



Rep. Lawrence Walsh, Jr.

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1 AMENDMENT TO SENATE BILL 3866

2 AMENDMENT NO. _____. Amend Senate Bill 3866, AS AMENDED,
3 by inserting the following in its proper numeric sequence:

4 "Article 2.

5 Section 2-1. Short title. This Article may be cited as the
6 Illinois Rust Belt to Green Belt Pilot Program Act. References
7 in this Article to "this Act" mean this Article.

8 Section 2-5. Legislative findings. The General Assembly
9 finds and determines that:

10 (1) Human-induced greenhouse gas emissions have been
11 identified as contributing to global warming, the effects
12 of which pose a threat to the public health, safety,
13 welfare, and economy of the State of Illinois.

14 (2) The White House released a statement claiming
15 that, in 2020, the United States endured 22 separate

1 billion-dollar weather and climate disasters, costing
2 \$95,000,000,000 in damages to homes, businesses, and
3 public infrastructure.

4 (3) In order to meet the energy needs of the State of
5 Illinois, keep its economy strong, and protect the
6 environment while reducing its contribution to
7 human-induced greenhouse gas emissions, the State of
8 Illinois must be a leader in developing new low-carbon
9 technologies.

10 (4) Offshore wind is an emerging source of large-scale
11 renewable energy that is proximate to Illinois' major
12 electric loads and labor intensive.

13 (5) Offshore wind produces high capacity factor
14 renewable power, making it a valuable resource
15 complementary to land-based wind and solar.

16 (6) In his first week in office, President Joseph R.
17 Biden, Jr., issued an Executive Order (14008) on Tackling
18 the Climate Crisis at Home and Abroad that directs the
19 Secretary of the Interior to identify steps that can be
20 taken to double offshore wind by 2030 while "ensuring
21 robust protection for our lands, waters, and biodiversity
22 and creating good jobs".

23 (7) The United States Departments of Interior, Energy,
24 and Commerce announced a shared goal to deploy 30
25 gigawatts of offshore wind in the United States by 2030,
26 while protecting biodiversity and promoting ocean co-use,

1 which trigger more than \$12,000,000,000 per year in
2 capital investment; create tens of thousands of
3 good-paying, union jobs, with more than 44,000 workers
4 employed in offshore wind by 2030 and nearly 33,000
5 additional jobs in communities supported by offshore wind
6 activity; generate enough power to meet the demand of more
7 than 10,000,000 American homes for a year; and avoid
8 78,000,000 metric tons of carbon dioxide emissions.

9 (8) The federal government is expanding infrastructure
10 funding for port rehabilitation and construction,
11 including the United States Department of Transportation's
12 Maritime Administration's Notice of Funding Opportunity
13 for port authorities and other applicants to apply for
14 \$230,000,000 for port and intermodal
15 infrastructure-related projects through the Port
16 Infrastructure Development Program to support projects
17 that strengthen and modernize port infrastructure, and can
18 support shore-side wind energy projects, such as storage
19 areas, laydown areas, and docking of wind energy vessels
20 to load and move items to offshore wind farms.

21 (9) Extensive development of offshore wind on the East
22 Coast is making offshore wind costs more competitive.

23 (10) Lake Michigan is the fifth largest lake in the
24 world, with a total surface area of 22,404 square miles
25 across 4 states, with 1,576 square miles of surface area
26 in Illinois.

1 (11) The 1,576 square miles of Lake Michigan within
2 the boundaries of the State of Illinois have a potential
3 capacity of 4,528 megawatts of offshore wind.

4 (12) The State of Illinois has excellent and available
5 port infrastructure on the South Side of Chicago that can
6 be utilized as a base for construction, operations, and
7 maintenance.

8 (13) The State of Illinois seeks a leadership position
9 in the offshore wind industry as it emerges in the Great
10 Lakes.

11 (14) Fostering development of a new industry on the
12 South Side of Chicago will help create jobs for the most
13 underserved and underrepresented segment of Illinois'
14 population.

15 (15) Offshore wind developments will attract
16 investment capital and will enable the development and
17 preservation of a skilled and trained construction
18 workforce to carry out projects, long-term job creation,
19 and development of an offshore wind energy supply chain.
20 Rates will not be impacted until after the offshore wind
21 development is energized and starts delivering power.

22 Therefore, the General Assembly finds that it is necessary
23 to enact this Act to enable the responsible creation of an
24 offshore wind industry in the State of Illinois with the
25 creation of a pilot project of at least 150 megawatts to
26 provide economic and environmental benefits to the State of

1 Illinois.

2 Section 2-10. Definitions. As used in this Act:

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

5 "Disproportionately impacted area" means a census tract or
6 comparable geographic area that satisfies criteria as
7 determined by the Department.

8 "Equity and inclusion plan" means a plan that is filed
9 with the Department by an applicant for a new utility-scale
10 offshore wind project pursuant to item (iii-5) of subparagraph
11 (G) of paragraph (1) of subsection (c) of Section 1-75 of the
12 Illinois Power Agency Act.

