1 index for a delivery year shall be the sum of  
2 projected energy prices and projected capacity  
3 prices determined as follows:

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

19 (bb) Projected capacity prices:

20 (I) For the delivery years commencing  
21 June 1, 2017, June 1, 2018, and June 1,  
22 2019, the projected capacity price shall  
23 be equal to the sum of (1) 50% multiplied  
24 by the Base Residual Auction, or its  
25 successor, price for the rest of the RTO  
26 zone group as determined by PJM

1 Interconnection LLC, divided by 24 hours  
2 per day and, (2) 50% multiplied by the  
3 resource auction price determined in the  
4 resource auction administered by the  
5 Midcontinent Independent System Operator,  
6 Inc., in which the largest percentage of  
7 load cleared for Local Resource Zone 4,  
8 divided by 24 hours per day, and where  
9 such price is determined by the  
10 Midcontinent Independent System Operator,  
11 Inc.

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



1 is determined by the Midcontinent  
2 Independent System Operator, Inc.

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

4 "Rest of the RTO" and "ComEd Zone" shall have  
5 the meaning ascribed to them by PJM  
6 Interconnection, LLC.

7 "RTO" means regional transmission  
8 organization.

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

1 facilities. The plan shall also describe in detail how  
2 each public interest factor shall be considered and  
3 weighted in the bid selection process to ensure that  
4 the public interest criteria are applied to the  
5 procurement and given full effect.

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

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

26 If the Commission determines that the plan will

1 result in the procurement of cost-effective zero  
2 emission credits, then the Commission shall, after  
3 notice and hearing, but no later than 45 days after the  
4 Agency filed the plan, approve the plan or approve  
5 with modification. For purposes of this subsection  
6 (d-5), "cost-effective" ~~"cost-effective"~~ means the  
7 projected costs of procuring zero emission credits  
8 from zero emission facilities do not cause the limit  
9 stated in paragraph (2) of this subsection to be  
10 exceeded.

11 (C-5) As part of the Commission's review and  
12 acceptance or rejection of the procurement results,  
13 the Commission shall, in its public notice of  
14 successful bidders:

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

23 (ii) specifically address how the selection of  
24 winning bids takes into account the incremental  
25 environmental benefits resulting from the  
26 procurement, including any existing environmental

1 benefits that are preserved by the procurements  
2 held under Public Act 99-906 and would have ceased  
3 to exist if the procurements had not been held,  
4 such as the preservation of zero emission  
5 facilities;

6 (iii) quantify the environmental benefit of  
7 preserving the resources identified in item (ii)  
8 of this subparagraph (C-5), including the  
9 following:

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

20 (bb) the costs of replacement with other  
21 zero carbon dioxide resources, including wind  
22 and photovoltaic, based upon the simple  
23 average of the following:

24 (I) the price, or if there is more  
25 than one price, the average of the prices,  
26 paid for renewable energy credits from new

1 utility-scale wind projects in the  
2 procurement events specified in item (i)  
3 of subparagraph (G) of paragraph (1) of  
4 subsection (c) of this Section; and

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

17 Each utility shall enter into binding contractual  
18 arrangements with the winning suppliers.

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

1 approval processes required by this subsection (d-5)  
2 shall be conducted in conjunction with the procurement  
3 and plan approval processes required by subsection (c)  
4 of this Section and Section 16-111.5 of the Public  
5 Utilities Act, to the extent practicable.  
6 Notwithstanding whether a procurement event is  
7 conducted under Section 16-111.5 of the Public  
8 Utilities Act, the Agency shall immediately initiate a  
9 procurement process on June 1, 2017 (the effective  
10 date of Public Act 99-906).

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

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

25 (i) A zero emission facility shall be excused  
26 from its performance under the contract for any

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

21 (ii) A zero emission facility shall be  
22 permitted to terminate the contract if legislation  
23 is enacted into law by the General Assembly that  
24 imposes or authorizes a new tax, special  
25 assessment, or fee on the generation of  
26 electricity, the ownership or leasehold of a

1           generating unit, or the privilege or occupation of  
2           such generation, ownership, or leasehold of  
3           generation units by a zero emission facility.  
4           However, the provisions of this item (ii) do not  
5           apply to any generally applicable tax, special  
6           assessment or fee, or requirements imposed by  
7           federal law.

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

15          (iv) A zero emission facility shall be  
16          permitted to terminate the contract in the event  
17          the Nuclear Regulatory Commission terminates the  
18          resource's license.

19          (F) If the zero emission facility elects to  
20          terminate a contract under subparagraph (E) of this  
21          paragraph (1), then the Commission shall reopen the  
22          docket in which the Commission approved the zero  
23          emission standard procurement plan under subparagraph  
24          (C) of this paragraph (1) and, after notice and  
25          hearing, enter an order acknowledging the contract  
26          termination election if such termination is consistent



1 with the provisions of this subsection (d-5).

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

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

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

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

26 (3) Six years after the execution of a contract under

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

24           For purposes of this Section, the Average ZEC Payment  
25      shall be calculated by multiplying the quantity of zero  
26      emission credits delivered under the contract times the

1 average contract price. The average contract price shall  
2 be determined by subtracting the amount calculated under  
3 subparagraph (B) of this paragraph (3) from the amount  
4 calculated under subparagraph (A) of this paragraph (3),  
5 as follows:

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

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

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

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

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

23 (6) Electric utilities shall be entitled to recover  
24 all of the costs associated with the procurement of zero  
25 emission credits through an automatic adjustment clause  
26 tariff in accordance with subsection (k) and (m) of

1 Section 16-108 of the Public Utilities Act, and the  
2 contracts executed under this subsection (d-5) shall  
3 provide that the utilities' payment obligations under such  
4 contracts shall be reduced if an adjustment is required  
5 under subsection (m) of Section 16-108 of the Public  
6 Utilities Act.

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

9 (d-9) Findings related to changes made by this amendatory  
10 Act of the 102nd General Assembly.

11 (1) Findings. The General Assembly finds that:

12 (A) the health, welfare, and prosperity of all  
13 Illinois citizens require that the State of Illinois  
14 act to avoid and not increase carbon emissions from  
15 electric generation sources while continuing to ensure  
16 affordable, stable, and reliable electricity to all  
17 citizens;

18 (B) climate changes threaten all of Illinois'  
19 residents and communities, due to effects ranging from  
20 more frequent flooding to rising temperatures and  
21 increasingly severe weather;

22 (C) in light of those challenges, the State must  
23 transition to a clean energy future and put itself on a  
24 path toward 100% clean energy by 2030;

25 (D) in furtherance of this target, it is also a  
26 goal of the State that 100% of the capacity procured

1           for retail customers shall be sourced from clean  
2           energy resources by 2035;

3           (E) to ensure that Illinois' clean energy  
4           investments are designed to achieve the State's clean  
5           energy goals while maximizing the environmental and  
6           health benefits to Illinoisans, it is critical that  
7           the State procure clean energy attributes from clean  
8           energy resources capable of producing clean energy at  
9           times of day that correspond to the pattern of retail  
10           electric consumption; otherwise, production by clean  
11           energy resources will not replace production by fossil  
12           generation, contrary to Illinois' environmental goals;

13           (F) Illinois' clean energy goals, plans, and  
14           procurements must account for the differences between  
15           the northern and southern regions of the State,  
16           including, but not limited to, geography, population  
17           density, patterns of electric usage, and the mix of  
18           generation resources in the respective regions;

19           (G) no regional or nationwide program currently  
20           imposes a carbon price on all electricity consumed by  
21           Illinois's retail electric customers, resulting in  
22           economic incentives that are inadequate to preserve  
23           existing clean energy resources or construct new clean  
24           energy resources on the scale that is required for the  
25           State to meet its climate change and environmental  
26           goals in either region of the State;

1           (H) a State level carbon price is worthy of  
2           further study but its efficacy may be limited;

3           (I) although a regional or nationwide carbon  
4           pricing regime may be enacted in the future, the  
5           urgency of the clean energy and carbon emissions  
6           challenge requires action now to recognize the carbon  
7           mitigation value that existing and new clean energy  
8           resources provide to the State;

9           (J) existing zero emission facilities are among  
10           the most reliable sources of clean energy and, because  
11           they do not depend on intermittent weather conditions  
12           to produce, these facilities can reliably generate  
13           carbon-free electricity during all hours of the day,  
14           resulting in a close correspondence with the pattern  
15           of retail electric consumption;

16           (K) existing clean energy resources currently  
17           provide the northern region of the State the ability  
18           to achieve greater than a 90% match between customer  
19           load and clean generation on an hourly basis;

20           (L) absent immediate action by the State to  
21           preserve existing clean energy resources, those  
22           resources may retire, new clean energy resources may  
23           not be built, and the electric generation needs of  
24           Illinois' retail customers may be met instead by  
25           facilities that emit significant amounts of carbon  
26           pollution and other harmful air pollutants at a high

1           social and economic cost;

2           (M) these outcomes would create a significant and  
3           imminent risk that the State will materially regress  
4           from its current ability to achieve greater than a 90%  
5           match between customer load and clean generation, and  
6           further halt any progress toward achieving the State's  
7           100% clean energy goals by 2030;

8           (N) the State can avoid the health, environmental,  
9           economic risks to Illinois families and businesses  
10           that would result from inaction while still taking  
11           steps to ensure that the electric retail rates paid by  
12           Illinois customers are affordable and stable;

13           (O) the State has successfully balanced the  
14           objectives of environmental and climate progress with  
15           retail-rate affordability and stability in its  
16           implementation of existing clean energy and emissions  
17           avoidance programs such as the zero emission credit  
18           program and renewable portfolio standard program set  
19           forth in Section 1-75 of the Illinois Power Agency  
20           Act;

21           (P) the zero emission credit program is presently  
22           limited to an amount approximately equal to 16% of the  
23           power and energy to be procured by the Illinois Power  
24           Agency for electric utilities that serve at least  
25           100,000 retail customers in this State and the  
26           renewable portfolio standard is presently limited to



1           procuring cost-effective renewable energy resources  
2           equal to a minimum of 25% of electric utility retail  
3           load by June 1, 2025, which are inadequate in size to  
4           meet the State's present challenges;

5           (Q) building upon the example and success of these  
6           programs, implementing a carbon mitigation credit  
7           program is necessary in advance of any regional or  
8           national action on carbon pricing; and

9           (R) it is in the immediate interest of the People  
10           of the State of Illinois for the State to exercise its  
11           rights under federal and State law to preserve  
12           existing clean energy resources and encourage the  
13           development of new clean energy resources while  
14           protecting electric retail customers from future  
15           increases in retail rates and retail-rate instability  
16           that will result in the absence of State action.

17           (2) Policy. Consistent with its findings, the General  
18           Assembly declares that it is the policy of the State of  
19           Illinois that:

20           (A) the carbon emissions resulting from retail  
21           electric service in Illinois should not increase while  
22           efforts to form a regional or nationwide carbon  
23           pricing regime continue;

24           (B) the State should act to avoid a major setback  
25           to its climate and environmental goals that would  
26           result from the retirement of existing clean energy

1 facilities;

2 (C) the State should preserve and build upon the  
3 successes of the zero emission credit program and  
4 renewable portfolio standard program set forth in  
5 Section 1-75 of the Illinois Power Agency Act;

6 (D) the State should encourage the continued  
7 operation of clean and zero emission electric  
8 generation resources that minimize the carbon dioxide  
9 emissions that result from electricity consumed in  
10 Illinois and minimize sulfur dioxide, nitrogen oxide,  
11 and particulate matter emissions that adversely affect  
12 the citizens of this State;

13 (E) the State's programs and procurements to  
14 mitigate carbon emissions, such as the carbon  
15 mitigation credit program, should prioritize the  
16 preservation of those existing clean energy resources  
17 that are most capable of reliably generating power  
18 consistently throughout all hours of the day to best  
19 match the customers' usage patterns reflected in each  
20 electric utility's load shape so that the resources  
21 that are preserved are resources that are capable of  
22 operating at the time that customers' load occurs;

23 (F) the retail customer protection mechanisms  
24 implemented as part of the carbon mitigation credit  
25 program should protect retail customers against retail  
26 price increases that may result from the

1 implementation of a regional or nationwide carbon  
2 price, and should promote electric retail-rate  
3 stability, predictability, and affordability for the  
4 benefit of the State's retail customers;

5 (G) the State should also ensure that its carbon  
6 mitigation credit program, as well as other  
7 initiatives to reduce carbon emissions, are designed  
8 to provide retail customers with the most benefits and  
9 value at the lowest cost, which includes, but is not  
10 limited to, ensuring that generation resources  
11 receiving State support are capable of meeting  
12 customer demand reliably throughout all hours of the  
13 day;

14 (H) the State should require that carbon  
15 mitigation credits be cost-effective and that their  
16 cost not exceed price benchmarks for like products or  
17 the amounts paid by eligible retail customers for  
18 renewable energy resource procurements; and

19 (I) the carbon mitigation credit program should  
20 work in harmony with all State and federal  
21 requirements imposed on electric utilities and  
22 electric generating facilities.

23 (d-10) (1) In order to promote the State's transition to a  
24 clean energy economy while also mitigating the potential for  
25 retail-rate instability associated with initiating the  
26 regulation of carbon emissions, and notwithstanding any other

1 provision of this Act or the Public Utilities Act, each  
2 electric utility that serves more than 3,000,000 retail  
3 customers in this State shall enter into contracts with clean  
4 energy resources that are procured by the Agency and approved  
5 by the Commission pursuant to this subsection (d-10). The  
6 Agency shall conduct procurement events to procure contracts  
7 with clean energy resources that are reasonably capable of  
8 generating cost-effective carbon mitigation credits in the  
9 amounts identified in this subsection (d-10). Such contracts  
10 shall also include the retail customer protections described  
11 in this subsection (d-10), including, but not limited to,  
12 those set forth in paragraphs (3), (3.5), and (8) of this  
13 subsection (d-10) to mitigate retail-rate increases that may  
14 otherwise result from the regulation of carbon emissions. The  
15 contracts shall be entered into as the result of a competitive  
16 procurement event or events, and, to the extent that any  
17 provisions of this Act or Section 16-111.5 of the Public  
18 Utilities Act do not conflict with this subsection (d-10),  
19 such provisions shall apply to the procurement event or  
20 events.

21 Beginning with the delivery year commencing June 1, 2022,  
22 the Agency shall seek to procure approximately 74,000,000  
23 cost-effective carbon mitigation credits, which is needed to  
24 maintain current levels of clean energy generation and to  
25 ensure 100% clean energy by 2030.

26 For purposes of this Section:

1       "Carbon mitigation credit" means a tradable credit that  
2 represents the carbon emission reduction attributes of one  
3 megawatt-hour of energy produced from a clean energy resource.

4       "Clean energy resource" means renewable energy resources  
5 interconnected to PJM Interconnection, LLC, and zero emission  
6 facilities interconnected to PJM Interconnection, LLC.

7       (1.5) This paragraph (1.5) applies to each electric  
8 utility that serves more than 3,000,000 retail customers in  
9 the State. No later than 36 months prior to the termination  
10 date of the contract or contracts executed by such electric  
11 utility for the purchase of zero emission credits under  
12 subsection (d-5) of this Section, the Agency shall be  
13 permitted to timely conduct an additional procurement or  
14 procurements under this subsection (d-10) to procure  
15 approximately 11,600,000 carbon mitigation credits. Such  
16 procurement or procurements for carbon mitigation credits  
17 shall be subject to the requirements of this subsection (d-10)  
18 to the extent practicable, and the contracts for such carbon  
19 mitigation credits shall be designed to commence, and require  
20 delivery beginning, immediately after the termination date of  
21 the contracts executed pursuant to subsection (d-5) of this  
22 Section.

23       (2) Each clean energy resource that intends to participate  
24 in a procurement shall be required to demonstrate financial  
25 need, which shall be accomplished by submitting to the Agency  
26 the following information for the resource on or before the

1 date established by the Agency:

2 (A) the in-service date and remaining useful life of  
3 the clean energy resource;

4 (B) the amount of power generated annually for each of  
5 the past 10 years, which shall be used to determine the  
6 capability of each facility;

7 (C) the clean energy resource's annual cost  
8 projections, expressed on a per megawatt-hour basis, over  
9 the next 4 delivery years, which shall include the  
10 following, as applicable: operation and maintenance  
11 expenses; fully allocated overhead costs, which, for clean  
12 energy resources that are zero emission facilities, shall  
13 be allocated using the methodology developed by the  
14 Institute for Nuclear Power Operations; fuel expenditures;  
15 nonfuel capital expenditures; spent fuel expenditures; a  
16 return on working capital; the cost of operational and  
17 market risks that could be avoided by ceasing operation;  
18 and any other costs necessary for continued operations,  
19 provided that "necessary" means, for purposes of this  
20 subparagraph (C), that the costs could reasonably be  
21 avoided only by ceasing operations of the clean energy  
22 resource;

23 (D) the clean energy resource's annual revenue  
24 projections, expressed on a per megawatt-hour basis, over  
25 the next 4 delivery years, which shall include the  
26 following categories, as applicable: energy; capacity;

1 ancillary services; renewable energy credits; zero  
2 emission credits; and the benefits of production tax  
3 credits and investment tax credits; and

4 (E) a commitment to continue operating, for the  
5 duration of the contract or contracts executed under the  
6 procurement held under this subsection (d-10), the clean  
7 energy resource that is the subject of the contract,  
8 except in the event of force majeure or catastrophic  
9 equipment failure.

10 Eligible resources must have an in-service date no later  
11 than the date established by the Agency for the data  
12 submission required by this paragraph (2).

13 The information described in subparagraph (C) of this  
14 paragraph (2) may be submitted on a confidential basis and  
15 shall be treated and maintained by the Agency, the procurement  
16 administrator, and the Commission as confidential and  
17 proprietary and exempt from disclosure under subparagraphs (a)  
18 and (g) of paragraph (1) of Section 7 of the Freedom of  
19 Information Act. The Office of Attorney General shall have  
20 access to, and maintain the confidentiality of, such  
21 information pursuant to Section 6.5 of the Attorney General  
22 Act.

23 No later than 14 days after a clean energy resource  
24 submits the information required by subparagraphs (A) through  
25 (E) of this paragraph (2), the Agency shall notify the  
26 resource of whether it is eligible to participate in the

1 procurement based on the requisite showing of financial need.

2 (3) The Agency shall solicit bids for the contracts  
3 described in this subsection (d-10) from clean energy  
4 resources authorized to participate in a procurement as  
5 determined under paragraph (2) of this subsection (d-10). The  
6 contracts procured pursuant to a procurement event shall  
7 reflect, and be subject to, the following terms, requirements,  
8 and limitations:

9 (A) Except as provided in paragraph (8) or (9) of this  
10 subsection (d-10), contracts shall extend for a term of 10  
11 delivery years.

12 (B) The contracts are not energy or capacity sales  
13 contracts requiring physical delivery; contracts shall  
14 only require delivery of carbon mitigation credits.

15 (C) (i) The price-per-megawatt-hour to be paid under a  
16 contract for a given delivery year shall be equal to an  
17 accepted bid price less the sum of:

18 (aa) the energy price for the PJM Interconnection,  
19 LLC, Northern Illinois Hub; and

20 (bb) the Base Residual Auction capacity price for  
21 the ComEd zone as determined by PJM Interconnection,  
22 LLC, divided by 24 hours per day.

23 (ii) However, after the first 2 delivery years under  
24 the contract, the value used in subitem (bb) of item (i) of  
25 this subparagraph (C) shall be zero for any delivery year  
26 in which the following 2 conditions are met during that



1       delivery year:

2               (aa) PJM Interconnection, LLC applies the Minimum  
3       Offer Price Rule to state-subsidized resources that  
4       are selling environmental attributes; and

5               (bb) the State has not adopted and implemented a  
6       PJM Interconnection, LLC Fixed Resource Requirement  
7       Alternative.

8               (D) If the price-per-megawatt-hour calculation  
9       performed under subparagraph (C) of this paragraph (3) for  
10       a given delivery month results in a net positive value,  
11       then the electric utility counterparty to the contract  
12       shall multiply such net value by the applicable contract  
13       quantity and remit the amount to the supplier. If such  
14       calculation does not result in a net positive value, the  
15       contract payment or payments will be determined according  
16       to paragraph (8) of this subsection (d-10).

17       (3.5) Notwithstanding the provisions of this subsection  
18       (d-10), the Agency shall calculate a price-per-megawatt-hour  
19       value that reflects, and is derived from, the current  
20       forecasted market price of energy plus a portion of the  
21       societal costs and harms borne by Illinoisans as a result of  
22       carbon and other harmful emissions, and the Agency shall not  
23       accept bids for the first delivery year of contracts executed  
24       pursuant to paragraph (3) of this subsection (d-10) that  
25       exceed such value. Following the first delivery year of the  
26       contract, the calculation performed under this paragraph (3.5)

1 shall be subject to a 2% price escalator for each subsequent  
2 year of the contract term.

3 (4) Costs incurred by the electric utility pursuant to a  
4 contract authorized by this subsection (d-10) shall be deemed  
5 prudently incurred and reasonable in amount, and the electric  
6 utility shall be entitled to full cost recovery pursuant to a  
7 tariff or tariffs filed with the Commission.

8 (5) No later than 45 days after the effective date of this  
9 amendatory Act of the 102nd General Assembly, the Agency shall  
10 publish its proposed carbon mitigation procurement plan. The  
11 Plan shall provide that winning bids shall be selected by  
12 taking into consideration which resources best match  
13 customers' usage patterns as reflected in the utility's load  
14 shape and based on public interest criteria that include, but  
15 are not limited to, minimizing carbon dioxide emissions that  
16 result from electricity consumed in Illinois and minimizing  
17 sulfur dioxide, nitrogen oxide, and particulate matter  
18 emissions that adversely affect the citizens of this State.  
19 The selection of winning bids shall also take into account the  
20 incremental environmental benefits resulting from the  
21 procurement or procurements, such as any existing  
22 environmental benefits that are preserved by a procurement  
23 held under this subsection (d-10) and would cease to exist if  
24 the procurement were not held, including the preservation of  
25 clean energy resources. For those bidders having the same  
26 public interest criteria score, the relative ranking of such

1 bidders shall be determined by price. The plan shall describe  
2 in detail how each public interest factor shall be considered  
3 and weighted in the bid selection process to ensure that the  
4 public interest criteria are applied to the procurement.

5 Upon publishing of the carbon mitigation procurement plan,  
6 copies of the plan shall be posted and made publicly available  
7 on the Agency's website. All interested parties shall have 10  
8 days following the date of posting to provide comment to the  
9 Agency on the plan. All comments shall be posted to the  
10 Agency's website. Following the end of the comment period, but  
11 no more than 60 days later than the effective date of this  
12 amendatory Act of the 102nd General Assembly, the Agency shall  
13 revise the plan as necessary based on the comments received  
14 and file its carbon mitigation procurement plan with the  
15 Commission.

16 If the Commission determines that the plan is likely to  
17 result in the procurement of cost-effective carbon mitigation  
18 credits, then the Commission shall, after notice and hearing,  
19 but no later than 45 days after the Agency filed the plan,  
20 approve the plan or approve it with modification. For purposes  
21 of this subsection (d-10), "cost-effective" means carbon  
22 mitigation credits that are procured from clean energy  
23 resources at prices that are within the limits specified in  
24 paragraphs (3) and (3.5) of this subsection.

25 (6) As part of the Commission's review and acceptance or  
26 rejection of procurement results, the Commission shall, in its

1 public notice of successful bidders:

2 (A) identify how the winning bids match customers'  
3 usage patterns as reflected in the utility's load shape  
4 and satisfy the public interest criteria of minimizing  
5 carbon dioxide emissions that result from electricity  
6 consumed in Illinois and minimizing sulfur dioxide,  
7 nitrogen oxide, and particulate matter emissions that  
8 adversely affect the citizens of this State;

9 (B) identify how the winning bids provide incremental  
10 environmental benefits resulting from the procurement,  
11 including any existing environmental benefits that are  
12 preserved by a procurement held under this amendatory Act  
13 of the 102nd General Assembly and would have ceased to  
14 exist if the procurement had not been held, such as the  
15 preservation of clean energy resources;

16 (C) quantify the environmental benefit of preserving  
17 the resources identified in subparagraph (B) of this  
18 paragraph (6), including the following:

19 (i) the value of avoided greenhouse gas emissions  
20 measured as the product of the clean energy resources'  
21 output over the contract term multiplied by the U.S.  
22 Environmental Protection Agency eGrid subregion carbon  
23 dioxide emission rate and the U.S. Interagency Working  
24 Group on Social Cost of Carbon's price in the August  
25 2016 Technical Update using a 3% discount rate,  
26 adjusted for inflation for each delivery year; and

1           (ii) the costs of replacement with other clean  
2           energy resources, including wind, photovoltaic, and  
3           storage.

4           (7) The initial procurement described in this subsection  
5           (d-10) for the delivery year commencing June 1, 2022,  
6           including, but not limited to, the execution of all contracts  
7           procured, shall be completed no later than November 20, 2021.  
8           Based on the effective date of this amendatory Act of the 102nd  
9           General Assembly, the Agency and Commission may, as  
10           appropriate, modify the various dates and timelines under this  
11           subsection (d-10) to ensure compliance with the contract  
12           execution deadline set forth in this paragraph (7). The  
13           procurement and plan approval processes required by this  
14           subsection (d-10) shall be conducted in conjunction with the  
15           procurement and plan approval processes required by subsection  
16           (c) of this Section and Section 16-111.5 of the Public  
17           Utilities Act, to the extent practicable. Notwithstanding  
18           whether a procurement event is conducted under Section  
19           16-111.5 of the Public Utilities Act, the Agency shall  
20           immediately initiate a procurement process on the effective  
21           date of this amendatory Act of the 102nd General Assembly.

22           (8) To protect retail customers from retail-rate  
23           instability that may arise upon the initiation of carbon  
24           emissions regulation, if the price-per-megawatt-hour  
25           calculation performed under subparagraph (C) of paragraph (3)  
26           of this subsection (d-10) for a given delivery month results

1 in a net negative value, then the supplier counterparty to the  
2 contract shall multiply such net value by the applicable  
3 contract quantity and remit such amount to the electric  
4 utility counterparty. The electric utility shall reflect such  
5 amounts remitted by suppliers as a credit on its retail  
6 customer bills as soon as practicable.

7 Prior to May 31 of the ninth delivery year of a given  
8 contract, the Agency shall determine, for each contract, if  
9 retail customers have received cumulative bill credits under  
10 this paragraph (8) in an amount that is at least equal to the  
11 cumulative payments such customers have funded under  
12 subparagraph (D) of paragraph (3) of this subsection (d-10).  
13 If the amount of such bill credits is at least equal to the  
14 amount of such payments, then the contract will terminate  
15 after May 31 of the tenth delivery year, pursuant to its terms.  
16 If the amount of such bill credits is less than the amount of  
17 such payments and the contract price is expected to be less  
18 than the amounts subtracted under subitems (aa) and (bb) of  
19 item (i) of subparagraph (C) of paragraph (3) of this  
20 subsection (d-10) for the subsequent delivery year, then the  
21 contract term will automatically be extended for one delivery  
22 year, and the Agency shall again perform the calculations  
23 described in this paragraph (8) prior to May 31 of the tenth  
24 delivery year in order to determine whether such bill credits  
25 are at least equal to such costs. This one-year extension  
26 process shall continue until such time that the bill credits

1 are at least equal to such costs, at which time the contract  
2 will terminate at the end of the one-year extension period.  
3 Notwithstanding the provisions of this paragraph (8), in no  
4 event shall the total contract term exceed 15 years or, in the  
5 case of a zero emission facility, the duration of its  
6 operating license from the Nuclear Regulatory Commission.

7 (9) No later than 24 months prior to the Base Residual  
8 Auction for the delivery year commencing June 1, 2030, the  
9 Agency shall review and assess the current state of law,  
10 policy, and the economics of new clean energy resources to  
11 evaluate whether an extension of the contract term for those  
12 contracts procured in the first procurement event held under  
13 this subsection (d-10) would be the most cost-effective way to  
14 achieve Illinois' carbon reduction and cost reduction goals  
15 for subsequent delivery years. Should the Agency determine an  
16 extension is its preferred way to achieve the goals, the  
17 Agency shall propose such extension to the Commission in its  
18 annual procurement plan and, if approved, shall direct the  
19 utility to offer contract extensions.

20 (10) The provisions of this paragraph (10) apply to each  
21 electric utility that serves less than 3,000,000 retail  
22 customers but more than 100,000 retail customers in the State.  
23 Beginning 24 months prior to the termination date of the  
24 contract or contracts executed by such electric utility for  
25 the purchase of zero emission credits under subsection (d-5)  
26 of this Section, the Agency shall be permitted to timely

1 conduct an additional procurement or procurements under this  
2 subsection (d-10) to procure approximately 9,000,000 carbon  
3 mitigation credits. Such procurement or procurements for  
4 carbon mitigation credits shall be subject to the requirements  
5 of this subsection (d-10) to the extent practicable, and the  
6 contracts for such carbon mitigation credits shall be designed  
7 to commence, and require delivery beginning, immediately after  
8 the termination date of the contracts executed pursuant to  
9 subsection (d-5) of this Section. The Agency shall procure  
10 contracts for carbon mitigation credits pursuant to this  
11 paragraph (10) if it concludes, after review and assessment of  
12 the current state of law, policy, and the economics of new  
13 clean energy resources, that such procurement would be a  
14 cost-effective way to achieve Illinois' carbon reduction and  
15 cost reduction goals for subsequent delivery years. For  
16 purposes of this paragraph (10), and notwithstanding anything  
17 to the contrary, "carbon mitigation credit" means a tradable  
18 credit that represents the carbon emission reduction  
19 attributes of one megawatt-hour of energy produced from a  
20 renewable energy resource interconnected to Midcontinent  
21 Independent System Operator, Inc. or a zero emission facility  
22 interconnected to Midcontinent Independent System Operator,  
23 Inc.

24 (d-15) (1) The General Assembly finds and declares that all  
25 citizens of the State should benefit from the implementation  
26 and achievement of the State's clean energy policies, goals,



1 and procurements described in this amendatory Act of the 102nd  
2 General Assembly. The General Assembly recognizes that  
3 although the transition to a clean energy future will benefit  
4 all Illinoisans, the transition has required, and will  
5 continue to require, investment from Illinoisans, which is  
6 typically made through the payment of various charges included  
7 on their electric utility bills. The General Assembly further  
8 recognizes that this investment has increased over the past  
9 decade in step with the State's escalating clean energy  
10 targets, which are reflected in Illinois' energy efficiency  
11 portfolio standard, renewable energy portfolio standard, zero  
12 emission portfolio standard, and any other procurements of  
13 clean energy attributes conducted by the Agency on behalf of  
14 electric utilities.

15 Because monthly utility bills often comprise a higher  
16 percentage of low-income and moderate-income households'  
17 monthly budgets compared to other households, the General  
18 Assembly further finds that the increased costs associated  
19 with the transition to clean energy can be particularly  
20 difficult for these households to absorb. To ensure that  
21 Illinois' transition to a clean energy future does not  
22 adversely impact the State's low-income and moderate-income  
23 citizens in a disproportionate manner, the General Assembly  
24 finds and declares that electric utilities should be permitted  
25 to implement measures designed to address that inequity.

26 (2) Each electric utility that serves more than 500,000

1 retail customers in the State shall be permitted, at the  
2 utility's election, to prepare and administer a clean energy  
3 equity plan that conforms to the requirements of this  
4 paragraph (2). Each plan shall be implemented on a calendar  
5 year basis, and shall be designed to use 95% of the funds  
6 projected to be deposited into the account established  
7 pursuant to paragraph (5) of this subsection (d-15) and  
8 available during the applicable year to provide the following  
9 assistance:

10 (A) 75% of the funds shall be used to provide  
11 assistance to residential retail customers as follows:

12 (i) The funds shall first be used by the electric  
13 utility to assist low-income and moderate-income  
14 retail customers through the Supplemental Arrearage  
15 Reduction Program authorized under paragraph (5.5) of  
16 subsection (c) of Section 18 of the Energy Assistance  
17 Act. Notwithstanding the provisions of such paragraph,  
18 the electric utility shall be permitted to modify and  
19 expand the eligibility and participation terms set  
20 forth in such paragraph for the purposes of using the  
21 additional funding available pursuant to this  
22 paragraph (2) and maximizing the Program's reach and  
23 effectiveness, including, but not limited to, an  
24 expansion of assistance that would increase the number  
25 of low-income and moderate-income families receiving  
26 bill credits that reduce or eliminate their utility

1 bill arrearages. These credits will provide a path for  
2 the utility's most vulnerable customers to become  
3 current on their utility bills, which also benefits  
4 all of the utility's customers through the reduction  
5 of uncollectible expense associated with unpaid  
6 arrearages.

7 (ii) If a portion of the funds allocated to item  
8 (i) of this subparagraph (A) remains unspent after the  
9 close of a calendar year, then the utility shall remit  
10 such portion to the Department of Revenue for deposit  
11 in the Supplemental Low-Income Energy Assistance Fund,  
12 which shall be used to provide additional funding to  
13 the utility's Percentage of Income Payment Plan  
14 implemented pursuant to Section 18 of the Energy  
15 Assistance Act.

16 (B) 25% of the funds shall be used for small  
17 commercial retail customers and retail customers that are  
18 not-for-profit organizations, as follows:

19 (i) The utility may establish general assistance  
20 programs, including, but not limited to, arrearage  
21 reduction programs, and the details of the program or  
22 programs shall be set forth in one or more tariffs  
23 filed with the Commission.

24 (ii) If a portion of the funds allocated to item  
25 (i) of this subparagraph (B) remains unspent after the  
26 close of a calendar year, then the utility shall use

1           such portion to increase the funding under item (i) of  
2           subparagraph (A) of this paragraph (2).

3           For purposes of this subsection (d-15), "small commercial  
4           retail customer" means a nonresidential retail customer of an  
5           electric utility that has a maximum demand of no more than 100  
6           kilowatts; however, if the utility projects, by August 31 of a  
7           given year, that the annual funding available under this  
8           subparagraph (B) will not be fully used, then the utility may  
9           increase such maximum demand limitation to no more than 400  
10           kilowatts.

11           The utility may coordinate with Local Administrative  
12           Agencies, as defined in Section 18 of the Energy Assistance  
13           Act, to notify and enroll customers in the programs and  
14           funding described in this paragraph (2).

15           (3) An electric utility that elects to develop and  
16           implement the plan described in paragraph (2) of this  
17           subsection (d-15) shall be permitted to establish the amount  
18           of funding to be available under the plan during a given year,  
19           provided that such amount does not exceed \$30,000,000 per year  
20           for a utility that serves more than 3,000,000 retail customers  
21           in the State and \$15,000,000 per year for a utility that serves  
22           less than 3,000,000 retail customers but more than 500,000  
23           retail customers in the State.

24           (4) (A) Nothing in this Act, the Public Utilities Act, or  
25           any other law of this State shall preclude or prevent an  
26           electric utility that is subject to the procurement required

1 by subsection (d-10) of this Section from negotiating or  
2 requiring terms in new contracts executed with winning bidders  
3 under which those winning bidder counterparties fund the plans  
4 described in paragraph (2) of this subsection (d-15) in an  
5 amount up to \$0.32 per megawatt-hour procured from clean  
6 energy resources; however, the generation resource that is the  
7 subject of the contract must have a nameplate capacity that is  
8 greater than 2,000 kilowatts.

9 (B) If an electric utility elects to include the contract  
10 terms described in subparagraph (A) of this paragraph (4),  
11 then the contracts shall specify that the money owed by  
12 winning bidder counterparties pursuant to such terms shall be  
13 allocated, on an annual basis, to those electric utilities  
14 that elect to administer a clean energy equity plan pursuant  
15 to paragraph (2) of this subsection (d-15). The electric  
16 utility counterparty to the contracts shall also specify in  
17 such contracts an equitable allocation methodology to be used  
18 for annually apportioning such money to those electric  
19 utilities administering plans pursuant to such paragraph (2)  
20 based on the number of retail customers served by each utility  
21 that elects to administer a clean energy equity plan pursuant  
22 to such paragraph (2).

23 (C) If an electric utility elects to include the contract  
24 terms described in subparagraph (A) of this paragraph (4),  
25 then the contracts shall also address the mechanism or  
26 mechanisms by which the money allocated to funding the plans

1 will be transferred or deposited into the account or accounts  
2 of each utility established pursuant to paragraph (5) of this  
3 subsection (d-15). For an electric utility that is the  
4 counterparty to a contract, this mechanism may include, but is  
5 not limited to, the utility depositing the plan funding  
6 amounts due, and allocated to it, under the contract and  
7 reducing, by the same amount, the payments otherwise due to  
8 the winning bidder under the contract. The mechanism selected  
9 for a given contract, including, but not limited to, any  
10 transfers, deposits, or reductions in payments thereunder,  
11 shall not reduce, or otherwise impact, the total contract cost  
12 to be recovered from retail customers.

13 (D) It shall not be imprudent or unreasonable for an  
14 electric utility to include the plan funding contract terms  
15 authorized by subparagraph (A) of this paragraph (4) in  
16 contracts executed pursuant to subsection (d-10) of this  
17 Section, and such inclusion shall not be a basis for the  
18 Commission to disallow the recovery of any or all of the  
19 contract cost from retail customers, even though such a  
20 contract term may result in a higher cost than the electric  
21 utility or customers otherwise would pay.

22 Notwithstanding the provisions of this paragraph (4),  
23 nothing in this Section prohibits the utility from seeking  
24 Commission approval to also recover amounts that exceed the  
25 values set forth in subparagraph (A) of this paragraph (4).

26 (E) If an electric utility elects to require the contract

1 term or terms authorized by this paragraph (4), it shall  
2 notify the Agency to include the term or terms in the  
3 applicable request for proposals. The electric utility and  
4 Agency shall coordinate expeditiously to implement the  
5 utility's elections, and the Agency shall not impede such  
6 implementation.

7 (5) Each electric utility shall deposit into a separate  
8 interest bearing account of a financial institution the  
9 amounts allocated or received under this subsection (d-15) for  
10 the purpose of funding and administering the plan described in  
11 paragraph (2) of this subsection (d-15). The electric utility  
12 shall be reimbursed from the account for the administrative  
13 costs that it incurs to administer and manage the account. Any  
14 taxes due on the funds in the account, or the interest earned  
15 on it, will be paid from the account. The money in this account  
16 shall not be subject to appropriation.

17 (6) No later than 90 days after the close of each year  
18 during which a plan authorized by paragraph (2) of this  
19 subsection (d-15) was in effect and implemented, each electric  
20 utility subject to the requirements of this subsection (d-15)  
21 shall submit a report to the Commission identifying the  
22 following for the immediately preceding year: (i) the total  
23 funds available to fund the plan, including the amounts  
24 deposited into the account established under paragraph (5) of  
25 this subsection (d-15); (ii) the interest earned on the  
26 account; (iii) the administrative fees and taxes paid from the

1 account; (iv) descriptions of the programs offered, and  
2 amounts disbursed, under paragraph (2) of this subsection  
3 (d-15); and (v) the planned disposition of any funds not fully  
4 disbursed during the year and, if applicable, any prior years.

5 (7) If any provision within this subsection (d-15) is  
6 found by a court of competent jurisdiction to be invalid,  
7 illegal or unenforceable, the remaining provisions of this  
8 amendatory Act of the 102nd General Assembly shall not in any  
9 way be affected or impaired.

10 (d-16) (1) The General Assembly finds and declares that it  
11 is critical that the State provide support for the transition  
12 of Illinois' communities and workers impacted or displaced by  
13 the implementation and achievement of clean energy policies,  
14 goals, and procurements, including those described in this  
15 amendatory Act of the 102nd General Assembly. While this  
16 transition to a clean energy future is vital to protecting the  
17 health, safety, and economic security of all Illinoisans, the  
18 General Assembly recognizes that it is necessary to implement  
19 a variety of measures to attract new businesses to these  
20 communities, offer training for impacted workers, and provide  
21 economic support for impacted communities and workers during  
22 this transition period. These new measures are set forth in  
23 the Energy Community Reinvestment Act and Empowerment Zone Tax  
24 Credit Act of this amendatory Act of the 102nd General  
25 Assembly, and the General Assembly finds and declares that  
26 electric utilities should be permitted to implement the



1 provisions of this subsection (d-16) to support these efforts.

2 (2) (A) Nothing in this Act, the Public Utilities Act, or  
3 any other law of this State shall preclude or prevent an  
4 electric utility that is subject to the procurements required  
5 by subsection (c) of this Section from negotiating or  
6 requiring terms in new contracts executed with winning bidders  
7 under which those winning bidder counterparties fund the  
8 Energy Community Reinvestment Fund in amounts to be determined  
9 in coordination with the Agency and Department of Commerce and  
10 Economic Opportunity; however, those renewable energy  
11 resources that are the subject of the contracts, other than  
12 community renewable generation projects, must have a nameplate  
13 capacity that is greater than 2,000 kilowatts, and the  
14 provisions of this subsection (d-16) shall not apply to  
15 contracts for renewable energy credits that are procured under  
16 subparagraph (K-10) of paragraph (1) of subsection (c) of this  
17 Section.

