



Sen. Michael E. Hastings

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10200SB1101sam001

LRB102 04925 SPS 23982 a

1 AMENDMENT TO SENATE BILL 1101

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1101 by replacing  
3 everything after the enacting clause with the following:

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

6 (5 ILCS 100/5-45.8 new)

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

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

1       This Section is repealed on January 1, 2026.

2           Section 10. The Public Utilities Act is amended by adding  
3 Sections 4-701, 4-702, 9-228, and 16-131 as follows:

4           (220 ILCS 5/4-701 new)

5           Sec. 4-701. Electric Utility Independent Monitor.

6           (a) It is the policy of this State to ensure public  
7 utilities adhere to the highest standards of ethical conduct.  
8 Recent events have demonstrated that at least one public  
9 utility in this State has not adhered to the standards of  
10 conduct expected by the State, and as such, has breached the  
11 public trust. The General Assembly finds this offensive  
12 conduct warrants a response that ensures transparency and  
13 ethical standards are adhered to. The General Assembly  
14 therefore declares its intent to impose heightened scrutiny  
15 and rigorous standards to increase transparency and ensure  
16 ethics compliance. Further, it is the intent of the General  
17 Assembly to remediate public utility wrongdoing and penalize  
18 impropriety.

19           (b) This Section applies to electric public utilities  
20 servicing more than 3,000,000 retail customers in the State for  
21 the duration of any deferred prosecution agreement, pending  
22 criminal charges, ongoing criminal investigation, and term of  
23 criminal penalties against the public utility or any of its  
24 officers or former officers.

1       (c) Within 60 days after the effective date of this  
2 amendatory Act of the 102nd General Assembly, the Commission  
3 shall begin the process of creating the position of Electric  
4 Utility Independent Monitor. The responsibilities of the  
5 Electric Utility Independent Monitor shall include the  
6 following:

7           (1) developing and publishing annual ethics audits of  
8 electric public utilities serving more than 3,000,000  
9 retail customers in the State;

10          (2) hiring additional staff or contract entities as  
11 necessary to fulfill the obligations of this Section;

12          (3) developing a public reporting system to record  
13 each and every communication, including who was present,  
14 the subject matter discussed, materials provided or  
15 discussed, whether the meeting was in-person, via video,  
16 or telephonic, and the date and time of the communication,  
17 between a representative, employee, officer, or executive  
18 of an electric public utility and a Commissioner,  
19 representative, employee, or staff of the Commission;

20          (4) overseeing an electric public utility's compliance  
21 with the standards described by statute, rule, or court  
22 order regarding standards of ethical conduct;

23          (5) working in coordination with an electric public  
24 utility's highest officer responsible for compliance and  
25 ethics, such as a Chief Compliance and Ethics Officer, to  
26 ensure the utility complies with ethics standards provided

1 by law, rule, and any other applicable authority, through  
2 investigation, enforcement, reporting, and disciplinary  
3 activities, including fines;

4 (6) documenting violations of statutes, rules, court  
5 order, internal controls, Commission orders, or other  
6 applicable authority regarding ethics and transparency and  
7 ensure appropriate internal disciplinary actions are taken  
8 and the violation is reported to the Commission when  
9 appropriate;

10 (7) filing reports with the Commission of each and  
11 every event where an electric public utility has not taken  
12 disciplinary action for a violation of statutes, rules,  
13 court order, internal controls, Commission orders, or  
14 other applicable authority regarding ethics and  
15 transparency, or where the public utility does not take a  
16 disciplinary action that aligns with the recommendation of  
17 the Electric Utility Independent Monitor;

18 (8) recommending to the Commission that it adopt new  
19 internal controls, policies, practices, or procedures to  
20 apply to an electric public utility to ensure compliance  
21 with statute, rule, court order, or other applicable  
22 authority;

23 (9) publishing an annual ethics audit for an electric  
24 public utility subject to this Section describing the  
25 electric public utility's internal controls, policies,  
26 practices, and procedures to comply with statutes, rules,

1 court orders, or other applicable authority; this report  
2 should also include a record of any disciplinary actions  
3 taken related to unethical conduct as well as any  
4 recommendations the Electric Utility Independent Monitor  
5 has made and the public utility's response;

6 (10) detailing deficiencies in a report to the  
7 Commission and the General Assembly that shall include a  
8 recommendation for Commission action if the Electric  
9 Utility Independent Monitor finds that an electric public  
10 utility has not complied with standards set forth by law,  
11 rules, or by other applicable authority; and

12 (11) monitoring, auditing, and subpoenaing all records  
13 necessary for the Electric Utility Independent Monitor to  
14 meet the responsibilities described in this Section and  
15 related rules, including, but not limited to, contracts  
16 with third party entities, accounting records,  
17 communication with public officials or their staff,  
18 lobbying activities, expenses on lobbyists and  
19 consultants, legal expenses, and internal compliance  
20 policies.