13 "Equity and inclusion plan scoring" means a score of up to
14 34 points, determined by the Department's review of an
15 applicant's ability to demonstrate that it has a comprehensive
16 and detailed equity and inclusion plan crafted to create
17 opportunities for underrepresented populations and equity
18 investment eligible communities.

19 "Equity investment eligible communities" has the same
20 meaning as "equity investment eligible community" as set forth
21 in Section 5-5 of the Energy Transition Act.

22 "Minorities" means minority persons as defined in the
23 Business Enterprise for Minorities, Women, and Persons with
24 Disabilities Act.

25 "New utility-scale offshore wind project" means an

1 electric generating facility that:

2 (1) generates electricity using wind;

3 (2) has a nameplate capacity that is greater than 150
4 megawatts;

5 (3) is sited in the waters of Lake Michigan;

6 (4) is interconnected to the PJM Interconnection's
7 regional transmission system;

8 (5) has a fully executed project labor agreement with
9 the applicable local building and construction trades
10 council; and

11 (6) has a comprehensive and detailed equity and
12 inclusion plan crafted to create opportunities for
13 underrepresented local populations in addition to equity
14 investment eligible communities.

15 "Underrepresented populations" means populations
16 identified by the Department that historically have had
17 barriers to entry or advancement in the workforce and reside
18 within a disproportionately impacted area that is within 3
19 miles of the primary staging location of a new utility-scale
20 offshore wind project. "Underrepresented populations"
21 includes, but is not limited to, minorities, women, and
22 veterans.

23 Section 2-15. Illinois Rust Belt to Green Belt Fund;
24 creation; distribution of proceeds.

25 (a) The Illinois Rust Belt to Green Belt Fund is created as

1 a special fund in the State treasury. The fund may receive
2 federal financial assistance, either directly from the federal
3 government or indirectly through another source, public or
4 private. The fund may also receive transfers, gifts, grants,
5 or donations from any source, public or private. Subject to
6 appropriation, funds may be spent for purposes including, but
7 not limited to, administrative expenses of the Department,
8 grants and other financial assistance related to construction
9 of ports and infrastructure, and workforce development related
10 to offshore wind.

11 (b) The Illinois Rust Belt to Green Belt Fund shall be used
12 by the Department to encourage and facilitate the employment
13 of construction workforces located in underrepresented
14 populations, in addition to equity investment eligible
15 communities for work on a new utility-scale offshore wind
16 project or related port. Recipients of grants or awards from
17 the Illinois Rust Belt to Green Belt Fund may utilize the
18 Illinois Climate Works Preapprenticeship Program, Clean Jobs
19 Workforce Network Program, Clean Energy Contractor Incubator
20 Program, Returning Residents Clean Jobs Training Program, and
21 Clean Energy Primes Contractor Accelerator Program as
22 described in the Energy Transition Act to recruit, prescreen,
23 and provide pre-apprenticeship skills training for work on a
24 new utility-scale offshore wind project or related port.

25 Section 2-20. Equity and inclusion plan; filing; scoring.

1 Applicants that are applying for a new utility-scale offshore
2 wind project with the Illinois Power Agency shall file with
3 the Department, as part of their application, an equity and
4 inclusion plan. The Department shall accept all equity and
5 inclusion plans and shall issue equity and inclusion plan
6 scoring for each plan based upon the plan's ability to create
7 opportunities for (i) underrepresented populations and (ii)
8 equity investment eligible communities. The maximum number of
9 points that the Department can award for each plan is 34
10 points.

11 Section 2-100. The Illinois Power Agency Act is amended by
12 changing Section 1-75 as follows:

13 (20 ILCS 3855/1-75)

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

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

1 Bureau shall develop plans and processes for the procurement
2 of zero emission credits from zero emission facilities in
3 accordance with the requirements of subsection (d-5) of this
4 Section. Beginning on the effective date of this amendatory
5 Act of the 102nd General Assembly, the Planning and
6 Procurement Bureau shall develop plans and processes for the
7 procurement of carbon mitigation credits from carbon-free
8 energy resources in accordance with the requirements of
9 subsection (d-10) of this Section. The Planning and
10 Procurement Bureau shall also develop procurement plans and
11 conduct competitive procurement processes in accordance with
12 the requirements of Section 16-111.5 of the Public Utilities
13 Act for the eligible retail customers of small
14 multi-jurisdictional electric utilities that (i) on December
15 31, 2005 served less than 100,000 customers in Illinois and
16 (ii) request a procurement plan for their Illinois
17 jurisdictional load. This Section shall not apply to a small
18 multi-jurisdictional utility until such time as a small
19 multi-jurisdictional utility requests the Agency to prepare a
20 procurement plan for their Illinois jurisdictional load. For
21 the purposes of this Section, the term "eligible retail
22 customers" has the same definition as found in Section
23 16-111.5(a) of the Public Utilities Act.