18 (B) If an electric utility elects to include the contract  
19 terms described in subparagraph (A) of this paragraph (2),  
20 then the contracts shall also address the mechanism or  
21 mechanisms by which the money allocated to funding the Energy  
22 Community Reinvestment Fund will be transferred or deposited  
23 into the Fund. This mechanism may include, but is not limited  
24 to, the utility depositing the funding amounts due under the  
25 contract and reducing, by the same amount, the payments  
26 otherwise due to the winning bidder under the contract. The

1 mechanism selected for a given contract, including, but not  
2 limited to, any transfers, deposits, or reductions in payments  
3 thereunder, shall not reduce, or otherwise impact, the total  
4 contract cost to be recovered from retail customers.

5 (C) It shall not be imprudent or unreasonable for an  
6 electric utility to include the Energy Community Reinvestment  
7 Fund funding contract terms authorized by subparagraph (A) of  
8 this paragraph (2) in contracts executed pursuant to  
9 subsection (c) of this Section, and such inclusion shall not  
10 be a basis for the Commission to disallow the recovery of any  
11 or all of the contract cost from retail customers, even though  
12 such a contract term may result in a higher cost than the  
13 electric utility or customers otherwise would pay.

14 Notwithstanding the provisions of this paragraph (2),  
15 nothing in this Section prohibits the utility from seeking  
16 Commission approval to also recover amounts that exceed the  
17 funding amounts established pursuant to subparagraph (A) of  
18 this paragraph (2).

19 (D) If an electric utility elects to require the contract  
20 term or terms authorized by this paragraph (2), it shall  
21 notify the Agency to include the term or terms in the  
22 applicable request for proposals. The electric utility and  
23 Agency shall coordinate expeditiously to implement the  
24 utility's elections, and the Agency shall not impede such  
25 implementation.

26 (3) If any provision within this subsection (d-16) is

1 found by a court of competent jurisdiction to be invalid,  
2 illegal or unenforceable, the remaining provisions of this  
3 amendatory Act of the 102nd General Assembly shall not in any  
4 way be affected or impaired.

5 (d-20)(1) Definitions. For purposes of this subsection  
6 (d-20):

7 "Construction" means any constructing, altering,  
8 reconstructing, repairing, rehabilitating, refinishing,  
9 refurbishing, remodeling, remediating, renovating, custom  
10 fabricating, maintaining, securing, landscaping, improving,  
11 drilling, testing, moving, wrecking, painting, decorating,  
12 demolishing, and adding to or subtracting from any building,  
13 structure, highway, roadway, street, bridge, alley, sewer,  
14 ditch, water works, parking facility, railroad, excavation or  
15 other structure, project, development, other real improvement,  
16 or any part thereof, whether or not the performance of the work  
17 herein described involves the addition to, or fabrication  
18 into, any structure, project, development, real property or  
19 improvement herein described.

20 "Construction Employee" means persons performing  
21 construction.

22 "Subsidized facility" means a planned or existing facility  
23 that is selected to receive a subsidy through the Agency  
24 programs and procurements under Section 1-56 of this Act,  
25 subsection (c) of this Section, or subsection (d-10) of this  
26 Section.

1       "Subsidized supplier" means a supplier whose planned or  
2 existing facility is selected to receive a subsidy through the  
3 Agency programs and procurements under Section 1-56 of this  
4 Act, subsection (c) of this Section, or subsection (d-10) of  
5 this Section.

6       (2) All construction performed on a subsidized facility  
7 shall be subject to the requirements for public works in  
8 accordance with the Illinois Prevailing Wage Act and as set  
9 forth in this subsection.

10       (3) Each subsidized supplier shall require that all  
11 construction performed by the supplier, its contractors, or  
12 its subcontractors relating to a subsidized facility is  
13 performed by construction employees receiving an amount for  
14 that work equal to or greater than the general prevailing rate  
15 of hourly wages and benefits, as that term is defined in  
16 Section 3 of the Illinois Prevailing Wage Act.

17       Each subsidized supplier shall, and shall require its  
18 contractors or subcontractors that perform construction at any  
19 subsidized facility to:

20       (A) make and keep, for a period of not less than 5  
21 years from the date of the last payment on a contract or  
22 subcontract for construction, records of all construction  
23 employees employed by them for work on or within the  
24 subsidized facility; the records shall include each  
25 employee's name, address, race, gender, telephone number  
26 when available, if applicable years of residency in

1 Illinois, classification or classifications of labor, the  
2 rate of hourly wages paid in each pay period for work at  
3 the subsidized facility, the number of hours worked each  
4 day, and the starting and ending times of work each day, at  
5 the subsidized facility; and

6 (B) no later than the fifteenth day of each calendar  
7 month file a certified payroll for work at the subsidized  
8 facility for the immediately preceding month with the  
9 Department of Labor and provide an informational copy to  
10 the Agency.

11 (4) Each subsidized supplier shall require any contractors  
12 and subcontractors performing construction at a subsidized  
13 facility to comply with the responsible bidder requirements of  
14 Section 30-22 of the Illinois Procurement Code.

15 (5) Except for those construction projects related to  
16 facilities described in item (i) of subparagraph (K) of  
17 paragraph (1) of subsection (c) of this Section, a subsidized  
18 supplier shall require any contractors and subcontractors  
19 performing a construction project at a subsidized facility to  
20 enter into a project labor agreement with the building and  
21 construction trades council or multiple labor organizations  
22 with geographic jurisdiction over the location of the project.

23 (6) (A) Each subsidized supplier shall participate in an  
24 apprenticeship program, registered with and recognized by the  
25 United States Department of Labor, related to all construction  
26 at a subsidized facility. Each subsidized supplier shall

1 additionally require its contractors or subcontractors that  
2 perform construction at a subsidized facility to participate  
3 in such an apprenticeship program related to all construction  
4 at that facility.

5 (B) The apprenticeship program shall have a goal that  
6 apprentices will perform the lesser of 10% of the total labor  
7 hours actually worked in each prevailing wage classification  
8 or 10% of the estimated labor hours in each prevailing wage  
9 classification.

10 (C) The Agency may reduce or waive the goals set forth in  
11 item (B) of paragraph (5) of subsection (d-20) of this Section  
12 before or during the term of the contract under Section 1-56 of  
13 this Act or subsections (c) or (d-10) of this Section if the  
14 Agency, after public hearing, finds that insufficient  
15 apprentices are available or the reasonable and necessary  
16 requirements of the contract or subcontract do not allow the  
17 goal to be met.

18 (D) Each supplier shall submit, and shall require  
19 contractors and subcontractors to submit, a certification to  
20 the Department of Labor that such entity has either met the  
21 apprentice labor hours goal set forth in item (B) of paragraph  
22 (5) of subsection (d-20) of this Section or received a  
23 reduction or waiver pursuant to item (C) of paragraph (5) of  
24 subsection (d-20) of this Section.

25 (7) Contractors and subcontractors of subsidized suppliers  
26 are subject to the rules and regulations established by the

1 Department of Commerce and Economic Opportunity in accordance  
2 with Section 20-15 of the Illinois Works Jobs Program Act for  
3 construction at subsidized facilities.

4 (8) (A) Workforce Diversity. The Agency shall require each  
5 subsidized supplier to report monthly on the diversity of its  
6 workforce within each of its subsidized facilities. The report  
7 shall also present the diversity of the community in which a  
8 subsidized facility is located and shall outline the efforts  
9 the supplier is taking to achieve a workforce that reflects  
10 the diversity of the community for each such facility. If a  
11 supplier fails to meet or maintain compliance with the  
12 reporting requirements of this subparagraph (A) and  
13 subparagraph (A) of paragraph (3) of this subsection (d-20)  
14 the supplier is not eligible to receive payment during the  
15 period of noncompliance. The Agency shall notify the  
16 contracting utility, at such time, that the supplier is not  
17 eligible to receive payment. Contracts entered into pursuant  
18 to Section 1-56 of this Act, subsection (c) of this Section or  
19 subsection (d-10) of this Section shall reflect that payments  
20 shall be suspended upon any noncompliance notice from the  
21 Agency until the Agency notifies the utility that the period  
22 of noncompliance has ended.

23 (B) Subsidized suppliers shall strive with respect to any  
24 subsidized facility to achieve a workforce at that facility  
25 that reflects the diversity of the community in which such  
26 facility is located. In each reporting period, the supplier

1 shall outline the efforts it is taking to achieve for each such  
2 facility a workforce that reflects the diversity of the  
3 community.

4 (9) Where not otherwise prohibited by applicable law, each  
5 subsidized supplier shall, with respect to such employees  
6 assigned to work on the premises of a subsidized facility who  
7 are not otherwise members of an existing bargaining unit  
8 cognizable under the National Labor Relations Act, agree to  
9 labor neutrality and card check procedures with any union that  
10 seeks to represent such employees. The supplier shall also  
11 only use on-site contractors or subcontractors who agree to be  
12 bound by similar provisions, if requested by any union that  
13 seeks to represent the on-site contractor or subcontractor's  
14 employees who are assigned to work on the premises of a  
15 subsidized facility.

16 (10) The requirements of this subsection (d-20) of this  
17 Section shall be construed to avoid preemption under federal  
18 law. The primary purpose of Sections 1-56 of this Act,  
19 subsection (c) of this Section, and subsection (d-10) of this  
20 Section is to advance the State's clean energy goals.  
21 Accordingly, the invalidity of any provision in this  
22 subsection (d-20) shall not affect the validity of the  
23 remaining provisions in this subsection (d-20), nor the  
24 validity of Sections 1-56 of this Act, subsection (c) of this  
25 Section, or subsection (d-10) of this Section.

26 (d-25) To ensure that the State's policy goals set forth



1 in subsection (d-9) of this Section are achieved, the  
2 Governor, on behalf of the State, shall be authorized to join,  
3 and execute agreements with, one or more regional, national or  
4 international market-based programs designed to reduce carbon  
5 emissions.

6 (d-30) As set forth in subsection (d-9) of this Section,  
7 this amendatory Act of the 102nd General Assembly is designed  
8 to mitigate increases in carbon emissions and preserve  
9 existing clean energy resources during this current period of  
10 uncertainty regarding a future transition to a regional or  
11 national carbon pricing regime. To ensure that the State's  
12 implementation of the policies articulated in such subsection  
13 (d-9) remain on track during this period, the Agency, in  
14 consultation with the Commission and Illinois Environmental  
15 Protection Agency, shall prepare a study analyzing additional  
16 least-cost means of achieving the State's carbon reduction  
17 goals that are incremental to those required by this  
18 amendatory Act of the 102nd General Assembly.

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

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

26 (g) The Agency shall assess fees to each affected utility

1 to recover the costs incurred in preparation of the annual  
2 procurement plan for the utility.

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

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

19 (j) Each electric utility subject to the procurement  
20 requirements set forth in subsection (c), (d-5), or (d-10) of  
21 this Section shall perform an analysis, updated annually for  
22 each delivery year, of the extent to which the renewable  
23 energy credits, zero emission credits, and carbon mitigation  
24 credits it has purchased under contracts procured by the  
25 Agency pursuant to such subsection or subsections, as  
26 applicable, are generated during those times that correspond

1 to the pattern of retail electric consumption in the utility's  
2 service territory. Each electric utility's analysis shall also  
3 identify the characteristics of additional renewable energy  
4 resources whose generation of renewable energy credits would  
5 best match, and increase the level of correlation to, the  
6 pattern of retail electric consumption in the utility's  
7 service territory. The Agency shall identify the date by which  
8 each electric utility must submit such analysis to the Agency  
9 each year.

10 Based on the analyses submitted by electric utilities  
11 pursuant to this subsection (j), the Agency's planning and  
12 procurement processes conducted for those procurements  
13 authorized and held under this Section shall include an  
14 analysis, updated annually for each delivery year, that  
15 identifies, as applicable, the renewable energy resources,  
16 zero emission facilities, and clean energy resources that are  
17 capable of producing clean energy during those times that  
18 correspond to the pattern of retail electric consumption.

19 (k) Capacity procurement.

20 (1) Beginning no earlier than the delivery year  
21 commencing June 1, 2023, and insofar as permitted under  
22 federal law, this subsection (k) grants the Agency  
23 authority to procure capacity for an electric utility that  
24 serves more than 3,000,000 retail customers in the State,  
25 is a member of PJM Interconnection, LLC, and elects to use  
26 the Fixed Resource Requirement Alternative as provided for

1 in the Open Access Transmission Tariff, Reliability  
2 Assurance Agreement, and manuals of PJM Interconnection,  
3 LLC or its successors, provided that such election is  
4 approved by the Commission pursuant to paragraph (6) of  
5 subsection (b) of Section 16-111.5 of the Public Utilities  
6 Act. Upon the Commission's approval of such election, the  
7 Agency shall develop a procurement plan consistent with  
8 the requirements of this subsection (k) and paragraph (7)  
9 of such subsection (b) for the procurement of capacity in  
10 amounts necessary to ensure the electric utility's  
11 resource adequacy pursuant to PJM Interconnection LLC's  
12 federally mandated requirements. The Agency shall, for  
13 each such utility, conduct Capacity Procurement auctions  
14 as necessary to meet the electric utility's resource  
15 obligations for all of its retail customers. Such auctions  
16 shall also be designed to achieve the objectives set forth  
17 in this subsection (k) for the duration of the electric  
18 utility's election of the Fixed Resource Requirement  
19 Alternative.

20 In this subsection (k):

21 "Fixed Resource Requirement", "Fixed Resource  
22 Requirement Alternative", "Fixed Resource Requirement  
23 Service Area" (or "FRR Service Area"), "Load Serving  
24 Entities", and "Open Access Transmission Tariff" shall  
25 have the meanings as provided for in the Open Access  
26 Transmission Tariff, Reliability Assurance Agreement, and

1 manuals of PJM Interconnection, LLC, or its successor, as  
2 that Agreement may be updated from time to time.

3 "Obligation Peak Load" shall have the meaning set  
4 forth in PJM Manual 18: PJM Capacity Market, of PJM  
5 Interconnection, LLC, or its successor, as such Manual may  
6 be updated from time to time.

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

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

12 (A) Through one or more auctions that procure  
13 capacity for one or more years, meet the electric  
14 utility's resource obligation under the Fixed Resource  
15 Requirement Alternative as provided for in the Open  
16 Access Transmission Tariff, Reliability Assurance  
17 Agreement, and manuals of PJM Interconnection, LLC or  
18 its successors for all of its retail customers while  
19 maximizing benefits that meet the State's public  
20 interest in the health, safety and welfare of its  
21 residents, including, but not limited to:  
22 significantly reduced emissions in the State from  
23 power generation sources; consumer savings; and those  
24 interests described in subparagraph (I) of paragraph  
25 (1) of subsection (c) of Section 1-75 of the Illinois  
26 Power Agency Act.

1           (B) At least 80% of the capacity procured should  
2           be carbon emission-free by 2030 and 100% of the  
3           capacity procured should be carbon emission-free by  
4           2035 but the Agency should always work toward the goal  
5           of including as much carbon emission-free capacity as  
6           it reasonably can procure.

7           (4) As part of its Capacity Procurement Plans, the  
8           Agency may implement an auction for an optional bundled  
9           product which includes payments to resources that provide  
10           both capacity and renewable energy credits. Renewable  
11           energy resources are eligible to participate in auctions  
12           conducted to implement Capacity Procurement Plans only if  
13           they are eligible to participate in auctions pursuant to  
14           subparagraph (J) of paragraph (1) of subsection (c) of  
15           Section 1-75 of the Illinois Power Agency Act.

16           (4.5) Notwithstanding the provisions of subsection (i)  
17           of this Section, a generating facility that has executed a  
18           contract to supply renewable energy credits, zero emission  
19           credits, or carbon mitigation credits pursuant to a  
20           procurement conducted under this Section shall not be  
21           precluded from participating in a capacity auction  
22           conducted by the Agency under this subsection (k) and  
23           paragraph (6) of subsection (b) of Section 16-111.5 of the  
24           Public Utilities Act. To ensure that zero emission  
25           facilities and clean energy resources are not paid twice  
26           for the environmental attributes reflected in any zero

1 emission credits and carbon mitigation credits supplied  
2 under contracts previously executed pursuant to subsection  
3 (d-5) and (d-10) of this Section, respectively, the  
4 capacity price paid to such facilities and resources under  
5 contracts executed pursuant to this subsection (k) and  
6 such paragraph (6) shall, for the applicable delivery  
7 year, be the Base Residual Auction capacity price  
8 calculated under subitem (bb) of item (i) of subparagraph  
9 (C) of paragraph (3) of such subsection (d-10), divided by  
10 24 hours per day.

11 (5) The Capacity Procurement Plans shall address load  
12 forecasting, billing, and settlement as follows:

13 (A) The Plan shall identify whether PJM  
14 Interconnection, LLC or the electric utility for which  
15 the capacity is being procured shall serve as the  
16 administrator for billing and settlement purposes. PJM  
17 Interconnection, LLC, or its successor, shall be given  
18 the right of first refusal to serve as the  
19 administrator for billing and settlement purposes. The  
20 administrator for billing and settlement purposes  
21 shall perform its role in a competitively neutral  
22 manner.

23 (B) Each Load Serving Entity shall provide to the  
24 electric utility or the administrator for billing and  
25 settlement purposes, as applicable, information needed  
26 by the electric utility or administrator to perform

1       its responsibilities. This information shall be  
2       provided, and shall be maintained by the electric  
3       utility or the administrator, as applicable, on a  
4       confidential basis, including maintaining the  
5       information so that it cannot be accessed by personnel  
6       of the electric utility or administrator responsible  
7       for wholesale or retail power marketing or sales.

8           (C) The administrator for billing and settlement  
9       purposes shall apportion the total procured capacity  
10       among each of the Load Serving Entities. For each Load  
11       Serving Entity, this apportionment shall be calculated  
12       as the ratio of the Load Serving Entity's daily  
13       Obligation Peak Load in the applicable FRR Service  
14       Area divided by the sum of the daily Obligation Peak  
15       Loads for all Load Serving Entities in the applicable  
16       FRR Service Area, after reducing each Load Serving  
17       Entity's daily Obligation Peak Load in the applicable  
18       FRR Service Area by the quantity of its preexisting  
19       capacity commitments. The administrator for billing  
20       and settlement purposes shall bill each Load Serving  
21       Entity daily for its apportioned share of the  
22       purchased capacity, using the weighted average of the  
23       capacity prices specified in the capacity contracts.  
24       The Capacity Procurement Plan shall provide for the  
25       transfer of revenues collected from each Load Serving  
26       Entity to the electric utility that is the



1           counterparty to the capacity contract entered into as  
2           a result of the procurement. Nothing in this  
3           subsection (k) shall impair the ability of the Load  
4           Serving Entity to allocate, bill, and collect the  
5           capacity costs billed to it under this subparagraph  
6           (C) in the manner of its own choosing from the retail  
7           customers it serves.

8           (D) If a Load Serving Entity elects to self-supply  
9           its capacity obligation for its customers pursuant to  
10           Schedule 8.1.D(9) of the PJM Reliability Assurance  
11           Agreement or its successor, the capacity plan that the  
12           Load Serving Entity is required to provide to the  
13           electric utility shall include capacity that meets the  
14           PJM Minimum Internal Resource Requirement and such  
15           other Capacity Procurement Plan requirements that are  
16           not inconsistent with the Minimum Internal Resource  
17           Requirement, including, but not limited to, a  
18           requirement that all, or a specific portion, of the  
19           capacity be carbon-free capacity, as specified in the  
20           Capacity Procurement Plan.

21           (6) The provisions of this subsection (k) are not  
22           intended to conflict with federal rules, regulations, or  
23           laws. If any part of this subsection (k) conflicts with  
24           federal rules, regulations, or laws, the federal  
25           provisions shall control to the extent of the conflict.

26           (Source: P.A. 100-863, eff. 8-14-18; 101-81, eff. 7-12-19;

1 101-113, eff. 1-1-20.)

2 (20 ILCS 3855/1-76 new)

3 Sec. 1-76. Coal Plant Retirement Advisory Committee.  
4 Within 60 days after the effective date of this amendatory Act  
5 of the 102nd General Assembly, the Coal Plant Retirement  
6 Advisory Committee shall be established, which shall consist  
7 of 11 total members, with each member possessing either  
8 technical, business or workforce training expertise related to  
9 the displacement of employees of coal-fired electric  
10 generating facilities that are closing. Of the 11 members, 5  
11 shall be appointed by the Governor, one shall be appointed by  
12 the Speaker of the House, one shall be appointed by the  
13 Minority Leader of the House, one shall be appointed by the  
14 President of the Senate, one shall be appointed by the  
15 Minority Leader of the Senate, one shall be appointed by the  
16 Director of the Illinois Department of Labor, and one shall be  
17 appointed by the Chair of the Illinois Community College  
18 Board. Of the Governor's 5 appointments, at least one must  
19 represent a local labor organization that represents employees  
20 impacted by a coal-fired electric generating facility closure,  
21 at least one must represent a national labor organization, at  
22 least one must represent a local chamber of commerce impacted  
23 by a coal-fired electric generating facility closure, and at  
24 least one must represent a municipality that is impacted by a  
25 coal-fired electric generating facility closure.

1       The Governor shall designate one of the members of the  
2       Committee to serve as chairman, and that person shall serve as  
3       the chairman at the pleasure of the Governor. The members  
4       shall not be compensated for serving on the Coal Plant  
5       Retirement Advisory Committee. The Committee shall have the  
6       following duties:

7               (1) Investigate how the closure of coal-fired electric  
8               generating facilities in the State will impact the  
9               employees of those facilities, including, but not limited  
10              to, the following:

11                   (A) the potential for such employees to secure  
12                   future employment at a level of compensation that is  
13                   commensurate with, or higher than, the compensation  
14                   paid by the closing coal-fired electric generating  
15                   facilities; such future employment may include, but is  
16                   not limited to, the clean energy industry;

17                   (B) the need for such employees to obtain  
18                   additional training in order to secure the future  
19                   employment and compensation levels described in  
20                   subparagraph (A) of this paragraph (1) and the cost,  
21                   availability, accessibility and duration of such  
22                   additional training;

23                   (C) the potential that the future employment and  
24                   compensation levels described in subparagraph (A) of  
25                   this paragraph (1) could be obtained in the same  
26                   communities where the employees live at the time of

1           the plant closure;

2           (D) the impact on the local community of the loss  
3           of the tax revenues from the coal-fired electric  
4           generating facility and the men and women employed  
5           there; and

6           (E) the impact on the local community if the  
7           employees and their families are required to leave to  
8           find suitable alternative employment at acceptable  
9           compensation levels.

10           (2) Submit a report to the Governor, Speaker of the  
11           House, Minority Leader of the House, President of the  
12           Senate, and Minority Leader of the Senate that sets forth  
13           the Committee's findings regarding the matters  
14           investigated pursuant to paragraph (1) of this Section.

15           Section 90-15. The State Finance Act is amended by adding  
16           Section 5.935 as follows:

17           (30 ILCS 105/5.935 new)

18           Sec. 5.935. The Energy Community Reinvestment Fund.

19           Section 90-20. The Illinois Works Jobs Program Act is  
20           amended by changing Sections 20-10 and 20-15 as follows:

21           (30 ILCS 559/20-10)

22           Sec. 20-10. Definitions.

1 "Apprentice" means a participant in an apprenticeship  
2 program approved by and registered with the United States  
3 Department of Labor's Bureau of Apprenticeship and Training.

4 "Apprenticeship program" means an apprenticeship and  
5 training program approved by and registered with the United  
6 States Department of Labor's Bureau of Apprenticeship and  
7 Training.

8 "Bid credit" means a virtual dollar for a contractor or  
9 subcontractor to use toward future bids on contracts with the  
10 State for public works projects.

11 "Community-based organization" means a nonprofit  
12 organization, including an accredited public college or  
13 university, selected by the Department to participate in the  
14 Illinois Works Preapprenticeship Program. To qualify as a  
15 "community-based organization", the organization must  
16 demonstrate the following:

17 (1) the ability to effectively serve diverse and  
18 underrepresented populations, including by providing  
19 employment services to such populations;

20 (2) knowledge of the construction and building trades  
21 or, as applicable, trades supporting public utility  
22 projects and operations;

23 (3) the ability to recruit, prescreen, and provide  
24 preapprenticeship training to prepare workers for  
25 employment in the construction and building trades or, as  
26 applicable, trades supporting public utility projects and

1           operations; and

2           (4) a plan to provide the following:

3                   (A) preparatory classes;

4                   (B) workplace readiness skills, such as resume  
5           preparation and interviewing techniques;

6                   (C) strategies for overcoming barriers to entry  
7           and completion of an apprenticeship program; and

8                   (D) any prerequisites for acceptance into an  
9           apprenticeship program.

10           "Contractor" means a person, corporation, partnership,  
11           limited liability company, or joint venture entering into a  
12           contract to construct a public work.

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

15           "Labor hours" means the total hours for workers who are  
16           receiving an hourly wage and who are directly employed for the  
17           public works project. "Labor hours" includes hours performed  
18           by workers employed by the contractor and subcontractors on  
19           the public works project. "Labor hours" does not include hours  
20           worked by the forepersons, superintendents, owners, and  
21           workers who are not subject to prevailing wage requirements.

22           "Minorities" means minority persons as defined in the  
23           Business Enterprise for Minorities, Women, and Persons with  
24           Disabilities Act.

25           "Public utility" has the meaning set forth in Section  
26           3-105 of the Public Utilities Act.

1 "Public works" means all projects, contracted or funded by  
2 the State or any agency of the State, in whole or in part, from  
3 appropriated capital funds, that constitute public works under  
4 the Prevailing Wage Act.

5 "Subcontractor" means a person, corporation, partnership,  
6 limited liability company, or joint venture that has  
7 contracted with the contractor to perform all or part of the  
8 work to construct a public work by a contractor.

9 "Underrepresented populations" means populations  
10 identified by the Department that historically have had  
11 barriers to entry or advancement in the workforce.  
12 "Underrepresented populations" includes, but is not limited  
13 to, minorities, women, and veterans.

14 (Source: P.A. 101-31, eff. 6-28-19; 101-601, eff. 12-10-19.)

15 (30 ILCS 559/20-15)

16 Sec. 20-15. Illinois Works Preapprenticeship Program;  
17 Illinois Works Bid Credit Program.

18 (a) The Illinois Works Preapprenticeship Program is  
19 established and shall be administered by the Department. The  
20 goal of the Illinois Works Preapprenticeship Program is to  
21 create a network of community-based organizations throughout  
22 the State that will recruit, prescreen, and provide  
23 preapprenticeship skills training, for which participants may  
24 attend free of charge and receive a stipend, to create a  
25 qualified, diverse pipeline of workers who are prepared for

1 careers in the construction and building trades and, as  
2 provided in subsection (f) of this Section, trades supporting  
3 public utility projects and operations. Upon completion of the  
4 Illinois Works Preapprenticeship Program, the candidates will  
5 be skilled and work-ready.

6 (b) There is created the Illinois Works Fund, a special  
7 fund in the State treasury. The Illinois Works Fund shall be  
8 administered by the Department. The Illinois Works Fund shall  
9 be used to provide funding for community-based organizations  
10 throughout the State. In addition to any other transfers or  
11 deposits that may be provided for by law, on and after July 1,  
12 2019 at the direction of the Director of the Governor's Office  
13 of Management and Budget, the State Comptroller shall direct  
14 and the State Treasurer shall transfer amounts not exceeding a  
15 total of \$25,000,000 from the Rebuild Illinois Projects Fund  
16 to the Illinois Works Fund.

17 (c) Each community-based organization that receives  
18 funding from the Illinois Works Fund shall provide an annual  
19 report to the Illinois Works Review Panel by April 1 of each  
20 calendar year. The annual report shall include the following  
21 information:

22 (1) a description of the community-based  
23 organization's recruitment, screening, and training  
24 efforts;

25 (2) the number of individuals who apply to,  
26 participate in, and complete the community-based



1 organization's program, broken down by race, gender, age,  
2 and veteran status; and

3 (3) the number of the individuals referenced in item  
4 (2) of this subsection who are initially accepted and  
5 placed into apprenticeship programs in the construction  
6 and building trades or, as applicable, trades supporting  
7 public utility projects and operations.

8 (d) The Department shall create and administer the  
9 Illinois Works Bid Credit Program that shall provide economic  
10 incentives, through bid credits, to encourage contractors and  
11 subcontractors to provide contracting and employment  
12 opportunities to historically underrepresented populations in  
13 the construction industry.

14 The Illinois Works Bid Credit Program shall allow  
15 contractors and subcontractors to earn bid credits for use  
16 toward future bids for public works projects contracted by the  
17 State or an agency of the State in order to increase the  
18 chances that the contractor and the subcontractors will be  
19 selected.

20 Contractors or subcontractors may be eligible for bid  
21 credits for employing apprentices who have completed the  
22 Illinois Works Preapprenticeship Program on public works  
23 projects contracted by the State or any agency of the State.  
24 Contractors or subcontractors shall earn bid credits at a rate  
25 established by the Department and based on labor hours worked  
26 on State-contracted public works projects by apprentices who

1 have completed the Illinois Works Preapprenticeship Program.  
2 The Department shall establish the rate by rule and shall  
3 publish it on the Department's website. The rule may include  
4 maximum bid credits allowed per contractor, per subcontractor,  
5 per apprentice, per bid, or per year.

6 The Illinois Works Credit Bank is hereby created and shall  
7 be administered by the Department. The Illinois Works Credit  
8 Bank shall track the bid credits.

9 A contractor or subcontractor who has been awarded bid  
10 credits under any other State program for employing  
11 apprentices who have completed the Illinois Works  
12 Preapprenticeship Program is not eligible to receive bid  
13 credits under the Illinois Works Bid Credit Program relating  
14 to the same contract.

15 The Department shall report to the Illinois Works Review  
16 Panel the following: (i) the number of bid credits awarded by  
17 the Department; (ii) the number of bid credits submitted by  
18 the contractor or subcontractor to the agency administering  
19 the public works contract; and (iii) the number of bid credits  
20 accepted by the agency for such contract. Any agency that  
21 awards bid credits pursuant to the Illinois Works Credit Bank  
22 Program shall report to the Department the number of bid  
23 credits it accepted for the public works contract.

24 Upon a finding that a contractor or subcontractor has  
25 reported falsified records to the Department in order to  
26 fraudulently obtain bid credits, the Department may bar the

1 contractor or subcontractor from participating in the Illinois  
2 Works Bid Credit Program and may suspend the contractor or  
3 subcontractor from bidding on or participating in any public  
4 works project. False or fraudulent claims for payment relating  
5 to false bid credits may be subject to damages and penalties  
6 under applicable law.

7 (e) The Department shall adopt any rules deemed necessary  
8 to implement this Section. In order to provide for the  
9 expeditious and timely implementation of this Act, the  
10 Department may adopt emergency rules. The adoption of  
11 emergency rules authorized by this subsection is deemed to be  
12 necessary for the public interest, safety, and welfare.

13 (f) Notwithstanding the provisions of this Act, the  
14 \$5,000,000 deposited into the Illinois Works Fund pursuant to  
15 subsection (k) of Section 16-108 of the Public Utilities Act  
16 shall be used solely for the purpose of funding activities to  
17 recruit, prescreen, and provide preapprenticeship skills  
18 training, which participants may attend free of charge and  
19 receive a stipend, to create a qualified, diverse pipeline of  
20 workers who are prepared for careers in trades supporting  
21 public utility projects and operations.

22 (Source: P.A. 101-31, eff. 6-28-19; 101-601, eff. 12-10-19.)

23 Section 90-25. The School Construction Law is amended by  
24 changing Section 5-40 as follows:

1 (105 ILCS 230/5-40)

2 Sec. 5-40. Supervision of school construction projects;  
3 green projects. The Capital Development Board shall exercise  
4 general supervision over school construction projects financed  
5 pursuant to this Article. School districts, however, must be  
6 allowed to choose the architect and engineer for their school  
7 construction projects, and no project may be disapproved by  
8 the State Board of Education or the Capital Development Board  
9 solely due to a school district's selection of an architect or  
10 engineer.

11 With respect to those school construction projects for  
12 which a school district first applies for a grant on or after  
13 July 1, 2007, the school construction project must receive  
14 certification from the United States Green Building Council's  
15 Leadership in Energy and Environmental Design Green Building  
16 Rating System or the Green Building Initiative's Green Globes  
17 Green Building Rating System or must meet green building  
18 standards of the Capital Development Board and its Green  
19 Building Advisory Committee. With respect to those school  
20 construction projects for which a school district applies for  
21 a grant on or after July 1, 2009, the school construction  
22 project must receive silver certification from the United  
23 States Green Building Council's Leadership in Energy and  
24 Environmental Design Green Building Rating System unless all  
25 of the following are met:

26 (1) the application submitted can be categorized as a

1 capital need prioritized under item (1) of Section 5-30 of  
2 this Law;

3 (2) the renovation or replacement school construction  
4 project is less than 40% replacement cost, or the project  
5 has been granted a waiver by the Capital Development Board  
6 in consultation with the State Board of Education in  
7 accordance with rules promulgated pursuant to this Law;

8 (3) the school construction project is located in a  
9 county that borders the Mississippi River with a  
10 population of more than 33,000 and less than 34,000,  
11 according to the 2010 decennial census;

12 (4) the school district for which the school  
13 construction grant will be issued has no more than 1,100  
14 students, with the relevant school facility housing no  
15 more than 700 students;

16 (5) the facilities for which the school construction  
17 grant will be used have been condemned as of July 23, 2012;  
18 and

19 (6) the application for the school construction grant  
20 has been approved prior to the effective date of this  
21 amendatory Act of the 98th General Assembly.

22 With respect to those public school construction projects  
23 for public schools as defined by Section 1-3 of the School Code  
24 that are within the service territory of an electric utility  
25 as defined by Section 16-102 of the Public Utilities Act that  
26 is serving over 500,000 retail customers in this State, and

1 for which a public school district applies for a grant under  
2 this Section 5-40 on or after June 1, 2023, the district must  
3 submit a copy of the applicable Public Schools Carbon-Free  
4 Assessment report as provided for in Section 8-402.2 of the  
5 Public Utilities Act or, if no such Public Schools Carbon-Free  
6 Assessment has been performed, request the applicable utility  
7 to perform such a Public Schools Carbon-Free Assessment and  
8 submit a copy of the Public Schools Carbon-Free Assessment  
9 report promptly when it becomes available. The Public Schools  
10 Carbon-Free Assessment report shall include a mechanical  
11 insulation evaluation inspection and inspection of the  
12 building envelope. The district must demonstrate how the  
13 construction project is designed and managed to achieve the  
14 goals that all public elementary and secondary school  
15 facilities in the State are able to be powered by clean energy  
16 by 2030 and for such facilities to achieve carbon-free energy  
17 sources for space heat, water heat, and transportation by  
18 2050.

19 (Source: P.A. 98-623, eff. 1-7-14.)

20 Section 90-30. The Public Utilities Act is amended by  
21 changing Sections 8-103B, 9-222.1, 16-108, 16-111.5, 16-122,  
22 and 16-123 and by adding Sections 8-106, 8-107, 8-108, 8-218,  
23 8-402.2, 8-411, 8-511.1, 8-512, 8-514, 9-201.1, 9-201.2,  
24 9-232, 9-247, 16-108.13, and 16-140 as follows:

1 (220 ILCS 5/8-103B)

2 Sec. 8-103B. Energy efficiency and demand-response  
3 measures.

4 (a) It is the policy of the State that electric utilities  
5 are required to use cost-effective energy efficiency and  
6 demand-response measures to reduce delivery load. Requiring  
7 investment in cost-effective energy efficiency and  
8 demand-response measures will reduce direct and indirect costs  
9 to consumers by decreasing environmental impacts and by  
10 avoiding or delaying the need for new generation,  
11 transmission, and distribution infrastructure. It serves the  
12 public interest to allow electric utilities to recover costs  
13 for reasonably and prudently incurred expenditures for energy  
14 efficiency and demand-response measures. As used in this  
15 Section, "cost-effective" means that the measures satisfy the  
16 total resource cost test. The low-income measures described in  
17 subsection (c) of this Section shall not be required to meet  
18 the total resource cost test. For purposes of this Section,  
19 the terms "energy-efficiency", "demand-response", "electric  
20 utility", and "total resource cost test" have the meanings set  
21 forth in the Illinois Power Agency Act.

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

25 (b) For purposes of this Section, electric utilities  
26 subject to this Section that serve more than 3,000,000 retail

1 customers in the State shall be deemed to have achieved a  
2 cumulative persisting annual savings of 6.6% from energy  
3 efficiency measures and programs implemented during the period  
4 beginning January 1, 2012 and ending December 31, 2017, which  
5 percent is based on the deemed average weather normalized  
6 sales of electric power and energy during calendar years 2014,  
7 2015, and 2016 of 88,000,000 MWhs. For the purposes of this  
8 subsection (b) and subsection (b-5), the 88,000,000 MWhs of  
9 deemed electric power and energy sales shall be reduced by the  
10 number of MWhs equal to the sum of the annual consumption of  
11 customers that are exempt from subsections (a) through (j) of  
12 this Section under subsection (l) of this Section, as averaged  
13 across the calendar years 2014, 2015, and 2016. After 2017,  
14 the deemed value of cumulative persisting annual savings from  
15 energy efficiency measures and programs implemented during the  
16 period beginning January 1, 2012 and ending December 31, 2017,  
17 shall be reduced each year, as follows, and the applicable  
18 value shall be applied to and count toward the utility's  
19 achievement of the cumulative persisting annual savings goals  
20 set forth in subsection (b-5):

21 (1) 5.8% deemed cumulative persisting annual savings  
22 for the year ending December 31, 2018;

23 (2) 5.2% deemed cumulative persisting annual savings  
24 for the year ending December 31, 2019;

25 (3) 4.5% deemed cumulative persisting annual savings  
26 for the year ending December 31, 2020;



1 (4) 4.0% deemed cumulative persisting annual savings  
2 for the year ending December 31, 2021;

3 (5) 3.5% deemed cumulative persisting annual savings  
4 for the year ending December 31, 2022;

5 (6) 3.1% deemed cumulative persisting annual savings  
6 for the year ending December 31, 2023;

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

9 (8) 2.5% deemed cumulative persisting annual savings  
10 for the year ending December 31, 2025;

11 (9) 2.3% deemed cumulative persisting annual savings  
12 for the year ending December 31, 2026;

13 (10) 2.1% deemed cumulative persisting annual savings  
14 for the year ending December 31, 2027;

15 (11) 1.8% deemed cumulative persisting annual savings  
16 for the year ending December 31, 2028;

17 (12) 1.7% deemed cumulative persisting annual savings  
18 for the year ending December 31, 2029; and

19 (13) 1.5% deemed cumulative persisting annual savings  
20 for the year ending December 31, 2030.

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

1 (b-5) Beginning in 2018, electric utilities subject to  
2 this Section that serve more than 3,000,000 retail customers  
3 in the State shall achieve the following cumulative persisting  
4 annual savings goals, as modified by subsection (f) of this  
5 Section and as compared to the deemed baseline of 88,000,000  
6 MWhs of electric power and energy sales set forth in  
7 subsection (b), as reduced by the number of MWhs equal to the  
8 sum of the annual consumption of customers that are exempt  
9 from subsections (a) through (j) of this Section under  
10 subsection (l) of this Section as averaged across the calendar  
11 years 2014, 2015, and 2016, through the implementation of  
12 energy efficiency measures during the applicable year and in  
13 prior years, but no earlier than January 1, 2012:

14 (1) 7.8% cumulative persisting annual savings for the  
15 year ending December 31, 2018;

16 (2) 9.1% cumulative persisting annual savings for the  
17 year ending December 31, 2019;

18 (3) 10.4% cumulative persisting annual savings for the  
19 year ending December 31, 2020;

20 (4) 11.8% cumulative persisting annual savings for the  
21 year ending December 31, 2021;

22 (5) 13.1% cumulative persisting annual savings for the  
23 year ending December 31, 2022;

24 (6) 14.4% cumulative persisting annual savings for the  
25 year ending December 31, 2023;

26 (7) 15.7% cumulative persisting annual savings for the

1 year ending December 31, 2024;

2 (8) 17% cumulative persisting annual savings for the  
3 year ending December 31, 2025;

4 (9) 17.9% cumulative persisting annual savings for the  
5 year ending December 31, 2026;

6 (10) 18.8% cumulative persisting annual savings for  
7 the year ending December 31, 2027;

8 (11) 19.7% cumulative persisting annual savings for  
9 the year ending December 31, 2028;

10 (12) 20.6% cumulative persisting annual savings for  
11 the year ending December 31, 2029; and

12 (13) 21.5% cumulative persisting annual savings for  
13 the year ending December 31, 2030.

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

1 from subsections (a) through (j) of this Section under  
2 subsection (l) of this Section, as averaged across the  
3 calendar years 2014, 2015, and 2016. After 2017, the deemed  
4 value of cumulative persisting annual savings from energy  
5 efficiency measures and programs implemented during the period  
6 beginning January 1, 2012 and ending December 31, 2017, shall  
7 be reduced each year, as follows, and the applicable value  
8 shall be applied to and count toward the utility's achievement  
9 of the cumulative persisting annual savings goals set forth in  
10 subsection (b-15):

11 (1) 5.8% deemed cumulative persisting annual savings  
12 for the year ending December 31, 2018;

13 (2) 5.2% deemed cumulative persisting annual savings  
14 for the year ending December 31, 2019;

15 (3) 4.5% deemed cumulative persisting annual savings  
16 for the year ending December 31, 2020;

17 (4) 4.0% deemed cumulative persisting annual savings  
18 for the year ending December 31, 2021;

19 (5) 3.5% deemed cumulative persisting annual savings  
20 for the year ending December 31, 2022;

21 (6) 3.1% deemed cumulative persisting annual savings  
22 for the year ending December 31, 2023;

23 (7) 2.8% deemed cumulative persisting annual savings  
24 for the year ending December 31, 2024;

25 (8) 2.5% deemed cumulative persisting annual savings  
26 for the year ending December 31, 2025;

1 (9) 2.3% deemed cumulative persisting annual savings  
2 for the year ending December 31, 2026;

3 (10) 2.1% deemed cumulative persisting annual savings  
4 for the year ending December 31, 2027;

5 (11) 1.8% deemed cumulative persisting annual savings  
6 for the year ending December 31, 2028;

7 (12) 1.7% deemed cumulative persisting annual savings  
8 for the year ending December 31, 2029; and

9 (13) 1.5% deemed cumulative persisting annual savings  
10 for the year ending December 31, 2030.