21 (d) An electric public utility subject to this Section  
22 shall remit amounts necessary for the Commission to pay the  
23 wages, overhead, travel expenses, and other costs of the  
24 Electric Utility Independent Monitor and staff as determined  
25 by the Commission.

26 (e) An electric public utility's cost of compliance with

1 this Section is not a cost of service and shall not be  
2 recoverable in rates.

3 (f) Where an electric public utility is the subject of a  
4 federal or State criminal investigation or where the  
5 Commission initiates an investigation of an ethics violation,  
6 the utility's costs related to such investigation are not a  
7 cost of service and shall not be recoverable in rates.

8 (g) The Commission shall have the authority to retain an  
9 independent third party to serve as the Electric Utility  
10 Independent Monitor pursuant to this Section.

11 (h) The Commission shall have the authority to create  
12 rules and emergency rules where applicable to implement this  
13 Section.

14 (220 ILCS 5/4-702 new)

15 Sec. 4-702. Electric utility audit.

16 (a) Within 30 days after the effective date of this  
17 amendatory Act of the 102nd General Assembly, the Commission  
18 may begin the process of contracting with a third party or  
19 hiring additional personnel as needed to conduct an audit  
20 pursuant to this Section.

21 (b) The Commission shall conduct an audit of all electric  
22 systems investments made by a participating utility, other  
23 than a combination utility. This audit shall include a review  
24 of:

25 (1) system upgrade costs and intended benefits;

1           (2) whether the investment was part of the  
2           participating utility's investment obligations under  
3           subsection (b) of Section 16-108.5 of this Act;

4           (3) benefits to ratepayers;

5           (4) efficiencies gained as a result of investments  
6           made by the participating utility;

7           (5) steps taken to minimize costs to consumers; and

8           (6) any other information the Commission determines is  
9           necessary to analyze the costs and benefits of these smart  
10          grid electric systems upgrades.

11          (c) The Commission must prepare and file a final report  
12          with the General Assembly analyzing the costs and benefits of  
13          the smart meter program and other smart grid electric systems  
14          upgrades no later than 2 years after the effective date of this  
15          amendatory Act of the 102nd General Assembly.

16          (d) The Commission is authorized to monitor, audit, and  
17          subpoena all records necessary to meet responsibilities  
18          described in this Section.

19          (e) An electric public utility subject to this Section  
20          shall remit amounts necessary for the Commission to pay the  
21          wages, contract costs, overhead, travel expenses, and other  
22          costs incurred to meet the responsibilities of this Section.  
23          The electric public utility's cost of compliance with this  
24          Section is not a cost of service shall not be recoverable in  
25          rates.

1 (220 ILCS 5/9-228 new)

2 Sec. 9-228. Limits on public utility expenses. The  
3 Commission shall not consider any of the following as an  
4 expense of any public utility company, including any  
5 allocation of those costs to the public utility from an  
6 affiliate or corporate parent for the purpose of determining  
7 any rate or charge, any amount expended for:

8 (1) the pension or other post-employment benefits for  
9 an employee convicted of committing a criminal act in the  
10 course of his or her work with the utility;

11 (2) any severance or post-employment costs for an  
12 employee convicted of committing a criminal act in the  
13 course of his or her work with the utility; and

14 (3) criminal penalties, fines, fees, and costs related  
15 to criminal charges, criminal investigations, or deferred  
16 prosecution agreements.

17 (220 ILCS 5/16-131 new)

18 Sec. 16-131. Criminal penalty electric utility rebate.

19 (a) It is the policy of this State that ethical and  
20 criminal misconduct by electric utilities harms ratepayers by  
21 destroying public trust. The General Assembly finds it  
22 necessary to remediate harm caused by electric utilities by  
23 requiring that criminal penalties, or an amount equal to the  
24 criminal penalty paid by an electric utility, be rebated to  
25 ratepayers as restitution for the breach of public trust.



1       (b) Electric utilities shall rebate to ratepayers an  
2 amount equal to the total amount of penalties or fines paid to  
3 the State or federal government in the preceding 12 months as a  
4 result of a criminal investigation, criminal charge, or  
5 deferred prosecution agreement beginning in the year  
6 subsequent to the remittance of the penalty or fine. This  
7 rebate shall be amortized in the rates over a period of 3  
8 years.

9       (c) The rebate amount is not a cost of service and shall  
10 not be recoverable through rates.

11       (d) The utility must file a rebate rider tariff with the  
12 Commission and any bill adjustment resulting from such rebate  
13 rider shall appear as a separate line item on the customer's  
14 bill.

15       (e) An electric utility must submit all information  
16 regarding criminal fines, fees, and penalties annually to the  
17 Commission.

18       (f) The Commission shall have emergency rulemaking  
19 authority to implement this Section.

20       Section 99. Effective date. This Act takes effect upon  
21 becoming law.".