24 Beginning with the plan or plans to be implemented in the
25 2017 delivery year, the Agency shall no longer include the
26 procurement of renewable energy resources in the annual

1 procurement plans required by this subsection (a), except as
2 provided in subsection (q) of Section 16-111.5 of the Public
3 Utilities Act, and shall instead develop a long-term renewable
4 resources procurement plan in accordance with subsection (c)
5 of this Section and Section 16-111.5 of the Public Utilities
6 Act.

7 In accordance with subsection (c-5) of this Section, the
8 Planning and Procurement Bureau shall oversee the procurement
9 by electric utilities that served more than 300,000 retail
10 customers in this State as of January 1, 2019 of renewable
11 energy credits from new utility-scale solar projects to be
12 installed, along with energy storage facilities, at or
13 adjacent to the sites of electric generating facilities that,
14 as of January 1, 2016, burned coal as their primary fuel
15 source.

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

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

25 (B) an advanced degree in economics, mathematics,
26 engineering, risk management, or a related area of

1 study;

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

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

8 (E) expertise in credit protocols and familiarity
9 with contract protocols;

10 (F) adequate resources to perform and fulfill the
11 required functions and responsibilities; and

12 (G) the absence of a conflict of interest and
13 inappropriate bias for or against potential bidders or
14 the affected electric utilities.

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

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

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

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

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 and contract protocols;

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

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

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

26 (A) failure to satisfy qualification criteria;

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

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

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

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

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

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

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

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

19 (c) Renewable portfolio standard.

20 (1) (A) The Agency shall develop a long-term renewable
21 resources procurement plan that shall include procurement
22 programs and competitive procurement events necessary to
23 meet the goals set forth in this subsection (c). The
24 initial long-term renewable resources procurement plan
25 shall be released for comment no later than 160 days after
26 June 1, 2017 (the effective date of Public Act 99-906).

1 The Agency shall review, and may revise on an expedited
2 basis, the long-term renewable resources procurement plan
3 at least every 2 years, which shall be conducted in
4 conjunction with the procurement plan under Section
5 16-111.5 of the Public Utilities Act to the extent
6 practicable to minimize administrative expense. No later
7 than 120 days after the effective date of this amendatory
8 Act of the 102nd General Assembly, the Agency shall
9 release for comment a revision to the long-term renewable
10 resources procurement plan, updating elements of the most
11 recently approved plan as needed to comply with this
12 amendatory Act of the 102nd General Assembly, and any
13 long-term renewable resources procurement plan update
14 published by the Agency but not yet approved by the
15 Illinois Commerce Commission shall be withdrawn. The
16 long-term renewable resources procurement plans shall be
17 subject to review and approval by the Commission under
18 Section 16-111.5 of the Public Utilities Act.

19 (B) Subject to subparagraph (F) of this paragraph (1),
20 the long-term renewable resources procurement plan shall
21 attempt to meet the goals for procurement of renewable
22 energy credits at levels of at least the following overall
23 percentages: 13% by the 2017 delivery year; increasing by
24 at least 1.5% each delivery year thereafter to at least
25 25% by the 2025 delivery year; increasing by at least 3%
26 each delivery year thereafter to at least 40% by the 2030

1 delivery year, and continuing at no less than 40% for each
2 delivery year thereafter. The Agency shall attempt to
3 procure 50% by delivery year 2040. The Agency shall
4 determine the annual increase between delivery year 2030
5 and delivery year 2040, if any, taking into account energy
6 demand, other energy resources, and other public policy
7 goals. In the event of a conflict between these goals and
8 the new wind and new photovoltaic procurement requirements
9 described in items (i) through (iii) of subparagraph (C)
10 of this paragraph (1), the long-term plan shall prioritize
11 compliance with the new wind and new photovoltaic
12 procurement requirements described in items (i) through
13 (iii) of subparagraph (C) of this paragraph (1) over the
14 annual percentage targets described in this subparagraph
15 (B). The Agency shall not comply with the annual
16 percentage targets described in this subparagraph (B) by
17 procuring renewable energy credits that are unlikely to
18 lead to the development of new renewable resources.

19 For the delivery year beginning June 1, 2017, the
20 procurement plan shall attempt to include, subject to the
21 prioritization outlined in this subparagraph (B),
22 cost-effective renewable energy resources equal to at
23 least 13% of each utility's load for eligible retail
24 customers and 13% of the applicable portion of each
25 utility's load for retail customers who are not eligible
26 retail customers, which applicable portion shall equal 50%

1 of the utility's load for retail customers who are not
2 eligible retail customers on February 28, 2017.

3 For the delivery year beginning June 1, 2018, the
4 procurement plan shall attempt to include, subject to the
5 prioritization outlined in this subparagraph (B),
6 cost-effective renewable energy resources equal to at
7 least 14.5% of each utility's load for eligible retail
8 customers and 14.5% of the applicable portion of each
9 utility's load for retail customers who are not eligible
10 retail customers, which applicable portion shall equal 75%
11 of the utility's load for retail customers who are not
12 eligible retail customers on February 28, 2017.