11 (b-15) Beginning in 2018, electric utilities subject to  
12 this Section that serve less than 3,000,000 retail customers  
13 but more than 500,000 retail customers in the State shall  
14 achieve the following cumulative persisting annual savings  
15 goals, as modified by subsection (b-20) and subsection (f) of  
16 this Section and as compared to the deemed baseline as reduced  
17 by the number of MWhs equal to the sum of the annual  
18 consumption of customers that are exempt from subsections (a)  
19 through (j) of this Section under subsection (l) of this  
20 Section as averaged across the calendar years 2014, 2015, and  
21 2016, through the implementation of energy efficiency measures  
22 during the applicable year and in prior years, but no earlier  
23 than January 1, 2012:

24 (1) 7.4% cumulative persisting annual savings for the  
25 year ending December 31, 2018;

26 (2) 8.2% cumulative persisting annual savings for the

1 year ending December 31, 2019;

2 (3) 9.0% cumulative persisting annual savings for the  
3 year ending December 31, 2020;

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

6 (5) 10.6% cumulative persisting annual savings for the  
7 year ending December 31, 2022;

8 (6) 11.4% cumulative persisting annual savings for the  
9 year ending December 31, 2023;

10 (7) 12.2% cumulative persisting annual savings for the  
11 year ending December 31, 2024;

12 (8) 13% cumulative persisting annual savings for the  
13 year ending December 31, 2025;

14 (9) 13.6% cumulative persisting annual savings for the  
15 year ending December 31, 2026;

16 (10) 14.2% cumulative persisting annual savings for  
17 the year ending December 31, 2027;

18 (11) 14.8% cumulative persisting annual savings for  
19 the year ending December 31, 2028;

20 (12) 15.4% cumulative persisting annual savings for  
21 the year ending December 31, 2029; and

22 (13) 16% cumulative persisting annual savings for the  
23 year ending December 31, 2030.

24 The difference between the cumulative persisting annual  
25 savings goal for the applicable calendar year and the  
26 cumulative persisting annual savings goal for the immediately

1 preceding calendar year is 0.8% for the period of January 1,  
2 2018 through December 31, 2025 and 0.6% for the period of  
3 January 1, 2026 through December 31, 2030.

4 (b-20) Each electric utility subject to this Section may  
5 include cost-effective voltage optimization measures in its  
6 plans submitted under subsections (f) and (g) of this Section,  
7 and the costs incurred by a utility to implement the measures  
8 under a Commission-approved plan shall be recovered under the  
9 provisions of Article IX or Section 16-108.5 of this Act. For  
10 purposes of this Section, the measure life of voltage  
11 optimization measures shall be 15 years. The measure life  
12 period is independent of the depreciation rate of the voltage  
13 optimization assets deployed.

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

1 is greater than or less than the following cumulative  
2 persisting annual savings values attributable to voltage  
3 optimization for the applicable year:

4 (1) 0.0% of cumulative persisting annual savings for  
5 the year ending December 31, 2018;

6 (2) 0.17% of cumulative persisting annual savings for  
7 the year ending December 31, 2019;

8 (3) 0.17% of cumulative persisting annual savings for  
9 the year ending December 31, 2020;

10 (4) 0.33% of cumulative persisting annual savings for  
11 the year ending December 31, 2021;

12 (5) 0.5% of cumulative persisting annual savings for  
13 the year ending December 31, 2022;

14 (6) 0.67% of cumulative persisting annual savings for  
15 the year ending December 31, 2023;

16 (7) 0.83% of cumulative persisting annual savings for  
17 the year ending December 31, 2024; and

18 (8) 1.0% of cumulative persisting annual savings for  
19 the year ending December 31, 2025.

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



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

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

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

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

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

12 The utilities shall also implement energy efficiency  
13 measures targeted at low-income households, which, for  
14 purposes of this Section, shall be defined as households at or  
15 below 80% of area median income, and expenditures to implement  
16 the measures shall be no less than \$25,000,000 per year for  
17 electric utilities that serve more than 3,000,000 retail  
18 customers in the State and no less than \$8,350,000 per year for  
19 electric utilities that serve less than 3,000,000 retail  
20 customers but more than 500,000 retail customers in the State.  
21 Beginning with the multi-year plan commencing January 1, 2022,  
22 such minimum annual expenditures shall be increased to  
23 \$50,000,000 and \$16,700,000, respectively. Each electric  
24 utility subject to the requirements of this Section shall be  
25 permitted, as necessary, to revise its multi-year plan that  
26 was filed with the Commission prior to the effective date of

1 this amendatory Act of the 102nd General Assembly but has not  
2 yet been approved by the Commission on the effective date of  
3 this amendatory Act of the 102nd General Assembly; if the  
4 utility's plan was already approved by the Commission before  
5 such effective date, or it is impractical to revise the plan  
6 prior to the deadline for Commission approval due to  
7 insufficient time, the utility shall be permitted, as  
8 necessary, to submit a compliance filing that modifies the  
9 plan and its programs as needed to implement the increase in  
10 low-income expenditures required by this amendatory Act of the  
11 102nd General Assembly.

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

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

1 low-income communities in the State.

2 Each electric utility shall develop and implement  
3 reporting procedures that address and assist in determining  
4 the amount of energy savings that can be applied to the  
5 low-income procurement and expenditure requirements set forth  
6 in this subsection (c).

7 The electric utilities shall also convene a low-income  
8 energy efficiency advisory committee to assist in the design  
9 and evaluation of the low-income energy efficiency programs.  
10 The committee shall be comprised of the electric utilities  
11 subject to the requirements of this Section, the gas utilities  
12 subject to the requirements of Section 8-104 of this Act, the  
13 utilities' low-income energy efficiency implementation  
14 contractors, and representatives of community-based  
15 organizations.

16 (d) Notwithstanding any other provision of law to the  
17 contrary, a utility providing approved energy efficiency  
18 measures and, if applicable, demand-response measures in the  
19 State shall be permitted to recover all reasonable and  
20 prudently incurred costs of those measures from all retail  
21 customers, except as provided in subsection (1) of this  
22 Section, as follows, provided that nothing in this subsection  
23 (d) permits the double recovery of such costs from customers:

24 (1) The utility may recover its costs through an  
25 automatic adjustment clause tariff filed with and approved  
26 by the Commission. The tariff shall be established outside

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

14 (2) A utility may recover its costs through an energy  
15 efficiency formula rate approved by the Commission under a  
16 filing under subsections (f) and (g) of this Section,  
17 which shall specify the cost components that form the  
18 basis of the rate charged to customers with sufficient  
19 specificity to operate in a standardized manner and be  
20 updated annually with transparent information that  
21 reflects the utility's actual costs to be recovered during  
22 the applicable rate year, which is the period beginning  
23 with the first billing day of January and extending  
24 through the last billing day of the following December.  
25 The energy efficiency formula rate shall be implemented  
26 through a tariff filed with the Commission under

1 subsections (f) and (g) of this Section that is consistent  
2 with the provisions of this paragraph (2) and that shall  
3 be applicable to all delivery services customers. The  
4 Commission shall conduct an investigation of the tariff in  
5 a manner consistent with the provisions of this paragraph  
6 (2), subsections (f) and (g) of this Section, and the  
7 provisions of Article IX of this Act to the extent they do  
8 not conflict with this paragraph (2). The energy  
9 efficiency formula rate approved by the Commission shall  
10 remain in effect at the discretion of the utility and  
11 shall do the following:

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

21 (B) Reflect the utility's actual year-end capital  
22 structure for the applicable calendar year, excluding  
23 goodwill, subject to a determination of prudence and  
24 reasonableness consistent with Commission practice and  
25 law. To enable the financing of the incremental  
26 capital expenditures, including regulatory assets, for

1 electric utilities that serve less than 3,000,000  
2 retail customers but more than 500,000 retail  
3 customers in the State, a participating electric  
4 utility's actual year-end capital structure that  
5 includes a common equity ratio, excluding goodwill, of  
6 up to and including 50% of the total capital structure  
7 shall be deemed reasonable and used to set rates.

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

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

15 (ii) 580 basis points.

16 At such time as the Board of Governors of the  
17 Federal Reserve System ceases to include the monthly  
18 average yields of 30-year U.S. Treasury bonds in its  
19 weekly H.15 Statistical Release or successor  
20 publication, the monthly average yields of the U.S.  
21 Treasury bonds then having the longest duration  
22 published by the Board of Governors in its weekly H.15  
23 Statistical Release or successor publication shall  
24 instead be used for purposes of this paragraph (2).

25 (D) Permit and set forth protocols, subject to a  
26 determination of prudence and reasonableness

1 consistent with Commission practice and law, for the  
2 following:

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

16 (ii) recovery of pension and other  
17 post-employment benefits expense, provided that  
18 such costs are supported by an actuarial study;  
19 however, this protocol shall not apply if such  
20 expense related to costs incurred under this  
21 Section is recovered under Article IX or Section  
22 16-108.5 of this Act;

23 (iii) recovery of existing regulatory assets  
24 over the periods previously authorized by the  
25 Commission;

26 (iv) as described in subsection (e),



1           amortization of costs incurred under this Section;  
2           and

3                   (v) projected, weather normalized billing  
4           determinants for the applicable rate year.

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

20          The utility shall file, together with its tariff, the  
21          projected costs to be incurred by the utility during the  
22          rate year under the utility's multi-year plan approved  
23          under subsections (f) and (g) of this Section, including,  
24          but not limited to, the projected capital investment costs  
25          and projected regulatory asset balances with  
26          correspondingly updated depreciation and amortization

1 reserves and expense, that shall populate the energy  
2 efficiency formula rate and set the initial rates under  
3 the formula.

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

15 The tariff's rate design and cost allocation across  
16 customer classes shall be consistent with the utility's  
17 automatic adjustment clause tariff in effect on June 1,  
18 2017 (the effective date of Public Act 99-906); however,  
19 the Commission may revise the tariff's rate design and  
20 cost allocation in subsequent proceedings under paragraph  
21 (3) of this subsection (d).

22 If the energy efficiency formula rate is terminated,  
23 the then current rates shall remain in effect until such  
24 time as the energy efficiency costs are incorporated into  
25 new rates that are set under this subsection (d) or  
26 Article IX of this Act, subject to retroactive rate

1 adjustment, with interest, to reconcile rates charged with  
2 actual costs.

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

18 (A) The inputs to the energy efficiency formula  
19 rate for the applicable rate year shall be based on the  
20 projected costs to be incurred by the utility during  
21 the rate year under the utility's multi-year plan  
22 approved under subsections (f) and (g) of this  
23 Section, including, but not limited to, projected  
24 capital investment costs and projected regulatory  
25 asset balances with correspondingly updated  
26 depreciation and amortization reserves and expense.

1           The filing shall also include a reconciliation of the  
2           energy efficiency revenue requirement that was in  
3           effect for the prior rate year (as set by the cost  
4           inputs for the prior rate year) with the actual  
5           revenue requirement for the prior rate year  
6           (determined using a year-end rate base) that uses  
7           amounts reflected in the applicable FERC Form 1 that  
8           reports the actual costs for the prior rate year. Any  
9           over-collection or under-collection indicated by such  
10          reconciliation shall be reflected as a credit against,  
11          or recovered as an additional charge to, respectively,  
12          with interest calculated at a rate equal to the  
13          utility's weighted average cost of capital approved by  
14          the Commission for the prior rate year, the charges  
15          for the applicable rate year. Such over-collection or  
16          under-collection shall be adjusted to remove any  
17          deferred taxes related to the reconciliation, for  
18          purposes of calculating interest at an annual rate of  
19          return equal to the utility's weighted average cost of  
20          capital approved by the Commission for the prior rate  
21          year, including a revenue conversion factor calculated  
22          to recover or refund all additional income taxes that  
23          may be payable or receivable as a result of that  
24          return. Each reconciliation shall be certified by the  
25          participating utility in the same manner that FERC  
26          Form 1 is certified. The filing shall also include the

1 charge or credit, if any, resulting from the  
2 calculation required by subparagraph (E) of paragraph  
3 (2) of this subsection (d).

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

15 For purposes of this Section, "FERC Form 1" means  
16 the Annual Report of Major Electric Utilities,  
17 Licensees and Others that electric utilities are  
18 required to file with the Federal Energy Regulatory  
19 Commission under the Federal Power Act, Sections 3,  
20 4(a), 304 and 209, modified as necessary to be  
21 consistent with 83 Ill. Admin. Code Part 415 as of May  
22 1, 2011. Nothing in this Section is intended to allow  
23 costs that are not otherwise recoverable to be  
24 recoverable by virtue of inclusion in FERC Form 1.

25 (B) The new charges shall take effect beginning on  
26 the first billing day of the following January billing

1 period and remain in effect through the last billing  
2 day of the next December billing period regardless of  
3 whether the Commission enters upon a hearing under  
4 this paragraph (3).

5 (C) The filing shall include relevant and  
6 necessary data and documentation for the applicable  
7 rate year. Normalization adjustments shall not be  
8 required.

9 Within 45 days after the utility files its annual  
10 update of cost inputs to the energy efficiency formula  
11 rate, the Commission shall with reasonable notice,  
12 initiate a proceeding concerning whether the projected  
13 costs to be incurred by the utility and recovered during  
14 the applicable rate year, and that are reflected in the  
15 inputs to the energy efficiency formula rate, are  
16 consistent with the utility's approved multi-year plan  
17 under subsections (f) and (g) of this Section and whether  
18 the costs incurred by the utility during the prior rate  
19 year were prudent and reasonable. The Commission shall  
20 also have the authority to investigate the information and  
21 data described in paragraph (9) of subsection (g) of this  
22 Section, including the proposed adjustment to the  
23 utility's return on equity component of its weighted  
24 average cost of capital. During the course of the  
25 proceeding, each objection shall be stated with  
26 particularity and evidence provided in support thereof,

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

1 determinations of the prudence and reasonableness of the  
2 costs incurred, and determination of such return on equity  
3 calculation, for the applicable calendar year shall be  
4 final upon entry of the Commission's order and shall not  
5 be subject to reopening, reexamination, or collateral  
6 attack in any other Commission proceeding, case, docket,  
7 order, rule, or regulation; however, nothing in this  
8 paragraph (3) shall prohibit a party from petitioning the  
9 Commission to rehear or appeal to the courts the order  
10 under the provisions of this Act.

11 (e) Beginning on June 1, 2017 (the effective date of  
12 Public Act 99-906), a utility subject to the requirements of  
13 this Section may elect to defer, as a regulatory asset, up to  
14 the full amount of its expenditures incurred under this  
15 Section for each annual period, including, but not limited to,  
16 any expenditures incurred above the funding level set by  
17 subsection (f) of this Section for a given year. The total  
18 expenditures deferred as a regulatory asset in a given year  
19 shall be amortized and recovered over a period that is equal to  
20 the weighted average of the energy efficiency measure lives  
21 implemented for that year that are reflected in the regulatory  
22 asset. The unamortized balance shall be recognized as of  
23 December 31 for a given year. The utility shall also earn a  
24 return on the total of the unamortized balances of all of the  
25 energy efficiency regulatory assets, less any deferred taxes  
26 related to those unamortized balances, at an annual rate equal



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

18 When an electric utility creates a regulatory asset under  
19 the provisions of this Section, the costs are recovered over a  
20 period during which customers also receive a benefit which is  
21 in the public interest. Accordingly, it is the intent of the  
22 General Assembly that an electric utility that elects to  
23 create a regulatory asset under the provisions of this Section  
24 shall recover all of the associated costs as set forth in this  
25 Section. After the Commission has approved the prudence and  
26 reasonableness of the costs that comprise the regulatory

1 asset, the electric utility shall be permitted to recover all  
2 such costs, and the value and recoverability through rates of  
3 the associated regulatory asset shall not be limited, altered,  
4 impaired, or reduced.

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

14 (1) No later than 30 days after June 1, 2017 (the  
15 effective date of Public Act 99-906), each electric  
16 utility shall file a 4-year energy efficiency plan  
17 commencing on January 1, 2018 that is designed to achieve  
18 the cumulative persisting annual savings goals specified  
19 in paragraphs (1) through (4) of subsection (b-5) of this  
20 Section or in paragraphs (1) through (4) of subsection  
21 (b-15) of this Section, as applicable, through  
22 implementation of energy efficiency measures; however, the  
23 goals may be reduced if the utility's expenditures are  
24 limited pursuant to subsection (m) of this Section or, for  
25 a utility that serves less than 3,000,000 retail  
26 customers, if each of the following conditions are met:

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

19 (2) No later than March 1, 2021, each electric utility  
20 shall file a 4-year energy efficiency plan commencing on  
21 January 1, 2022 that is designed to achieve the cumulative  
22 persisting annual savings goals specified in paragraphs  
23 (5) through (8) of subsection (b-5) of this Section or in  
24 paragraphs (5) through (8) of subsection (b-15) of this  
25 Section, as applicable, through implementation of energy  
26 efficiency measures; however, the goals may be reduced if

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

21 (3) No later than March 1, 2025, each electric utility  
22 shall file a 5-year energy efficiency plan commencing on  
23 January 1, 2026 that is designed to achieve the cumulative  
24 persisting annual savings goals specified in paragraphs  
25 (9) through (13) of subsection (b-5) of this Section or in  
26 paragraphs (9) through (13) of subsection (b-15) of this

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

23 Each utility's plan shall set forth the utility's  
24 proposals to meet the energy efficiency standards identified  
25 in subsection (b-5) or (b-15), as applicable and as such  
26 standards may have been modified under this subsection (f),

1 taking into account the unique circumstances of the utility's  
2 service territory. For those plans commencing on January 1,  
3 2018, the Commission shall seek public comment on the  
4 utility's plan and shall issue an order approving or  
5 disapproving each plan no later than 105 days after June 1,  
6 2017 (the effective date of Public Act 99-906). For those  
7 plans commencing after December 31, 2021, the Commission shall  
8 seek public comment on the utility's plan and shall issue an  
9 order approving or disapproving each plan within 6 months  
10 after its submission. If the Commission disapproves a plan,  
11 the Commission shall, within 30 days, describe in detail the  
12 reasons for the disapproval and describe a path by which the  
13 utility may file a revised draft of the plan to address the  
14 Commission's concerns satisfactorily. If the utility does not  
15 refile with the Commission within 60 days, the utility shall  
16 be subject to penalties at a rate of \$100,000 per day until the  
17 plan is filed. This process shall continue, and penalties  
18 shall accrue, until the utility has successfully filed a  
19 portfolio of energy efficiency and demand-response measures.  
20 Penalties shall be deposited into the Energy Efficiency Trust  
21 Fund.

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

26 (1) Demonstrate that its proposed energy efficiency

1 measures will achieve the applicable requirements that are  
2 identified in subsection (b-5) or (b-15) of this Section,  
3 as modified by subsection (f) of this Section.

4 (2) Present specific proposals to implement new  
5 building and appliance standards that have been placed  
6 into effect.

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

17 (4) Present a third-party energy efficiency  
18 implementation program subject to the following  
19 requirements:

20 (A) beginning with the year commencing January 1,  
21 2019, electric utilities that serve more than  
22 3,000,000 retail customers in the State shall fund  
23 third-party energy efficiency programs in an amount  
24 that is no less than \$25,000,000 per year, and  
25 electric utilities that serve less than 3,000,000  
26 retail customers but more than 500,000 retail

1 customers in the State shall fund third-party energy  
2 efficiency programs in an amount that is no less than  
3 \$8,350,000 per year;

4 (B) during 2018, the utility shall conduct a  
5 solicitation process for purposes of requesting  
6 proposals from third-party vendors for those  
7 third-party energy efficiency programs to be offered  
8 during one or more of the years commencing January 1,  
9 2019, January 1, 2020, and January 1, 2021; for those  
10 multi-year plans commencing on January 1, 2022 and  
11 January 1, 2026, the utility shall conduct a  
12 solicitation process during 2021 and 2025,  
13 respectively, for purposes of requesting proposals  
14 from third-party vendors for those third-party energy  
15 efficiency programs to be offered during one or more  
16 years of the respective multi-year plan period; for  
17 each solicitation process, the utility shall identify  
18 the sector, technology, or geographical area for which  
19 it is seeking requests for proposals;

20 (C) the utility shall propose the bidder  
21 qualifications, performance measurement process, and  
22 contract structure, which must include a performance  
23 payment mechanism and general terms and conditions;  
24 the proposed qualifications, process, and structure  
25 shall be subject to Commission approval; and

26 (D) the utility shall retain an independent third



1 party to score the proposals received through the  
2 solicitation process described in this paragraph (4),  
3 rank them according to their cost per lifetime  
4 kilowatt-hours saved, and assemble the portfolio of  
5 third-party programs.

6 The electric utility shall recover all costs  
7 associated with Commission-approved, third-party  
8 administered programs regardless of the success of those  
9 programs.

10 (4.5) Implement cost-effective demand-response  
11 measures to reduce peak demand by 0.1% over the prior year  
12 for eligible retail customers, as defined in Section  
13 16-111.5 of this Act, and for customers that elect hourly  
14 service from the utility pursuant to Section 16-107 of  
15 this Act, provided those customers have not been declared  
16 competitive. This requirement continues until December 31,  
17 2026.

18 (5) Include a proposed or revised cost-recovery tariff  
19 mechanism, as provided for under subsection (d) of this  
20 Section, to fund the proposed energy efficiency and  
21 demand-response measures and to ensure the recovery of the  
22 prudently and reasonably incurred costs of  
23 Commission-approved programs.

24 (6) Provide for an annual independent evaluation of  
25 the performance of the cost-effectiveness of the utility's  
26 portfolio of measures, as well as a full review of the

1 multi-year plan results of the broader net program impacts  
2 and, to the extent practical, for adjustment of the  
3 measures on a going-forward basis as a result of the  
4 evaluations. The resources dedicated to evaluation shall  
5 not exceed 3% of portfolio resources in any given year.

6 (7) For electric utilities that serve more than  
7 3,000,000 retail customers in the State:

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

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

24 (ii) If the independent evaluator determines  
25 that the utility achieved a cumulative persisting  
26 annual savings that is more than the applicable

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

15 (aa) the calculation for determining  
16 achievement that is at least 125% of the  
17 applicable annual incremental goal shall use  
18 the unreduced applicable annual incremental  
19 goal to set the value; and

20 (bb) the calculation for determining  
21 achievement that is less than 125% but more  
22 than 100% of the applicable annual incremental  
23 goal shall use the reduced applicable annual  
24 incremental goal to set the value for 100%  
25 achievement of the goal and shall use the  
26 unreduced goal to set the value for 125%

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

6 (B) For the period January 1, 2026 through  
7 December 31, 2030, provide for an adjustment to the  
8 return on equity component of the utility's weighted  
9 average cost of capital calculated under subsection  
10 (d) of this Section:

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

23 (ii) If the independent evaluator determines  
24 that the utility achieved a cumulative persisting  
25 annual savings that is more than the applicable  
26 annual incremental goal, then the return on equity

1 component shall be increased by a maximum of 200  
2 basis points in the event that the utility  
3 achieved at least 134% of such goal. If the  
4 utility achieved more than 100% of the applicable  
5 annual incremental goal but less than 134% of such  
6 goal, then the return on equity component shall be  
7 increased by 6 basis points for each percent by  
8 which the utility achieved above the goal. If the  
9 applicable annual incremental goal was reduced  
10 under paragraph (3) of subsection (f) of this  
11 Section, then the following adjustments shall be  
12 made to the calculations described in this item  
13 (ii):

14 (aa) the calculation for determining  
15 achievement that is at least 134% of the  
16 applicable annual incremental goal shall use  
17 the unreduced applicable annual incremental  
18 goal to set the value; and

19 (bb) the calculation for determining  
20 achievement that is less than 134% but more  
21 than 100% of the applicable annual incremental  
22 goal shall use the reduced applicable annual  
23 incremental goal to set the value for 100%  
24 achievement of the goal and shall use the  
25 unreduced goal to set the value for 134%  
26 achievement. The 6 basis point value shall

1           also be modified, as necessary, so that the  
2           200 basis points are evenly apportioned among  
3           each percentage point value between 100% and  
4           134% achievement.

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

1 goal shall not affect adjustments to the return on equity  
2 for subsequent calendar years under this subsection (g).

3 (8) For electric utilities that serve less than  
4 3,000,000 retail customers but more than 500,000 retail  
5 customers in the State:

6 (A) Through December 31, 2025, the applicable  
7 annual incremental goal shall be compared to the  
8 annual incremental savings as determined by the  
9 independent evaluator.

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

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

18 (iii) The return on equity component shall not  
19 be increased or decreased if the annual  
20 incremental savings as determined by the  
21 independent evaluator is greater than 84.4% of the  
22 applicable annual incremental goal and less than  
23 100% of the applicable annual incremental goal.

24 (iv) The return on equity component shall not  
25 be increased or decreased by an amount greater  
26 than 200 basis points pursuant to this

1           subparagraph (A).

2           (B) For the period of January 1, 2026 through  
3           December 31, 2030, the applicable annual incremental  
4           goal shall be compared to the annual incremental  
5           savings as determined by the independent evaluator.

6           (i) The return on equity component shall be  
7           reduced by 6 basis points for each percent by  
8           which the utility did not achieve 100% of the  
9           applicable annual incremental goal.

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

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

18          (C) If the applicable annual incremental goal was  
19          reduced under paragraphs (1), (2) or (3) of subsection  
20          (f) of this Section, then the following adjustments  
21          shall be made to the calculations described in  
22          subparagraphs (A) and (B) of this paragraph (8):

23          (i) The calculation for determining  
24          achievement that is at least 125% or 134%, as  
25          applicable, of the applicable annual incremental  
26          goal shall use the unreduced applicable annual



1 incremental goal to set the value.

2 (ii) For the period through December 31, 2025,  
3 the calculation for determining achievement that  
4 is less than 125% but more than 100% of the  
5 applicable annual incremental goal shall use the  
6 reduced applicable annual incremental goal to set  
7 the value for 100% achievement of the goal and  
8 shall use the unreduced goal to set the value for  
9 125% achievement. The 8 basis point value shall  
10 also be modified, as necessary, so that the 200  
11 basis points are evenly apportioned among each  
12 percentage point value between 100% and 125%  
13 achievement.

14 (iii) For the period of January 1, 2026  
15 through December 31, 2030, the calculation for  
16 determining achievement that is less than 134% but  
17 more than 100% of the applicable annual  
18 incremental goal shall use the reduced applicable  
19 annual incremental goal to set the value for 100%  
20 achievement of the goal and shall use the  
21 unreduced goal to set the value for 125%  
22 achievement. The 6 basis point value shall also be  
23 modified, as necessary, so that the 200 basis  
24 points are evenly apportioned among each  
25 percentage point value between 100% and 134%  
26 achievement.

1           (9) The utility shall submit the energy savings data  
2 to the independent evaluator no later than 30 days after  
3 the close of the plan year. The independent evaluator  
4 shall determine the cumulative persisting annual savings  
5 for a given plan year no later than 120 days after the  
6 close of the plan year. The utility shall submit an  
7 informational filing to the Commission no later than 160  
8 days after the close of the plan year that attaches the  
9 independent evaluator's final report identifying the  
10 cumulative persisting annual savings for the year and  
11 calculates, under paragraph (7) or (8) of this subsection  
12 (g), as applicable, any resulting change to the utility's  
13 return on equity component of the weighted average cost of  
14 capital applicable to the next plan year beginning with  
15 the January monthly billing period and extending through  
16 the December monthly billing period. However, if the  
17 utility recovers the costs incurred under this Section  
18 under paragraphs (2) and (3) of subsection (d) of this  
19 Section, then the utility shall not be required to submit  
20 such informational filing, and shall instead submit the  
21 information that would otherwise be included in the  
22 informational filing as part of its filing under paragraph  
23 (3) of such subsection (d) that is due on or before June 1  
24 of each year.

25           For those utilities that must submit the informational  
26 filing, the Commission may, on its own motion or by

1 petition, initiate an investigation of such filing,  
2 provided, however, that the utility's proposed return on  
3 equity calculation shall be deemed the final, approved  
4 calculation on December 15 of the year in which it is filed  
5 unless the Commission enters an order on or before  
6 December 15, after notice and hearing, that modifies such  
7 calculation consistent with this Section.

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

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

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

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

1 are incorporated into such Commission-approved manuals, the  
2 low-income measures shall have the same measure life values  
3 that are established for same measures implemented in  
4 households that are not low-income households.

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

1 Section, including, but not limited to, projected capital  
2 investment costs and projected regulatory asset balances with  
3 correspondingly updated depreciation and amortization reserves  
4 and expense. The Commission shall, after notice and hearing,  
5 approve, or approve with modification, such tariff and cost  
6 inputs no later than 75 days after the utility filed the  
7 tariff, provided that such approval, or approval with  
8 modification, shall be consistent with the provisions of this  
9 Section to the extent they do not conflict with this  
10 subsection (k). The tariff approved by the Commission shall  
11 take effect no later than 5 days after the Commission enters  
12 its order approving the tariff.

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

26 (1) For the calendar years covered by a multi-year plan

1 commencing after December 31, 2017, subsections (a) through  
2 (j) of this Section do not apply to any retail customers of an  
3 electric utility that serves more than 3,000,000 retail  
4 customers in the State and whose total highest 30 minute  
5 demand was more than 10,000 kilowatts, or any retail customers  
6 of an electric utility that serves less than 3,000,000 retail  
7 customers but more than 500,000 retail customers in the State  
8 and whose total highest 15 minute demand was more than 10,000  
9 kilowatts. For purposes of this subsection (l), "retail  
10 customer" has the meaning set forth in Section 16-102 of this  
11 Act. A determination of whether this subsection is applicable  
12 to a customer shall be made for each multi-year plan beginning  
13 after December 31, 2017. The criteria for determining whether  
14 this subsection (l) is applicable to a retail customer shall  
15 be based on the 12 consecutive billing periods prior to the  
16 start of the first year of each such multi-year plan.

17 (m) Notwithstanding the requirements of this Section, as  
18 part of a proceeding to approve a multi-year plan under  
19 subsections (f) and (g) of this Section, the Commission shall  
20 reduce the amount of energy efficiency measures implemented  
21 for any single year, and whose costs are recovered under  
22 subsection (d) of this Section, by an amount necessary to  
23 limit the estimated average net increase due to the cost of the  
24 measures to no more than

25 (1) 3.5% for each of the 4 years beginning January 1,  
26 2018,

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

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

5 of the average amount paid per kilowatthour by residential  
6 eligible retail customers during calendar year 2015. To  
7 determine the total amount that may be spent by an electric  
8 utility in any single year, the applicable percentage of the  
9 average amount paid per kilowatthour shall be multiplied by  
10 the total amount of energy delivered by such electric utility  
11 in the calendar year 2015, adjusted to reflect the proportion  
12 of the utility's load attributable to customers who are exempt  
13 from subsections (a) through (j) of this Section under  
14 subsection (l) of this Section. For purposes of this  
15 subsection (m), the amount paid per kilowatthour includes,  
16 without limitation, estimated amounts paid for supply,  
17 transmission, distribution, surcharges, and add-on taxes. For  
18 purposes of this Section, "eligible retail customers" shall  
19 have the meaning set forth in Section 16-111.5 of this Act.  
20 Once the Commission has approved a plan under subsections (f)  
21 and (g) of this Section, no subsequent rate impact  
22 determinations shall be made.

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

24           (220 ILCS 5/8-106 new)

25           Sec. 8-106. Beneficial Electrification Portfolio Standard.

1       (a) It is the policy of the State that electric utilities  
2 servicing more than 3,000,000 retail customers in the State  
3 should develop and implement beneficial electrification  
4 portfolios to use and subsidize cost-effective carbon  
5 reduction measures to reduce carbon dioxide emissions in the  
6 State.

7       Requiring investment in cost-effective carbon reduction  
8 measures will reduce direct and indirect costs to consumers by  
9 decreasing environmental impacts. It also serves the public  
10 interest to allow electric utilities subject to the  
11 requirements of this Section to recover costs for reasonably  
12 and prudently incurred expenditures for carbon reduction  
13 measures.

14       The potential scope of beneficial electrification measures  
15 is broad, but transportation electrification and related  
16 infrastructure should be the primary initial focus.

17       Emissions of carbon dioxide and other source pollutants  
18 from the transportation sector have, in 2016, surpassed the  
19 electric generation sector, and constitute a grave threat to  
20 the health and well-being of citizens of Illinois.

21       Widespread transportation electrification across all  
22 vehicle types, including light-duty vehicles, medium-duty  
23 vehicles, and heavy-duty vehicles, is necessary to reduce such  
24 emissions and to improve air quality, and at the same time  
25 provide benefits to consumers and optimize the utilization of  
26 the electric grid.



1       The lack of adequate electric vehicle infrastructure,  
2 including publicly available charging stations, is one of the  
3 biggest impediments to the further adoption of electric  
4 vehicles in Illinois.

5       It is the goal of the State to have at least 1,500,000  
6 internal combustion engine vehicles replaced with electric  
7 vehicles by 2030.

8       Electric utilities play a central role in enabling vehicle  
9 market transformation, providing electric vehicle programs and  
10 associated infrastructure, and delivering electricity.

11       A broad ecosystem of stakeholders must play a critical  
12 role in advancing beneficial electrification to meet the  
13 State's carbon, equity, and economic goals, including  
14 competitive third-party market providers including electric  
15 vehicle service providers, technology companies, other private  
16 businesses, local governments, and nonprofits. Together, this  
17 group can foster innovation at all levels of the State to  
18 ensure Illinois' place as a national and global leader on  
19 electrification.

20       Public health, and especially respiratory health issues,  
21 should be adequately considered in any beneficial  
22 electrification plan.

23       The needs of low-income households, disproportionately  
24 impacted communities, and environmental justice communities  
25 throughout the State, including, but not limited to, rural  
26 communities, also need to be considered in any beneficial

1 electrification plan.

2 As used in this Section:

3 "Cost-effective" means that the measures satisfy the total  
4 resource cost test. The low-income measures described in  
5 subsection (c) of this Section, as well as those measures  
6 described in Section 8-107 and 8-108 of this Act, shall not be  
7 required to meet the total resource cost test.

8 "Carbon reduction measures" means measures that reduce the  
9 amount of carbon dioxide emitted in order to achieve a given  
10 end use.

11 "Electric utility" has the meaning given to that term in  
12 Section 16-102 of the Public Utilities Act.

13 "Total resource cost test" or "TRC test" means a standard  
14 that is met if, for an investment in carbon reduction  
15 measures, the benefit-cost ratio is greater than one. The  
16 benefit-cost ratio is the ratio of the net present value of the  
17 total benefits of the measure to the net present value of the  
18 total costs as calculated over the lifetime of the measure. A  
19 total resource cost test compares the sum of the avoided  
20 Social Cost of Carbon, reductions in healthcare costs, and  
21 fuel savings, as well as other quantifiable societal benefits,  
22 to the sum of all incremental costs of the end-use measure that  
23 is implemented due to the Beneficial Electrification Portfolio  
24 Standard (including both utility and participant  
25 contributions), plus costs to administer, deliver, and  
26 evaluate the carbon reduction measure, to quantify the net

1 savings obtained by substituting the carbon reduction measure  
2 for the baseline measure. The analysis shall take reasonably  
3 effective steps to seek to quantify societal benefits. As used  
4 in this Section, the "Social Cost of Carbon" equals \$62 per ton  
5 for the year ending December 31, 2022, which is based on the  
6 U.S. Interagency Working Group on Social Cost of Carbon's  
7 price in the August 2016 Technical Update using a 2.5%  
8 discount rate. For each year of the Beneficial Electrification  
9 Portfolio Standard commencing after December 31, 2022, the  
10 Social Cost of Carbon shall be adjusted for inflation for each  
11 year of the Portfolio at the rate of 2% per annum.

12 (a-5) This Section applies to electric utilities serving  
13 more than 3,000,000 retail customers in this State.

14 (b) Beginning in 2023, each plan shall be designed to  
15 achieve the following cumulative persisting annual carbon  
16 reduction goals through the implementation of carbon reduction  
17 measures during the applicable year and in prior years:

18 (1) 20,000 cumulative persisting annual tons of  
19 avoided carbon for the year ending December 31, 2023;

20 (2) 50,000 cumulative persisting annual tons of  
21 avoided carbon for the year ending December 31, 2024;

22 (3) 125,000 cumulative persisting annual tons of  
23 avoided carbon for the year ending December 31, 2025;

24 (4) 250,000 cumulative persisting annual tons of  
25 avoided carbon for the year ending December 31, 2026;

26 (5) 400,000 cumulative persisting annual tons of

1 avoided carbon for the year ending December 31, 2027;

2 (6) 650,000 cumulative persisting annual tons of  
3 avoided carbon for the year ending December 31, 2028;

4 (7) 1,100,000 cumulative persisting annual tons of  
5 avoided carbon for the year ending December 31, 2029;

6 (8) 1,650,000 cumulative persisting annual tons of  
7 avoided carbon for the year ending December 31, 2030;

8 (9) 2,300,000 cumulative persisting annual tons of  
9 avoided carbon for the year ending December 31, 2031;

10 (10) 3,000,000 cumulative persisting annual tons of  
11 avoided carbon for the year ending December 31, 2032;

12 (11) 4,000,000 cumulative persisting annual tons of  
13 avoided carbon for the year ending December 31, 2033; and

14 (12) 5,000,000 cumulative persisting annual tons of  
15 avoided carbon for the year ending December 31, 2034.

16 As used in this Section, "cumulative persisting annual  
17 carbon reduction" and "cumulative persisting annual tons of  
18 avoided carbon" means the total reduction in carbon emissions  
19 in a given year from measures installed in that year or in  
20 previous years, but no earlier than January 1, 2023, that are  
21 still operational and providing reductions in that year  
22 because the measures have not yet reached the end of their  
23 useful lives.

24 (c) Electric utilities shall be responsible for overseeing  
25 the design, development, and filing of beneficial  
26 electrification plans with the Commission, plan

1 implementation, and may, as part of that implementation,  
2 outsource various aspects of program development and  
3 implementation. A minimum of 30% of the utility's entire  
4 portfolio funding level for a given year shall be used to  
5 implement carbon reduction measures targeted at low-income  
6 households, disproportionately impacted communities, and  
7 environmental justice communities, and expenditures to  
8 implement those measures shall be no less than \$30,000,000 per  
9 year. A minimum of 10% of the utility's entire portfolio  
10 funding level for a given year shall be used to procure  
11 cost-effective carbon reduction measures from units of local  
12 government, municipal corporations, school districts, public  
13 housing, and community college districts, provided that a  
14 minimum percentage of available funds shall be used to procure  
15 carbon reduction measures from public housing and public  
16 schools, which percentage shall be equal to public housing's  
17 and public schools' share of public building energy  
18 consumption.

19 As used in this Section, "low-income households" means  
20 households whose income does not exceed 80% of the area median  
21 income, and "environmental justice communities" has the  
22 meaning set forth in Section 1-56 of the Illinois Power Agency  
23 Act and defined by the most recent Commission-approved  
24 Long-Term Renewable Resources Procurement Plan of the Illinois  
25 Power Agency.

26 The amount of the subsidy paid to a retail customer for a

1 carbon reduction measure shall equal the avoided Social Cost  
2 of Carbon as calculated and discounted over the life of the  
3 measure.

4 (d) Notwithstanding any other provision of law to the  
5 contrary, a utility providing approved carbon reduction  
6 measures in the State under this Section shall be permitted to  
7 recover all reasonable and prudently incurred costs of those  
8 measures from all retail customers, provided that nothing in  
9 this subsection (d) permits the double recovery of such costs  
10 from customers:

11 (1) The utility may recover its costs through an  
12 automatic adjustment clause tariff filed with and approved  
13 by the Commission. The tariff shall be established outside  
14 the context of a general rate case. Each year the  
15 Commission shall initiate a review to reconcile any  
16 amounts collected with the actual costs and to determine  
17 the required adjustment to the annual tariff factor to  
18 match annual expenditures.

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

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

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

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

1 structure for the applicable calendar year, excluding  
2 goodwill, subject to a determination of prudence and  
3 reasonableness consistent with Commission practice and  
4 law.

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

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

12 (ii) 580 basis points.