13 For the delivery year beginning June 1, 2019, and for
14 each year thereafter, the procurement plans shall attempt
15 to include, subject to the prioritization outlined in this
16 subparagraph (B), cost-effective renewable energy
17 resources equal to a minimum percentage of each utility's
18 load for all retail customers as follows: 16% by June 1,
19 2019; increasing by 1.5% each year thereafter to 25% by
20 June 1, 2025; and 25% by June 1, 2026; increasing by at
21 least 3% each delivery year thereafter to at least 40% by
22 the 2030 delivery year, and continuing at no less than 40%
23 for each delivery year thereafter. The Agency shall
24 attempt to procure 50% by delivery year 2040. The Agency
25 shall determine the annual increase between delivery year
26 2030 and delivery year 2040, if any, taking into account

1 energy demand, other energy resources, and other public
2 policy goals.

3 For each delivery year, the Agency shall first
4 recognize each utility's obligations for that delivery
5 year under existing contracts. Any renewable energy
6 credits under existing contracts, including renewable
7 energy credits as part of renewable energy resources,
8 shall be used to meet the goals set forth in this
9 subsection (c) for the delivery year.

10 (C) The long-term renewable resources procurement plan
11 described in subparagraph (A) of this paragraph (1) shall
12 include the procurement of renewable energy credits from
13 new projects in amounts equal to at least the following:

14 (i) 10,000,000 renewable energy credits delivered
15 annually by the end of the 2021 delivery year, and
16 increasing ratably to reach 45,000,000 renewable
17 energy credits delivered annually from new wind and
18 solar projects by the end of delivery year 2030 such
19 that the goals in subparagraph (B) of this paragraph
20 (1) are met entirely by procurements of renewable
21 energy credits from new wind and photovoltaic
22 projects. Of that amount, to the extent possible, the
23 Agency shall procure 45% from wind projects and 55%
24 from photovoltaic projects. Of the amount to be
25 procured from photovoltaic projects, the Agency shall
26 procure: at least 50% from solar photovoltaic projects

1 using the program outlined in subparagraph (K) of this
2 paragraph (1) from distributed renewable energy
3 generation devices or community renewable generation
4 projects; at least 47% from utility-scale solar
5 projects; at least 3% from brownfield site
6 photovoltaic projects that are not community renewable
7 generation projects. In addition to the amount of
8 renewable energy credits to be procured from wind
9 projects, the Agency shall procure at least 700,000
10 renewable energy credits, delivered annually for at
11 least 20 years, from one new utility-scale offshore
12 wind project.

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

25 (ii) In any given delivery year, if forecasted
26 expenses are less than the maximum budget available

1 under subparagraph (E) of this paragraph (1), the
2 Agency shall continue to procure new renewable energy
3 credits until that budget is exhausted in the manner
4 outlined in item (i) of this subparagraph (C).

5 (iii) For purposes of this Section:

6 "Equity and inclusion plan scoring" means a score
7 of up to 34 points, determined by the Department's
8 review of an applicant's ability to demonstrate it has
9 a comprehensive and detailed equity and inclusion plan
10 crafted to create opportunities for underrepresented
11 populations in addition to equity investment eligible
12 communities.

13 "Equity investment eligible community" has the
14 meaning set forth in Section 5-5 of the Energy
15 Transition Act.

16 "New utility-scale offshore wind procurement"
17 means a procurement of renewable energy credits from a
18 new utility-scale offshore wind project issued by the
19 Agency.

20 "New utility-scale offshore wind project" means an
21 electric generating facility that:

22 (1) generates electricity using wind;

23 (2) has a nameplate capacity that is greater
24 than 150 megawatts;

25 (3) is sited in the waters of Lake Michigan;

26 (4) is interconnected to the PJM

1 Interconnection's regional transmission system;

2 (5) has a fully executed project labor
3 agreement with the applicable local building and
4 construction trades council; and

5 (6) has a comprehensive and detailed equity
6 and inclusion plan crafted to create opportunities
7 for underrepresented populations in addition to
8 equity investment eligible communities.

9 "New wind projects" means wind renewable energy
10 facilities that are energized after June 1, 2017 for
11 the delivery year commencing June 1, 2017.

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

18 For purposes of calculating whether the Agency has
19 procured enough new wind and solar renewable energy
20 credits required by this subparagraph (C), renewable
21 energy facilities that have a multi-year renewable
22 energy credit delivery contract with the utility
23 through at least delivery year 2030 shall be
24 considered new, however no renewable energy credits
25 from contracts entered into before June 1, 2021 shall
26 be used to calculate whether the Agency has procured

1 the correct proportion of new wind and new solar
2 contracts described in this subparagraph (C) for
3 delivery year 2021 and thereafter.