13 However, if the cost of equity as calculated under  
14 this subparagraph (C) is greater than the national  
15 average cost of equity for the rate year by 50 basis  
16 points or more, then the Illinois Commerce Commission  
17 shall include a cost of equity at a rate equal to the  
18 national average cost of equity as calculated under  
19 this subparagraph (C) plus 50 basis points. For  
20 purposes of this paragraph (2), the national average  
21 cost of equity for a rate year shall be the simple  
22 average of the cost of equity approved in each order of  
23 a state regulatory commission, other than the  
24 Commission, issued during that rate year that applies  
25 to retail electric service provided by an  
26 investor-owned public utility company operating in the



1 United States. No order shall be excluded from the  
2 national average cost of equity calculated under this  
3 subparagraph (C) on the grounds that it is subject to  
4 rehearing or appeal. If, for any rate year, there are  
5 fewer than 15 applicable orders of state regulatory  
6 commissions with which to compute the average cost of  
7 equity, the Commission shall include in the  
8 calculation of the national average the number of  
9 state regulatory orders from the prior year or years  
10 necessary to reach a total of 15, beginning with the  
11 most recently issued and proceeding in reverse  
12 chronological order. Notwithstanding anything to the  
13 contrary, the Commission shall not be permitted to  
14 approve a cost of equity that is more than 100 basis  
15 points below the national average cost of equity for  
16 the rate year.

17 At such time as the Board of Governors of the  
18 Federal Reserve System ceases to include the monthly  
19 average yields of 30-year U.S. Treasury bonds in its  
20 weekly H.15 Statistical Release or successor  
21 publication, the monthly average yields of the U.S.  
22 Treasury bonds then having the longest duration  
23 published by the Board of Governors in its weekly H.15  
24 Statistical Release or successor publication shall  
25 instead be used for purposes of this paragraph (2).

26 (D) Permit and set forth protocols, subject to a

1           determination of prudence and reasonableness  
2           consistent with Commission practice and law, for the  
3           following:

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

17                   (ii) recovery of pension and other  
18                   post-employment benefits expense, provided that  
19                   such costs are supported by an actuarial study;  
20                   however, this protocol shall not apply if such  
21                   expense related to costs incurred under this  
22                   Section is recovered under Article IX or Section  
23                   16 108.5 of this Act;

24                   (iii) recovery of existing regulatory assets  
25                   over the periods previously authorized by the  
26                   Commission;

1                   (iv) as described in subsection (e),  
2                   amortization of costs incurred under this Section;  
3                   and

4                   (v) projected, weather normalized billing  
5                   determinants for the applicable rate year.

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

22                   The utility shall file, together with its tariff,  
23                   the projected costs to be incurred by the utility  
24                   during the rate year under the utility's multi-year  
25                   plan approved under subsections (f) and (g) of this  
26                   Section, including, but not limited to, the projected

1       capital investment costs and projected regulatory  
2       asset balances with correspondingly updated  
3       depreciation and amortization reserves and expense,  
4       that shall populate the beneficial electrification  
5       formula rate and set the initial rates under the  
6       formula.

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

19           The tariff's rate design and cost allocation  
20       across customer classes shall be consistent with the  
21       utility's tariff in effect pursuant to subsection (d)  
22       of Section 8 103B of this Act on the effective date of  
23       this amendatory Act of the 102nd General Assembly;  
24       however, the Commission may revise the tariff's rate  
25       design and cost allocation in subsequent proceedings  
26       under paragraph (3) of this subsection (d).

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

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

21           (A) The inputs to the beneficial electrification  
22           formula rate for the applicable rate year shall be  
23           based on the projected costs to be incurred by the  
24           utility during the rate year under the utility's  
25           multi-year plan approved under subsections (f) and (g)  
26           of this Section, including, but not limited to,

1       projected capital investment costs and projected  
2       regulatory asset balances with correspondingly updated  
3       depreciation and amortization reserves and expense.  
4       The filing shall also include a reconciliation of the  
5       beneficial electrification revenue requirement that  
6       was in effect for the prior rate year (as set by the  
7       cost inputs for the prior rate year) with the actual  
8       revenue requirement for the prior rate year  
9       (determined using a year-end rate base) that uses  
10       amounts reflected in the applicable Federal Energy  
11       Regulatory Commission (FERC) Form 1 that reports the  
12       utility's actual costs for the prior rate year. Any  
13       over-collection or under-collection indicated by such  
14       reconciliation shall be reflected as a credit against,  
15       or recovered as an additional charge to, respectively,  
16       with interest calculated at a rate equal to the  
17       utility's weighted average cost of capital approved by  
18       the Commission for the prior rate year, the charges  
19       for the applicable rate year. Such over-collection or  
20       under-collection shall be adjusted to remove any  
21       deferred taxes related to the reconciliation, for  
22       purposes of calculating interest at an annual rate of  
23       return equal to the utility's weighted average cost of  
24       capital approved by the Commission for the prior rate  
25       year, including a revenue conversion factor calculated  
26       to recover or refund all additional income taxes that

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

8           Except as provided in paragraph (4) of this  
9           subsection (d), and notwithstanding any other  
10          provision of law to the contrary, the intent of the  
11          reconciliation is to ultimately reconcile both the  
12          revenue requirement reflected in rates for each  
13          calendar year, beginning with the calendar year in  
14          which the utility files its beneficial electrification  
15          formula rate tariff under paragraph (2) of this  
16          subsection (d), with what the revenue requirement  
17          determined using a year-end rate base for the  
18          applicable calendar year would have been had the  
19          actual cost information for the applicable calendar  
20          year been available at the filing date.

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

1 consistent with 83 Ill. Adm. Code Part 415 as of May 1,  
2 2011. Nothing in this Section is intended to allow  
3 costs that are not otherwise recoverable to be  
4 recoverable by virtue of inclusion in FERC Form 1.

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

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

15 Within 45 days after the utility files its annual  
16 update of cost inputs to the beneficial electrification  
17 formula rate, the Commission shall with reasonable notice,  
18 initiate a proceeding concerning whether the projected  
19 costs to be incurred by the utility and recovered during  
20 the applicable rate year, and that are reflected in the  
21 inputs to the beneficial electrification formula rate, are  
22 consistent with the utility's approved multi-year plan  
23 under subsections (f) and (g) of this Section and whether  
24 the costs incurred by the utility during the prior rate  
25 year were prudent and reasonable. During the course of the  
26 proceeding, each objection shall be stated with



1 particularity and evidence provided in support thereof,  
2 after which the utility shall have the opportunity to  
3 rebut the evidence. Discovery shall be allowed consistent  
4 with the Commission's Rules of Practice, which Rules of  
5 Practice shall be enforced by the Commission or the  
6 assigned hearing examiner. The Commission shall apply the  
7 same evidentiary standards, including, but not limited to,  
8 those concerning the prudence and reasonableness of the  
9 costs incurred by the utility, during the proceeding as it  
10 would apply in a proceeding to review a filing for a  
11 general increase in rates under Article IX of this Act.  
12 The Commission shall not, however, have the authority in a  
13 proceeding under this paragraph (3) to consider or order  
14 any changes to the structure or protocols of the  
15 beneficial electrification formula rate approved under  
16 paragraph (2) of this subsection (d). In a proceeding  
17 under this paragraph (3), the Commission shall enter its  
18 order no later than the earlier of 195 days after the  
19 utility's filing of its annual update of cost inputs to  
20 the beneficial electrification formula rate or December  
21 15. The Commission's determinations of the prudence and  
22 reasonableness of the costs incurred, and determination of  
23 such return on equity calculation, for the applicable  
24 calendar year shall be final upon entry of the  
25 Commission's order and shall not be subject to reopening,  
26 reexamination, or collateral attack in any other

1 Commission proceeding, case, docket, order, rule, or  
2 regulation; however, nothing in this paragraph (3) shall  
3 prohibit a party from petitioning the Commission to rehear  
4 or appeal to the courts the order under the provisions of  
5 this Act.

6 (4) Notwithstanding the provisions of paragraphs (2)  
7 and (3) of this subsection (d), an electric utility shall  
8 be authorized to retain funds collected but not spent  
9 during a given year for the purpose of using the unspent  
10 funds during the subsequent 2-year period. If unspent  
11 funds related to a given year still remain after the  
12 passage of such 2-year period, then the utility may  
13 transfer such funds to one of the following programs: the  
14 Public Transportation Electrification Subsidies Program  
15 set forth in Section 8-108 of this Act; an electric car  
16 sharing program that serves primarily low-income  
17 customers; or an electric vehicle program that benefits  
18 low-income customers. If the funds are not so transferred  
19 or a portion otherwise remains after such transfer, then  
20 such funds shall be included, and credited back to  
21 customers, in the next annual update filing submitted  
22 under paragraph (3) of this subsection (d).

23 If an electric utility elects to retain funds as  
24 authorized by this paragraph (4), the utility's tariff and  
25 annual update filing under paragraphs (2) and (3) of this  
26 subsection (d) shall conform to the provisions of this

1       paragraph (4). In addition, the electric utility shall  
2       deposit into a separate interest bearing account of a  
3       financial institution the retained funds. Any interest  
4       earned shall be credited back to retail customers under  
5       the reconciliation proceeding provided for in this  
6       subsection (d), provided that the electric utility shall  
7       first be reimbursed from the interest for the  
8       administrative costs that it incurs to administer and  
9       manage the account. Any taxes due on the funds in the  
10       account, or interest earned on it, will be paid from the  
11       account or, if insufficient moneys are available in the  
12       account, from the money collected under the tariffed  
13       charges authorized by this Section.

14       (e) Beginning on the effective date of this amendatory Act  
15       of the 102nd General Assembly, a utility subject to this  
16       Section may elect to defer, as a regulatory asset, up to the  
17       full amount of its expenditures incurred under this Section  
18       for each annual period, including, but not limited to, any  
19       expenditures incurred above the funding level set by  
20       subsection (f) of this Section for a given year. The total  
21       expenditures deferred as a regulatory asset in a given year  
22       shall be amortized and recovered over a period that is equal to  
23       the weighted average of the carbon reduction measure lives  
24       implemented for that year that are reflected in the regulatory  
25       asset. The unamortized balance shall be recognized as of  
26       December 31 for a given year. The utility shall also earn a

1 return on the total of the unamortized balances of all of the  
2 beneficial electrification regulatory assets, less any  
3 deferred taxes related to those unamortized balances, at an  
4 annual rate equal to the utility's weighted average cost of  
5 capital that includes, based on a year-end capital structure,  
6 the utility's actual cost of debt for the applicable calendar  
7 year and a cost of equity, which shall be calculated in  
8 accordance with the calculations set forth in subparagraph (C)  
9 of paragraph (2) of subsection (d) of this Section. Capital  
10 investments shall be depreciated and recovered over their  
11 useful lives consistent with generally accepted accounting  
12 principles. The weighted average cost of capital shall be  
13 applied to the capital investment cost balance, less any  
14 accumulated depreciation and accumulated deferred income  
15 taxes, as of December 31 for a given year.

16 When an electric utility creates a regulatory asset under  
17 the provisions of this Section, the costs are recovered over a  
18 period during which customers also receive a benefit which is  
19 in the public interest. Accordingly, it is the intent of the  
20 General Assembly that an electric utility that elects to  
21 create a regulatory asset under the provisions of this Section  
22 shall recover all of the associated costs as set forth in this  
23 Section. After the Commission has approved the prudence and  
24 reasonableness of the costs that comprise the regulatory  
25 asset, the electric utility shall be permitted to recover all  
26 such costs, and the value and recoverability through rates of

1 the associated regulatory asset shall not be limited, altered,  
2 impaired, or reduced.

3 (f) By no later than March 31, 2022, each electric utility  
4 subject to this Section shall file a beneficial  
5 electrification plan with the Commission that is designed to  
6 achieve the carbon reduction standards for the next applicable  
7 multi-year period beginning January 1 of the year following  
8 the filing, according to the schedule set forth in paragraphs  
9 (1) through (3) of this subsection (f).

10 (1) No later than March 31, 2022, each electric  
11 utility shall file a 4-year beneficial electrification  
12 plan commencing on January 1, 2023, that is designed to  
13 achieve the cumulative persisting annual carbon reduction  
14 goals specified in paragraphs (1) through (4) of  
15 subsection (b) of this Section through implementation of  
16 carbon reduction measures. Cost-effective subsidies shall  
17 be the primary means of implementation of the plan. The  
18 utility, in developing such a plan, shall conduct a  
19 stakeholder input process. The utility, in developing such  
20 a plan, shall consider, but not be limited to, the  
21 following subjects: transportation electrification  
22 measures including, but not limited to, electric vehicle  
23 and electric vehicle infrastructure and services market  
24 development; end-use cases such as vehicle fleets,  
25 transportation network companies, residential,  
26 multifamily dwelling, low-income households,

1 environmental justice communities, public transportation  
2 (including school buses), and level 2 and direct current  
3 fast charging sites; flexibility mechanisms such as  
4 banking; infrastructure interoperability and open  
5 protocols; and education and outreach.

6 (2) No later than March 1, 2026, each electric utility  
7 shall file a 4-year beneficial electrification plan  
8 commencing on January 1, 2027, that is designed to achieve  
9 the cumulative persisting annual carbon reduction goals  
10 specified in paragraphs (5) through (8) of subsection (b)  
11 of this Section through implementation of carbon reduction  
12 measures.

13 (3) No later than March 1, 2030, each electric utility  
14 shall file a 4-year beneficial electrification plan  
15 commencing on January 1, 2031, that is designed to achieve  
16 the cumulative persisting annual carbon reduction goals  
17 specified in paragraphs (9) through (12) of subsection (b)  
18 of this Section through implementation of carbon reduction  
19 measures.

20 Each utility's plan shall set forth the utility's  
21 proposals to meet the carbon reduction standards identified in  
22 subsection (b), taking into account the unique circumstances  
23 of the utility's service territory. For those plans commencing  
24 on January 1, 2023, the Commission shall seek public comment  
25 and comments of other applicable State agencies on the  
26 utility's plan and shall issue an order approving or modifying

1 each plan no later than October 31, 2022. The electric utility  
2 shall bear the burden of proof that its plan complies with this  
3 Section in such Commission review. The Commission, in making  
4 its determination on the utility's plan, shall consider, along  
5 with all other applicable factors and principles, the prudence  
6 and reasonability of the design and likely effectiveness of  
7 the plan to meet the cumulative persisting annual carbon  
8 reduction goals of subsection (b) of this Section; the  
9 reliability, resilience, safety, and use (including  
10 optimization of use) of the distribution grid; reliability and  
11 resilience needs of customers, electric vehicle  
12 electrification infrastructure, and electric vehicle service  
13 providers; economic development benefits of measures, such as  
14 job creation; and the needs of low-income households,  
15 disproportionately impacted communities and environmental  
16 justice communities throughout the State, including, but not  
17 limited to, rural communities.

18 For those plans commencing after December 31, 2026, the  
19 Commission shall seek public comment on each utility's plan,  
20 and shall issue an order approving, modifying, or disapproving  
21 each plan within 6 months after its submission. If the  
22 Commission disapproves a plan, the Commission shall, within 30  
23 days, describe in detail the reasons for the disapproval and  
24 describe a path by which the utility may file a revised draft  
25 of the plan to address the Commission's concerns  
26 satisfactorily.

1       (g) In submitting proposed plans and funding levels under  
2 subsection (f) of this Section to meet the carbon reduction  
3 goals identified in subsection (b), the utility shall:

4           (1) Demonstrate that its proposed carbon reduction  
5 measures will achieve the applicable requirements that are  
6 identified in subsection (b) of this Section.

7           (2) Rank the proposed carbon reduction measures based  
8 on their total resource cost test benefit-cost ratio  
9 values.

10          (3) Demonstrate that its overall portfolio of  
11 measures, not including low-income programs described in  
12 subsection (c) of this Section and in Sections 8-107 and 8  
13 108 of this Act, is cost-effective using the total  
14 resource cost test and represents a diverse cross-section  
15 of opportunities for customers of all rate classes to  
16 participate in the programs. Individual measures need not  
17 be cost-effective. The low-income measures described in  
18 subsection (c) of this Section, as well as those described  
19 in Section 8 107 and 8-108 of this Act, shall not be  
20 required to meet the total resource cost test.

21          (4) Be authorized, at its election, to include a  
22 proposed or revised cost-recovery tariff mechanism, as  
23 provided for under subsection (d) of this Section, to fund  
24 the proposed carbon reduction measures and to ensure the  
25 recovery of the prudently and reasonably incurred costs of  
26 Commission-approved programs.



1       (h) No more than 6% of beneficial electrification program  
2 revenue may be allocated for research, development, or pilot  
3 deployment of new equipment or measures.

4       (i) When practicable, electric utilities shall incorporate  
5 advanced metering infrastructure data into the planning,  
6 implementation, and evaluation of carbon reduction measures  
7 and programs, subject to the data privacy and confidentiality  
8 protections of applicable law.

9       (j) (1) Definitions. For purposes of this subsection (j):

10       (A) "Construction" means any constructing, altering,  
11 reconstructing, repairing, rehabilitating, refinishing,  
12 refurbishing, remodeling, remediating, renovating, custom  
13 fabricating, maintaining, securing, landscaping,  
14 improving, drilling, testing, moving, wrecking, painting,  
15 decorating, demolishing, and adding to or subtracting from  
16 any building, structure, highway, roadway, street, bridge,  
17 alley, sewer, ditch, water works, parking facility,  
18 railroad, excavation or other structure, project,  
19 development, other real improvement, or any part thereof,  
20 whether or not the performance of the work herein  
21 described involves the addition to, or fabrication into,  
22 any structure, project, development, real property or  
23 improvement herein described.

24       (B) "Construction Employee" means persons performing  
25 construction.

26       (C) "Subsidized provider" means a participant in a

1 measure or program offered under an approved beneficial  
2 electrification plan that engages in construction in the  
3 course of the measure or program. For purposes of this  
4 subsection (j), a "measure or program offered under an  
5 approved beneficial electrification plan" includes  
6 measures and programs offered under this Section and  
7 Sections 8-107 and 8-108 of this Act pursuant to a plan  
8 approved under this Section, and electric vehicle charging  
9 station programs offered under a plan approved pursuant to  
10 Section 8-218 of this Act.

11 (2) All construction performed by a subsidized provider in  
12 the course of a measure or program offered under an approved  
13 beneficial electrification plan shall be subject to the  
14 requirements for public works in accordance with the Illinois  
15 Prevailing Wage Act and as set forth in this subsection (j).

16 (3) Each subsidized provider shall require that all  
17 construction performed by the provider, its contractors, or  
18 its subcontractors in the course of a measure or program  
19 offered under an approved beneficial electrification plan is  
20 performed by construction employees receiving an amount for  
21 that work equal to or greater than the general prevailing rate  
22 of hourly wages and benefits, as that term is defined in  
23 Section 3 of the Illinois Prevailing Wage Act.

24 Each subsidized provider shall, and shall require its  
25 contractors or subcontractors that perform construction in the  
26 course of a measure or program offered under an approved

1 beneficial electrification plan to:

2 (A) make and keep, for a period of not less than 5  
3 years from the date of the last payment on a contract or  
4 subcontract for construction, records of all construction  
5 employees employed by them for work on or within the  
6 subsidized facility; the records shall include each  
7 employee's name, address, race, gender, telephone number  
8 when available, if applicable years of residency in  
9 Illinois, classification or classifications of labor, the  
10 rate of hourly wages paid in each pay period for work at  
11 the subsidized facility, the number of hours worked each  
12 day, and the starting and ending times of work each day, at  
13 the subsidized facility; and

14 (B) no later than the fifteenth day of each calendar  
15 month file a certified payroll for work at the subsidized  
16 facility for the immediately preceding month with the  
17 Department of Labor and provide an informational copy to  
18 the Commission.

19 (4) Each subsidized provider shall require any contractors  
20 and subcontractors performing construction in the course of a  
21 measure or program offered under an approved beneficial  
22 electrification plan to comply with the responsible bidder  
23 requirements of Section 30-22 of the Illinois Procurement  
24 Code.

25 (5) A subsidized provider shall require any contractors  
26 and subcontractors performing a construction project in the

1 course of a measure or program offered under an approved  
2 beneficial electrification plan to enter into a project labor  
3 agreement with the building and construction trades council or  
4 relevant labor organization with geographic jurisdiction over  
5 the location of the project.

6 (6) (A) Each subsidized provider shall participate in an  
7 apprenticeship program, registered with and recognized by the  
8 United States Department of Labor, related to all construction  
9 in the course of a measure or program offered under an approved  
10 beneficial electrification plan. Each subsidized provider  
11 shall additionally require its contractors or subcontractors  
12 that perform construction in the course of a measure or  
13 program offered under an approved beneficial electrification  
14 plan to participate in such an apprenticeship program related  
15 to all construction at that facility.

16 (B) The apprenticeship program shall have a goal of that  
17 apprentices will perform the lesser of 10% of the total labor  
18 hours actually worked in each prevailing wage classification  
19 or 10% of the estimated labor hours in each prevailing wage  
20 classification.

21 (C) The Commission may reduce or waive the goals set forth  
22 in subparagraph (B) of this paragraph (6) before or during the  
23 term of the contract under this Section if the Commission,  
24 after public hearing, finds that insufficient apprentices are  
25 available or the reasonable and necessary requirements of the  
26 contract or subcontract do not allow the goal to be met.

1       (D) Each supplier shall submit, and shall require  
2 contractors and subcontractors to submit, a certification to  
3 the Department of Labor that such entity has either met the  
4 apprentice labor hours goal set forth in subparagraph (B) of  
5 this paragraph (6) or received a reduction or waiver pursuant  
6 to subparagraph (C) of this paragraph (6).

7       (7) Contractors and subcontractors of subsidized providers  
8 are subject to the rules and regulations established by the  
9 Department of Commerce and Economic Opportunity in accordance  
10 with Section 20-15 of the Illinois Works Jobs Program Act for  
11 construction at subsidized facilities.

12       (8) (A) Workforce Diversity. The Commission shall require  
13 each subsidized provider to report monthly on the diversity of  
14 its workforce as related to the applicable measure or program  
15 offered under an approved beneficial electrification plan. The  
16 report shall also present the diversity of the community in  
17 which a subsidized provider is located and shall outline the  
18 efforts the provider is taking to achieve a workforce that  
19 reflects the diversity of the community. If a provider fails  
20 to meet or maintain compliance with the reporting requirements  
21 of this subparagraph (A) and subparagraph (A) of paragraph (3)  
22 of this subsection (j) the provider is not eligible to receive  
23 payment during the period of noncompliance. The Commission  
24 shall notify the utility, at such time, that the supplier is  
25 not eligible to receive payment. Contracts entered into  
26 pursuant this Section, Sections 8-107 and 8-108 of this Act,

1 and electric vehicle charging station programs offered under a  
2 plan approved pursuant to Section 8-218 of this Act shall  
3 reflect that payments shall be suspended upon any  
4 noncompliance notice from the Commission until the Commission  
5 notifies the utility that the period of noncompliance has  
6 ended.

7 (B) Subsidized providers shall strive with respect to any  
8 measure or program offered under an approved beneficial  
9 electrification plan to achieve a workforce at that facility  
10 that reflects the diversity of the community in which such  
11 facility is located. In each reporting period, the supplier  
12 shall outline the efforts it is taking to achieve a workforce  
13 that reflects the diversity of the community.

14 (9) Where not otherwise prohibited by applicable law, each  
15 subsidized provider shall, with respect to such employees  
16 assigned to work on a measure or program offered under an  
17 approved beneficial electrification plan who are not otherwise  
18 members of an existing bargaining unit cognizable under the  
19 National Labor Relations Act, agree to labor neutrality and  
20 card check procedures with any union that seeks to represent  
21 such employees. The provider shall also only use on-site  
22 contractors or subcontractors who agree to be bound by similar  
23 provisions, if requested by any union that seeks to represent  
24 the on-site contractor or subcontractor's employees who are  
25 assigned to work on the measure or program offered under an  
26 approved beneficial electrification plan.

1       (10) The requirements of this subsection (j) of this  
2 Section shall be construed to avoid preemption under federal  
3 law. The primary purpose of this Section is to advance the  
4 State's clean energy goals. Accordingly, the invalidity of any  
5 provision in this subsection (j) shall not affect the validity  
6 of the remaining provisions in this Section.

7       (11) To the extent feasible and consistent with State and  
8 federal law, the implementation of this Section should provide  
9 opportunities for all segments of the population and workforce  
10 to participate, including minority-owned, female-owned,  
11 veteran-owned, and disability-owned business enterprises, and  
12 shall not, consistent with State and federal law, discriminate  
13 based on race or socioeconomic status.

14       (220 ILCS 5/8-107 new)

15       Sec. 8-107. Supplemental Low-Income Transportation  
16 Electrification Subsidy Program.

17       (a) The General Assembly finds that the transportation  
18 sector is the leading source of carbon pollution in Illinois  
19 and is responsible for roughly one-third of all carbon  
20 emissions in the State. The General Assembly further finds  
21 that the provisions of this amendatory Act of the 102nd  
22 General Assembly will transform the Illinois transportation  
23 sector by subsidizing electrification and drive the State  
24 toward a carbon-free future. The General Assembly also finds  
25 and declares that these benefits should be accessible to all

1 citizens of this State, and therefore authorizes electric  
2 utilities to offer to eligible low-income households the  
3 transportation electrification subsidies described in this  
4 Section.

5 For purposes of this Section, "low-income household" shall  
6 have the meaning set forth in Section 8-106 of this Act.

7 (b) Electric utilities subject to the requirements of  
8 Section 8-106 of this Act shall offer the following subsidies  
9 to low-income households during each year of the beneficial  
10 electrification portfolio standard mandated by Section 8-106  
11 of this Act:

12 (1) a subsidy for the purchase of a new or pre-owned  
13 electric vehicle or new or pre-owned hybrid vehicle that  
14 is powered by both electricity and gasoline; and

15 (2) a subsidy for a pre-owned internal combustion  
16 engine vehicle propelled by gasoline or diesel fuel that  
17 is turned in at the time of the purchase of a vehicle  
18 described in paragraph (1) of this subsection (b) that  
19 will also receive a subsidy pursuant to such paragraph  
20 (1).

21 The amount of each subsidy identified in this subsection  
22 (b) shall be equal to the avoided social cost of carbon  
23 associated with the vehicle that is the subject of the  
24 subsidy, discounted over the life of the vehicle, and must be  
25 issued to a retail customer of the utility. To be eligible for  
26 a subsidy under paragraph (2) of this subsection (b), the



1 vehicle to be turned in must be registered to the same retail  
2 customer that is purchasing a vehicle and receiving a subsidy  
3 under paragraph (1) of this subsection (b).

4 (c)(1) An electric utility subject to the requirements of  
5 this Section shall include its proposal for implementing the  
6 requirements of this Section, including, but not limited to,  
7 its methodology or methodologies for calculating the subsidies  
8 described in paragraphs (1) and (2) of subsection (b) of this  
9 Section, as part of its proposed beneficial electrification  
10 plan submitted pursuant to Section 8-106 of this Act. For each  
11 year of such a plan, the electric utility shall be authorized  
12 to issue subsidies under this Section in an amount that is  
13 equal to up to 20% of the funds allocated under the plan during  
14 that year for subsidies associated with new or pre-owned  
15 electric vehicles and new or pre-owned hybrid vehicles powered  
16 by both electricity and gasoline. The utility's administrative  
17 and implementation costs incurred under this Section shall not  
18 be subject to or included in such 20% limitation, and shall be  
19 recovered pursuant to subsection (d) of this Section.

20 (2) If the electric utility did not issue the maximum  
21 amount of subsidies for a given year, as calculated under  
22 paragraph (1) of this subsection (c), then the utility shall  
23 be authorized to use the unspent funds during the subsequent  
24 2-year period for purposes of issuing additional subsidies. If  
25 the unspent funds related to a given year still remain after  
26 the passage of such 2-year period, then the utility may

1 transfer such funds to one of the following programs: the  
2 Public Transportation Electrification Program set forth in  
3 Section 8-108 of this Act; an electric car sharing program  
4 that serves primarily low-income customers; or an electric  
5 vehicle program that benefits low-income customers. The  
6 application of unspent funds during a future year shall not  
7 reduce the maximum amount of subsidies that may be issued for  
8 such year, as calculated under paragraph (1) of this  
9 subsection (c), or otherwise limit the utility's ability to  
10 issue subsidies in an amount equal to the maximum amount  
11 calculated under such paragraph (1) notwithstanding whether  
12 unspent funds are also available to issue additional  
13 subsidies.

14 (d) An electric utility subject to the requirements of  
15 this Section shall be permitted, under subsection (e) of  
16 Section 8-106 of this Act, to defer, as a regulatory asset, all  
17 of the costs it incurs under this Section. The utility shall be  
18 permitted to recover such costs through the cost-recovery  
19 tariff established under subsection (d) of Section 8-106 of  
20 this Act.

21 (e) To the extent feasible and consistent with State and  
22 federal law, the implementation of this Section should provide  
23 opportunities for all segments of the population and workforce  
24 to participate, including minority-owned, female-owned,  
25 veteran-owned, and disability-owned business enterprises, and  
26 shall not, consistent with State and federal law, discriminate

1 based on race or socioeconomic status.

2 (220 ILCS 5/8-108 new)

3 Sec. 8-108. Public Transportation Electrification Subsidy  
4 Program.

5 (a) Electric utilities subject to the requirements of  
6 Section 8-106 of this Act shall also offer subsidies to  
7 governmental entity retail customers for their purchase of  
8 all-electric buses that provide service on routes primarily  
9 servng low-income households or environmental justice  
10 communities. The amount of the subsidy for each all-electric  
11 bus shall be \$300,000 and may be applied toward the purchase  
12 price of the bus, costs associated with the purchase,  
13 installation, and interconnection of electric vehicle charging  
14 station infrastructure, or costs associated with the ownership  
15 or operation of such all-electric bus or such electric vehicle  
16 charging station infrastructure. Each electric utility subject  
17 to the requirements of this Section shall issue a maximum  
18 total of \$150,000,000 in such subsidies during a 5-year period  
19 commencing on January 1, 2023, and the program shall be  
20 designed to issue, on average, \$30,000,000 in subsidies during  
21 each year of the 5-year period. The utility's administrative  
22 and implementation costs incurred under this Section shall not  
23 be subject to or included in this maximum total amount and  
24 shall be recovered pursuant to subsection (c) of this Section.

25 As used in this Section:

1       "Governmental entity" includes municipalities and units of  
2 local government, as defined in Section 1 of Article VII of the  
3 Illinois Constitution, and school districts, as that term is  
4 used in the School Code.

5       "Low-income households" has the meaning set forth in  
6 Section 8-106 of this Act.

7       "Environmental justice communities" has the meaning given  
8 that term in Section 1-56 of the Illinois Power Agency Act and  
9 the most recent Commission-approved long-term renewable  
10 resources procurement plans of the Illinois Power Agency.

11       (b) An electric utility subject to the requirements of  
12 this Section shall include its proposal for implementing the  
13 requirements of this Section as part of each proposed  
14 beneficial electrification plan submitted pursuant to Section  
15 8-106 that will be in effect during the 5-year period that the  
16 public transportation electrification program described in  
17 this Section will be in effect.

18       (c) An electric utility subject to the requirements of  
19 this Section shall be permitted, under subsection (e) of  
20 Section 8-106 of this Act, to defer, as a regulatory asset, all  
21 of the costs it incurs under this Section, and the costs shall  
22 be amortized over a 10-year period. The utility shall be  
23 permitted to recover such costs through the cost-recovery  
24 tariff established under subsection (d) of Section 8-106 of  
25 this Act.

26       (d) To the extent feasible and consistent with State and

1 federal law, the implementation of this Section should provide  
2 opportunities for all segments of the population and workforce  
3 to participate, including minority-owned, female-owned,  
4 veteran-owned, and disability-owned business enterprises, and  
5 shall not, consistent with State and federal law, discriminate  
6 based on race or socioeconomic status.

7 (220 ILCS 5/8-218 new)

8 Sec. 8-218. Clean Energy Integrated Distribution Plan.

9 (a) The General Assembly finds and declares that the  
10 citizens and businesses of this State of Illinois would be  
11 well served by the development of electric vehicle charging  
12 infrastructure and other investments in distribution  
13 infrastructure in this State, which would bring economic  
14 benefits and environmental benefits and further expand access  
15 to electric vehicle charging infrastructure and other  
16 distribution system upgrades at an affordable cost to Illinois  
17 residents. To that end, the General Assembly seeks to  
18 encourage efficient and cost-effective development of and  
19 investment in electric vehicle charging infrastructure and  
20 identification of investment opportunities on the utility  
21 distribution system. Accordingly, the General Assembly finds  
22 that, notwithstanding other provisions of this Act to the  
23 contrary, the State of Illinois would be well served by  
24 prudent and reasonable electric utility investments in, and  
25 ownership, management and operation of, energy storage

1 facilities, electric vehicle charging infrastructure, and  
2 other potential distribution system upgrades.

3 (b) In this Section:

4 "Electric utility" has the meaning given to that term in  
5 Section 16-102 of this Act.

6 "Electric vehicle charging station" has the meaning given  
7 to that term in 83 Ill. Adm. Code 469.10.

8 "Governmental entity" has the meaning given to that term  
9 in Section 1-5 of the State Officials and Employees Ethics  
10 Act.

11 "Interconnection equipment" means a group of components or  
12 an integrated system that connects an electric vehicle  
13 charging station with the electric utility's distribution  
14 system. Interconnection equipment also includes make-ready  
15 investments, which include, but are not limited to,  
16 investments in (i) all interface equipment, including  
17 switchgear, protective devices, inverters or other interface  
18 devices required to connect the electric vehicle charging  
19 station to the electric utility's distribution system, (ii)  
20 all trenching, wiring, and paneling required to connect the  
21 customer's meter to the electric vehicle charging station, and  
22 (iii) the foundation and insulating materials for the electric  
23 vehicle charging station charging infrastructure.  
24 Interconnection equipment may be installed as part of an  
25 integrated equipment package that includes an electric vehicle  
26 charging station.

1       "Interconnection facilities" means facilities and  
2 equipment required by the electric utility to accommodate the  
3 interconnection of an electric vehicle charging station.  
4 Collectively, interconnection facilities include all  
5 facilities and equipment between the electric vehicle charging  
6 station's interconnection equipment and the point of  
7 interconnection, including any modifications, additions, or  
8 upgrades necessary to physically and electrically interconnect  
9 the electric vehicle charging station to the electric  
10 distribution system. Interconnection facilities are sole use  
11 facilities and do not include system upgrades.

12       (c) As part of its Clean Energy Integrated Distribution  
13 Plan submitted pursuant to subsection (f) of this Section, an  
14 electric utility that serves more than 500,000 retail  
15 customers in this State that plans for, constructs, installs,  
16 controls, owns, manages, or operates energy storage facilities  
17 for the primary purpose of facilitating stable and reliable  
18 distribution service must include a proposed mechanism, to be  
19 incorporated within the utility's delivery services rates, to  
20 credit the monetary value of power and energy stored by such  
21 energy storage facilities against the delivery services  
22 requirement. Nothing in this Section is intended to alter or  
23 limit an electric utility's ability to continue to (i)  
24 undertake the activities related to energy storage facilities  
25 that are described in this subsection (c) and (ii) recover its  
26 reasonable and prudently incurred costs for those activities,

1 as distribution assets, through the electric utility's rates  
2 for delivery service established pursuant to Article IX or  
3 Article XVI of this Act.

4 (d) Without obtaining any approvals from the Commission,  
5 other than as required under this Section, or any other  
6 agency, including, but not limited to, approvals otherwise  
7 required under Section 8-406 of this Act, regardless of  
8 whether any such approval would otherwise be required, an  
9 electric utility that serves more than 500,000 retail  
10 customers in this State is authorized to, but is not required  
11 to, plan for, construct, install, control, own, manage, or  
12 operate electric vehicle charging infrastructure, including,  
13 but not limited to, electric vehicle charging stations within  
14 their service territories. Such an electric utility may  
15 construct electric vehicle charging infrastructure on private  
16 property or publicly owned property in a manner consistent  
17 with this subsection (d) and subsection (f) of this Section,  
18 as applicable; however, the Commission may not authorize an  
19 electric utility under Section 8-509 of this Act to acquire  
20 property rights by eminent domain for the construction of any  
21 electric vehicle charging station. Notwithstanding anything to  
22 the contrary, it is the intent of this subsection (d) and  
23 applicable provisions of subsection (f) of this Section to  
24 develop a robust market for charging stations in the State  
25 that provides a wide range of providers and options for  
26 consumers. While it is critical that electric utilities



1 facilitate the development of the market, it is not the intent  
2 of this subsection (d) and such applicable provisions of  
3 subsection (f) that utilities will generally need to provide  
4 charging stations or charging services, except in those  
5 limited areas where the market fails to develop.

6 An electric utility shall be allowed to recover all  
7 reasonable and prudent costs associated with investment in the  
8 electric vehicle charging infrastructure, including, but not  
9 limited to, costs to plan for, construct, install, control,  
10 own, manage, or operate under this subsection (d) and, as  
11 applicable, subsection (f) of this Section through the  
12 applicable provisions of this Article VIII, Article IX or  
13 Article XVI of this Act.

14 Notwithstanding any other provision of this Act to the  
15 contrary, such electric utility shall be permitted to recover  
16 all reasonable and prudent costs incurred under this  
17 subsection (d) and applicable provisions of subsection (f) of  
18 this Section, including, but not limited to, any costs  
19 incurred to make any location ready for installation and  
20 connection of an electric vehicle charging station to the  
21 distribution system; the costs incurred to provide the rebates  
22 identified in a plan filed pursuant to subsection (f) of this  
23 Section; the costs incurred to undertake the education and  
24 engagement activities authorized under this subsection (d) and  
25 applicable provisions of subsection (f) of this Section; and  
26 other costs incurred by the utility to comply with and

1 implement the requirements of this subsection (d) and  
2 applicable provisions of subsection (f) of this Section,  
3 including any amounts that reasonably exceed any estimates  
4 provided as part of the plan filed pursuant to subsection (f)  
5 of this Section.

6 An electric utility that serves more than 500,000 retail  
7 customers in this State is authorized to recover any costs  
8 identified in this subsection (d), including any costs to  
9 implement any plan approved by the Commission pursuant to  
10 subsections (f) and (g) of this Section, by way of a tariff or  
11 tariffs approved by the Commission, consistent with the  
12 following provisions:

13 (1) An electric utility subject to this Section shall  
14 be permitted to recover all reasonable and prudently  
15 incurred costs incurred to make any location identified  
16 pursuant to this subsection (d) and subsection (f) of this  
17 Section ready for installation and connection of an  
18 electric vehicle charging station to the distribution  
19 system through its delivery service rates. Allowances for  
20 interconnection equipment and interconnection facilities,  
21 up to and including \$1,500 per kilowatt of connected  
22 electric vehicle charging station equipment shall be  
23 deemed reasonable. For purposes of implementing programs  
24 pursuant to this subsection (d) and applicable provisions  
25 of subsection (f) of this Section, for each such program,  
26 the utility shall be required to provide and install all

1 interconnection equipment and interconnection facilities  
2 located on the utility side of the meter and may, at its  
3 sole discretion, provide and install the interconnection  
4 equipment and interconnection facilities located on the  
5 customer side of the meter. Nothing in this Section shall  
6 limit the Commission's authority to authorize higher  
7 allowances.

8 (2) Beginning on the effective date of this amendatory  
9 Act of this 102nd General Assembly, an electric utility  
10 that serves more than 500,000 retail customers in this  
11 State shall have authority to defer up to the full amount  
12 of its costs incurred under this subsection (d) and  
13 applicable provisions of subsection (f) of this Section as  
14 a regulatory asset to be amortized over a 15-year period.  
15 The unamortized balance shall be recognized as of December  
16 31 for a given year. The utility shall also earn a return  
17 on the total of the unamortized balance of the regulatory  
18 asset authorized under this subsection (d), less any  
19 deferred taxes related to the unamortized balance, at an  
20 annual rate equal to the utility's weighted average cost  
21 of capital that includes, based on a year-end capital  
22 structure, the utility's actual cost of debt for the  
23 applicable calendar year and a cost of equity, which shall  
24 be determined using the cost of equity approved in the  
25 most recent general rate case under Section 9-201 of this  
26 Act, provided that the common equity ratio shall not

1 exceed the common equity ratio approved in the most recent  
2 general rate case under Section 9-201, and the actual cost  
3 of capital structure components other than common equity,  
4 and shall calculate the amount of any over-collection or  
5 under-collection for such period.

6 (3) It is the intent of the General Assembly that an  
7 electric utility that elects to create a regulatory asset  
8 under this subsection (d) shall recover all of the  
9 associated costs, including, but not limited to, its cost  
10 of capital as set forth in this subsection (d). After the  
11 Commission has approved, as set forth in this Section, the  
12 prudence and reasonableness of the costs that comprise the  
13 regulatory asset, the electric utility shall be permitted  
14 to recover all such costs, and the value and  
15 recoverability through rates of the associated regulatory  
16 asset shall not be limited, altered, impaired, or reduced.