4 (D) Renewable energy credits shall be cost effective.
5 For purposes of this subsection (c), "cost effective"
6 means that the costs of procuring renewable energy
7 resources do not cause the limit stated in subparagraph
8 (E) of this paragraph (1) to be exceeded and, for
9 renewable energy credits procured through a competitive
10 procurement event, do not exceed benchmarks based on
11 market prices for like products in the region. For
12 purposes of this subsection (c), "like products" means
13 contracts for renewable energy credits from the same or
14 substantially similar technology, same or substantially
15 similar vintage (new or existing), the same or
16 substantially similar quantity, and the same or
17 substantially similar contract length and structure.
18 Benchmarks shall reflect development, financing, or
19 related costs resulting from requirements imposed through
20 other provisions of State law, including, but not limited
21 to, requirements in subparagraphs (P) and (Q) of this
22 paragraph (1) and the Renewable Energy Facilities
23 Agricultural Impact Mitigation Act. Confidential
24 benchmarks shall be developed by the procurement
25 administrator, in consultation with the Commission staff,
26 Agency staff, and the procurement monitor and shall be

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

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

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

6 Notwithstanding the requirements of this subsection
7 (c), the total of renewable energy resources procured
8 under the procurement plan for any single year shall be
9 subject to the limitations of this subparagraph (E). Such
10 procurement shall be reduced for all retail customers
11 based on the amount necessary to limit the annual
12 estimated average net increase due to the costs of these
13 resources included in the amounts paid by eligible retail
14 customers in connection with electric service to no more
15 than 4.25% of the amount paid per kilowatthour by those
16 customers during the year ending May 31, 2009 and to no
17 more than 4.5% of that amount as of the billing month
18 following the expected date that a new utility-scale
19 offshore wind project commences commercial operations and
20 is expected to begin delivering power to the PJM
21 Interconnection, LLC transmission grid. The new-offshore
22 utility-scale wind project must provide notice of the
23 expected commercial operation date to the Illinois Power
24 Agency and each electric utility at least 90 days prior to
25 commencing commercial operation and delivering power to
26 the PJM Interconnection, LLC transmission grid. To arrive

1 at a maximum dollar amount of renewable energy resources
2 to be procured for the particular delivery year, the
3 resulting per kilowatthour amount shall be applied to the
4 actual amount of kilowatthours of electricity delivered,
5 or 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 as of June 1, 2021;

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

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

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

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

16 (i) Notwithstanding whether a long-term renewable
17 resources procurement plan has been approved, the
18 Agency shall conduct an initial forward procurement
19 for renewable energy credits from new utility-scale
20 wind projects within 160 days after June 1, 2017 (the
21 effective date of Public Act 99-906). For the purposes
22 of this initial forward procurement, the Agency shall
23 solicit 15-year contracts for delivery of 1,000,000
24 renewable energy credits delivered annually from new
25 utility-scale wind projects to begin delivery on June
26 1, 2019, if available, but not later than June 1, 2021,

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

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

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

14 (iii) Notwithstanding whether the Commission has
15 approved the periodic long-term renewable resources
16 procurement plan revision described in Section
17 16-111.5 of the Public Utilities Act, the Agency shall
18 conduct at least one subsequent forward procurement
19 for renewable energy credits from new utility-scale
20 wind projects, new utility-scale solar projects, and
21 new brownfield site photovoltaic projects within 240
22 days after the effective date of this amendatory Act
23 of the 102nd General Assembly in quantities necessary
24 to meet the requirements of subparagraph (C) of this
25 paragraph (1) through the delivery year beginning June
26 1, 2021.

1 (iii-5) Notwithstanding whether the Commission has
2 approved the long-term renewable resources procurement
3 plan revision process described in Section 16-111.5 of
4 the Public Utilities Act, the Agency shall conduct at
5 least one new utility-scale offshore wind procurement
6 within 360 days after the effective date of this
7 amendatory Act of the 102nd General Assembly in
8 quantities necessary to meet the requirements
9 described in subparagraph (C) of this paragraph (1) by
10 the end of delivery year 2030.

11 The annual amount spent on any new utility-scale
12 offshore wind procurement shall not exceed 0.25% of
13 the amount paid per kilowatt hour by all eligible
14 retail customers in connection with electric service
15 during the year ending May 31, 2009, and shall be spent
16 only after the new utility-scale offshore wind project
17 commences commercial operations and is delivering
18 power to the PJM Interconnection, LLC transmission
19 grid.

20 Before submitting a proposal to the Agency in
21 response to a new utility-scale offshore wind
22 procurement, an applicant must first submit to the
23 Department a separate application for equity and
24 inclusion plan scoring. The Department will provide
25 equity and inclusion plan scoring to the Agency upon
26 the Agency's request.

1 In order to award a renewable energy credit
2 contract in a new utility-scale offshore wind
3 procurement, the Agency shall use the following point
4 based scoring criteria, totaling 100 points, in
5 evaluating an applicant's proposal:

6 (1) 33 points: attributed to the price
7 submitted in such proposal, with a lower price
8 being more favorable;

9 (2) 33 points: attributed to the overall
10 viability of applicant and its plan to build a new
11 utility-scale offshore wind project, as determined
12 by the Agency using the following criteria
13 establishing that the applicant:

14 (A) has identified and proffered a
15 rationale for a site for its new utility-scale
16 offshore wind project and has a comprehensive
17 plan to develop, construct, own, and operate
18 the project;

19 (B) has experience and knowledge, or any
20 of the applicant's affiliates have experience
21 or knowledge, in owning offshore wind
22 projects;

23 (C) has a fully executed project labor
24 agreement with the applicable local building
25 and construction trades council;

26 (D) has a comprehensive plan to maximize

1 local economic impact and job creation;

2 (E) has submitted a financing plan showing
3 the financial ability to build, own, and
4 operate a new utility-scale offshore wind
5 project, examples of which may include, but
6 are not limited to: (i) sources of debt; (ii)
7 letters of reference from a commercial bank;
8 or (iii) an equity commitment letter from a
9 parent company;

10 (F) has a comprehensive plan to conduct
11 essential research around the compatibility of
12 offshore wind and the lake ecology and
13 historical lake uses that can become the basis
14 for future decision making around prudent
15 expansion of offshore wind into Lake Michigan;
16 and

17 (G) has a plan to mitigate local landward
18 environmental impacts that may otherwise
19 result from construction of a new
20 utility-scale offshore wind project; and

21 (3) 34 points: attributed to equity and
22 inclusion plan scoring.

23 No renewable energy credit contract shall be
24 awarded to an applicant who fails to receive at least
25 75 points.

26 (iv) Notwithstanding whether the Commission has

1 approved the periodic long-term renewable resources
2 procurement plan revision described in Section
3 16-111.5 of the Public Utilities Act, the Agency shall
4 open capacity for each category in the Adjustable
5 Block program within 90 days after the effective date
6 of this amendatory Act of the 102nd General Assembly
7 manner:

8 (1) The Agency shall open the first block of
9 annual capacity for the category described in item
10 (i) of subparagraph (K) of this paragraph (1). The
11 first block of annual capacity for item (i) shall
12 be for at least 75 megawatts of total nameplate
13 capacity. The price of the renewable energy credit
14 for this block of capacity shall be 4% less than
15 the price of the last open block in this category.
16 Projects on a waitlist shall be awarded contracts
17 first in the order in which they appear on the
18 waitlist. Notwithstanding anything to the
19 contrary, for those renewable energy credits that
20 qualify and are procured under this subitem (1) of
21 this item (iv), the renewable energy credit
22 delivery contract value shall be paid in full,
23 based on the estimated generation during the first
24 15 years of operation, by the contracting
25 utilities at the time that the facility producing
26 the renewable energy credits is interconnected at

1 the distribution system level of the utility and
2 verified as energized and in compliance by the
3 Program Administrator. The electric utility shall
4 receive and retire all renewable energy credits
5 generated by the project for the first 15 years of
6 operation. Renewable energy credits generated by
7 the project thereafter shall not be transferred
8 under the renewable energy credit delivery
9 contract with the counterparty electric utility.

10 (2) The Agency shall open the first block of
11 annual capacity for the category described in item
12 (ii) of subparagraph (K) of this paragraph (1).
13 The first block of annual capacity for item (ii)
14 shall be for at least 75 megawatts of total
15 nameplate capacity.

16 (A) The price of the renewable energy
17 credit for any project on a waitlist for this
18 category before the opening of this block
19 shall be 4% less than the price of the last
20 open block in this category. Projects on the
21 waitlist shall be awarded contracts first in
22 the order in which they appear on the
23 waitlist. Any projects that are less than or
24 equal to 25 kilowatts in size on the waitlist
25 for this capacity shall be moved to the
26 waitlist for paragraph (1) of this item (iv).

1 Notwithstanding anything to the contrary,
2 projects that were on the waitlist prior to
3 opening of this block shall not be required to
4 be in compliance with the requirements of
5 subparagraph (Q) of this paragraph (1) of this
6 subsection (c). Notwithstanding anything to
7 the contrary, for those renewable energy
8 credits procured from projects that were on
9 the waitlist for this category before the
10 opening of this block 20% of the renewable
11 energy credit delivery contract value, based
12 on the estimated generation during the first
13 15 years of operation, shall be paid by the
14 contracting utilities at the time that the
15 facility producing the renewable energy
16 credits is interconnected at the distribution
17 system level of the utility and verified as
18 energized by the Program Administrator. The
19 remaining portion shall be paid ratably over
20 the subsequent 4-year period. The electric
21 utility shall receive and retire all renewable
22 energy credits generated by the project during
23 the first 15 years of operation. Renewable
24 energy credits generated by the project
25 thereafter shall not be transferred under the
26 renewable energy credit delivery contract with

1 the counterparty electric utility.