17 (4) Notwithstanding paragraph (2) of this subsection  
18 (d), an electric utility that serves more than 500,000  
19 retail customers in this State may, at its election,  
20 recover some or all of the costs it incurs under this  
21 subsection (d) and applicable provisions of subsection (f)  
22 of this Section as part of a filing for a general increase  
23 in rates under Article IX of this Act, as part of an annual  
24 filing to update a performance-based formula rate under  
25 subsection (d) of Section 16-108.5 of this Act or  
26 subsection (d) of Section 8-103B, or through an automatic

1 adjustment clause tariff; provided that nothing in this  
2 paragraph (4) permits the double recovery of such costs  
3 from customers. Such costs shall be allocated across all  
4 classes of retail customers in proportion to delivery  
5 service revenue requirement attributed to a class. If the  
6 electric utility elects to recover the costs it incurs  
7 under this subsection (d) through an automatic adjustment  
8 clause tariff, the utility may file its proposed tariff  
9 together with the plan it files under subsection (f) of  
10 this Section or at a later time. The proposed tariff shall  
11 provide for an annual reconciliation, less any deferred  
12 taxes related to the reconciliation, with interest at an  
13 annual rate of return equal to the utility's weighted  
14 average cost of capital as calculated under paragraph (2)  
15 of this subsection (d), including a revenue conversion  
16 factor calculated to recover or refund all additional  
17 income taxes that may be payable or receivable as a result  
18 of that return, of the revenue requirement reflected in  
19 rates for each calendar year, beginning with the calendar  
20 year in which the utility files its automatic adjustment  
21 clause tariff under this subsection (d), with what the  
22 revenue requirement would have been had the actual cost  
23 information for the applicable calendar year been  
24 available at the filing date. The tariff may permit  
25 recovery of costs through a single cents-per-kilowatthour  
26 charge applicable to each retail class. The Commission

1       shall review the proposed tariff and may make changes to  
2       the tariff that are consistent with this Section and with  
3       the Commission's authority under Article IX of this Act,  
4       subject to notice and hearing, as required. Following  
5       notice and hearing, as required, the Commission shall  
6       issue an order approving, or approving with modification,  
7       such tariff no later than 240 days after the electric  
8       utility files its tariff.

9       Any electric vehicle charging infrastructure, including, but  
10      not limited to, an electric vehicle charging station,  
11      constructed, installed, controlled, owned, managed, or  
12      operated by an electric utility pursuant to this subsection  
13      (d) shall be treated as jurisdictional distribution plant  
14      assets for ratemaking purposes. The investment in, and the  
15      costs to construct, install, control, own, manage, or operate,  
16      electric vehicle charging infrastructure owned by the electric  
17      utility shall be fully recovered in delivery service rates.  
18      The electric utility shall charge market-based service  
19      charges, pursuant to a tariff on file with the Commission, and  
20      any revenue from service charges for use of electric vehicle  
21      charging stations shall be credited to distribution customers  
22      in the applicable ratemaking process.

23      (e) No later than 150 days after the effective date of this  
24      amendatory Act of the 102nd General Assembly, each electric  
25      utility that serves more than 500,000 retail customers in the  
26      State shall file a petition with the Commission requesting

1 approval of a tariff that sets forth the terms and conditions  
2 of a program to be offered to the utility's retail customers  
3 that are governmental entities. Each such utility shall offer  
4 a program that provides and installs some or all of the  
5 interconnection equipment and interconnection facilities for  
6 electric vehicle charging stations owned or operated by such  
7 governmental entities that are located on the premises, or  
8 within the corporate limits, of the governmental entity, as  
9 applicable. For each such program the utility shall be  
10 required to provide and install all interconnection equipment  
11 and interconnection facilities located on the utility side of  
12 the meter and may, at its sole discretion, provide and install  
13 the interconnection equipment and interconnection facilities  
14 located on the customer side of the meter. Allowances for  
15 interconnection equipment and interconnection facilities up to  
16 and including \$2,500 per kilowatt of connected electric  
17 vehicle charging station equipment shall be deemed reasonable.  
18 Nothing in this Section shall limit the Commission's authority  
19 to authorize higher allowances. Interconnection facilities  
20 under the program, and all installations, shall be subject to  
21 the installer certification requirements of subsection (d) of  
22 Section 16-128A of this Act and Part 469 of Title 83 of the  
23 Illinois Administrative Code.

24 The Commission shall review the proposed tariff submitted  
25 pursuant to this subsection (e) and may make changes to the  
26 tariff that are consistent with this subsection (e) and with

1 the Commission's authority under Article IX of this Act,  
2 subject to notice and hearing. Following notice and hearing,  
3 the Commission shall issue an order approving, or approving  
4 with modification, such tariff no later than 150 days after  
5 the utility files its petition and tariff. No later than 60  
6 days after the Commission enters an order, or order on  
7 rehearing, whichever is later, approving an electric utility's  
8 proposed tariff under this subsection (e), the electric  
9 utility shall provide notice to its governmental entity retail  
10 customers of the electric vehicle charging station  
11 installation services program under this subsection (e).

12 (f) An electric utility that serves more than 500,000  
13 retail customers in this State shall file with the Commission  
14 a Clean Energy Integrated Distribution Plan, the purpose of  
15 which shall be to identify the planned investment authorized  
16 by this Section to be made in energy storage facilities,  
17 electric vehicle charging infrastructure, and other potential  
18 investments in utility distribution infrastructure in the  
19 electric utility's service territory during a 5-calendar-year  
20 period commencing on the calendar year following the  
21 Commission's approval of the Clean Energy Integrated  
22 Distribution Plan. An electric utility subject to this  
23 subsection (f) shall file its initial Clean Energy Integrated  
24 Distribution Plan within 150 days of the electric utility's  
25 initial Article IX filing pursuant to Section 9-201.1. Clean  
26 Energy Integrated Distribution Plans shall be subject to



1 Commission review and approval pursuant to the provisions of  
2 subsection (g) of this Section. The electric utility shall be  
3 responsible for the development and submission its Clean  
4 Energy Integrated Distribution Plan to the Commission, which  
5 shall conform to the provisions of this subsection (f):

6 (1) An electric utility's Clean Energy Integrated  
7 Distribution Plan shall include:

8 (A) An electric vehicle charging infrastructure  
9 deployment and charging facility rebate plan, the  
10 purpose of which shall be to encourage the adoption of  
11 electric vehicles in this State. The proposed electric  
12 vehicle charging infrastructure deployment and  
13 charging facility rebate plan shall conform to the  
14 provisions of paragraph (2) of this subsection (f). An  
15 electric utility's initial Clean Energy Integrated  
16 Distribution Plan must include an electric vehicle  
17 charging infrastructure deployment and charging  
18 facility rebate plan. If the electric utility  
19 determines no additional investment in electric  
20 vehicle charging infrastructure is needed pursuant to  
21 this subsection (f) to encourage the cost-effective  
22 adoption of electric vehicles in this State in a  
23 subsequent plan, the electric utility shall provide  
24 the basis for such determination and report on the  
25 level of investment made since enactment of this  
26 amendatory Act of the 102nd General Assembly in the

1 utility's subsequent Clean Energy Integrated  
2 Distribution Plan filing.

3 (B) For an electric utility that serves less than  
4 3,000,000 retail customers but more than 500,000  
5 retail customers in this State, a plan to initiate a  
6 request for proposals for third parties to propose  
7 investments that could be made in a least-cost manner  
8 as alternatives to capacity expansion of the utility  
9 distribution system through technologies, including,  
10 but not limited to, energy storage or other  
11 alternatives. An electric utility subject to this  
12 subparagraph (B) shall recover all reasonable and  
13 prudent costs associated with running the request for  
14 proposal and conducting the selection process  
15 notwithstanding whether any proposed bid is approved.

16 (C) For an electric utility that serves more than  
17 3,000,000 retail customers in the State, an  
18 informational update on any actions undertaken  
19 pursuant to Section 8-411 of this Act.

20 (2) The electric utility's electric vehicle charging  
21 infrastructure deployment and charging facility rebate  
22 plan for the 5-calendar-year period of its Clean Energy  
23 Integrated Distribution Plan shall identify a system of  
24 publicly accessible electric vehicle charging stations and  
25 a schedule of rebates that would be available to: retail  
26 customers taking delivery service from the electric

1 utility at an address in the electric utility's service  
2 territory; and any third party that would construct, own  
3 or operate a publicly accessible electric vehicle charging  
4 station.

5 An electric utility's electric vehicle charging  
6 infrastructure deployment and charging facility rebate  
7 plan shall include, at a minimum, the following categories  
8 of information regarding the proposed deployment of  
9 electric vehicle charging stations:

10 (A) Identification of existing publicly accessible  
11 electric vehicle charging station infrastructure  
12 installed in the electric utility's service territory.

13 (B) Sufficient detail to identify the proposed  
14 general location and type of electric vehicle charging  
15 station infrastructure that could be installed on  
16 private or publicly owned land along proposed electric  
17 vehicle charging corridors or other public spaces  
18 within the electric utility's service territory,  
19 including the general identification of any proposed  
20 location and type of electric vehicle charging station  
21 infrastructure that the electric utility proposes to  
22 be part of the third-party request for proposals  
23 process set forth in subparagraph (D) of this  
24 paragraph (2);

25 (C) Proposed rebates for electric vehicle charging  
26 infrastructure or facilities to be offered by the

1           electric utility to any retail customer within the  
2           utility's service territory. The Clean Energy  
3           Integrated Distribution Plan must include the  
4           following information:

5                   (i) Identification of rebates to be made  
6                   available to residential customers, nonresidential  
7                   customers and multi-family residential buildings  
8                   that install home electric vehicle charging  
9                   facilities subsequent to the effective date of  
10                  this amendatory Act of this 102nd General  
11                  Assembly.

12                   (ii) Identification of rebates designed to  
13                   promote the use of electric vehicles serving  
14                   low-income or moderate-income communities,  
15                   including, but not limited to, any rebates  
16                   available to shared electric vehicles, ride share  
17                   electric vehicles and to public transportation  
18                   fleets or school districts using electric  
19                   vehicles.

20                   (iii) The manner and timing of the payment of  
21                   the proposed rebates; however, the rebates  
22                   identified pursuant to this subparagraph (C) may  
23                   be paid through a monthly bill credit spread  
24                   fairly and reasonably across a 12-month period,  
25                   and provided that any customer receiving a rebate  
26                   must sign up for and remain on a 3-part delivery

1 service rate, if available.

2 (iv) The electric utility's estimated budget  
3 to develop and implement an education and  
4 engagement strategy that encourages the adoption  
5 of electric vehicles in the electric utility's  
6 service territory, including, but not limited to,  
7 programs to be delivered to third-party entities  
8 such as car dealerships and elementary, middle,  
9 and high schools to educate and promote the  
10 adoption of electric vehicles.

11 (D) A proposed request for proposals process, to  
12 be managed by the electric utility, for third parties  
13 to compete for utility rebates for the construction,  
14 ownership, and operation of the electric vehicle  
15 charging stations at specified locations within the  
16 electric utility's service territory. An electric  
17 utility shall have the option to plan for, construct,  
18 install, control, own, manage, or operate any electric  
19 vehicle charging infrastructure at any location  
20 identified for inclusion in the request for proposals  
21 which no third-party bid was received or awarded under  
22 the criteria identified pursuant to item (iii) of this  
23 subparagraph (D). The request for proposals process  
24 shall address at least the following information:

25 (i) Criteria for identifying locations where  
26 the utility will seek requests for proposals to

1 construct, own and operate electric vehicle  
2 charging stations.

3 (ii) Requirements for electric vehicle  
4 charging station infrastructure owners and  
5 operators regarding construction, installation,  
6 operation, and maintenance for each proposed  
7 general location.

8 (iii) Criteria by which the bids will be  
9 reviewed and assessed; provided, however, that  
10 bids shall address the proposed ownership and  
11 ongoing operation of the electric vehicle charging  
12 station. Bids may be contingent on securing state  
13 or federal funds, including any tax incentives,  
14 available for electric vehicle charging station  
15 development or deployment.

16 (iv) Process for making rebates available to  
17 electric vehicle charging station winning bidders.  
18 The process for making rebates available to  
19 winning bidders shall be designed to encourage  
20 participation in the request for proposals process  
21 and actual construction, installation, ownership,  
22 and operation of the electric vehicle charging  
23 station at each proposed location.

24 Notwithstanding anything to the contrary, it is the  
25 intent of this subsection (f) and applicable provisions of  
26 subsection (d) of this Section to develop a robust market

1 for charging stations in the State that provides a wide  
2 range of providers and options for consumers. While it is  
3 critical that electric utilities facilitate the  
4 development of the market, it is not the intent of this  
5 subsection (f) and such applicable provisions of  
6 subsection (d) that utilities will generally need to  
7 provide charging stations or charging services, except in  
8 those limited areas where the market fails to develop.

9 (3) For electric utilities that serve more than  
10 3,000,000 retail customers in this State, a plan for the  
11 deployment of energy storage for the 5 year period of the  
12 Clean Energy Integrated Distribution Plan, including, as  
13 applicable, storage proposed to be deployed under Section  
14 8-411 of this Act.

15 (4) For electric utilities that serve less than  
16 3,000,000 retail customers but more than 500,000 retail  
17 customers in this State, a proposal to initiate a request  
18 for proposals for third parties to propose investments  
19 that could be made in a least-cost manner as alternatives  
20 to capacity expansion of the utility distribution system  
21 through technologies, including, but not limited to,  
22 energy storage or other alternatives. The utility's plan  
23 shall include:

24 (A) The process that the electric utility used to  
25 identify circuits on its distribution system, which  
26 will be the subject of a request for proposals

1           process.

2           (B) The locations of the circuits identified  
3           pursuant to the proposed process described in this  
4           paragraph (4).

5           (C) The estimated timeline for the issuance of the  
6           request for proposals, bidder qualifications, and  
7           estimated project start dates.

8           (D) The electric utility's bid evaluation criteria  
9           and process for approving bids, provided that the  
10          electric utility may, at its discretion, apply  
11          selection criteria in the request for proposals to  
12          determine whether the proposed investment would be the  
13          least-cost option when compared to other distribution  
14          system upgrades that could be made on the proposed  
15          circuit by the electric utility.

16          After approval of the initial Clean Energy Integrated  
17          Distribution Plan, an electric utility subject to this  
18          subsection (f) shall file a Clean Energy Integrated  
19          Distribution Plan for subsequent 5-calendar-year planning  
20          periods no later than 510 days prior to the expiration of the  
21          then-current Commission-approved plan.

22          An electric utility implementing a plan approved pursuant  
23          to subsection (g) of this Section, may update its plan at any  
24          time by filing such an update with the Commission in the same  
25          docket in which the Commission originally approved the plan.  
26          Any update filing made pursuant to this subsection (f) must



1 identify the updates to be implemented and any updates shall  
2 be deemed approved as reasonable 45 days after the filing  
3 unless the Commission initiates an investigation into the  
4 updated actions. Any final order regarding the investigation  
5 initiated pursuant to an electric utility's update filing must  
6 be issued within 150 days of the initiating order.

7 (g) The Commission shall review a Clean Energy Integrated  
8 Distribution Plan filed pursuant to subsection (f) of this  
9 Section to confirm the plan includes the information required  
10 by subparagraphs (A) through (C) of paragraph (1) of  
11 subsection (f) of this Section, as applicable, and shall issue  
12 its final order either approving the plan or approving the  
13 plan as modified within 150 days of the electric utility's  
14 filing.

15 (1) Except as provided in this Section, the Commission  
16 shall apply the same evidentiary standards, including, but  
17 not limited to, those concerning the prudence and  
18 reasonableness of the costs incurred by the utility, in  
19 the hearing as it would apply in a hearing to review a  
20 filing for a general increase in rates under Article IX of  
21 this Act. The Commission shall not, however, have the  
22 authority in a proceeding under this subsection (g) to  
23 consider or order any changes to any prior plans approved  
24 by the Commission. The Commission's approval of a plan for  
25 the applicable 5-calendar-year period shall be final upon  
26 entry of the Commission's order and shall not be subject

1 to reopening, reexamination, or collateral attack in any  
2 other Commission proceeding, case, docket, order, rule or  
3 regulation, provided, however, that nothing in this  
4 subsection (g) shall prohibit a party from petitioning the  
5 Commission to rehear or appeal to the courts the order  
6 pursuant to the provisions of this Act.

7 (2) The Commission's order issued pursuant this  
8 subsection (g) shall address whether the electric  
9 utility's proposed level of investment pursuant to  
10 subparagraph (A) of paragraph (1) of subsection (f) of  
11 this Section reasonably meets the requirements set forth  
12 in such subparagraph. The Commission shall either approve  
13 the proposed level of investment or modify the proposed  
14 level of investment and approve the proposed level of  
15 investment as modified. If the Commission finds that the  
16 proposed level of investment reasonably serves the purpose  
17 outlined in such subparagraph, the Commission shall  
18 approve the utility's proposed activities and the electric  
19 utility shall implement the planned activities in  
20 accordance with the Commission approval. If the Commission  
21 modifies the proposed level of investment, the electric  
22 utility shall notify the Commission in writing within 90  
23 days of service of the Commission's order modifying the  
24 proposal as to whether the electric utility accepts the  
25 Commission's modifications. If the electric utility  
26 notifies the Commission in writing that it does not accept

1       the Commission's modifications, the electric utility shall  
2       have no further obligations with respect to the proposals  
3       filed pursuant to subparagraph (A) of paragraph (1) and  
4       paragraph (2) of subsection (f) of this Section, including  
5       any obligation to implement the proposals as modified and  
6       may, at its discretion, file a new proposal with the  
7       Commission in a subsequent Clean Energy Integrated  
8       Distribution Plan, including an update authorized under  
9       this Section.

10       (3) The Commission's order issued pursuant this  
11       subsection (g) shall address whether the proposed process  
12       identified by an electric utility that serves less than  
13       3,000,000 retail customers but more than 500,000 retail  
14       customers in this State pursuant to subparagraph (B) of  
15       paragraph (1) of subsection (f) of this Section is  
16       reasonable. The Commission shall either approve the  
17       proposal or modify the proposal and then approve the  
18       proposal as modified. If the Commission finds that the  
19       proposal complies with the requirements of such  
20       subparagraph (B), the Commission shall approve the  
21       utility's proposal. If the Commission modifies the  
22       proposal, the electric utility shall notify the Commission  
23       in writing within 90 days of service of the Commission's  
24       order modifying and approving the proposal as to whether  
25       the electric utility accepts the Commission's  
26       modifications. If the electric utility notifies the

1       Commission in writing that it does not accept the  
2       Commission's modifications, the electric utility shall  
3       have no further obligations with respect to the proposals  
4       filed pursuant to such subparagraph (B), including any  
5       obligation to implement the proposals as modified and may,  
6       at its discretion, file a new proposal with the Commission  
7       in a subsequent Clean Energy Integrated Distribution Plan.

8           (4) Upon approval by the Commission and, when  
9       applicable, acceptance by the electric utility of any  
10       modification and approval by the Commission of its Clean  
11       Energy Integrated Distribution Plan, no further approvals  
12       by the Commission other than those approvals set forth in  
13       this Section shall be necessary.

14       In addition to the plan authorized by subsection (f) of  
15       this Section, as approved pursuant to this subsection (g), an  
16       electric utility that serves more than 500,000 retail  
17       customers in this State shall be permitted to administer  
18       programs designed to encourage or incentivize the adoption of  
19       electric vehicles by Illinois electric consumers, and such  
20       programs shall not be prohibited by the Commission as  
21       promotional practices under any rules or policies of the  
22       Commission, including, but not limited to, 83 Ill. Adm. Code  
23       Part 275.

24           (220 ILCS 5/8-402.2 new)

25       Sec. 8-402.2. Public Schools Carbon-Free Assessment

1 programs.

2 (a) Within one year after the effective date of this  
3 amendatory Act of the 102nd General Assembly, each electric  
4 utility serving over 500,000 retail customers in this State  
5 shall implement a Public Schools Carbon-Free Assessment  
6 program.

7 (b) Each utility's Public Schools Carbon-Free Assessment  
8 program shall include the following requirements:

9 (1) Each plan shall be designed to offer within the  
10 utility's service territory to assist public schools, as  
11 defined by Section 1-3 of the School Code, to increase the  
12 efficiency of their energy usage, to reduce the carbon  
13 emissions associated with their energy usage, and to move  
14 toward a goal of public schools being carbon-free in their  
15 energy usage by 2030. The program shall include a target  
16 of completing Public Schools Carbon-Free Assessment for  
17 all public schools in the utility's service territory by  
18 December 31, 2029.

19 (2) The Public Schools Carbon-Free Assessment shall be  
20 generally standardized Assessment but may incorporate  
21 flexibility to reflect the circumstances of individual  
22 public schools and public school districts.

23 (3) The Public Schools Carbon-Free Assessment shall  
24 include, but not be limited to, comprehensive analyses of  
25 the following subjects:

26 (A) The top energy efficiency savings

1 opportunities for the public school, by energy saved;

2 (B) The total achievable solar energy potential on  
3 or nearby a public school's premises and able to  
4 provide power to a school;

5 (C) The infrastructure required to support  
6 electrification of the facility's space heating and  
7 water heating needs;

8 (D) The infrastructure requirements to support  
9 electrification of a school's transportation needs;  
10 and

11 (E) The investments required to achieve a WELL  
12 Certification or similar certification as determined  
13 through methods developed and updated by the  
14 International WELL Building Institute or similar or  
15 successor organizations.

16 (4) The Public Schools Carbon-Free Assessment also  
17 shall include, but not be limited to, mechanical  
18 insulation evaluation inspection and inspection of the  
19 building envelope(s).

20 (5) With respect to those public school construction  
21 projects for public schools within the service territory  
22 of a utility serving over 500,000 retail customers in this  
23 State and for which a public school district applies for a  
24 grant under Section 5-40 of the School Construction Law on  
25 or after June 1, 2023, the district must submit a copy of  
26 the applicable Public Schools Carbon-Free Assessment

1 report, or, if no such Public Schools Carbon-Free  
2 Assessment has been performed, request the applicable  
3 utility to perform such a Public Schools Carbon-Free  
4 Assessment and submit a copy of the Public Schools  
5 Carbon-Free Assessment report promptly when it becomes  
6 available. The Public Schools Carbon-Free Assessment  
7 report shall include a mechanical insulation evaluation  
8 inspection and inspection of the building envelopes. The  
9 district must demonstrate how the construction project is  
10 designed and managed to achieve the goals that all public  
11 elementary and secondary school facilities in the State  
12 are able to be powered by clean energy by 2030, and for  
13 such facilities to achieve carbon-free energy sources for  
14 space heat, water heat, and transportation by 2050.

15 (6) The results of each Public Schools Carbon-Free  
16 Assessment shall be memorialized by the utility or by a  
17 third party acting on behalf of the utility in a usable  
18 report form and shall be provided to the applicable public  
19 school. Each utility shall be required to retain a copy of  
20 each Public Schools Carbon-Free Assessment report and to  
21 provide confidential copies of each report to the Illinois  
22 Power Agency and the Illinois Capital Development Board  
23 within 3 months of its completion.

24 (7) The Public School Carbon-Free Assessment shall be  
25 conducted in coordination with each utility's energy  
26 efficiency and demand-response plans under Sections 8-103,

1       8-103A, and 8-103B of this Act, to the extent applicable.  
2       Nothing in this Section is intended to modify or require  
3       modification of those plans. However, the utility may  
4       request a modification of a plan approved by the  
5       Commission, and the Commission may approve the requested  
6       modification, if the modification is consistent with the  
7       provisions of this Section and Section 8-103B of this Act.

8       (8) If there are no other providers of assessments  
9       that are substantively the same as those being performed  
10       by utilities pursuant to this Section by 2024, a utility  
11       that has a Public Schools Carbon-Free Assessment program  
12       may offer assessments to public schools that are not  
13       served by a utility subject to this Section at the  
14       utility's cost.

15       (9) The Public Schools Carbon-Free Assessment shall be  
16       offered to and performed for public schools in the  
17       utility's service territory on a complementary basis by  
18       each utility, with no Assessment fee charged to the public  
19       schools for the Assessments. Nothing in this Section is  
20       intended to prohibit the utility from recovering through  
21       rates approved by the Commission the utility's prudent and  
22       reasonable costs of complying with this Section.

23       (220 ILCS 5/8-411 new)

24       Sec. 8-411. Public solicitation process.

25       (a) The General Assembly finds that the electric industry



1 is undergoing rapid transformation, including fundamental  
2 changes regarding how electricity is generated, procured, and  
3 delivered and how customers are choosing to participate in the  
4 supply and delivery of electricity to and from the electric  
5 grid. Building upon the State's goals to increase the  
6 procurement of electricity from renewable energy resources,  
7 including distributed generation and storage devices, the  
8 General Assembly finds that it is now necessary to study how  
9 electric utility distribution system capacity expansion  
10 projects could be deferred or eliminated by procuring  
11 alternative solutions that employ distributed generation and  
12 storage devices. Specifically, the General Assembly finds that  
13 these alternative solutions may present opportunities to  
14 relieve capacity constraints on the distribution system that  
15 would otherwise require utility capital investment. The  
16 General Assembly therefore finds that it is beneficial to  
17 undertake the program described in this Section to explore a  
18 variety of objectives, including, but not limited to, the  
19 extent to which alternative solutions to upgrading the  
20 conventional electric grid using distributed generation and  
21 storage devices can defer or eliminate utility capital  
22 investment and reduce costs.

23 As used in this Section:

24 "Alternative solutions" means distributed generation, as  
25 that term is defined in Section 16-107.6 of this Act, that has  
26 not been compensated under Section 16-107.6, and storage

1 devices, which, for purposes of this Section, shall mean a  
2 battery or other electricity storage device that is  
3 interconnected to the distribution system of the electric  
4 utility and has not been compensated under a separate program  
5 or provision of this amendatory Act of the 102nd General  
6 Assembly.

7 "Electric utility" has the meaning given to that term in  
8 Section 16-102 of this Act.

9 (b) An electric utility serving more than 3,000,000 retail  
10 customers in Illinois shall, under the program described in  
11 this Section, conduct public solicitation processes to procure  
12 alternative solutions that will defer or eliminate electric  
13 utility distribution system capacity expansion projects. The  
14 utility's program shall be designed to procure alternative  
15 solutions for up to 4 distribution system capacity expansion  
16 projects, each of which is the utility's estimated to cost  
17 complete is at least \$5,000,000, during the 5-year period of  
18 the program, and the projects shall be located throughout the  
19 utility's service territory. Notwithstanding the  
20 implementation of the program described in this Section,  
21 nothing in this Section limits the utility's ability to  
22 otherwise procure or invest in electric utility distribution  
23 system capacity expansion projects.

24 (c) Each electric utility subject to the requirements of  
25 this Section shall submit to the Commission the utility's plan  
26 for developing and conducting a third-party request for

1 proposals process for purposes of procuring alternative  
2 solutions that will defer or eliminate distribution system  
3 capacity expansion projects. Such a plan shall include, but  
4 not be limited to, the following:

5 (1) a description of the types of projects within  
6 years 3 to 5 of the utility's planning cycle for which the  
7 utility will seek alternative solutions, including the  
8 screening criteria and associated minimum score or  
9 threshold that the utility will apply to determine whether  
10 a particular distribution system capacity expansion  
11 project is eligible to be bid out under the request for  
12 proposal process established by the plan;

13 (2) the bidder qualifications and bidding criteria;

14 and

15 (3) the bid evaluation process.

16 The plan shall also set forth the process by which the  
17 utility will provide notice to potential bidders of eligible  
18 projects and the publishing of requests for proposals. The  
19 utility must update the list of eligible projects, at a  
20 minimum, on an annual basis. The list of eligible projects, as  
21 updated, shall also identify those ineligible projects that  
22 did not achieve the screening criteria's minimum score or  
23 threshold, provided that the identification of ineligible  
24 projects shall be limited to those falling within a band that  
25 does not exceed 35% of the screening criteria's minimum score  
26 or threshold.

1       Within 120 days after the utility files its plan under  
2 this subsection (c), the Commission shall review and, after  
3 notice and hearing, enter an order approving the plan if it  
4 finds that the plan conforms to the requirements of this  
5 Section or, if the Commission finds that the plan does not  
6 conform to the requirements of this Section, the Commission  
7 must enter an order describing in detail the reasons for not  
8 approving the plan. The utility may resubmit its plan to  
9 address the Commission's concerns, and the Commission shall  
10 expeditiously review and by order approve the revised plan if  
11 it finds that the plan conforms to the requirements of this  
12 Section, provided that such order shall be entered no later  
13 than 90 days after the utility resubmits its plan.

14       No later than 90 days after the close of the first year of  
15 the program, the utility shall submit a report to the  
16 Commission that includes any updates to the plan, a schedule  
17 for the procurement of alternative solutions for any proposed  
18 projects for the next plan year, the expenditures made for the  
19 prior plan year, and an evaluation of the extent to which the  
20 objectives of this program are being achieved. No later than  
21 90 days after the close of the fifth and final year of the  
22 program, the utility shall submit a report to the Commission  
23 that includes the expenditures made for the prior plan year  
24 and cumulatively and an evaluation of the extent to which the  
25 objectives of this program were achieved during the fifth year  
26 and cumulatively.

1       (d) The costs of the program that are incurred by the  
2 electric utility, including, but not limited to, the projects  
3 procured pursuant to a plan approved by the Commission  
4 pursuant to subsection (c) of this Section, shall be recovered  
5 pursuant to Article IX or Section 16-108.5 of this Act. The  
6 recovery of the costs incurred for each project shall occur  
7 over a period of time that is equal to the life of the asset or  
8 assets being procured and may be capitalized by the electric  
9 utility.

10       (e) Each alternative solution procured pursuant to this  
11 Section shall also be reflected in the calculation of the  
12 distributed generation rebate values calculated under  
13 subsection (e) of Section 16-107.6 of this Act. No later than  
14 30 days after the electric utility executes a contract with  
15 the winning bidder of an alternative solution, the utility  
16 shall submit an informational filing to the Commission in the  
17 docket established under subsection (e) of Section 16-107.6.  
18 The informational filing shall describe the scope, size,  
19 location, cost, and impacts of the alternative solution  
20 procured by the utility. No later than 60 days after the  
21 electric utility submits such informational filing, the  
22 Commission shall calculate a revised distributed generation  
23 rebate value for each geographic area impacted by the  
24 alternative solution.

25       (f) To the extent feasible and consistent with State and  
26 federal law, the investments under the plan should provide

1 employment opportunities for all segments of the population  
2 and workforce, including minority-owned, female-owned,  
3 veteran-owned, and disability-owned business enterprises, and  
4 shall not, consistent with State and federal law, discriminate  
5 based on race or socioeconomic status.

6 (220 ILCS 5/8-511.1 new)

7 Sec. 8-511.1. Utility data reporting requirement.

8 (a) Each electric utility that serves more than 3,000,000  
9 retail customers in the State shall file with the Commission  
10 annually by April 15 a report that includes the following:

11 (1) the number and duration of curtailment events that  
12 are not related to demand response;

13 (2) the number of nonsummer peak events;

14 (3) the average load shape by customer class;

15 (4) the amount of line losses and copy of most recent  
16 line loss study;

17 (5) the average number of customers with arrearages  
18 and the average amount of arrearages, by customer class;

19 (6) the number of disconnections due to arrearages per  
20 customer class and the number of reconnections per  
21 customer class, by month;

22 (7) the number and duration of light load events; and

23 (8) the number and duration of peak load events.

24 (b) Each utility shall file with the Commission monthly a  
25 report that includes the number of disconnections due to

1 arrearrages per customer class and the number of reconnections  
2 per customer class for the prior month.

3 (220 ILCS 5/8-512 new)

4 Sec. 8-512. Utility plant disclosure and workshop process.

5 (a) Beginning in the first calendar year following the  
6 year in which this amendatory Act of the 102nd General  
7 Assembly takes effect, each electric utility that serves more  
8 than 500,000 customers in this State shall, within 90 days  
9 after the close of each of the electric utility's fiscal  
10 quarters, submit to the Commission a report that summarizes  
11 the additions to utility plant that were placed into service  
12 during the prior quarter, which for purposes of the report  
13 shall be the most recently closed fiscal quarter. The report  
14 shall also summarize the utility plant the electric utility  
15 projects it will place into service through the end of the  
16 calendar year in which the report is filed. The information  
17 provided pursuant to this Section is intended to be  
18 informational and to provide a preliminary view of costs and  
19 investments, which may change. Accordingly, the information  
20 provided pursuant to this Section shall not be binding on the  
21 utility and shall not be the basis for a finding in any  
22 Commission proceeding of imprudence, unreasonableness, or lack  
23 of use or usefulness of any individual or aggregate level of  
24 utility plant or other investment or expenditure addressed.  
25 Within 7 days after receiving a quarterly report, the

1 Commission shall timely make such report available to the  
2 public by posting it on the Commission's website.

3 Each quarterly report shall include the following detail:

4 (1) the total dollar value of the additions to utility  
5 plant placed in service during the prior quarter;

6 (2) a list of the major investment categories the  
7 utility used to manage its routine standing operational  
8 activities during the prior quarter including the total  
9 dollar amount for the work reflected in each investment  
10 category in which utility plant in service is equal to or  
11 greater than \$2,000,000 for a utility that serves more  
12 than 3,000,000 customers in the State or \$500,000 for a  
13 utility that serves less than 3,000,000 retails customers  
14 but more than 500,000 retail customers in the State as of  
15 the last day of the quarterly reporting period, as well as  
16 a summary description of each investment category;

17 (3) a list of the projects which the utility has  
18 identified by a unique investment tracking number for  
19 utility plant placed in service during the prior quarter  
20 for utility plant placed in service with a total dollar  
21 value as of the last day of the quarterly reporting period  
22 that is equal to or greater than \$2,000,000 for a utility  
23 that serves more than 3,000,000 customers in the State or  
24 \$500,000 for a utility that serves less than 3,000,000  
25 retails customers but more than \$500,000 retail customers  
26 in the State, as well as a summary of each project;



1           (4) the estimated total dollar value of the additions  
2 to utility plant projected to be placed in service through  
3 the end of the calendar year in which the report is filed;

4           (5) a list of the major investment categories the  
5 utility used to manage its routine standing operational  
6 activities with utility plant projected to be placed in  
7 service through the end of the calendar year in which the  
8 report is filed, including the total dollar amount for the  
9 work reflected in each investment category in which  
10 utility plant in service is projected to be equal to or  
11 greater than \$2,000,000 for a utility that serves more  
12 than 3,000,000 customers in the State or \$500,000 for a  
13 utility that serves less than 3,000,000 retails customers  
14 but more than 500,000 retail customers in the State, as  
15 well as a summary description of each investment category;  
16 and

17           (6) a list of the projects for which the utility has  
18 identified by a unique investment tracking number for  
19 utility plant projected to be placed in service through  
20 the end of the calendar year in which the report is filed  
21 with an estimated dollar value that is equal to or greater  
22 than \$2,000,000 for a utility that serves more than  
23 3,000,000 customers in the State or \$500,000 for a utility  
24 that serves less than 3,000,000 retails customers but more  
25 than \$500,000 retail customers in the State, as well as a  
26 summary description of each project.

1       (b) To promote the transparency of the utility plant  
2 investments planned over a 5-year planning period by an  
3 electric utility subject to the requirements of this Section,  
4 the Commission shall convene a triennial workshop process for  
5 each such utility for the sole purpose of establishing an  
6 open, inclusive, and cooperative educational forum regarding  
7 such investments. The workshop process must be designed to  
8 provide participants with information about the electric  
9 utility's distribution system investment plans over a 5-year  
10 period, beginning with the year in which the workshop is held.

11       It is a goal of the State that this workshop process will  
12 educate and equip interested stakeholders so that they can  
13 effectively and efficiently provide feedback and input to the  
14 electric utility. As part of the workshop process, the  
15 electric utility shall submit to the Commission, for  
16 informational purposes only, the electric utility's utility  
17 plant investment plan for the 5-year period beginning in the  
18 year in which the workshop is held. The Commission shall make  
19 public the utility plant investment plan by posting it on the  
20 Commission's website, set the location and time of any  
21 workshop to be held as part of the triennial workshop process,  
22 and establish a data request process, consistent with the  
23 Commission's rules, that affords workshop participants  
24 opportunities to submit data requests to the utility, and  
25 receive responses, prior to the workshop, regarding the  
26 information described in subsection (a) of this Section. Upon

1 the written request of a workshop participant, the utility  
2 shall also present at a given workshop at least one  
3 appropriate company representative who can address the  
4 specific written questions or written categories of questions  
5 identified in advance by the workshop participant regarding  
6 the utility plant investment plan. The information provided as  
7 part of the workshop process pursuant to this Section is  
8 intended to be informational and to provide a preliminary view  
9 of costs and investments, which may change. Accordingly, the  
10 information provided pursuant to this Section shall not be  
11 binding on the utility and shall not be the basis for a finding  
12 in any Commission proceeding of imprudence, unreasonableness,  
13 or lack of use or usefulness of any individual or aggregate  
14 level of utility plant or other investment or expenditure  
15 addressed.

16 (c) The projections, estimates, plans, and forward-looking  
17 information that are provided pursuant to subsections (a) and  
18 (b) of this Section are for educational and planning purposes,  
19 and are intended to be illustrative of the investments that  
20 the utility proposes to make as of the time of submittal.  
21 Nothing in this Section precludes, or is intended to limit, a  
22 utility's ability to modify and update its projections,  
23 estimates, plans, and forward-looking information previously  
24 submitted pursuant to such subsections in order to reflect  
25 stakeholder input or other new or updated information and  
26 analysis, including, but not limited to, changes in specific

1 investment needs, customer electric use patterns, customer  
2 applications and preferences, and commercially available  
3 equipment and technologies. The reports and plans submitted  
4 pursuant to this Section are intended to be flexible planning  
5 tools, and are expected to evolve as new information becomes  
6 available.

7 (d) No later than 90 days following the close of the first  
8 triennial workshop processes conducted under this Section,  
9 Commission staff shall prepare and submit a report to the  
10 Commission summarizing the workshop process required by  
11 subsection (b) of this Section, including the number of  
12 workshops, locations of the workshops, length of the workshop  
13 process, topics and issues addressed, number of data requests  
14 submitted, identification of participants, and the successes,  
15 challenges, and any opportunities for improvement. The staff  
16 report shall also include a recommendation regarding whether  
17 the Commission should initiate a proceeding to address and  
18 resolve any outstanding workshop process-related issues  
19 identified by staff.

20 (220 ILCS 5/8-514 new)

21 Sec. 8-514. Performance metrics.

22 (a) The General Assembly finds that the electric industry  
23 in Illinois has made significant advances in reliability and  
24 in other areas important to meeting customers' electricity  
25 needs. The electric industry is undergoing rapid

1 transformation, including fundamental changes in how  
2 electricity is generated, procured, and delivered and how  
3 customers are choosing to participate in the supply and  
4 delivery of electricity to and from the electric grid.  
5 Building upon the State's goals to increase the procurement of  
6 electricity from renewable energy resources, including  
7 distributed generation and storage devices, the General  
8 Assembly finds that electric utilities should not only  
9 maintain the advancements and achievements they have made, but  
10 they should make cost-effective investments that support  
11 moving forward on Illinois' clean energy policies, including  
12 at a minimum investments designed to integrate distributed  
13 energy resources through deployment of telemetry equipment and  
14 infrastructure with no-latency or low-latency, implement and  
15 comply with critical infrastructure protection standards,  
16 plans, and industry best practices, and support, and mitigate  
17 the impacts of, the system demands of electric vehicle  
18 charging and other electrification. The General Assembly finds  
19 that performance-based metrics will align the utility's  
20 incentives with its customers and the State, and should be  
21 adopted to ensure that Illinois continues to move forward with  
22 efficient and effective grid modernization.

23 (b) No later than 30 days after an electric utility files a  
24 tariff pursuant to Section 9-201.1 of this Act, the electric  
25 utility shall file a petition with the Commission seeking  
26 approval of metrics and a tariff mechanism as described in

1 this Section. For each such utility, the Commission shall  
2 approve, based on the substantial evidence proffered in the  
3 proceeding initiated pursuant to this subsection (b), at least  
4 9, but no more than 11, metrics designed to maintain  
5 performance values and targets, or to achieve incremental  
6 improvements over baseline performance values and targets,  
7 over a performance period of up to 10 years. For each utility,  
8 the metrics approved by the Commission shall include at least  
9 1, but no more than 3, metrics from each of the categories of  
10 performance set forth in paragraphs (1) through (8) of this  
11 subsection (b); however, nothing in this Section is intended  
12 to require that different electric utilities must be subject  
13 to the same metrics.

14 (1) Metrics designed to measure the reliability of the  
15 electric service provided by the utility, which may  
16 include, but are not limited to, the utility's performance  
17 related to the frequency and duration of service  
18 interruptions and restoration of service following an  
19 interruption. The utility's achievement toward this metric  
20 shall incorporate automatic restorations that incorporate  
21 the features of new technology, including, but not limited  
22 to, smart switches, microgrid and community energy  
23 storage.

24 (2) Metrics designed to measure the average round-trip  
25 time, in milliseconds, for connected devices with advanced  
26 telemetry, as measured from the control center to end

1 devices.

2 (3) Metrics designed to measure the utility's customer  
3 service performance, which may include, but are not  
4 limited to, the abandoned call rate or first call  
5 resolution rate for calls placed to the utility's call  
6 center and the average service reliability index for those  
7 customers that have interconnected a distributed renewable  
8 energy generation device to the utility's distribution  
9 system and are lawfully taking service under an applicable  
10 tariff.

11 (4) Metrics designed to measure the utility's  
12 performance related to the interconnection process.

13 (5) Metrics designed to measure the utility's  
14 performance related to achievement of environmental  
15 objectives, which may include, but are not limited to, a  
16 reduction in the utility's overall greenhouse gas  
17 emissions.

18 (6) Job creation: design a performance metric  
19 measuring the number of full-time equivalent jobs created  
20 as a result of this amendatory Act of the 102nd General  
21 Assembly.

22 (7) Metrics designed to measure the utility's  
23 performance related to community, education, or job  
24 training activities and initiatives.

25 (8) Opportunities for minority-owned, female-owned,  
26 veteran-owned, and disability-owned business enterprises:

1 design a performance metric regarding the creation of  
2 opportunities for minority-owned, female-owned,  
3 veteran-owned, and disability-owned business enterprises  
4 consistent with State and federal law.

5 For purposes of this Section, "full-time equivalent jobs"  
6 includes direct jobs, contractor positions, and induced jobs,  
7 as these terms have been defined by the electric utility in its  
8 annual reports submitted to the Commission under subsection  
9 (b) of Section 16-108.5 of this Act.

10 The metrics proposed pursuant to this Section shall be  
11 presented with particularity and supported by substantial  
12 evidence, and may include additional categories of performance  
13 beyond those listed in paragraphs (1) through (8) of this  
14 subsection (b). The metrics proposed and approved under this  
15 subsection (b) shall prioritize the importance of maintaining  
16 a reliable and resilient electric grid, as enabled by the  
17 near-instantaneous communication of advanced telemetry  
18 technologies. To the extent applicable and practicable, the  
19 metrics proposed and approved shall also be consistent with,  
20 and support achievement of, the State's clean energy policies,  
21 which require electric utilities to make cost-effective  
22 investments designed to (i) reduce peak demand in the  
23 utility's service territory, (ii) integrate distributed energy  
24 resources through deployment of telemetry equipment and  
25 infrastructure with no-latency or low-latency, (iii) fully  
26 implement and comply with critical infrastructure protection



1 standards, plans, and industry best practices, (iv) support,  
2 and mitigate the impacts of, the system demands of electric  
3 vehicle charging and other electrification, and (v) consider  
4 alternatives to traditional distribution system investment,  
5 such as distributed energy resources, to address changing  
6 system demands. The Commission shall not approve a metric that  
7 is reasonably expected to have the effect of reducing the  
8 workforce.

9 Where a metric approved pursuant to this subsection (b)  
10 includes a performance period that is less than 10 years, no  
11 later than 180 days prior to the expiration of such metric the  
12 applicable electric utility shall request that the Commission  
13 initiate a hearing to approve another metric pursuant to this  
14 paragraph to replace such metric upon or subsequent to its  
15 expiration.

16 (c) Each metric shall include performance goals for each  
17 year of the applicable performance period, which shall be  
18 designed to demonstrate that the electric utility is on track  
19 to achieve the performance goal for the metric at the end of  
20 the applicable performance period. Each metric performance  
21 period shall commence on January 1, 2023.

22 Notwithstanding anything to the contrary, electric  
23 utilities subject to the requirements of this Section shall be  
24 permitted to file revisions to their applicable tariffs for  
25 purposes of achieving the metrics and annual goals and targets  
26 set forth in this Section.

1       (d) (1) In the proceeding initiated pursuant to subsection  
2       (b) this Section, the Commission shall also approve, based on  
3       the substantial evidence proffered in the proceeding,  
4       financial incentives and penalties applicable to the metrics  
5       described in paragraphs (1) through (6) of such subsection  
6       (b). The maximum total basis point adjustment associated with  
7       the metrics approved by the Commission pursuant to subsection  
8       (b) shall not exceed, in total, a 70 basis point decrease or 60  
9       basis point increase for a given year. Each of the metrics  
10       established pursuant to paragraphs (1) through (6) of such  
11       subsection (b) may have an associated financial incentive or  
12       financial penalty, or both, for a given year, provided that  
13       the difference between any such incentive or penalty for a  
14       given metric in a given year shall not exceed 15 basis points.

15       (2) The metrics and performance goals set forth in, and  
16       approved under, subsections (b) and (c) of this Section are  
17       based on the assumptions that the utility may fully implement  
18       the technology and equipment, and make the investments,  
19       required to achieve the metrics and performance goals. If the  
20       utility is unable to meet the metrics and performance goals  
21       for such reasons, then the utility shall be permitted to file a  
22       petition with the Commission requesting that the utility be  
23       excused from compliance with the applicable performance goal  
24       or goals. The burden of proof shall be on the utility, and the  
25       utility's petition shall be supported by substantial evidence.  
26       No later than 90 days after the utility files its petition, the

1 Commission shall, after notice and hearing, enter its order  
2 approving or denying, in whole or in part, the utility's  
3 petition based on the extent to which the utility demonstrated  
4 that its achievement of the affected metrics and performance  
5 goals was hindered by unanticipated technology or equipment  
6 implementation delays, or other investment impediments, that  
7 were reasonably outside of the utility's control.

8 (3) The adjustment to the utility's cost of equity  
9 required by this subsection (d) shall be applied as described  
10 in this Section for the 12-month period in which the  
11 performance occurred through a separate tariff mechanism,  
12 which shall be filed by the utility together with its metrics.  
13 The tariff mechanism shall make provision for the application  
14 of such adjustment in conjunction with the applicable annual  
15 proceeding conducted pursuant to Section 9-201.2 of this Act,  
16 as well as address application of such adjustment in a year or  
17 years where no such proceeding is conducted.

18 (e) Notwithstanding the provisions of subsections (b)  
19 through (d) of this Section, the Commission shall be permitted  
20 to approve one or more additional metrics that are consistent  
21 with, and support the achievement of, the State's clean energy  
22 policies, including, but not limited to, those policies that  
23 require electric utilities to make cost-effective investments  
24 designed to (i) reduce peak demand in the utility's service  
25 territory, (ii) integrate distributed energy resources through  
26 deployment of telemetry equipment and infrastructure with

1 no-latency or low-latency, (iii) fully implement and comply  
2 with critical infrastructure protection standards, plans, and  
3 industry best practices, (iv) support, and mitigate the  
4 impacts of, the system demands of electric vehicle charging  
5 and other electrification, and (v) consider alternatives to  
6 traditional distribution system investment, such as  
7 distributed energy resources, to address changing system  
8 demands. Any such additional metric shall be proposed in the  
9 proceeding initiated pursuant to subsection (b) of this  
10 Section, and shall be supported by substantial evidence. No  
11 financial penalty shall apply to any metric proposed and  
12 approved pursuant to this subsection (e); however, the  
13 Commission may approve a financial incentive associated with  
14 any such additional metric.

15 (f) No later than 180 days after the utility files its  
16 metrics, or December 1 of the year in which the utility files,  
17 whichever is earlier, the Commission shall, after notice and  
18 hearing, enter an order approving, or approving with  
19 modification, the utility's metrics and tariff.

20 (g) On or before March 1 of each subsequent year, each  
21 electric utility shall file a report with the Commission that  
22 includes, among other things, a description of how the  
23 electric utility performed under each metric, an  
24 identification of any extraordinary events that adversely  
25 impacted the utility's performance, and calculation of the  
26 performance adjustments established under subsection (d) of

1 this Section. No later than 10 days after a utility files its  
2 report, the Commission shall have the authority to initiate an  
3 investigation of the report. If the Commission enters upon an  
4 investigation, it shall, after notice and hearing, enter its  
5 order approving, or approving with modification, the report no  
6 later than 60 days after the utility filed its report. If the  
7 Commission does not initiate an investigation of the report  
8 within 10 days after it is filed, the report shall be deemed  
9 accepted. Any adjustment to the utility's cost of equity  
10 component of its tariff in accordance with this Section shall  
11 be applied beginning with the next rate year.

12 (220 ILCS 5/9-201.1 new)

13 Sec. 9-201.1. Electric rate reform.

14 (a) Beginning on the effective date of this amendatory Act  
15 of the 102nd General Assembly and as set forth in this Section,  
16 each electric utility that is a participating utility, as  
17 defined in Section 16-108.5 of this Act, will begin to  
18 transition back to a traditional general rate case recovery  
19 process and tariff to replace its formula rate tariff  
20 previously approved under such Section. It is the intent of  
21 the General Assembly that these electric utilities maintain  
22 the advancements and achievements in electric service  
23 reliability and continue to make cost-effective investments to  
24 support Illinois clean energy policies, including at a minimum  
25 investments designed to (i) reduce peak demand in the

1 utility's service territory, (ii) integrate distributed energy  
2 resources through deployment of telemetry equipment and  
3 infrastructure with no-latency or low-latency, (iii) fully  
4 implement and comply with critical infrastructure protection  
5 standards, plans, and industry best practices, (iv) support,  
6 and mitigate the impacts of, the system demands of electric  
7 vehicle charging and other electrification, and (v) consider  
8 alternatives to traditional distribution system investment,  
9 such as distributed energy resources, to address changing  
10 system demands. To ensure timely Commission review of these,  
11 and all other, distribution system costs incurred by an  
12 electric utility, and to avoid the regulatory lag, sudden rate  
13 increases that can occur under traditional ratemaking, and  
14 mitigate the rate impacts of large utility expenses, electric  
15 utilities that are participating utilities shall transition to  
16 the ratemaking mechanisms prescribed in this Section.

17 (b) Beginning on the effective date of this amendatory Act  
18 of the 102nd General Assembly, electric utilities subject to  
19 the requirements of this Section shall be permitted to file a  
20 general rate case under Section 9-201 of this Act that  
21 includes, and is consistent with, the terms and conditions of  
22 this subsection (b); in no event shall such an electric  
23 utility submit its initial general rate case filing authorized  
24 under this Section to the Commission later than 180 days after  
25 the date on which the utility was no longer eligible to update  
26 its performance-based formula rate as set forth in subsection

1 (h) of Section 16-108.5 of this Act. Each initial general rate  
2 case filed by an electric utility subject to the requirements  
3 of this Section, and any subsequently filed rate case, shall  
4 be designed to recover its actual costs of delivery services  
5 through tariffs applied to all of the utility's retail  
6 customers. Notwithstanding anything to the contrary, each such  
7 rate case filing shall be subject to the following terms and  
8 conditions:

9 (1) Without limiting a utility's test year period  
10 options as authorized by the Commission's rules, the  
11 electric utility may elect that the general rate case  
12 filing use a modified test year period, as defined in this  
13 paragraph (1), in order to avoid dramatic shifts in rates  
14 that would otherwise occur due solely to the use of a  
15 particular test year period to set the rates that differs  
16 from the basis on which rates have been set in recent  
17 years. The modified test year period shall consist of  
18 final data for the most recent full historical calendar  
19 year, plus projected plant additions and correspondingly  
20 updated depreciation reserve and expense for the calendar  
21 year in which the general rate case and data are filed.

22 (2) The cost of equity component approved by the  
23 Commission shall be consistent with Commission practice  
24 and law, but shall not exceed the 70th percentile, or fall  
25 below the 30th percentile, of the national average cost of  
26 equity for the most recently completed calendar year prior

1 to the year in which the general rate case is filed. For  
2 purposes of this Section, the national average cost of  
3 equity shall be the simple average of the cost of equity  
4 approved in each order of a state regulatory commission,  
5 other than the Commission, issued during the applicable  
6 calendar year that applies to retail electric service  
7 provided by an investor-owned public utility company  
8 operating in the United States. No order shall be excluded  
9 from the national average cost of equity calculated under  
10 this paragraph (2) on the grounds that it is subject to  
11 rehearing or appeal. If, for any applicable year, there  
12 are fewer than 15 applicable orders of state regulatory  
13 commission with which to compute the average cost of  
14 equity, the Commission shall include in the calculation of  
15 the national average the number of state regulatory orders  
16 from the prior year or years necessary to reach a total of  
17 15, beginning with the most recently issued and proceeding  
18 in reverse chronological order.

19 (3) The utility's actual year-end or forecasted  
20 year-end capital structure, as applicable, that includes a  
21 common equity ratio, excluding goodwill, of up to and  
22 including 54% of the total capital structure shall be  
23 deemed reasonable and used to set rates.

24 (c) The data submitted by an electric utility in support  
25 of its general rate case filing shall be based on the utility's  
26 applicable filed Federal Energy Regulatory Commission (FERC)



1 Form 1, to the extent practicable and to the extent the  
2 utility's test year period is based on a historical, calendar  
3 year test year. For purposes of this subsection (c), "FERC  
4 Form 1" means the Annual Report of Major Electric Utilities,  
5 Licensees and Others that electric utilities are required to  
6 file with the Federal Energy Regulatory Commission under the  
7 Federal Power Act, Sections 3, 4(a), 304, and 209, modified as  
8 necessary to be consistent with 83 Ill. Adm. Code Part 415 as  
9 of December 1, 2020. Nothing in this Section is intended to  
10 allow costs that are not otherwise recoverable to be  
11 recoverable by virtue of inclusion in FERC Form 1.

12 (d) Each electric utility subject to the requirements of  
13 this Section shall also be subject to the requirements of  
14 Sections 8-514 and 9-201.2 of this Act.

15 (e) In any general rate case filing made in compliance  
16 with subsection (b) of this Section that seeks an increase in  
17 delivery services rates, an electric utility may propose a  
18 rate phase-in plan that the Commission shall either approve  
19 without modification or deny in its final order approving the  
20 new delivery services rates. A proposed rate phase-in plan  
21 under this subsection (e) must allow the new delivery services  
22 rates to be implemented in no more than 2 steps, as follows: in  
23 the first step, at least 50% of the approved rate increase must  
24 be reflected in rates, and, in the second step, 100% of the  
25 rate increase must be reflected in rates. The second step's  
26 rates must take effect no later than 12 months after the first

1 step's rates were placed into effect. The portion of the  
2 approved rate increase not implemented in the first step shall  
3 be recorded on the electric utility's books as a regulatory  
4 asset, and shall accrue a carrying cost equal to the weighted  
5 average cost of capital applicable to the new delivery  
6 services rates. This portion shall be recovered, with such  
7 carrying costs, through a surcharge applied to retail customer  
8 bills that (i) begins no later than 12 months after the date on  
9 which the second step's rates went into effect and (ii) is  
10 applied over a period not to exceed 24 months.

11 (f) To mitigate the impact of large expenses on customers,  
12 an electric utility subject to Section 9-201.1 of this Act may  
13 elect, in any proceeding under Section 9-201 or Section  
14 9-201.2 of this Act, as applicable, to amortize, over a 5-year  
15 period, each charge or credit that exceeds the applicable  
16 amount identified in this Section and that relates to a  
17 workforce reduction program's severance costs, changes in  
18 accounting rules, changes in law, compliance with any  
19 Commission-initiated audit, or a single storm or other similar  
20 expense, provided that any unamortized balance shall be  
21 reflected in rate base. An electric utility that serves more  
22 than 3,000,000 customers in the State may amortize the full  
23 amount of each such charge or credit that exceeds \$10,000,000  
24 in the applicable period, and an electric utility that serves  
25 less than 3,000,000 customers in the State may amortize the  
26 full amount of each such charge or credit that exceeds

1 \$3,700,000 in the applicable period. For purposes of this  
2 Section, changes in law includes any enactment, repeal, or  
3 amendment in a law, ordinance, rule, regulation,  
4 interpretation, permit, license, consent, or order, including  
5 those relating to taxes, accounting, or to environmental  
6 matters, or in the interpretation or application thereof by  
7 any governmental authority occurring after the effective date  
8 of this amendatory Act of the 102nd General Assembly.

9 (220 ILCS 5/9-201.2 new)

10 Sec. 9-201.2. Standards and compliance investigation.

11 (a)(1) The provisions of this Section apply to electric  
12 utilities that are subject to the provisions of Section  
13 9-201.1 of this Act. Each such electric utility shall file, on  
14 or before the date prescribed in subsection (b) or (c) of this  
15 Section, as applicable, a petition with the Commission to  
16 initiate the standards and compliance investigation proceeding  
17 proceedings required by this Section. During each such  
18 proceeding, the Commission shall:

19 (A) investigate and verify, for the applicable  
20 calendar year, that the rates charged by the utility under  
21 the tariff or tariffs placed into effect pursuant to  
22 Section 9-201 or Section 16-108.5 of this Act, as  
23 applicable, were consistent with this Act, Commission  
24 rules and regulations, and the Commission order or orders  
25 establishing or approving those rates;

1           (B) examine, during the course of the proceeding, the  
2           prudence and reasonableness of the actual costs incurred  
3           by the utility during the applicable calendar year that  
4           were recovered in rates placed into effect pursuant to  
5           Section 9-201 or Section 16-108.5, as applicable, as well  
6           as determine the original cost of plant in service as of  
7           the end of the applicable calendar year;

8           (C) compare the revenue requirement or requirements  
9           established by the rate order or orders in effect from  
10           time to time during the applicable calendar year (weighted  
11           as applicable) with the actual revenue requirement for  
12           such year, which shall be determined using the following:

13                   (i) Commission-approved prudent and reasonable  
14                   actual costs for the applicable year;

15                   (ii) a year-end rate base for the applicable year;

16                   (iii) the cost of equity, as modified by any  
17                   adjustments required pursuant to Section 8-514 of this  
18                   Act, that, at the time of filing the petition to  
19                   initiate the investigation under subsection (b) or (c)  
20                   of this Section, as applicable, was approved by the  
21                   Commission for the utility in its most recent general  
22                   rate case under Section 9-201 of this Act; and

23                   (iv) the utility's actual year-end capital  
24                   structure for the applicable calendar year, provided  
25                   that the common equity ratio shall not exceed the  
26                   common equity ratio that, at the time of filing the

1           petition to initiate the investigation under  
2           subsection (b) or (c) of this Section, as applicable,  
3           was approved by the Commission for the utility in its  
4           most recent general rate case under Section 9-201; and  
5           (D) calculate the amount of any over-collection or  
6           under-collection for such year, which such amount, as  
7           approved by the Commission, shall be reflected as a credit  
8           against, or recovered as an additional charge to,  
9           respectively, with interest calculated at a rate equal to  
10          the utility's weighted average cost of capital approved by  
11          the Commission for the applicable calendar year, the  
12          charges for the next calendar year.

13          (2) (A) The data submitted by an electric utility in  
14          support of its filings made pursuant to this Section shall be  
15          based on the utility's applicable filed Federal Energy  
16          Regulatory Commission (FERC) Form 1, to the extent  
17          practicable. For purposes of this Section, "FERC Form 1" has  
18          the meaning set forth in Section 9-201.1 of this Act. Nothing  
19          in this Section is intended to allow costs that are not  
20          otherwise recoverable to be recoverable by virtue of inclusion  
21          in FERC Form 1.

22          (B) Except as provided in subparagraph (A) of this  
23          paragraph (2), all filings made pursuant to this Section shall  
24          otherwise include relevant and necessary data and  
25          documentation that are consistent with the Commission's rules  
26          applicable to a filing for a general rate increase or any rules

1 adopted by the Commission to implement this Section.  
2 Normalization adjustments shall not be required.

3 (3) The Commission shall apply the same evidentiary  
4 standards, including, but not limited to, those concerning the  
5 prudence and reasonableness of the costs incurred by the  
6 utility, to a utility's filing under this Section that are  
7 applicable to a general rate case filed under Section 9-201 of  
8 this Act, and shall, after notice and hearing, issue its order  
9 approving, or approving as modified, the utility's petition no  
10 later than 210 days after the utility's filing. Except as  
11 provided in subsection (b) of this Section, the new charges  
12 shall take effect beginning with the next January monthly  
13 billing period and remain in effect for 12 months through the  
14 December monthly billing period.

15 (4) The Commission's determinations of the prudence and  
16 reasonableness of the costs incurred for the applicable year,  
17 and of the original cost of plant in service as of the end of  
18 the applicable calendar year, shall be final upon entry of the  
19 Commission's order and shall not be subject to reopening,  
20 reexamination, or collateral attack in any other Commission  
21 proceeding, case, docket, order, rule or regulation; however,  
22 nothing in this Section shall prohibit a party from  
23 petitioning the Commission to rehear or appeal to the courts  
24 the order pursuant to the provisions of this Act.

25 (b)(1) Except as provided in paragraph (2) of this  
26 subsection (b), the first annual standards and compliance

1 investigation proceeding or proceedings conducted under  
2 subsection (a) of this Section shall determine the final  
3 accounting and retroactive rate adjustment required by Section  
4 16-108.5 of the Act that applies when an electric utility is no  
5 longer eligible to annually update its performance-based  
6 formula rate. Each such utility shall file its first petition  
7 initiating such proceeding no later than 16 months after the  
8 date on which the Commission entered its order approving, or  
9 approving with modification, the utility's most recent update  
10 to the cost inputs of its performance-based formula rate under  
11 Section 16-108.5, regardless of whether the utility has filed,  
12 or the Commission has entered an order approving, a general  
13 rate case pursuant to Section 9-201 of this Act.

14 The final accounting and retroactive rate adjustment shall  
15 address each full or partial calendar year period that the  
16 electric utility's rates remained in effect pursuant to the  
17 Commission's most recent order under Section 16-108.5 and  
18 until the time that the utility's new delivery services rates  
19 took effect pursuant to tariffs placed into effect under  
20 Section 9-201 of this Act. The electric utility may elect to  
21 include each such full or partial calendar year period in its  
22 first annual standards and compliance investigation filing  
23 submitted pursuant to this subparagraph (A). Alternatively,  
24 the utility may elect to include only a single full or partial  
25 calendar period in such filing, and address any remaining full  
26 or partial calendar year periods requiring a final accounting

1 and retroactive rate adjustment in a subsequent filing or  
2 filings submitted pursuant to this subparagraph (A).

3 The provisions and calculation set forth in subsection (a)  
4 of this Section shall apply to the proceeding or proceedings  
5 filed in accordance with this paragraph (1); however,  
6 notwithstanding the provisions of item (v) of subparagraph (C)  
7 of paragraph (1) or paragraph (3) of subsection (a) of this  
8 Section, an electric utility shall be permitted to propose to  
9 the Commission, for one or more of the calendar years included  
10 in the final accounting and applicable retroactive rate  
11 adjustment, that any under-collection applicable to that year  
12 or years be recovered over a period not less than 12 months,  
13 but not to exceed 36 months. The Commission may approve the  
14 proposal if it finds that the extended period would lead to  
15 just and reasonable rates and is in the public interest.

16 (2) Notwithstanding the provisions of paragraph (1) of  
17 this subsection (b), if at the time an electric utility files  
18 its first general rate case pursuant to Section 9-201 of this  
19 Act after the effective date of this amendatory Act of the  
20 102nd General Assembly, the electric utility has in effect  
21 Commission-approved tariffs setting forth the final accounting  
22 and retroactive rate adjustment terms required by Section  
23 16-108.5 of this Act, the electric utility may instead elect  
24 to proceed with such final accounting and retroactive rate  
25 adjustment in a proceeding conducted pursuant to the terms of  
26 those tariffs rather than in a proceeding conducted pursuant



1 to the provisions of this Section, and the provisions of this  
2 Section, other than this paragraph (2) of subsection (b),  
3 shall not apply to such final accounting and retroactive rate  
4 adjustment. Additionally, an electric utility that has in  
5 effect such tariffs may further elect to revise such tariffs  
6 to:

7 (A) provide that the final accounting and retroactive  
8 rate adjustment terms for a given calendar year shall use  
9 the cost of common equity and capital structure  
10 determinations made by the Commission in its final order  
11 in a general rate case filed under Section 9-201 of this  
12 Act after the effective date of this amendatory Act of the  
13 102nd General Assembly where such final order has been  
14 entered on or before the date that the electric utility  
15 files its proposed accounting and reconciliation for such  
16 year, provided that the common equity ratio in the capital  
17 structure may not exceed the electric utility's actual  
18 year-end common equity ratio for the applicable calendar  
19 year; and

20 (B) permit the electric utility, at its option, to  
21 recover any under-collection applicable to the second  
22 calendar year reconciled under such final accounting and  
23 retroactive rate adjustment terms over a period not less  
24 than 12 months, but not to exceed 36 months.

25 (c) Following the electric utility's annual standards and  
26 investigation proceeding or proceedings submitted pursuant to

1 subsection (b) of this Section, the utility shall annually  
2 file a petition to initiate a standards and compliance  
3 investigation proceeding for each calendar year during which  
4 delivery services rates were in effect pursuant to a  
5 Commission order approving the utility's general rate case  
6 under Section 9-201 of this Act that was issued after the  
7 effective date of this amendatory Act of the 102nd General  
8 Assembly. The utility shall annually file the petition no  
9 later than 120 days following the end of each such calendar  
10 year. The annual standards and compliance investigation  
11 proceeding requirement set forth in this subsection (c) shall  
12 remain in effect for a given electric utility through December  
13 31, 2027, or the date on which the Commission enters its final  
14 order in the fifth such proceeding, whichever date is later,  
15 and shall also apply to new tariffs placed into effect during  
16 such period to implement any subsequent general rate case  
17 orders issued by the Commission for a utility subject to this  
18 Section.

19 (d) An electric utility subject to the requirements of  
20 this Section shall be required to file a petition to initiate a  
21 standards and compliance investigation proceeding for the  
22 first calendar year that its delivery services rates are in  
23 effect pursuant to a general rate case order issued by the  
24 Commission after December 31, 2027. The electric utility shall  
25 notify the Commission in writing prior to the date on which  
26 such delivery services rates take effect regarding if the

1 electric utility elects to also be required to file a  
2 subsequent petition or petitions to initiate a standards and  
3 compliance investigation proceeding for each subsequent  
4 calendar year or years during which its delivery services  
5 rates are in effect pursuant to the same general rate case  
6 order. If the utility makes this election, it shall be  
7 required to file any petition or petitions to initiate a  
8 standards and compliance investigation proceeding for any  
9 subsequent calendar year or years during which its delivery  
10 services rates are in effect pursuant to the same general rate  
11 case order.

12 (e) Electric utilities subject to the requirements of this  
13 Section shall be permitted to file new or revised tariffs to  
14 comply with the provisions of, and Commission orders entered  
15 pursuant to, this Section.

16 (220 ILCS 5/9-222.1) (from Ch. 111 2/3, par. 9-222.1)

17 Sec. 9-222.1. A business enterprise which is located  
18 within an area designated by a county or municipality as an  
19 enterprise zone pursuant to the Illinois Enterprise Zone Act,  
20 located in an Empowerment Zone pursuant to the Energy  
21 Community Reinvestment Act, or located in a federally  
22 designated Foreign Trade Zone or Sub-Zone shall be exempt from  
23 the additional charges added to the business enterprise's  
24 utility bills as a pass-on of municipal and State utility  
25 taxes under Sections 9-221 and 9-222 of this Act, to the extent

1 such charges are exempted by ordinance adopted in accordance  
2 with paragraph (e) of Section 8-11-2 of the Illinois Municipal  
3 Code in the case of municipal utility taxes, and to the extent  
4 such charges are exempted by the percentage specified by the  
5 Department of Commerce and Economic Opportunity in the case of  
6 State utility taxes, provided such business enterprise meets  
7 the following criteria:

8 (1) it (i) makes investments which cause the creation  
9 of a minimum of 200 full-time equivalent jobs in Illinois;  
10 (ii) makes investments of at least \$175,000,000 which  
11 cause the creation of a minimum of 150 full-time  
12 equivalent jobs in Illinois; (iii) makes investments that  
13 cause the retention of a minimum of 300 full-time  
14 equivalent jobs in the manufacturing sector, as defined by  
15 the North American Industry Classification System, in an  
16 area in Illinois in which the unemployment rate is above  
17 9% and makes an application to the Department within 3  
18 months after the effective date of this amendatory Act of  
19 the 96th General Assembly and certifies relocation of the  
20 300 full-time equivalent jobs within 48 months after the  
21 application; (iv) makes investments which cause the  
22 retention of a minimum of 1,000 full-time jobs in  
23 Illinois; or (v) makes an application to the Department  
24 within 2 months after the effective date of this  
25 amendatory Act of the 96th General Assembly and makes  
26 investments that cause the retention of a minimum of 500

1 full-time equivalent jobs in 2009 and 2010, 675 full-time  
2 jobs in Illinois in 2011, 850 full-time jobs in 2012, and  
3 750 full-time jobs per year in 2013 through 2017, in the  
4 manufacturing sector as defined by the North American  
5 Industry Classification System; and

6 (2) it is either (i) located in an Enterprise Zone  
7 established pursuant to the Illinois Enterprise Zone Act,  
8 (ii) located in an Empowerment Zone pursuant to the Energy  
9 Community Reinvestment Act, or (iii) ~~(ii)~~ located in a  
10 federally designated Foreign Trade Zone or Sub-Zone and is  
11 designated a High Impact Business by the Department of  
12 Commerce and Economic Opportunity; and

13 (3) it is certified by the Department of Commerce and  
14 Economic Opportunity as complying with the requirements  
15 specified in clauses (1) and (2) of this Section.

16 The Department of Commerce and Economic Opportunity shall  
17 determine the period during which such exemption from the  
18 charges imposed under Section 9-222 is in effect which shall  
19 not exceed 30 years or the certified term of the enterprise  
20 zone, whichever period is shorter, except that the exemption  
21 period for a business enterprise qualifying under item (iii)  
22 of clause (1) of this Section shall not exceed 30 years.

23 The Department of Commerce and Economic Opportunity shall  
24 have the power to promulgate rules and regulations to carry  
25 out the provisions of this Section including procedures for  
26 complying with the requirements specified in clauses (1) and

1 (2) of this Section and procedures for applying for the  
2 exemptions authorized under this Section; to define the  
3 amounts and types of eligible investments which business  
4 enterprises must make in order to receive State utility tax  
5 exemptions pursuant to Sections 9-222 and 9-222.1 of this Act;  
6 to approve such utility tax exemptions for business  
7 enterprises whose investments are not yet placed in service;  
8 and to require that business enterprises granted tax  
9 exemptions repay the exempted tax should the business  
10 enterprise fail to comply with the terms and conditions of the  
11 certification. However, no business enterprise shall be  
12 required, as a condition for certification under clause (3) of  
13 this Section, to attest that its decision to invest under  
14 clause (1) of this Section and to locate under clause (2) of  
15 this Section is predicated upon the availability of the  
16 exemptions authorized by this Section.

17 A business enterprise shall be exempt, in whole or in  
18 part, from the pass-on charges of municipal utility taxes  
19 imposed under Section 9-221, only if it meets the criteria  
20 specified in clauses (1) through (3) of this Section and the  
21 municipality has adopted an ordinance authorizing the  
22 exemption under paragraph (e) of Section 8-11-2 of the  
23 Illinois Municipal Code. Upon certification of the business  
24 enterprises by the Department of Commerce and Economic  
25 Opportunity, the Department of Commerce and Economic  
26 Opportunity shall notify the Department of Revenue of such

1 certification. The Department of Revenue shall notify the  
2 public utilities of the exemption status of business  
3 enterprises from the pass-on charges of State and municipal  
4 utility taxes. Such exemption status shall be effective within  
5 3 months after certification of the business enterprise.

6 (Source: P.A. 97-818, eff. 7-16-12; 98-321, eff. 8-12-13.)

7 (220 ILCS 5/9-232 new)

8 Sec. 9-232. General rate case filing and revenue-neutral  
9 rate design.

10 (a) Beginning on the effective date of this amendatory Act  
11 of the 102nd General Assembly, a public utility that files a  
12 general rate case pursuant to Section 9-201 of this Act may  
13 elect to omit the rate design component of such filing and  
14 subsequently separately file this component with the  
15 Commission, subject to the requirements of subsections (b) and  
16 (c) of this Section.

17 (b) General rate case filing. If the utility makes the  
18 election described in this Section, then the following  
19 provisions apply to the general rate case filing made under  
20 Section 9-201 of this Act:

21 (1) The filing shall be consistent with the rate  
22 design and cost allocation across customer classes  
23 approved in the Commission's most recent order regarding  
24 the utility's request for a general adjustment to its  
25 rates under this Section or in the Commission's most

1 recent order entered under Section 9-201 or subsection (e)  
2 of Section 16-108.5 of this Act, as applicable.

3 (2) The second suspension period of no more than 6  
4 months that is identified in subsection (b) of Section  
5 9-201 of this Act shall be reduced to a period not to  
6 exceed 3 months.

7 (c) Revenue-neutral rate design. If the utility makes the  
8 election described in this Section, then the following  
9 provisions apply to the separate filing of the revenue-neutral  
10 rate design component:

11 (1) No later than one year after the tariffs  
12 implementing the general rate case filing described in  
13 subsection (b) of this Section are placed into effect, the  
14 utility shall make a filing with the Commission that  
15 proposes changes to the tariffs to incorporate the  
16 findings of any final rate design orders of the Commission  
17 applicable to the utility and entered subsequent to the  
18 Commission's approval of the tariffs; if no such orders  
19 have been entered, then the utility's filing may either  
20 propose revenue-neutral tariff changes or refile the  
21 existing tariffs without change, which shall present the  
22 Commission with an opportunity to suspend the tariffs and  
23 consider revenue-neutral tariff changes related to rate  
24 design. The Commission shall, after notice and hearing,  
25 enter its order approving, or approving with modification,  
26 the proposed changes to the tariffs within 240 days after



1 the utility's filing. Any changes ordered by the  
2 Commission shall become effective at the commencement of  
3 the first January monthly billing period that begins no  
4 earlier than 30 days after the Commission issues its order  
5 adopting such changes.

6 (2) Following Commission approval under paragraph (1)  
7 of this subsection (c), the utility shall make a filing  
8 with the Commission during each subsequent 3-year period  
9 that either proposes revenue-neutral tariff changes or  
10 refiles the existing tariffs without change, which shall  
11 present the Commission with an opportunity to suspend the  
12 tariffs and consider revenue-neutral tariff changes  
13 related to rate design. The requirements of this paragraph  
14 (2) shall terminate at the time that the utility files a  
15 general rate case that includes the rate design component.

16 (220 ILCS 5/9-247 new)

17 Sec. 9-247. Expanding bill payment options.

18 (a) The General Assembly finds that, given the growth of  
19 e-commerce and the common use of online payment mechanisms by  
20 individual consumers and households, residential customers of  
21 electric utilities with over 500,000 retail customers in this  
22 State should be able to pay their utility bills through  
23 accepted online methods without having to pay transaction fees  
24 for using that mode of payment. Residential customers' use of  
25 other accepted modes of paying bills of such utilities also

1 should not result in transaction fees based on the mode,  
2 especially because some modes tend disproportionately to be  
3 used by low-income or unbanked customers. Such electric  
4 utilities also should undertake practical efforts to expand  
5 transaction fee-free payment options for low-income and  
6 unbanked residential customers.

7 For purposes of this Section, "electric utility" and  
8 "retail customer" have the meanings set forth in Section  
9 16-102 of this Act, and "residential customer" has the meaning  
10 set forth in Section 16-103.1 of this Act.

11 (b) No later than 240 days after the effective date of this  
12 amendatory Act of the 102nd General Assembly, electric  
13 utilities with over 500,000 retail customers in this State:  
14 (1) shall cease charging residential customers a transaction  
15 fee or charge based on whether the customer pays their utility  
16 bill through accepted online payment mechanisms and (2) shall  
17 not charge residential customers any transaction fee or charge  
18 based on which accepted payment mode the customer selects.

19 (c) No later than 240 days after the effective date of this  
20 amendatory Act of the 102nd General Assembly, each electric  
21 utility with over 500,000 retail customers in this State shall  
22 submit to the Illinois Commerce Commission the utility's plan  
23 for expanding, in a reasonable, practical, and cost-effective  
24 manner, transaction fee-free utility bill payment options for  
25 low-income and unbanked residential customers. Within 180 days  
26 after the utility files its plan under this subsection (c),

1 the Commission shall review and, after notice and hearing,  
2 enter an order approving the plan if it finds that the plan  
3 conforms to the requirements of this Section or, if the  
4 Commission finds that the plan does not conform to the  
5 requirements of this Section, the Commission must enter an  
6 order describing in detail the reasons for not approving the  
7 plan. The utility may resubmit its plan to address the  
8 Commission's concerns, and the Commission shall expeditiously  
9 review and by order approve the revised plan if it finds that  
10 the plan conforms to the requirements of this Section,  
11 provided that such order shall be entered no later than 90 days  
12 after the utility resubmits its plan.

13 (d) Nothing in this Section is intended to prohibit the  
14 utility from recovering through rates approved by the  
15 Commission the utility's prudent and reasonable costs.

16 (220 ILCS 5/16-108)

17 Sec. 16-108. Recovery of costs associated with the  
18 provision of delivery and other 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  
23 of delivery services that are subject to the jurisdiction of  
24 the Federal Energy Regulatory Commission at the same prices,  
25 terms and conditions set forth in its applicable tariff as

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

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

18 (c) The electric utility's tariffs shall define the  
19 classes of its customers for purposes of delivery services  
20 charges. Delivery services shall be priced and made available  
21 to all retail customers electing delivery services in each  
22 such class on a nondiscriminatory basis regardless of whether  
23 the retail customer chooses the electric utility, an affiliate  
24 of the electric utility, or another entity as its supplier of  
25 electric power and energy. Charges for delivery services shall  
26 be cost based, and shall allow the electric utility to recover

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

24 (d) The Commission shall establish charges, terms and  
25 conditions for delivery services that are just and reasonable  
26 and shall take into account customer impacts when establishing

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

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

23 (f) An electric utility shall be entitled but not required  
24 to implement transition charges in conjunction with the  
25 offering of delivery services pursuant to Section 16-104. If  
26 an electric utility implements transition charges, it shall

1 implement such charges for all delivery services customers and  
2 for all customers described in subsection (h), but shall not  
3 implement transition charges for power and energy that a  
4 retail customer takes from cogeneration or self-generation  
5 facilities located on that retail customer's premises, if such  
6 facilities meet the following criteria:

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

18 (ii) the cogeneration or self-generation facilities  
19 either (A) are sized pursuant to generally accepted  
20 engineering standards for the retail customer's electrical  
21 load at that premises (taking into account standby or  
22 other reliability considerations related to that retail  
23 customer's operations at that site) or (B) if the facility  
24 is a cogeneration facility located on the retail  
25 customer's premises, the retail customer is the thermal  
26 host for that facility and the facility has been designed

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

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

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

23 If a generation facility located at a retail customer's  
24 premises does not meet the above criteria, an electric utility  
25 implementing transition charges shall implement a transition  
26 charge until December 31, 2006 for any power and energy taken



1 by such retail customer from such facility as if such power and  
2 energy had been delivered by the electric utility. Provided,  
3 however, that an industrial retail customer that is taking  
4 power from a generation facility that does not meet the above  
5 criteria but that is located on such customer's premises will  
6 not be subject to a transition charge for the power and energy  
7 taken by such retail customer from such generation facility if  
8 the facility does not serve any other retail customer and  
9 either was installed on behalf of the customer and for its own  
10 use prior to January 1, 1997, or is both predominantly fueled  
11 by byproducts of such customer's manufacturing process at such  
12 premises and sells or offers an average of 300 megawatts or  
13 more of electricity produced from such generation facility  
14 into the wholesale market. Such charges shall be calculated as  
15 provided in Section 16-102, and shall be collected on each  
16 kilowatt-hour delivered under a delivery services tariff to a  
17 retail customer from the date the customer first takes  
18 delivery services until December 31, 2006 except as provided  
19 in subsection (h) of this Section. Provided, however, that an  
20 electric utility, other than an electric utility providing  
21 service to at least 1,000,000 customers in this State on  
22 January 1, 1999, shall be entitled to petition for entry of an  
23 order by the Commission authorizing the electric utility to  
24 implement transition charges for an additional period ending  
25 no later than December 31, 2008. The electric utility shall  
26 file its petition with supporting evidence no earlier than 16

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

23 (g) The electric utility shall file tariffs that establish  
24 the transition charges to be paid by each class of customers to  
25 the electric utility in conjunction with the provision of  
26 delivery services. The electric utility's tariffs shall define

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

24 (h) An electric utility shall also be entitled to file  
25 tariffs that allow it to collect transition charges from  
26 retail customers in the electric utility's service area that

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

20 (i) An electric utility shall be entitled to add to the  
21 bills of delivery services customers charges pursuant to  
22 Sections 9-221, 9-222 (except as provided in Section 9-222.1),  
23 and Section 16-114 of this Act, Section 5-5 of the Electricity  
24 Infrastructure Maintenance Fee Law, Section 6-5 of the  
25 Renewable Energy, Energy Efficiency, and Coal Resources  
26 Development Law of 1997, and Section 13 of the Energy

1 Assistance Act.

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

24 (k) The electric utility shall be entitled to recover  
25 through tariffed charges all of the costs associated with the  
26 purchase of zero emission credits from zero emission

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

1 customers, which shall appear as a separate line item on each  
2 such customer's bill.