2 (B) The price of renewable energy credits
3 for any project not on the waitlist for this
4 category before the opening of the block shall
5 be determined and published by the Agency.
6 Projects not on a waitlist as of the opening
7 of this block shall be subject to the
8 requirements of subparagraph (Q) of this
9 paragraph (1), as applicable. Projects not on
10 a waitlist as of the opening of this block
11 shall be subject to the contract provisions
12 outlined in item (iii) of subparagraph (L) of
13 this paragraph (1). The Agency shall strive to
14 publish updated prices and an updated
15 renewable energy credit delivery contract as
16 quickly as possible.

17 (3) For opening the first 2 blocks of annual
18 capacity for projects participating in item (iii)
19 of subparagraph (K) of paragraph (1) of subsection
20 (c), projects shall be selected exclusively from
21 those projects on the ordinal waitlists of
22 community renewable generation projects
23 established by the Agency based on the status of
24 those ordinal waitlists as of December 31, 2020,
25 and only those projects previously determined to
26 be eligible for the Agency's April 2019 community

1 solar project selection process.

2 The first 2 blocks of annual capacity for item
3 (iii) shall be for 250 megawatts of total
4 nameplate capacity, with both blocks opening
5 simultaneously under the schedule outlined in the
6 paragraphs below. Projects shall be selected as
7 follows:

8 (A) The geographic balance of selected
9 projects shall follow the Group classification
10 found in the Agency's Revised Long-Term
11 Renewable Resources Procurement Plan, with 70%
12 of capacity allocated to projects on the Group
13 B waitlist and 30% of capacity allocated to
14 projects on the Group A waitlist.

15 (B) Contract awards for waitlisted
16 projects shall be allocated proportionate to
17 the total nameplate capacity amount across
18 both ordinal waitlists associated with that
19 applicant firm or its affiliates, subject to
20 the following conditions.

21 (i) Each applicant firm having a
22 waitlisted project eligible for selection
23 shall receive no less than 500 kilowatts
24 in awarded capacity across all groups, and
25 no approved vendor may receive more than
26 20% of each Group's waitlist allocation.

1 (ii) Each applicant firm, upon
2 receiving an award of program capacity
3 proportionate to its waitlisted capacity,
4 may then determine which waitlisted
5 projects it chooses to be selected for a
6 contract award up to that capacity amount.

7 (iii) Assuming all other program
8 requirements are met, applicant firms may
9 adjust the nameplate capacity of applicant
10 projects without losing waitlist
11 eligibility, so long as no project is
12 greater than 2,000 kilowatts in size.

13 (iv) Assuming all other program
14 requirements are met, applicant firms may
15 adjust the expected production associated
16 with applicant projects, subject to
17 verification by the Program Administrator.

18 (C) After a review of affiliate
19 information and the current ordinal waitlists,
20 the Agency shall announce the nameplate
21 capacity award amounts associated with
22 applicant firms no later than 90 days after
23 the effective date of this amendatory Act of
24 the 102nd General Assembly.

25 (D) Applicant firms shall submit their
26 portfolio of projects used to satisfy those

1 contract awards no less than 90 days after the
2 Agency's announcement. The total nameplate
3 capacity of all projects used to satisfy that
4 portfolio shall be no greater than the
5 Agency's nameplate capacity award amount
6 associated with that applicant firm. An
7 applicant firm may decline, in whole or in
8 part, its nameplate capacity award without
9 penalty, with such unmet capacity rolled over
10 to the next block opening for project
11 selection under item (iii) of subparagraph (K)
12 of this subsection (c). Any projects not
13 included in an applicant firm's portfolio may
14 reapply without prejudice upon the next block
15 reopening for project selection under item
16 (iii) of subparagraph (K) of this subsection
17 (c).

18 (E) The renewable energy credit delivery
19 contract shall be subject to the contract and
20 payment terms outlined in item (iv) of
21 subparagraph (L) of this subsection (c).
22 Contract instruments used for this
23 subparagraph shall contain the following
24 terms:

25 (i) Renewable energy credit prices
26 shall be fixed, without further adjustment

1 under any other provision of this Act or
2 for any other reason, at 10% lower than
3 prices applicable to the last open block
4 for this category, inclusive of any adders
5 available for achieving a minimum of 50%
6 of subscribers to the project's nameplate
7 capacity being residential or small
8 commercial customers with subscriptions of
9 below 25 kilowatts in size;

10 (ii) A requirement that a minimum of
11 50% of subscribers to the project's
12 nameplate capacity be residential or small
13 commercial customers with subscriptions of
14 below 25 kilowatts in size;

15 (iii) Permission for the ability of a
16 contract holder to substitute projects
17 with other waitlisted projects without
18 penalty should a project receive a
19 non-binding estimate of costs to construct
20 the interconnection facilities and any
21 required distribution upgrades associated
22 with that project of greater than 30 cents
23 per watt AC of that project's nameplate
24 capacity. In developing the applicable
25 contract instrument, the Agency may
26 consider whether other circumstances

1 outside of the control of the applicant
2 firm should also warrant project
3 substitution rights.