3 Notwithstanding whether the Commission has approved the  
4 initial long-term renewable resources procurement plan as of  
5 June 1, 2017, an electric utility shall place new tariffed  
6 charges into effect beginning with the June 2017 monthly  
7 billing period, to the extent practicable, to begin recovering  
8 the costs of procuring renewable energy resources, as those  
9 charges are calculated under the limitations described in  
10 subparagraph (E) of paragraph (1) of subsection (c) of Section  
11 1-75 of the Illinois Power Agency Act. Notwithstanding the  
12 date on which the utility places such new tariffed charges  
13 into effect, the utility shall be permitted to collect the  
14 charges under such tariff as if the tariff had been in effect  
15 beginning with the first day of the June 2017 monthly billing  
16 period. For the delivery years commencing June 1, 2017, June  
17 1, 2018, ~~and~~ June 1, 2019, and June 1, 2020, the electric  
18 utility shall deposit into a separate interest bearing account  
19 of a financial institution the monies collected under the  
20 tariffed charges. Any interest earned shall be credited back  
21 to retail customers under the reconciliation proceeding  
22 provided for in this subsection (k), provided that the  
23 electric utility shall first be reimbursed from the interest  
24 for the administrative costs that it incurs to administer and  
25 manage the account. Any taxes due on the funds in the account,  
26 or interest earned on it, will be paid from the account or, if

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

9 The electric utility shall be entitled to recover all of  
10 the costs identified in this subsection (k) through automatic  
11 adjustment clause tariffs applicable to all of the utility's  
12 retail customers that allow the electric utility to adjust its  
13 tariffed charges consistent with this subsection (k). The  
14 determination as to whether any excess funds were collected  
15 during a given delivery year for the purchase of renewable  
16 energy resources, and the crediting of any excess funds back  
17 to retail customers, shall not be made until after the close of  
18 the delivery year, and the total amount to be paid by the  
19 electric utility under each contract for the purchase of  
20 renewable energy credits that is executed pursuant to  
21 paragraph (1) of subsection (c) of Section 1-75 of the  
22 Illinois Power Agency Act shall be subtracted from any excess  
23 funds, regardless of when the payment or payments are due  
24 under such contracts, so that funding is available for such  
25 payment, which will ensure that the maximum amount of funds is  
26 available to implement the approved long-term renewable



1 resources procurement plan during a given delivery year. The  
2 electric utility's collections under such automatic adjustment  
3 clause tariffs to recover the costs of renewable energy  
4 resources and zero emission credits from zero emission  
5 facilities shall be subject to separate annual review,  
6 reconciliation, and true-up against actual costs by the  
7 Commission under a procedure that shall be specified in the  
8 electric utility's automatic adjustment clause tariffs and  
9 that shall be approved by the Commission in connection with  
10 its approval of such tariffs. The procedure shall provide that  
11 any difference between the electric utility's collections  
12 under the automatic adjustment charges for an annual period  
13 and the electric utility's actual costs of renewable energy  
14 resources and zero emission credits from zero emission  
15 facilities for that same annual period shall be refunded to or  
16 collected from, as applicable, the electric utility's retail  
17 customers in subsequent periods.

18 Nothing in this subsection (k) is intended to affect,  
19 limit, or change the right of the electric utility to recover  
20 the costs associated with the procurement of renewable energy  
21 resources for periods commencing before, on, or after June 1,  
22 2017, as otherwise provided in the Illinois Power Agency Act.

23 Notwithstanding anything to the contrary, the Commission  
24 shall not conduct an annual review, reconciliation, and  
25 true-up associated with renewable energy resources'  
26 collections and costs for the delivery years commencing June

1 1, 2017, June 1, 2018, June 1, 2019, ~~and~~ June 1, 2020, and June  
2 1, 2021, and shall instead conduct a single review,  
3 reconciliation, and true-up associated with renewable energy  
4 resources' collections and costs for the 5-year ~~4-year~~ period  
5 beginning June 1, 2017 and ending May 31, 2022 ~~2021~~, provided  
6 that the review, reconciliation, and true-up shall not be  
7 initiated until after August 31, 2022 ~~2021~~. During the 5-year  
8 ~~4-year~~ period, the utility shall be permitted to collect and  
9 retain funds under this subsection (k) and to purchase  
10 renewable energy resources under an approved long-term  
11 renewable resources procurement plan using those funds  
12 regardless of the delivery year in which the funds were  
13 collected during the 5-year ~~4-year~~ period. Notwithstanding  
14 anything to the contrary, (i) immediately after the effective  
15 date of this amendatory Act of the 102nd General Assembly, the  
16 Agency shall be permitted to use a combined total of  
17 \$100,000,000 of such retained utility funds for purposes of  
18 funding the Illinois Solar for All Program under subsection  
19 (b) of Section 1-56 of the Public Utilities Act, and (ii) no  
20 later than 60 days after the effective date of this amendatory  
21 Act of the 102nd General Assembly, a combined total of  
22 \$5,000,000 of such retained utility funds shall be deposited  
23 by the utilities in the Illinois Works Fund for the purposes  
24 and activities described in subsection (f) of Section 20-15 of  
25 the Illinois Works Jobs Act Program Act. Each electric  
26 utility's pro rata portion of such \$5,000,000 shall be

1 calculated in accordance with the electric utility renewable  
2 energy credit cost allocation percentages identified in the  
3 Agency's most recent long-term renewable resources procurement  
4 plan approved by the Commission.

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

21       If the amount of funds collected during the delivery year  
22 commencing June 1, 2018, exceeds the costs incurred during  
23 that delivery year, then up to half of this excess amount, as  
24 calculated on June 1, 2019, may be used to fund the programs  
25 under subsection (b) of Section 1-56 of the Illinois Power  
26 Agency Act in the same proportion the programs are funded

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

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

15 If the amount of funds collected during the delivery year  
16 commencing June 1, 2020, exceeds the costs incurred during  
17 that delivery year, then up to half of this excess amount, as  
18 calculated on June 1, 2021, may be used to fund the programs  
19 under subsection (b) of Section 1-56 of the Illinois Power  
20 Agency Act in the same proportion the programs are funded  
21 under that subsection (b). However, any amount identified  
22 under this subsection (k) to fund programs under subsection  
23 (b) of Section 1-56 of the Illinois Power Agency Act shall be  
24 reduced if it exceeds the funding shortfall.

25 The funding available under this subsection (k), if any,  
26 for the programs described under subsection (b) of Section

1 1-56 of the Illinois Power Agency Act shall not reduce the  
2 amount of funding for the programs described in subparagraph  
3 (O) of paragraph (1) of subsection (c) of Section 1-75 of the  
4 Illinois Power Agency Act. If funding is available under this  
5 subsection (k) for programs described under subsection (b) of  
6 Section 1-56 of the Illinois Power Agency Act, then the  
7 long-term renewable resources plan shall provide for the  
8 Agency to procure contracts in an amount that does not exceed  
9 the funding, and the contracts approved by the Commission  
10 shall be executed by the applicable utility or utilities.

11 (l) A utility that has terminated any contract executed  
12 under subsection (d-5) of Section 1-75 of the Illinois Power  
13 Agency Act shall be entitled to recover any remaining balance  
14 associated with the purchase of zero emission credits prior to  
15 such termination, and such utility shall also apply a credit  
16 to its retail customer bills in the event of any  
17 over-collection.

18 (m) (1) An electric utility that recovers its costs of  
19 procuring zero emission credits from zero emission  
20 facilities through a cents-per-kilowatthour charge under  
21 ~~to~~ subsection (k) of this Section shall be subject to the  
22 requirements of this subsection (m). Notwithstanding  
23 anything to the contrary, such electric utility shall,  
24 beginning on April 30, 2018, and each April 30 thereafter  
25 until April 30, 2026, calculate whether any reduction must  
26 be applied to such cents-per-kilowatthour charge that is

1       paid by retail customers of the electric utility that are  
2       exempt from subsections (a) through (j) of Section 8-103B  
3       of this Act under subsection (l) of Section 8-103B. Such  
4       charge shall be reduced for such customers for the next  
5       delivery year commencing on June 1 based on the amount  
6       necessary, if any, to limit the annual estimated average  
7       net increase for the prior calendar year due to the future  
8       energy investment costs to no more than 1.3% of 5.98 cents  
9       per kilowatt-hour, which is the average amount paid per  
10      kilowatthour for electric service during the year ending  
11      December 31, 2015 by Illinois industrial retail customers,  
12      as reported to the Edison Electric Institute.

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

16             (2) For purposes of this Section, "future energy  
17      investment costs" shall be calculated by subtracting the  
18      cents-per-kilowatthour charge identified in subparagraph  
19      (A) of this paragraph (2) from the sum of the  
20      cents-per-kilowatthour charges identified in subparagraph  
21      (B) of this paragraph (2):

22             (A) The cents-per-kilowatthour charge identified  
23      in the electric utility's tariff placed into effect  
24      under Section 8-103 of the Public Utilities Act that,  
25      on December 1, 2016, was applicable to those retail  
26      customers that are exempt from subsections (a) through

1 (j) of Section 8-103B of this Act under subsection (l)  
2 of Section 8-103B.

3 (B) The sum of the following  
4 cents-per-kilowatthour charges applicable to those  
5 retail customers that are exempt from subsections (a)  
6 through (j) of Section 8-103B of this Act under  
7 subsection (l) of Section 8-103B, provided that if one  
8 or more of the following charges has been in effect and  
9 applied to such customers for more than one calendar  
10 year, then each charge shall be equal to the average of  
11 the charges applied over a period that commences with  
12 the calendar year ending December 31, 2017 and ends  
13 with the most recently completed calendar year prior  
14 to the calculation required by this subsection (m):

15 (i) the cents-per-kilowatthour charge to  
16 recover the costs incurred by the utility under  
17 subsection (d-5) of Section 1-75 of the Illinois  
18 Power Agency Act, adjusted for any reductions  
19 required under this subsection (m); and

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

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

26 (3) If a reduction is required by the calculation

1 performed under this subsection (m), then the amount of  
2 the reduction shall be multiplied by the number of years  
3 reflected in the averages calculated under subparagraph  
4 (B) of paragraph (2) of this subsection (m). Such  
5 reduction shall be applied to the cents-per-kilowatthour  
6 charge that is applicable to those retail customers that  
7 are exempt from subsections (a) through (j) of Section  
8 8-103B of this Act under subsection (l) of Section 8-103B  
9 beginning with the next delivery year commencing after the  
10 date of the calculation required by this subsection (m).

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

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

22 (220 ILCS 5/16-108.13 new)

23 Sec. 16-108.13. Energy industry workforce development and  
24 job training program.

25 (a) The General Assembly finds and declares that



1 forward-thinking workforce development and job training  
2 programs are needed to support the infrastructure investments  
3 modernizing Illinois' electric grid and the adoption and  
4 deployment of cost-effective distributed energy resources  
5 throughout the State, which stimulate economic growth, enhance  
6 the continued diversification of Illinois' energy resource  
7 mix, and protect the Illinois environment. Specifically, job  
8 training programs that develop the skills needed to strengthen  
9 the State's workforce will ensure it is poised to take  
10 advantage of the jobs being created in new and innovative  
11 fields and technologies related to the energy industry. The  
12 General Assembly also finds that job training programs should  
13 bring together electric utilities and charitable organizations  
14 that provide direct and sustained support for all members of  
15 the communities in need, including members of economically  
16 disadvantaged communities, environmental justice communities,  
17 disproportionately impacted areas, returning citizens, foster  
18 care communities, and displaced fossil fuel and nuclear plant  
19 workers to enter and complete the pipeline for energy  
20 industry-related jobs.

21 The General Assembly further finds that the State's  
22 electric utilities are developing, or already implementing,  
23 successful workforce development and job training programs  
24 that are needed to support the clean energy jobs created by  
25 this amendatory Act of the General Assembly and those created  
26 by Public Act 99-906. Electric utilities that are already

1 implementing these programs have demonstrated great success in  
2 expanding job opportunities for local minority candidates.  
3 Among the benefits and features of the workforce development  
4 and job training programs already being offered by electric  
5 utilities, the General Assembly finds that the multi-month  
6 training programs effectively bring together utilities,  
7 businesses, labor, and community organizations to develop the  
8 skills needed to strengthen the State's workforce and ensure  
9 it is well-positioned to take advantage of the quality  
10 construction, solar power, and energy efficiency jobs being  
11 created in new and innovative clean energy-related fields.

12 The General Assembly therefore finds that the electric  
13 utilities subject to the requirements of this Section should  
14 expand their workforce development and job training programs,  
15 in partnership with charitable organizations, for the purpose  
16 of teaching program participants the skills required to apply  
17 and qualify for jobs in clean energy-related fields, as set  
18 forth in this Section.

19 (b) An electric utility that serves more than 3,000,000  
20 customers in the State shall file with the Commission the  
21 utility's plan to expand its existing workforce development  
22 and job training program that provides training for energy  
23 industry-related jobs. Each plan shall commence within 90 days  
24 after the issuance of the Commission's order approving the  
25 utility's plan, and shall extend for a 10-year period  
26 following the date of commencement. Each annual period or year

1 under the plan shall conform to the 365 day period established  
2 by the date the plan commenced.

3 Each plan shall include the following components:

4 (1) One or more partnerships with a charitable  
5 organization for purposes of implementing the plan;

6 (2) The training programs to be offered under the  
7 plan, which shall focus on the skills needed to succeed in  
8 clean energy-related fields; at least 10 job training  
9 sessions shall be held throughout the State per year, and  
10 each session shall target a minimum of 24 participants per  
11 session, provided that at least 2 of the 10 job training  
12 sessions shall be held in counties with a population  
13 greater than 3,000,000, and target a minimum of 48  
14 participants;

15 (3) Creation of a robust and diverse talent pipeline  
16 consistent with subsection (a) of this Section; and

17 (4) Funding by the utility in an amount of not less  
18 than \$5,000,000 per year that is allocated to  
19 participating charitable organizations to cover their  
20 administrative costs and costs of providing services or  
21 stipends to participants to assist participants with the  
22 expenses related to attending a job training session,  
23 including, but not limited to, the following:  
24 transportation, child care, temporary relocation, and lost  
25 wages due to attendance.

26 The electric utility shall be responsible for the design,

1 development, and filing of its plan with the Commission under  
2 this subsection, and may, as part of that implementation,  
3 outsource various aspects of program development and  
4 implementation, including, but not limited to, the charitable  
5 organizations identified in paragraph (1) of this subsection.

6 (c) The utility's annual costs to fund charitable  
7 organizations pursuant to paragraph (4) of subsection (b) of  
8 this Section shall be recovered from the amounts collected by  
9 the utility under its tariff placed into effect under  
10 subsection (k) of Section 16-108 of this Act to recover the  
11 costs of renewable energy resources. The utility shall be  
12 entitled to net its funding costs incurred under such  
13 paragraph (4) against such amounts collected under subsection  
14 (k) of Section 16-108 and to retain those netted amounts to  
15 fully recover its funding costs incurred under such paragraph  
16 (4).

17 (220 ILCS 5/16-111.5)

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

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

1 emission facilities in accordance with the applicable  
2 provisions set forth in Section 1-75 of the Illinois Power  
3 Agency Act, and, for years beginning on or after June 1, 2017,  
4 the utility shall procure renewable energy resources in  
5 accordance with the applicable provisions set forth in Section  
6 1-75 of the Illinois Power Agency Act and this Section.  
7 Beginning with the delivery year that is the subject of an  
8 electric utility's election approved by the Commission  
9 pursuant to paragraph (6) of subsection (b) of this Section,  
10 as applicable, such electric utility shall procure capacity  
11 for all of its retail customers in accordance with the  
12 applicable provisions set forth in this Section and subsection  
13 (k) of Section 1-75 of the Illinois Power Agency Act. A small  
14 multi-jurisdictional electric utility that on December 31,  
15 2005 served less than 100,000 customers in Illinois may elect  
16 to procure power and energy for all or a portion of its  
17 eligible Illinois retail customers in accordance with the  
18 applicable provisions set forth in this Section and Section  
19 1-75 of the Illinois Power Agency Act. This Section shall not  
20 apply to a small multi-jurisdictional utility until such time  
21 as a small multi-jurisdictional utility requests the Illinois  
22 Power Agency to prepare a procurement plan for its eligible  
23 retail customers. "Eligible retail customers" for the purposes  
24 of this Section means those retail customers that purchase  
25 power and energy from the electric utility under fixed-price  
26 bundled service tariffs, other than those retail customers

1 whose service is declared or deemed competitive under Section  
2 16-113 and those other customer groups specified in this  
3 Section, including self-generating customers, customers  
4 electing hourly pricing, or those customers who are otherwise  
5 ineligible for fixed-price bundled tariff service. For those  
6 customers that are excluded from the procurement plan's  
7 electric supply service requirements, and the utility shall  
8 procure any supply requirements, including capacity, ancillary  
9 services, and hourly priced energy, in the applicable markets  
10 as needed to serve those customers, provided that the utility  
11 may include in its procurement plan load requirements for the  
12 load that is associated with those retail customers whose  
13 service has been declared or deemed competitive pursuant to  
14 Section 16-113 of this Act to the extent that those customers  
15 are purchasing power and energy during one of the transition  
16 periods identified in subsection (b) of Section 16-113 of this  
17 Act.

18 (b) A procurement plan shall be prepared for each electric  
19 utility consistent with the applicable requirements of the  
20 Illinois Power Agency Act and this Section. For purposes of  
21 this Section, Illinois electric utilities that are affiliated  
22 by virtue of a common parent company are considered to be a  
23 single electric utility. Small multi-jurisdictional utilities  
24 may request a procurement plan for a portion of or all of its  
25 Illinois load. Each procurement plan shall analyze the  
26 projected balance of supply and demand for those retail

1 customers to be included in the plan's electric supply service  
2 requirements over a 5-year period, with the first planning  
3 year beginning on June 1 of the year following the year in  
4 which the plan is filed. The plan shall specifically identify,  
5 if applicable, the carbon-free capacity to be procured, as  
6 described in Section 1-75 of the Illinois Power Agency Act,  
7 and the wholesale products to be procured following plan  
8 approval, and shall follow all the requirements set forth in  
9 the Public Utilities Act and all applicable State and federal  
10 laws, statutes, rules, or regulations, as well as Commission  
11 orders. Nothing in this Section precludes consideration of  
12 contracts longer than 5 years and related forecast data.  
13 Unless specified otherwise in this Section, in the procurement  
14 plan or in the implementing tariff, any procurement occurring  
15 in accordance with this plan shall be competitively bid  
16 through a request for proposals process. Approval and  
17 implementation of the procurement plan shall be subject to  
18 review and approval by the Commission according to the  
19 provisions set forth in this Section. A procurement plan shall  
20 include each of the following components:

- 21 (1) Hourly load analysis. This analysis shall include:
- 22 (i) multi-year historical analysis of hourly  
23 loads;
- 24 (ii) switching trends and competitive retail  
25 market analysis;
- 26 (iii) known or projected changes to future loads;

1 and

2 (iv) growth forecasts by customer class.

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

5 (i) the impact of demand response programs and  
6 energy efficiency programs, both current and  
7 projected; for small multi-jurisdictional utilities,  
8 the impact of demand response and energy efficiency  
9 programs approved pursuant to Section 8-408 of this  
10 Act, both current and projected; and

11 (ii) supply side needs that are projected to be  
12 offset by purchases of renewable energy resources, if  
13 any.

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

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

19 (ii) the proposed mix of demand-response products  
20 for which contracts will be executed during the next  
21 year. For small multi-jurisdictional electric  
22 utilities that on December 31, 2005 served fewer than  
23 100,000 customers in Illinois, these shall be defined  
24 as demand-response products offered in an energy  
25 efficiency plan approved pursuant to Section 8-408 of  
26 this Act. The cost-effective demand-response measures



1 shall be procured whenever the cost is lower than  
2 procuring comparable capacity products, provided that  
3 such products shall:

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

7 (B) at least satisfy the demand-response  
8 requirements of the regional transmission  
9 organization market in which the utility's service  
10 territory is located, including, but not limited  
11 to, any applicable capacity or dispatch  
12 requirements;

13 (C) provide for customers' participation in  
14 the stream of benefits produced by the  
15 demand-response products;

16 (D) provide for reimbursement by the  
17 demand-response provider of the utility for any  
18 costs incurred as a result of the failure of the  
19 supplier of such products to perform its  
20 obligations thereunder; and

21 (E) meet the same credit requirements as apply  
22 to suppliers of capacity, in the applicable  
23 regional transmission organization market;

24 (iii) monthly forecasted system supply  
25 requirements, including expected minimum, maximum, and  
26 average values for the planning period;

1 (iv) the proposed mix and selection of standard  
2 wholesale products for which contracts will be  
3 executed during the next year, separately or in  
4 combination, to meet that portion of its load  
5 requirements not met through preexisting ~~pre-existing~~  
6 contracts, including but not limited to monthly 5 x 16  
7 peak period block energy, monthly off-peak wrap  
8 energy, monthly 7 x 24 energy, annual 5 x 16 energy,  
9 annual off-peak wrap energy, annual 7 x 24 energy,  
10 monthly capacity, annual capacity, peak load capacity  
11 obligations, capacity purchase plan, and ancillary  
12 services;

13 (v) proposed term structures for each wholesale  
14 product type included in the proposed procurement plan  
15 portfolio of products; ~~and~~

16 (vi) an assessment of the price risk, load  
17 uncertainty, and other factors that are associated  
18 with the proposed procurement plan; this assessment,  
19 to the extent possible, shall include an analysis of  
20 the following factors: contract terms, time frames for  
21 securing products or services, fuel costs, weather  
22 patterns, transmission costs, market conditions, and  
23 the governmental regulatory environment; the proposed  
24 procurement plan shall also identify alternatives for  
25 those portfolio measures that are identified as having  
26 significant price risk; and.

1           (vii) if applicable, the amount of capacity  
2           procured for each year through the procurements in  
3           subsection (k) of Section 1-75 of the Illinois Power  
4           Agency Act and this Section, and the amount of  
5           capacity to be procured from each procurement during  
6           the next year.

7           (4) Proposed procedures for balancing loads. The  
8           procurement plan shall include, for load requirements  
9           included in the procurement plan, the process for (i)  
10          hourly balancing of supply and demand and (ii) the  
11          criteria for portfolio re-balancing in the event of  
12          significant shifts in load.

13          (5) Long-Term Renewable Resources Procurement Plan.  
14          The Agency shall prepare a long-term renewable resources  
15          procurement plan for the procurement of renewable energy  
16          credits under Sections 1-56 and 1-75 of the Illinois Power  
17          Agency Act for delivery beginning in the 2017 delivery  
18          year.

19               (i) The initial long-term renewable resources  
20               procurement plan and all subsequent revisions shall be  
21               subject to review and approval by the Commission. For  
22               the purposes of this Section, "delivery year" has the  
23               same meaning as in Section 1-10 of the Illinois Power  
24               Agency Act. For purposes of this Section, "Agency"  
25               shall mean the Illinois Power Agency.

26               (ii) The long-term renewable resources planning

1 process shall be conducted as follows:

2 (A) Electric utilities shall provide a range  
3 of load forecasts to the Illinois Power Agency  
4 within 45 days of the Agency's request for  
5 forecasts, which request shall specify the length  
6 and conditions for the forecasts including, but  
7 not limited to, the quantity of distributed  
8 generation expected to be interconnected for each  
9 year.

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

23 (aa) Identify the procurement programs and  
24 competitive procurement events consistent with  
25 the applicable requirements of the Illinois  
26 Power Agency Act. The plan, and any revisions

1           thereto, and shall be designed to achieve the  
2           goals set forth in subsection (c) of Section  
3           1-75 of that Act, and shall also allocate and  
4           use, for each year of the plan, a material  
5           portion of any balance of unspent and  
6           uncommitted funds collected during prior years  
7           that are still retained by the utility under  
8           subsection (k) of Section 16-108 of this Act.  
9           Such balance need not be allocated equally  
10          over the planning horizon, but a material  
11          portion of such funding should be allocated  
12          and used for each year of the planning  
13          horizon.

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

22           (cc) Identify the process whereby the  
23           Agency will submit to the Commission for  
24           review and approval the proposed contracts to  
25           implement the programs required by such plan.  
26           Copies of the initial long-term renewable

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

26 (C) Within 14 days after the filing of the

1 initial long-term renewable resources procurement  
2 plan or any subsequent revisions, any person  
3 objecting to the plan may file an objection with  
4 the Commission. Within 21 days after the filing of  
5 the plan, the Commission shall determine whether a  
6 hearing is necessary. The Commission shall enter  
7 its order confirming or modifying the initial  
8 long-term renewable resources procurement plan or  
9 any subsequent revisions within 120 days after the  
10 filing of the plan by the Illinois Power Agency.

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

1 Section.

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

23 (iv) An electric utility shall recover its costs  
24 associated with the procurement of renewable energy  
25 credits under this Section through an automatic  
26 adjustment clause tariff under subsection (k) of



1 Section 16-108 of this Act. A utility shall not be  
2 required to advance any payment or pay any amounts  
3 under this Section that exceed the actual amount of  
4 revenues collected by the utility under paragraph (6)  
5 of subsection (c) of Section 1-75 of the Illinois  
6 Power Agency Act and subsection (k) of Section 16-108  
7 of this Act, and contracts executed under this Section  
8 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 (6) Fixed Resource Requirement Alternative Election.  
20 The Commission shall, after notice and hearing, approve an  
21 electric utility's request for approval of an election to  
22 use the Fixed Resource Requirement Alternative as provided  
23 for in the Open Access Transmission Tariff, Reliability  
24 Assurance Agreement, and manuals of PJM Interconnection,  
25 LLC or its successors if it determines that the election  
26 serves as means of satisfying the PJM resource adequacy

1       requirements. The Commission shall issue its final order  
2       no later than 90 days after receipt of the electric  
3       utility's petition. The fact that an electric utility  
4       declines to make the election described in this paragraph  
5       and paragraph (1) of subsection (k) of Section 1-75 of the  
6       Illinois Power Agency Act cannot, and shall not, serve as  
7       a basis for any Commission finding of imprudence,  
8       unreasonableness, or disallowance in any Commission  
9       proceeding.

10       (7) Capacity Procurement Plan.

11       (i) No later than 90 days after an electric  
12       utility's notice of election of the Fixed Resource  
13       Requirement Alternative as provided for in the Open  
14       Access Transmission Tariff, Reliability Assurance  
15       Agreement, and manuals of PJM Interconnection, LLC or  
16       its successors is approved by the Commission, the  
17       Agency shall publish for public comment a draft  
18       Capacity Procurement Plan pursuant to subsection (k)  
19       of Section 1-75 of the Illinois Power Agency Act. The  
20       Agency shall conduct at least one public workshop to  
21       elicit input regarding development of the Plan. The  
22       Agency shall provide 60 days for public comment on the  
23       draft Plan, and within 30 days of the deadline for  
24       comment shall submit the Plan to the Commission.

25       (ii) After providing appropriate opportunities for  
26       objection, proposed modifications, and hearing, the

1           Commission shall enter its order approving or  
2           modifying the Plan within 60 days after the filing of  
3           the Plan by the Agency. The Commission shall approve  
4           the Plan if it meets the objectives set forth in  
5           subsection (k) of Section 1-75 of the Illinois Power  
6           Agency Act. If the Plan does not meet those  
7           objectives, the Commission shall modify the Plan or  
8           shall provide specific direction to the Agency to  
9           modify and resubmit the Plan within 30 days.

10           (c) The procurement process set forth in Section 1-75 of  
11 the Illinois Power Agency Act and subsection (e) of this  
12 Section shall be administered by a procurement administrator  
13 and monitored by a procurement monitor.

14           (1) The procurement administrator shall:

15           (i) design the final procurement process in  
16 accordance with Section 1-75 of the Illinois Power  
17 Agency Act and subsection (e) of this Section  
18 following Commission approval of the procurement plan;

19           (ii) develop benchmarks in accordance with  
20 subsection (e) (3) to be used to evaluate bids; these  
21 benchmarks shall be submitted to the Commission for  
22 review and approval on a confidential basis prior to  
23 the procurement event;

24           (iii) serve as the interface between the electric  
25 utility and suppliers;

26           (iv) manage the bidder pre-qualification and

1 registration process;

2 (v) obtain the electric utilities' agreement to  
3 the final form of all supply contracts and credit  
4 collateral agreements;

5 (vi) administer the request for proposals process;

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

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

21 (ix) submit a confidential report to the  
22 Commission recommending acceptance or rejection of  
23 bids;

24 (x) notify the utility of contract counterparties  
25 and contract specifics; and

26 (xi) administer related contingency procurement

1 events.

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

4 (i) monitor interactions among the procurement  
5 administrator, suppliers, and utility;

6 (ii) monitor and report to the Commission on the  
7 progress of the procurement process;

8 (iii) provide an independent confidential report  
9 to the Commission regarding the results of the  
10 procurement event;

11 (iv) assess compliance with the procurement plans  
12 approved by the Commission for each utility that on  
13 December 31, 2005 provided electric service to at  
14 least 100,000 customers in Illinois and for each small  
15 multi-jurisdictional utility that on December 31, 2005  
16 served less than 100,000 customers in Illinois;

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

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

24 (vii) consult with the procurement administrator  
25 regarding the development and use of benchmark  
26 criteria, standard form contracts, credit policies,

1           and bid documents.

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

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

16           (2) Beginning in 2008, the Illinois Power Agency shall  
17 prepare a procurement plan by August 15th of each year, or  
18 such other date as may be required by the Commission. The  
19 procurement plan shall identify the portfolio of  
20 demand-response and power and energy products to be  
21 procured. Cost-effective demand-response measures shall be  
22 procured as set forth in item (iii) of subsection (b) of  
23 this Section. Copies of the procurement plan shall be  
24 posted and made publicly available on the Agency's and  
25 Commission's websites, and copies shall also be provided  
26 to each affected electric utility. An affected utility

1 shall have 30 days following the date of posting to  
2 provide comment to the Agency on the procurement plan.  
3 Other interested entities also may comment on the  
4 procurement plan. All comments submitted to the Agency  
5 shall be specific, supported by data or other detailed  
6 analyses, and, if objecting to all or a portion of the  
7 procurement plan, accompanied by specific alternative  
8 wording or proposals. All comments shall be posted on the  
9 Agency's and Commission's websites. During this 30-day  
10 comment period, the Agency shall hold at least one public  
11 hearing within each utility's service area for the purpose  
12 of receiving public comment on the procurement plan.  
13 Within 14 days following the end of the 30-day review  
14 period, the Agency shall revise the procurement plan as  
15 necessary based on the comments received and file the  
16 procurement plan with the Commission and post the  
17 procurement plan on the websites.

18 (3) Within 5 days after the filing of the procurement  
19 plan, any person objecting to the procurement plan shall  
20 file an objection with the Commission. Within 10 days  
21 after the filing, the Commission shall determine whether a  
22 hearing is necessary. The Commission shall enter its order  
23 confirming or modifying the procurement plan within 90  
24 days after the filing of the procurement plan by the  
25 Illinois Power Agency.

26 (4) The Commission shall approve the procurement plan,

1 including expressly the forecast used in the procurement  
2 plan, if the Commission determines that it will ensure  
3 adequate, reliable, affordable, efficient, and  
4 environmentally sustainable electric service at the lowest  
5 total cost over time, taking into account any benefits of  
6 price stability.

7 (e) The procurement process shall include each of the  
8 following components:

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



1 procurement event.

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

22 (3) Establishment of a market-based price benchmark.  
23 As part of the development of the procurement process, the  
24 procurement administrator, in consultation with the  
25 Commission staff, Agency staff, and the procurement  
26 monitor, shall establish benchmarks for evaluating the

1 final prices in the contracts for each of the products  
2 that will be procured through the procurement process. The  
3 benchmarks shall be based on price data for similar  
4 products for the same delivery period and same delivery  
5 hub, or other delivery hubs after adjusting for that  
6 difference. The price benchmarks may also be adjusted to  
7 take into account differences between the information  
8 reflected in the underlying data sources and the specific  
9 products and procurement process being used to procure  
10 power for the Illinois utilities. The benchmarks shall be  
11 confidential but shall be provided to, and will be subject  
12 to Commission review and approval, prior to a procurement  
13 event.

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

22 (5) A plan for implementing contingencies in the event  
23 of supplier default or failure of the procurement process  
24 to fully meet the expected load requirement due to  
25 insufficient supplier participation, Commission rejection  
26 of results, or any other cause.

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

24          (ii) Failure of the procurement process to fully  
25          meet the expected load requirement: If the procurement  
26          process fails to fully meet the expected load

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

20 (iii) In all cases where there is insufficient  
21 supply provided under contracts awarded through the  
22 procurement process to fully meet the electric  
23 utility's load requirement, the utility shall meet the  
24 load requirement by procuring power and energy from  
25 the applicable regional transmission organization  
26 market, including ancillary services, capacity, and

1           day-ahead or real time energy, or both; provided,  
2           however, that if a needed product is not available  
3           through the regional transmission organization market  
4           it shall be purchased from the wholesale market.

5           (6) The procurement process described in this  
6           subsection is exempt from the requirements of the Illinois  
7           Procurement Code, pursuant to Section 20-10 of that Code.

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

25          (g) Within 3 business days after the Commission decision  
26          approving the results of a procurement event, the utility

1 shall enter into binding contractual arrangements with the  
2 winning suppliers using the standard form contracts; except  
3 that the utility shall not be required either directly or  
4 indirectly to execute the contracts if a tariff that is  
5 consistent with subsection (l) of this Section has not been  
6 approved and placed into effect for that utility.

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

24 (i) Within 2 business days after a Commission decision  
25 approving the results of a procurement event or such other  
26 date as may be required by the Commission from time to time,

1 the utility shall file for informational purposes with the  
2 Commission its actual or estimated retail supply charges, as  
3 applicable, by customer supply group reflecting the costs  
4 associated with the procurement and computed in accordance  
5 with the tariffs filed pursuant to subsection (l) of this  
6 Section and approved by the Commission.

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

26 (i) Within 14 days following filing of the initial

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

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

24 (k) (Blank).

25 (k-5) (Blank).

26 (l) An electric utility shall recover its costs incurred



1 under this Section, including, but not limited to, the costs  
2 of procuring power and energy demand-response resources under  
3 this Section. The utility shall file with the initial  
4 procurement plan its proposed tariffs through which its costs  
5 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, including any fees  
24 assessed by the Illinois Power Agency, costs associated with  
25 load balancing, and contingency plan costs. The electric  
26 utility shall also recover its full costs of procuring

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

21 (m) The Commission has the authority to adopt rules to  
22 carry out the provisions of this Section. For the public  
23 interest, safety, and welfare, the Commission also has  
24 authority to adopt rules to carry out the provisions of this  
25 Section on an emergency basis immediately following August 28,  
26 2007 (the effective date of Public Act 95-481).

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

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

13           (p) An electric utility subject to this Section may  
14 propose to invest, lease, own, or operate an electric  
15 generation facility as part of its procurement plan, provided  
16 the utility demonstrates that such facility is the least-cost  
17 option to provide electric service to those retail customers  
18 included in the plan's electric supply service requirements.  
19 If the facility is shown to be the least-cost option and is  
20 included in a procurement plan prepared in accordance with  
21 Section 1-75 of the Illinois Power Agency Act and this  
22 Section, then the electric utility shall make a filing  
23 pursuant to Section 8-406 of this Act, and may request of the  
24 Commission any statutory relief required thereunder. If the  
25 Commission grants all of the necessary approvals for the  
26 proposed facility, such supply shall thereafter be considered

1 as a preexisting ~~pre-existing~~ contract under subsection (b) of  
2 this Section. The Commission shall in any order approving a  
3 proposal under this subsection specify how the utility will  
4 recover the prudently incurred costs of investing in, leasing,  
5 owning, or operating such generation facility through just and  
6 reasonable rates charged to those retail customers included in  
7 the plan's electric supply service requirements. Cost recovery  
8 for facilities included in the utility's procurement plan  
9 pursuant to this subsection shall not be subject to review  
10 under or in any way limited by the provisions of Section  
11 16-111(i) of this Act. Nothing in this Section is intended to  
12 prohibit a utility from filing for a fuel adjustment clause as  
13 is otherwise permitted under Section 9-220 of this Act.

14 (q) If the Illinois Power Agency filed with the  
15 Commission, under Section 16-111.5 of this Act, its proposed  
16 procurement plan for the period commencing June 1, 2017, and  
17 the Commission has not yet entered its final order approving  
18 the plan on or before the effective date of this amendatory Act  
19 of the 99th General Assembly, then the Illinois Power Agency  
20 shall file a notice of withdrawal with the Commission, after  
21 the effective date of this amendatory Act of the 99th General  
22 Assembly, to withdraw the proposed procurement of renewable  
23 energy resources to be approved under the plan, other than the  
24 procurement of renewable energy credits from distributed  
25 renewable energy generation devices using funds previously  
26 collected from electric utilities' retail customers that take

1 service pursuant to electric utilities' hourly pricing tariff  
2 or tariffs and, for an electric utility that serves less than  
3 100,000 retail customers in the State, other than the  
4 procurement of renewable energy credits from distributed  
5 renewable energy generation devices. Upon receipt of the  
6 notice, the Commission shall enter an order that approves the  
7 withdrawal of the proposed procurement of renewable energy  
8 resources from the plan. The initially proposed procurement of  
9 renewable energy resources shall not be approved or be the  
10 subject of any further hearing, investigation, proceeding, or  
11 order of any kind.

12 This amendatory Act of the 99th General Assembly preempts  
13 and supersedes any order entered by the Commission that  
14 approved the Illinois Power Agency's procurement plan for the  
15 period commencing June 1, 2017, to the extent it is  
16 inconsistent with the provisions of this amendatory Act of the  
17 99th General Assembly. To the extent any previously entered  
18 order approved the procurement of renewable energy resources,  
19 the portion of that order approving the procurement shall be  
20 void, other than the procurement of renewable energy credits  
21 from distributed renewable energy generation devices using  
22 funds previously collected from electric utilities' retail  
23 customers that take service under electric utilities' hourly  
24 pricing tariff or tariffs and, for an electric utility that  
25 serves less than 100,000 retail customers in the State, other  
26 than the procurement of renewable energy credits for

1 distributed renewable energy generation devices.

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

3 (220 ILCS 5/16-122)

4 Sec. 16-122. Customer information.

5 (a) Upon the request of a retail customer, or a person who  
6 presents verifiable authorization and is acting as the  
7 customer's agent, and payment of a reasonable fee, electric  
8 utilities shall provide to the customer or its authorized  
9 agent the customer's billing and usage data.

10 Within one year after the effective date of this  
11 amendatory Act of the 102nd General Assembly, each electric  
12 utility with over 500,000 retail customers in this State shall  
13 submit to the Commission the utility's plan to offer to retail  
14 customers, on a pilot basis, a selection of programs intended  
15 to securely provide to customers or customers' authorized  
16 energy management partners such customers' energy usage  
17 information on a near real time basis to enable such customers  
18 to more easily and effectively manage their energy  
19 consumption, including, but not limited to, the purposes of  
20 assisting such customers to lower their energy usage and  
21 reduce the carbon emissions associated with their energy  
22 usage. The utility's pilot design shall include, but not be  
23 limited to, reasonable efforts to encourage participation by  
24 retail customers that are public schools, especially public  
25 schools located within environmental justice communities or

1 within Organizational Units that fall within Tier 1 or Tier 2.  
2 For purposes of this Section, "public schools" shall have the  
3 meaning set forth in Section 1-3 of the School Code,  
4 "Organizational Unit", "Tier 1", and "Tier 2" shall have the  
5 meanings set forth in Section 18-8.15 of the School Code and  
6 "environmental justice community" shall have the meaning set  
7 forth in Section 1-56 of the Illinois Power Agency's Act.  
8 Within 210 days after the utility files its pilot program plan  
9 under this subsection (a), the Commission shall review and,  
10 after notice and hearing, enter an order approving the plan if  
11 it finds that the plan conforms to the requirements of this  
12 Section or, if the Commission finds that the plan does not  
13 conform to the requirements of this Section, the Commission  
14 must enter an order describing in detail the reasons for not  
15 approving the plan. The utility must resubmit its pilot  
16 program plan to address the Commission's concerns, and the  
17 Commission shall expeditiously review and by order approve the  
18 revised plan if it finds that the plan conforms to the  
19 requirements of this Section, provided that such order shall  
20 be entered no later than 120 days after the utility resubmits  
21 its plan.

22 The approved pilot program plan shall provide for the  
23 duration of the pilot program and a deadline for the utility to  
24 file a report on the results of the pilot with the Commission.  
25 The utility, contemporaneously with the filing of the report,  
26 shall file a proposed implementation plan for programs that

1 were found to be secure, cost-effective, and of interest to  
2 customers. Within 210 days after the utility files its  
3 implementation program plan under this subsection (a), the  
4 Commission shall review and, after notice and hearing, enter  
5 an order approving the plan if it finds that the plan conforms  
6 to the requirements of this Section or, if the Commission  
7 finds that the plan does not conform to the requirements of  
8 this Section, the Commission must enter an order describing in  
9 detail the reasons for not approving the plan. The utility may  
10 resubmit its implementation plan to address the Commission's  
11 concerns, and the Commission shall expeditiously review and by  
12 order approve the revised plan if it finds that the plan  
13 conforms to the requirements of this Section, provided that  
14 such order shall be entered no later than 120 days after the  
15 utility resubmits its plan.

16 In addition, within 2 years after the effective date of  
17 this amendatory Act of the 102nd General Assembly, each  
18 electric utility with over 500,000 retail customers in this  
19 State shall offer on its website a functionality that allows  
20 customers to access and use their billing and usage  
21 information to directly evaluate different bill impacts that  
22 would result from the application of that information to such  
23 other rates for which the customer is eligible.

24 (b) Upon request from any alternative retail electric  
25 supplier and payment of a reasonable fee, an electric utility  
26 serving retail customers in its service area shall make



1 available generic information concerning the usage, load shape  
2 curve or other general characteristics of customers by rate  
3 classification. Provided however, no customer-specific  
4 ~~customer specific~~ billing, usage or load shape data shall be  
5 provided under this subsection unless authorization to provide  
6 such information is provided by the customer pursuant to  
7 subsection (a) of this Section.

8 (c) Upon request from a unit of local government and  
9 payment of a reasonable fee, an electric utility shall make  
10 available information concerning the usage, load shape curves,  
11 and other characteristics of customers by customer  
12 classification and location within the boundaries of the unit  
13 of local government, however, no customer-specific ~~customer~~  
14 ~~specific~~ billing, usage, or load shape data shall be provided  
15 under this subsection unless authorization to provide that  
16 information is provided by the customer.

17 (d) All such customer information shall be made available  
18 in a timely fashion in an electronic format, if available.

19 (Source: P.A. 92-585, eff. 6-26-02.)

20 (220 ILCS 5/16-123)

21 Sec. 16-123. Establishment of customer information centers  
22 for electric utilities and alternative retail electric  
23 suppliers.

24 (a) All electric utilities and alternative retail electric  
25 suppliers shall be required to maintain a customer call center

1 where customers can reach a representative and receive current  
2 information. Customers shall periodically be notified on how  
3 to reach the call center. The Commission shall have the  
4 authority to establish reporting requirements for such  
5 centers.

6 Within 180 days after the effective date of this  
7 amendatory Act of the 102nd General Assembly, the Illinois  
8 Commerce Commission shall initiate a rulemaking to establish  
9 rules under which each electric utility serving over 500,000  
10 retail customers in this State shall prepare and submit  
11 periodic confidential report to the Illinois Commerce  
12 Commission and the Attorney General that compiles data  
13 regarding instances in which the utility's customers or other  
14 members of the public have complained to the utility about  
15 conduct of alternative retail electric suppliers as defined by  
16 Section 16-102 of this Act and agents, brokers, and  
17 consultants engaged in the procurement or sale of retail  
18 electricity supply for third parties as defined by subsection  
19 (b) of Section 16-115. Such confidential reports shall  
20 include, but not be limited to, information reflecting the  
21 number of complaints; the alternative retail electric  
22 supplier, agents, brokers, or consultants involved; and the  
23 general nature of the conduct. The electric utility, in  
24 collecting and compiling the applicable data and in preparing  
25 and submitting the confidential reports, shall not be deemed  
26 in any way to have stated, warranted, verified, or attested to

1 the accuracy of the information provided by customers that is  
2 reflected in the reports.

3 (a-5) Within 90 days after the effective date of this  
4 amendatory Act of the 102nd General Assembly, electric  
5 utilities serving over 500,000 retail customers in this State  
6 shall commence a collaborative process with community-based  
7 organizations to design and implement a consumer protection  
8 program that offers education to customers on identifying and  
9 protecting themselves against consumer fraud and scams.

10 (b) Notwithstanding anything to the contrary, an electric  
11 utility may:

12 (1) disclose the current utility electric supply price  
13 to a retail customer who takes electric power and energy  
14 supply service from an alternative retail electric  
15 supplier;

16 (2) disclose the supply price the customer is paying  
17 as reflected on the customer's bill, if known;

18 (3) furnish to a retail customer a list of frequently  
19 asked questions to be used by the retail customer in  
20 evaluating electric power and energy supply rate offers by  
21 alternative retail electric suppliers; this list may  
22 include, but is not limited to, the following:

23 (A) length of the contract;

24 (B) the price per kilowatt hour, and whether the  
25 contract price is fixed or variable, and if variable,  
26 the circumstances under which the price may change;

1 (C) whether penalties or early termination fees  
2 apply if the customer terminates the contract before  
3 the expiration of its term; and

4 (D) whether the customer may be subject to any  
5 other adjustments, penalties, surcharges, or costs  
6 beyond the electric power and energy supply rate; and

7 (4) provide to a retail customer education information  
8 published by the Office of Retail Market Development and  
9 the Office of the Attorney General regarding the selection  
10 and evaluation of electric power and energy supply rate  
11 offers by alternative retail electric suppliers.

12 (Source: P.A. 101-590, eff. 1-1-20.)

13 (220 ILCS 5/16-140 new)

14 Sec. 16-140. Combustion Engine New Sale Transition Task  
15 Force. Within 180 days after the effective date of this  
16 amendatory Act of the 102nd General Assembly, the Combustion  
17 Engine New Sale Transition Task Force shall be established,  
18 which shall consist of 11 total members, with each member  
19 possessing either technical or business expertise related to  
20 transportation electrification, carbon reduction, societal  
21 impacts of carbon emissions or technology transition. Of the  
22 11 members, 5 shall be appointed by the Governor, one shall be  
23 appointed by the Speaker of the House of Representatives, one  
24 shall be appointed by the Minority Leader of the House of  
25 Representatives, one shall be appointed by the President of

1 the Senate, one shall be appointed by the Minority Leader of  
2 the Senate, one shall be appointed by the Director of the  
3 Illinois Environmental Protection Agency, and one shall be  
4 appointed by the Director of the Department of Transportation.  
5 Of the Governor's 5 appointments, at least one must represent  
6 an auto manufacturer or auto manufacturing industry  
7 organization, at least one must represent a national labor  
8 organization, at least one must be a health care professional;  
9 and at least one must represent a group that represents  
10 low-income families and individuals.

11 The Governor shall designate one of the members of the  
12 Committee to serve as chairman, and that person shall serve as  
13 the chairman at the pleasure of the Governor. The members  
14 shall not be compensated for serving on the Task Force. The  
15 Task Force shall have the following duties:

16 (1) Investigate whether the State should prohibit the  
17 sale of all or certain categories of new combustion engine  
18 vehicles by a date or dates certain and, if so, whether a  
19 phased approach or different methodology should be used.

20 (2) File a report with the Governor and the General  
21 Assembly that sets forth the Task Force's findings  
22 regarding the matters investigated pursuant to paragraph  
23 (1).

24 Section 90-35. The Energy Assistance Act is amended by  
25 changing Sections 6, 13, and 18 and by adding Section 20 as

1 follows:

2 (305 ILCS 20/6) (from Ch. 111 2/3, par. 1406)

3 Sec. 6. Eligibility, Conditions of Participation, and  
4 Energy Assistance.

5 (a) Any person who is a resident of the State of Illinois  
6 and whose household income is not greater than an amount  
7 determined annually by the Department, in consultation with  
8 the Policy Advisory Council, may apply for assistance pursuant  
9 to this Act in accordance with regulations promulgated by the  
10 Department. In setting the annual eligibility level, the  
11 Department shall consider the amount of available funding and  
12 may not set a limit higher than 150% of the federal nonfarm  
13 poverty level as established by the federal Office of  
14 Management and Budget or 60% of the State median income for the  
15 current fiscal year as established by the U.S. Department of  
16 Health and Human Services; except that for the period from the  
17 effective date of this amendatory Act of the 101st General  
18 Assembly through June 30, 2021, the Department may establish  
19 limits not higher than 200% of that poverty level. The  
20 Department, in consultation with the Policy Advisory Council,  
21 may adjust the percentage of poverty level annually in  
22 accordance with federal guidelines and based on funding  
23 availability.

24 (b) Applicants who qualify for assistance pursuant to  
25 subsection (a) of this Section shall, subject to appropriation

1 from the General Assembly and subject to availability of funds  
2 to the Department, receive energy assistance as provided by  
3 this Act. The Department, upon receipt of monies authorized  
4 pursuant to this Act for energy assistance, shall commit funds  
5 for each qualified applicant in an amount determined by the  
6 Department. In determining the amounts of assistance to be  
7 provided to or on behalf of a qualified applicant, the  
8 Department shall ensure that the highest amounts of assistance  
9 go to households with the greatest energy costs in relation to  
10 household income. The Department shall include factors such as  
11 energy costs, household size, household income, and region of  
12 the State when determining individual household benefits. In  
13 setting assistance levels, the Department shall attempt to  
14 provide assistance to approximately the same number of  
15 households who participated in the 1991 Residential Energy  
16 Assistance Partnership Program. Such assistance levels shall  
17 be adjusted annually on the basis of funding availability and  
18 energy costs. In promulgating rules for the administration of  
19 this Section the Department shall assure that a minimum of 1/3  
20 of funds available for benefits to eligible households with  
21 the lowest incomes and that elderly households, households  
22 with children under the age of 6 years old, and households with  
23 persons with disabilities are offered a priority application  
24 period.

25 (c) If the applicant is not a customer of record of an  
26 energy provider for energy services or an applicant for such

1 service, such applicant shall receive a direct energy  
2 assistance payment in an amount established by the Department  
3 for all such applicants under this Act; provided, however,  
4 that such an applicant must have rental expenses for housing  
5 greater than 30% of household income.

6 (c-1) This subsection shall apply only in cases where: (1)  
7 the applicant is not a customer of record of an energy provider  
8 because energy services are provided by the owner of the unit  
9 as a portion of the rent; (2) the applicant resides in housing  
10 subsidized or developed with funds provided under the Rental  
11 Housing Support Program Act or under a similar locally funded  
12 rent subsidy program, or is the voucher holder who resides in a  
13 rental unit within the State of Illinois and whose monthly  
14 rent is subsidized by the tenant-based Housing Choice Voucher  
15 Program under Section 8 of the U.S. Housing Act of 1937; and  
16 (3) the rental expenses for housing are no more than 30% of  
17 household income. In such cases, the household may apply for  
18 an energy assistance payment under this Act and the owner of  
19 the housing unit shall cooperate with the applicant by  
20 providing documentation of the energy costs for that unit. Any  
21 compensation paid to the energy provider who supplied energy  
22 services to the household shall be paid on behalf of the owner  
23 of the housing unit providing energy services to the  
24 household. The Department shall report annually to the General  
25 Assembly on the number of households receiving energy  
26 assistance under this subsection and the cost of such



1 assistance. The provisions of this subsection (c-1), other  
2 than this sentence, are inoperative after August 31, 2012.

3 (d) If the applicant is a customer of an energy provider,  
4 such applicant shall receive energy assistance in an amount  
5 established by the Department for all such applicants under  
6 this Act, such amount to be paid by the Department to the  
7 energy provider supplying winter energy service to such  
8 applicant. Such applicant shall:

9 (i) make all reasonable efforts to apply to any other  
10 appropriate source of public energy assistance; and

11 (ii) sign a waiver permitting the Department to  
12 receive income information from any public or private  
13 agency providing income or energy assistance and from any  
14 employer, whether public or private.

15 (e) Any qualified applicant pursuant to this Section may  
16 receive or have paid on such applicant's behalf an emergency  
17 assistance payment to enable such applicant to obtain access  
18 to winter energy services. Any such payments shall be made in  
19 accordance with regulations of the Department.

20 (f) The Department may, if sufficient funds are available,  
21 provide additional benefits to certain qualified applicants:

22 (i) for the reduction of past due amounts owed to  
23 energy providers; and

24 (ii) to assist the household in responding to  
25 excessively high summer temperatures or energy costs.  
26 Households containing elderly members, children, a person

1 with a disability, or a person with a medical need for  
2 conditioned air shall receive priority for receipt of such  
3 benefits.

4 (Source: P.A. 101-636, eff. 6-10-20.)

5 (305 ILCS 20/13)

6 (Section scheduled to be repealed on January 1, 2025)

7 Sec. 13. Supplemental Low-Income Energy Assistance Fund.

8 (a) The Supplemental Low-Income Energy Assistance Fund is  
9 hereby created as a special fund in the State treasury.  
10 Notwithstanding anything to the contrary, the Supplemental  
11 Low-Income Energy Assistance Fund is not subject to sweeps,  
12 administrative charge-backs, or any other fiscal or budgetary  
13 maneuver that would in any way transfer any amounts from the  
14 Supplemental Low-Income Energy Assistance Fund into any other  
15 fund of the State Treasury. The Supplemental Low-Income Energy  
16 Assistance Fund is authorized to receive moneys from voluntary  
17 donations from individuals, foundations, corporations, and  
18 other sources, moneys received pursuant to Section 17, and, by  
19 statutory deposit, the moneys collected pursuant to this  
20 Section. The Fund is also authorized to receive voluntary  
21 donations from individuals, foundations, corporations, and  
22 other sources. Subject to appropriation, the Department shall  
23 use moneys from the Supplemental Low-Income Energy Assistance  
24 Fund for payments to electric or gas public utilities,  
25 municipal electric or gas utilities, and electric cooperatives

1 on behalf of their customers who are participants in the  
2 program authorized by Sections 4 and 18 of this Act, for the  
3 provision of weatherization services and for administration of  
4 the Supplemental Low-Income Energy Assistance Fund. The yearly  
5 expenditures for weatherization may not exceed 10% of the  
6 amount collected during the year pursuant to this Section,  
7 except when unspent funds from the Supplemental Low-Income  
8 Energy Assistance Fund are reallocated from a previous year;  
9 any unspent balance of the 10% weatherization allowance may be  
10 used for weatherization expenses in the year they are  
11 reallocated. The yearly administrative expenses of the  
12 Supplemental Low-Income Energy Assistance Fund may not exceed  
13 12.5% ~~10%~~ of the amount collected during that year pursuant to  
14 this Section, except when unspent funds from the Supplemental  
15 Low-Income Energy Assistance Fund are reallocated from a  
16 previous year; any unspent balance of the 12.5% ~~10%~~  
17 administrative allowance may be utilized for administrative  
18 expenses in the year they are reallocated. Moneys deposited  
19 into the Supplemental Low-Income Energy Assistance Fund, other  
20 than those deposited pursuant to subsection (g) of this  
21 Section, are not subject to the percentage limitations  
22 applicable to yearly weatherization and administrative  
23 expenses set forth in this subsection (a).

24 (b) Notwithstanding the provisions of Section 16-111 of  
25 the Public Utilities Act but subject to subsection (k) of this  
26 Section, each public utility, electric cooperative, as defined

1 in Section 3.4 of the Electric Supplier Act, and municipal  
2 utility, as referenced in Section 3-105 of the Public  
3 Utilities Act, that is engaged in the delivery of electricity  
4 or the distribution of natural gas within the State of  
5 Illinois shall, effective January 1, 1998, assess each of its  
6 customer accounts a monthly Energy Assistance Charge for the  
7 Supplemental Low-Income Energy Assistance Fund. The delivering  
8 public utility, municipal electric or gas utility, or electric  
9 or gas cooperative for a self-assessing purchaser remains  
10 subject to the collection of the fee imposed by this Section.  
11 The monthly charge shall be as follows:

12 (1) \$0.48 per month on each account for residential  
13 electric service;

14 (2) \$0.48 per month on each account for residential  
15 gas service;

16 (3) \$4.80 per month on each account for  
17 non-residential electric service which had less than 10  
18 megawatts of peak demand during the previous calendar  
19 year;

20 (4) \$4.80 per month on each account for  
21 non-residential gas service which had distributed to it  
22 less than 4,000,000 therms of gas during the previous  
23 calendar year;

24 (5) \$360 per month on each account for non-residential  
25 electric service which had 10 megawatts or greater of peak  
26 demand during the previous calendar year; and

1           (6) \$360 per month on each account for non-residential  
2           gas service which had 4,000,000 or more therms of gas  
3           distributed to it during the previous calendar year.

4           The incremental change to such charges imposed by this  
5           amendatory Act of the 96th General Assembly shall not (i) be  
6           used for any purpose other than to directly assist customers  
7           and (ii) be applicable to utilities serving less than 100,000  
8           customers in Illinois on January 1, 2009.

9           In addition, electric and gas utilities have committed,  
10          and shall contribute, a one-time payment of \$22 million to the  
11          Fund, within 10 days after the effective date of the tariffs  
12          established pursuant to Sections 16-111.8 and 19-145 of the  
13          Public Utilities Act to be used for the Department's cost of  
14          implementing the programs described in Section 18 of this  
15          amendatory Act of the 96th General Assembly, the Arrearage  
16          Reduction Program described in Section 18, and the programs  
17          described in Section 8-105 of the Public Utilities Act. If a  
18          utility elects not to file a rider within 90 days after the  
19          effective date of this amendatory Act of the 96th General  
20          Assembly, then the contribution from such utility shall be  
21          made no later than February 1, 2010.

22          (c) For purposes of this Section:

23                 (1) "residential electric service" means electric  
24                 utility service for household purposes delivered to a  
25                 dwelling of 2 or fewer units which is billed under a  
26                 residential rate, or electric utility service for

1 household purposes delivered to a dwelling unit or units  
2 which is billed under a residential rate and is registered  
3 by a separate meter for each dwelling unit;

4 (2) "residential gas service" means gas utility  
5 service for household purposes distributed to a dwelling  
6 of 2 or fewer units which is billed under a residential  
7 rate, or gas utility service for household purposes  
8 distributed to a dwelling unit or units which is billed  
9 under a residential rate and is registered by a separate  
10 meter for each dwelling unit;

11 (3) "non-residential electric service" means electric  
12 utility service which is not residential electric service;  
13 and

14 (4) "non-residential gas service" means gas utility  
15 service which is not residential gas service.

16 (d) Within 30 days after the effective date of this  
17 amendatory Act of the 96th General Assembly, each public  
18 utility engaged in the delivery of electricity or the  
19 distribution of natural gas shall file with the Illinois  
20 Commerce Commission tariffs incorporating the Energy  
21 Assistance Charge in other charges stated in such tariffs,  
22 which shall become effective no later than the beginning of  
23 the first billing cycle following such filing.

24 (e) The Energy Assistance Charge assessed by electric and  
25 gas public utilities shall be considered a charge for public  
26 utility service.

1 (f) By the 20th day of the month following the month in  
2 which the charges imposed by the Section were collected, each  
3 public utility, municipal utility, and electric cooperative  
4 shall remit to the Department of Revenue all moneys received  
5 as payment of the Energy Assistance Charge on a return  
6 prescribed and furnished by the Department of Revenue showing  
7 such information as the Department of Revenue may reasonably  
8 require; provided, however, that a utility offering an  
9 Arrearage Reduction Program or Supplemental Arrearage  
10 Reduction Program pursuant to Section 18 of this Act shall be  
11 entitled to net those amounts necessary to fund and recover  
12 the costs of such Programs as authorized by that Section that  
13 is no more than the incremental change in such Energy  
14 Assistance Charge authorized by Public Act 96-33. If a  
15 customer makes a partial payment, a public utility, municipal  
16 utility, or electric cooperative may elect either: (i) to  
17 apply such partial payments first to amounts owed to the  
18 utility or cooperative for its services and then to payment  
19 for the Energy Assistance Charge or (ii) to apply such partial  
20 payments on a pro rata ~~pro-rata~~ basis between amounts owed to  
21 the utility or cooperative for its services and to payment for  
22 the Energy Assistance Charge.

23 If any payment provided for in this Section exceeds the  
24 distributor's liabilities under this Act, as shown on an  
25 original return, the Department may authorize the distributor  
26 to credit such excess payment against liability subsequently

1 to be remitted to the Department under this Act, in accordance  
2 with reasonable rules adopted by the Department. If the  
3 Department subsequently determines that all or any part of the  
4 credit taken was not actually due to the distributor, the  
5 distributor's discount shall be reduced by an amount equal to  
6 the difference between the discount as applied to the credit  
7 taken and that actually due, and that distributor shall be  
8 liable for penalties and interest on such difference.

9 (g) The Department of Revenue shall deposit into the  
10 Supplemental Low-Income Energy Assistance Fund all moneys  
11 remitted to it in accordance with subsection (f) of this  
12 Section; provided, however, that the amounts remitted by each  
13 utility shall be used to provide assistance to that utility's  
14 customers. The utilities shall coordinate with the Department  
15 to establish an equitable and practical methodology for  
16 implementing this subsection (g) beginning with the 2010  
17 program year.

18 (h) On or before December 31, 2002, the Department shall  
19 prepare a report for the General Assembly on the expenditure  
20 of funds appropriated from the Low-Income Energy Assistance  
21 Block Grant Fund for the program authorized under Section 4 of  
22 this Act.

23 (i) The Department of Revenue may establish such rules as  
24 it deems necessary to implement this Section.

25 (j) The Department of Commerce and Economic Opportunity  
26 may establish such rules as it deems necessary to implement



1 this Section.

2 (k) The charges imposed by this Section shall only apply  
3 to customers of municipal electric or gas utilities and  
4 electric or gas cooperatives if the municipal electric or gas  
5 utility or electric or gas cooperative makes an affirmative  
6 decision to impose the charge. If a municipal electric or gas  
7 utility or an electric cooperative makes an affirmative  
8 decision to impose the charge provided by this Section, the  
9 municipal electric or gas utility or electric cooperative  
10 shall inform the Department of Revenue in writing of such  
11 decision when it begins to impose the charge. If a municipal  
12 electric or gas utility or electric or gas cooperative does  
13 not assess this charge, the Department may not use funds from  
14 the Supplemental Low-Income Energy Assistance Fund to provide  
15 benefits to its customers under the program authorized by  
16 Section 4 of this Act.

17 In its use of federal funds under this Act, the Department  
18 may not cause a disproportionate share of those federal funds  
19 to benefit customers of systems which do not assess the charge  
20 provided by this Section.

21 This Section is repealed on January 1, 2025 unless renewed  
22 by action of the General Assembly.

23 (Source: P.A. 99-457, eff. 1-1-16; 99-906, eff. 6-1-17;  
24 99-933, eff. 1-27-17; 100-863, eff. 8-14-18; 100-1171, eff.  
25 1-4-19.)

1 (305 ILCS 20/18)

2 Sec. 18. Financial assistance; payment plans.

3 (a) The Percentage of Income Payment Plan (PIPP or PIP  
4 Plan) is hereby created as a mandatory bill payment assistance  
5 program for low-income residential customers of utilities  
6 serving more than 100,000 retail customers as of January 1,  
7 2009. The PIP Plan will:

8 (1) bring participants' gas and electric bills into  
9 the range of affordability;

10 (2) provide incentives for participants to make timely  
11 payments;

12 (3) encourage participants to reduce usage and  
13 participate in conservation and energy efficiency measures  
14 that reduce the customer's bill and payment requirements;  
15 ~~and~~

16 (4) identify participants whose homes are most in need  
17 of weatherization; ~~and-~~

18 (5) endeavor to maximize participation and spend at  
19 least 80% of the funding available for the year.

20 (b) For purposes of this Section:

21 (1) "LIHEAP" means the energy assistance program  
22 established under the Illinois Energy Assistance Act and  
23 the Low-Income Home Energy Assistance Act of 1981.

24 (2) "Plan participant" is an eligible participant who  
25 is also eligible for the PIPP and who will receive either a  
26 percentage of income payment credit under the PIPP

1 criteria set forth in this Act or a benefit pursuant to  
2 Section 4 of this Act. Plan participants are a subset of  
3 eligible participants.

4 (3) "Pre-program arrears" means the amount a plan  
5 participant owes for gas or electric service at the time  
6 the participant is determined to be eligible for the PIPP  
7 or the program set forth in Section 4 of this Act.

8 (4) "Eligible participant" means any person who has  
9 applied for, been accepted and is receiving residential  
10 service from a gas or electric utility and who is also  
11 eligible for LIHEAP or otherwise satisfies the eligibility  
12 criteria set forth in paragraph (1) of subsection (c) of  
13 this Section.

14  
15 (c) The PIP Plan shall be administered as follows:

16 (1) The Department shall coordinate with Local  
17 Administrative Agencies (LAAs), to determine eligibility  
18 for the Illinois Low Income Home Energy Assistance Program  
19 (LIHEAP) pursuant to the Energy Assistance Act, provided  
20 that eligible income shall be no more than 150% of the  
21 poverty level or 60% of the State median income, except  
22 that for the period from the effective date of this  
23 amendatory Act of the 101st General Assembly through June  
24 30, 2021, eligible income shall be no more than 200% of the  
25 poverty level. Applicants will be screened to determine  
26 whether the applicant's projected payments for electric

1 service or natural gas service over a 12-month period  
2 exceed the criteria established in this Section. The  
3 Department, in consultation with the Policy Advisory  
4 Council, may adjust the percentage of poverty level  
5 annually to determine income eligibility. Adjustments  
6 authorized by this provision may not exclude ~~To maintain~~  
7 ~~the financial integrity of the program, the Department may~~  
8 ~~limit eligibility to~~ households with income below 125% of  
9 the poverty level. Nothing in this Section is intended to  
10 limit the ability of utilities to assist in the referral,  
11 identification, or screening of applicants.

12 (2) The Department shall establish the percentage of  
13 income formula to determine the amount of a monthly  
14 credit, not to exceed \$150 per month per household, not to  
15 exceed \$1,800 annually; however, for the period from the  
16 effective date of this amendatory Act of the 101st General  
17 Assembly through June 30, 2021, the monthly credit for  
18 participants with eligible income over 100% of the poverty  
19 level may be as much as \$200 per month per household, not  
20 to exceed \$2,400 annually, and, the monthly credit for  
21 participants with eligible income 100% or less of the  
22 poverty level may be as much as \$250 per month per  
23 household, not to exceed \$3,000 annually. Credits will be  
24 applied to PIP Plan participants' utility bills based on  
25 the portion of the bill that is the responsibility of the  
26 participant provided that the percentage shall be no more

1 than a total of 6% of the relevant income for gas and  
2 electric utility bills combined, but in any event no less  
3 than \$10 per month, unless the household does not pay  
4 directly for heat, in which case its payment shall be 2.4%  
5 of income but in any event no less than \$5 per month. The  
6 Department may establish a minimum credit amount based on  
7 the cost of administering the program and may deny credits  
8 to otherwise eligible participants if the cost of  
9 administering the credit exceeds the actual amount of any  
10 monthly credit to a participant. If the participant takes  
11 both gas and electric service, 66.67% of the credit shall  
12 be allocated to the entity that provides the participant's  
13 primary energy supply for heating. Each participant shall  
14 enter into a levelized payment plan for, as applicable,  
15 gas and electric service and such plans shall be  
16 implemented by the utility so that a participant's usage  
17 and required payments are reviewed and adjusted regularly,  
18 but no more frequently than quarterly. Nothing in this  
19 Section is intended to prohibit a customer, who is  
20 otherwise eligible for LIHEAP, from participating in the  
21 program described in Section 4 of this Act. Eligible  
22 participants who receive such a benefit shall be  
23 considered plan participants and shall be eligible to  
24 participate in the Arrearage Reduction Program described  
25 in item (5) of this subsection (c).

26 (3) The Department shall remit, through the LAAs, to

1 the utility or participating alternative supplier that  
2 portion of the plan participant's bill that is not the  
3 responsibility of the participant. In the event that the  
4 Department fails to timely remit payment to the utility,  
5 the utility shall be entitled to recover all costs related  
6 to such nonpayment through the automatic adjustment clause  
7 tariffs established pursuant to Section 16-111.8 and  
8 Section 19-145 of the Public Utilities Act. For purposes  
9 of this item (3) of this subsection (c), payment is due on  
10 the date specified on the participant's bill. The  
11 Department, the Department of Revenue and LAAs shall adopt  
12 processes that provide for the timely payment required by  
13 this item (3) of this subsection (c).

14 (4) A plan participant is responsible for all actual  
15 charges for utility service in excess of the PIPP credit.  
16 Pre-program arrears that are included in the Arrearage  
17 Reduction Program described in item (5) of this subsection  
18 (c) shall not be included in the calculation of the  
19 levelized payment plan. Emergency or crisis assistance  
20 payments shall not affect the amount of any PIPP credit to  
21 which a participant is entitled.

22 (5) Electric and gas utilities subject to this Section  
23 shall implement an Arrearage Reduction Program (ARP) for  
24 plan participants as follows: for each month that a plan  
25 participant timely pays his or her utility bill, the  
26 utility shall apply a credit to a portion of the

1 participant's pre-program arrears, if any, equal to  
2 one-twelfth of such arrearage provided that the total  
3 amount of arrearage credits shall equal no more than  
4 \$1,000 annually for each participant for gas and no more  
5 than \$1,000 annually for each participant for electricity.  
6 In the third year of the PIPP, the Department, in  
7 consultation with the Policy Advisory Council established  
8 pursuant to Section 5 of this Act, shall determine by rule  
9 an appropriate per participant total cap on such amounts,  
10 if any. Those plan participants participating in the ARP  
11 shall not be subject to the imposition of any additional  
12 late payment fees on pre-program arrears covered by the  
13 ARP. In all other respects, the utility shall bill and  
14 collect the monthly bill of a plan participant pursuant to  
15 the same rules, regulations, programs and policies as  
16 applicable to residential customers generally.  
17 Participation in the Arrearage Reduction Program shall be  
18 limited to the maximum amount of funds available as set  
19 forth in subsection (f) of Section 13 of this Act. In the  
20 event any donated funds under Section 13 of this Act are  
21 specifically designated for the purpose of funding the  
22 ARP, the Department shall remit such amounts to the  
23 utilities upon verification that such funds are needed to  
24 fund the ARP. Nothing in this Section shall preclude a  
25 utility from continuing to implement, and apply credits  
26 under, an ARP in the event that the PIPP or LIHEAP is

1           suspended due to lack of funding such that the plan  
2           participant does not receive a benefit under either the  
3           PIPP or LIHEAP.

4           (5.5) In addition to the ARP described in paragraph  
5           (5) of this subsection (c), utilities may also implement a  
6           Supplemental Arrearage Reduction Program (SARP) for  
7           eligible participants who are not able to become plan  
8           participants due to PIPP timing or funding constraints. If  
9           a utility elects to implement a SARP, it shall be  
10          administered as follows: for each month that a SARP  
11          participant timely pays his or her utility bill, the  
12          utility shall apply a credit to a portion of the  
13          participant's pre-program arrears, if any, equal to  
14          one-twelfth of such arrearage, provided that the utility  
15          may limit the total amount of arrearage credits to no more  
16          than \$1,000 annually for each participant for gas and no  
17          more than \$1,000 annually for each participant for  
18          electricity. SARP participants shall not be subject to the  
19          imposition of any additional late payment fees on  
20          pre-program arrears covered by the SARP. In all other  
21          respects, the utility shall bill and collect the monthly  
22          bill of a SARP participant under the same rules,  
23          regulations, programs, and policies as applicable to  
24          residential customers generally. Participation in the SARP  
25          shall be limited to the maximum amount of funds available  
26          as set forth in subsection (f) of Section 13 of this Act



1       and any applicable funds available pursuant to subsection  
2       (d-15) of the Illinois Power Agency Act. In the event any  
3       donated funds under Section 13 of this Act are  
4       specifically designated for the purpose of funding the  
5       SARP, the Department shall remit such amounts to the  
6       utilities upon verification that such funds are needed to  
7       fund the SARP.

8           (6) The Department may terminate a plan participant's  
9       eligibility for the PIP Plan upon notification by the  
10      utility that the participant's monthly utility payment is  
11      more than 75 ~~45~~ days past due. One-twelfth of a customer's  
12      arrears shall be deducted from the total arrears owed  
13      for each on-time payment made by the customer.

14          (7) The Department, in consultation with the Policy  
15      Advisory Council, may adjust the number of PIP Plan  
16      participants annually, if necessary, to match the  
17      availability of funds. Any plan participant who qualifies  
18      for a PIPP credit under a utility's PIPP shall be entitled  
19      to participate in and receive a credit under such  
20      utility's ARP for so long as such utility has ARP funds  
21      available, regardless of whether the customer's  
22      participation under another utility's PIPP or ARP has been  
23      curtailed or limited because of a lack of funds.

24          (8) The Department shall fully implement the PIPP at  
25      the earliest possible date it is able to effectively  
26      administer the PIPP. Within 90 days of the effective date

1 of this amendatory Act of the 96th General Assembly, the  
2 Department shall, in consultation with utility companies,  
3 participating alternative suppliers, LAAs and the Illinois  
4 Commerce Commission (Commission), issue a detailed  
5 implementation plan which shall include detailed testing  
6 protocols and analysis of the capacity for implementation  
7 by the LAAs and utilities. Such consultation process also  
8 shall address how to implement the PIPP in the most  
9 cost-effective and timely manner, and shall identify  
10 opportunities for relying on the expertise of utilities,  
11 LAAs and the Commission. Following the implementation of  
12 the testing protocols, the Department shall issue a  
13 written report on the feasibility of full or gradual  
14 implementation. The PIPP shall be fully implemented by  
15 September 1, 2011, but may be phased in prior to that date.

16 (9) As part of the screening process established under  
17 item (1) of this subsection (c), the Department and LAAs  
18 shall assess whether any energy efficiency or demand  
19 response measures are available to the plan participant at  
20 no cost, and if so, the participant shall enroll in any  
21 such program for which he or she is eligible. The LAAs  
22 shall assist the participant in the applicable enrollment  
23 or application process.

24 (10) Each alternative retail electric and gas supplier  
25 serving residential customers shall elect whether to  
26 participate in the PIPP or ARP described in this Section.

1 Any such supplier electing to participate in the PIPP  
2 shall provide to the Department such information as the  
3 Department may require, including, without limitation,  
4 information sufficient for the Department to determine the  
5 proportionate allocation of credits between the  
6 alternative supplier and the utility. If a utility in  
7 whose service territory an alternative supplier serves  
8 customers contributes money to the ARP fund which is not  
9 recovered from ratepayers, then an alternative supplier  
10 which participates in ARP in that utility's service  
11 territory shall also contribute to the ARP fund in an  
12 amount that is commensurate with the number of alternative  
13 supplier customers who elect to participate in the  
14 program.

15 (11) The PIPP shall be designed and implemented each  
16 year to maximize participation and spend at least 80% of  
17 the funding available for the year.

18 (d) The Department, in consultation with the Policy  
19 Advisory Council, shall develop and implement a program to  
20 educate customers about the PIP Plan and about their rights  
21 and responsibilities under the percentage of income component.  
22 The Department, in consultation with the Policy Advisory  
23 Council, shall establish a process that LAAs shall use to  
24 contact customers in jeopardy of losing eligibility due to  
25 late payments. The Department shall ensure that LAAs are  
26 adequately funded to perform all necessary educational tasks.

1 (e) The PIPP shall be administered in a manner which  
2 ensures that credits to plan participants will not be counted  
3 as income or as a resource in other means-tested assistance  
4 programs for low-income households or otherwise result in the  
5 loss of federal or State assistance dollars for low-income  
6 households.

7 (f) In order to ensure that implementation costs are  
8 minimized, the Department and utilities shall work together to  
9 identify cost-effective ways to transfer information  
10 electronically and to employ available protocols that will  
11 minimize their respective administrative costs as follows:

12 (1) The Commission may require utilities to provide  
13 such information on customer usage and billing and payment  
14 information as required by the Department to implement the  
15 PIP Plan and to provide written notices and communications  
16 to plan participants.

17 (2) Each utility and participating alternative  
18 supplier shall file annual reports with the Department and  
19 the Commission that cumulatively summarize and update  
20 program information as required by the Commission's rules.  
21 The reports shall track implementation costs and contain  
22 such information as is necessary to evaluate the success  
23 of the PIPP.

24 (3) The Department shall annually prepare and submit a  
25 report to the General Assembly, Commission, and Policy  
26 Advisory Council that identifies the following amounts for

1       the most recently completed year: total moneys collected  
2       under subsection (b) of Section 13 of this Act for all  
3       PIPPs implemented in the State; total moneys allocated to  
4       each utility for implementation of its PIPP, including an  
5       accounting of the moneys allocated to each county in the  
6       utility's service territory; total moneys disbursed to  
7       each utility's customers at a county level; and total  
8       moneys allocated to each utility for other purposes,  
9       including an accounting of moneys allocated to each county  
10       in the utility's service territory and a description of  
11       each such other purpose. The Commission shall publish each  
12       report prepared pursuant to this paragraph (3) on its  
13       website.

14       (4) The Department and the Commission shall have the  
15       authority to promulgate rules and regulations necessary to  
16       execute and administer the provisions of this Section.

17       (g) Each utility shall be entitled to recover reasonable  
18       administrative and operational costs incurred to comply with  
19       this Section from the Supplemental Low Income Energy  
20       Assistance Fund. The utility may net such costs against monies  
21       it would otherwise remit to the Funds, and each utility shall  
22       include in the annual report required under subsection (f) of  
23       this Section an accounting for the funds collected.

24       (Source: P.A. 101-636, eff. 6-10-20.)

1       Sec. 20. Availability to low-income residents. All  
2 programs offered pursuant to this Act shall be available to  
3 eligible low-income Illinois residents who qualify for  
4 assistance under Sections 6 and 18 of this Act, regardless of  
5 immigration status, using the Supplemental Low-Income Energy  
6 Assistance Fund for customers of utilities and vendors that  
7 collect the Energy Assistance Charge and pay into the  
8 Supplemental Low-Income Energy Assistance Fund.

9       Section 90-40. The Consumer Fraud and Deceptive Business  
10 Practices Act is amended by adding Section 2WWW as follows:

11       (815 ILCS 505/2WWW new)

12       Sec. 2WWW. Renewable energy providers and community energy  
13 subscription providers.

14       (a) As used in this Section:

15       "Community energy subscription provider" is a person who  
16 enters into agreements with consumers for subscriptions to  
17 community renewable generation projects.

18       "Community renewable generation project" has the meaning  
19 set forth in Section 1-10 of the Illinois Power Agency Act.

20       "Electric service provider" has the meaning given that  
21 phrase in Section 6.5 of the Attorney General Act.

22       "Electric utility" has the meaning set forth in Section  
23 16-102 of the Public Utilities Act.

24       "Public utility" has the meaning set forth in Section

1 3-105 of the Public Utilities Act.

2 "Renewable energy provider" is a person who enters into  
3 agreements with consumers for the provision of energy from  
4 renewable energy resources or physical renewable energy  
5 resources systems, including, but not limited to, rooftop  
6 photovoltaic, wind, or geothermal systems.

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

9 (b) (1) A renewable energy provider or a community energy  
10 subscription provider that enters into an agreement with a  
11 consumer for (i) the provision of energy from renewable energy  
12 resources, (ii) installation of a physical renewable energy  
13 resources system, including, but not limited to, a rooftop  
14 photovoltaic, a wind, or a geothermal system, or (iii) a  
15 subscription to a community renewable generation project,  
16 shall be subject to the provisions of this Section.

17 (2) Prior to executing any such agreement described in  
18 paragraph (1) of this subsection (b) through a sale, lease,  
19 mortgage, financing instrument, purchase power agreement, or  
20 other contractual arrangement, or executing a change in a  
21 consumer's selection of a provider of electric service, the  
22 renewable energy provider or a community energy subscription  
23 provider must first fully and clearly discloses all material  
24 terms and conditions of the offer to the consumer in plain  
25 language, including, but not limited to, the following: (i)  
26 the total price and, where applicable, the monthly and annual

1 price; (ii) whether the total price is fixed or variable;  
2 (iii) if a variable price, an explanation of how the price will  
3 adjust; (iv) whether there is a termination fee and, if so, an  
4 explanation of when it applies and in what amounts; (v) the  
5 terms of any warranty; and (vi) the date and method by which  
6 the consumer may cancel the transaction or agreement.

7 Prior to entering into a transaction in which a consumer's  
8 electric supplier is switched, the renewable energy provider  
9 or community subscription provider must confirm the consumer's  
10 consent in accordance with one of the methods described in  
11 Section 2EE of this Act.

12 (c) It shall be a violation of this Section for a renewable  
13 energy provider or a community energy subscription provider to  
14 make false or misleading statements about the cost or the  
15 terms of a transaction that is subject to this Section.

16 (d) (1) A renewable energy provider or a community energy  
17 subscription provider shall not use the name of a public  
18 utility in any manner that is deceptive or misleading,  
19 including, but not limited to, implying or otherwise leading a  
20 consumer to believe that it is soliciting on behalf of or is an  
21 agent of a utility.

22 (2) A renewable energy provider or a community energy  
23 subscription provider shall not state or otherwise imply that  
24 the renewable energy provider or a community energy  
25 subscription provider is employed by, representing, endorsed  
26 by, or acting on behalf of a public utility or public utility



1 program, a consumer group or consumer group program, or a  
2 governmental body, unless the renewable energy provider or  
3 community energy subscription provider has entered into a  
4 contractual arrangement with the governmental body and has  
5 been authorized by the governmental body to make the  
6 statements.

7 (e) Complaints may be filed with the Illinois Commerce  
8 Commission under this Section (i) by a consumer who engaged in  
9 a transaction with, or whose electric provider was switched  
10 by, a renewable energy provider or community energy  
11 subscription provider who acted in a manner not in compliance  
12 with this Section or (ii) by the Illinois Commerce Commission  
13 on its own motion when it appears to the Commission that a  
14 renewable energy provider or a community energy subscription  
15 provider has provided service in a manner not in compliance  
16 with this Section. If, after notice and hearing, the  
17 Commission finds that a renewable energy provider or a  
18 community energy subscription provider has violated this  
19 Section, the consumer shall be permitted to cancel the  
20 contract without any penalty or termination fee, and the  
21 Commission may in its discretion do any one or more of the  
22 following:

23 (1) Require the violating renewable energy provider or  
24 community energy subscription provider to refund to the  
25 consumer the charges collected in excess of those that  
26 would have been charged by the consumer's authorized

1 electric service provider.

2 (2) Require the violating renewable energy provider or  
3 community energy subscription provider to pay to the  
4 consumer's authorized electric service provider the amount  
5 the authorized electric service provider would have  
6 collected for the electric service. The Commission is  
7 authorized to reduce this payment by any amount already  
8 paid by the violating provider to the consumer's  
9 authorized provider for electric service.

10 (3) Require the violating renewable energy provider or  
11 community energy subscription provider to pay a fine of up  
12 to \$1,000 into the Public Utility Fund for each repeated  
13 and intentional violation of this Section.

14 (4) Issue a cease and desist order.

15 (f) The provisions of this Section do not apply to public  
16 utilities.

17 Article 99. Effective Date

18 Section 99-99. Effective date. This Act takes effect upon  
19 becoming law.".