4 The Agency shall publish a finalized
5 updated renewable energy credit delivery
6 contract developed consistent with these terms
7 and conditions no less than 30 days before
8 applicant firms must submit their portfolio of
9 projects pursuant to item (D).

10 (F) To be eligible for an award, the
11 applicant firm shall certify that not less
12 than prevailing wage, as determined pursuant
13 to the Illinois Prevailing Wage Act, was or
14 will be paid to employees who are engaged in
15 construction activities associated with a
16 selected project.

17 (4) The Agency shall open the first block of
18 annual capacity for the category described in item
19 (iv) of subparagraph (K) of this paragraph (1).
20 The first block of annual capacity for item (iv)
21 shall be for at least 50 megawatts of total
22 nameplate capacity. Renewable energy credit prices
23 shall be fixed, without further adjustment under
24 any other provision of this Act or for any other
25 reason, at the price in the last open block in the
26 category described in item (ii) of subparagraph

1 (K) of this paragraph (1). Pricing for future
2 blocks of annual capacity for this category may be
3 adjusted in the Agency's second revision to its
4 Long-Term Renewable Resources Procurement Plan.
5 Projects in this category shall be subject to the
6 contract terms outlined in item (iv) of
7 subparagraph (L) of this paragraph (1).

8 (5) The Agency shall open the equivalent of 2
9 years of annual capacity for the category
10 described in item (v) of subparagraph (K) of this
11 paragraph (1). The first block of annual capacity
12 for item (v) shall be for at least 10 megawatts of
13 total nameplate capacity. Notwithstanding the
14 provisions of item (v) of subparagraph (K) of this
15 paragraph (1), for the purpose of this initial
16 block, the agency shall accept new project
17 applications intended to increase the diversity of
18 areas hosting community solar projects, the
19 business models of projects, and the size of
20 projects, as described by the Agency in its
21 long-term renewable resources procurement plan
22 that is approved as of the effective date of this
23 amendatory Act of the 102nd General Assembly.
24 Projects in this category shall be subject to the
25 contract terms outlined in item (iii) of
26 subsection (L) of this paragraph (1).

1 (6) The Agency shall open the first blocks of
2 annual capacity for the category described in item
3 (vi) of subparagraph (K) of this paragraph (1),
4 with allocations of capacity within the block
5 generally matching the historical share of block
6 capacity allocated between the category described
7 in items (i) and (ii) of subparagraph (K) of this
8 paragraph (1). The first two blocks of annual
9 capacity for item (vi) shall be for at least 75
10 megawatts of total nameplate capacity. The price
11 of renewable energy credits for the blocks of
12 capacity shall be 4% less than the price of the
13 last open blocks in the categories described in
14 items (i) and (ii) of subparagraph (K) of this
15 paragraph (1). Pricing for future blocks of annual
16 capacity for this category may be adjusted in the
17 Agency's second revision to its Long-Term
18 Renewable Resources Procurement Plan. Projects in
19 this category shall be subject to the applicable
20 contract terms outlined in items (ii) and (iii) of
21 subparagraph (L) of this paragraph (1).

22 (v) Upon the effective date of this amendatory Act
23 of the 102nd General Assembly, for all competitive
24 procurements and any procurements of renewable energy
25 credit from new utility-scale wind and new
26 utility-scale photovoltaic projects, the Agency shall

1 procure indexed renewable energy credits and direct
2 respondents to offer a strike price.

3 (1) The purchase price of the indexed
4 renewable energy credit payment shall be
5 calculated for each settlement period. That
6 payment, for any settlement period, shall be equal
7 to the difference resulting from subtracting the
8 strike price from the index price for that
9 settlement period. If this difference results in a
10 negative number, the indexed REC counterparty
11 shall owe the seller the absolute value multiplied
12 by the quantity of energy produced in the relevant
13 settlement period. If this difference results in a
14 positive number, the seller shall owe the indexed
15 REC counterparty this amount multiplied by the
16 quantity of energy produced in the relevant
17 settlement period.

18 (2) Parties shall cash settle every month,
19 summing up all settlements (both positive and
20 negative, if applicable) for the prior month.

21 (3) To ensure funding in the annual budget
22 established under subparagraph (E) for indexed
23 renewable energy credit procurements for each year
24 of the term of such contracts, which must have a
25 minimum tenure of 20 calendar years, the
26 procurement administrator, Agency, Commission

1 staff, and procurement monitor shall quantify the
2 annual cost of the contract by utilizing an
3 industry-standard, third-party forward price curve
4 for energy at the appropriate hub or load zone,
5 including the estimated magnitude and timing of
6 the price effects related to federal carbon
7 controls. Each forward price curve shall contain a
8 specific value of the forecasted market price of
9 electricity for each annual delivery year of the
10 contract. For procurement planning purposes, the
11 impact on the annual budget for the cost of
12 indexed renewable energy credits for each delivery
13 year shall be determined as the expected annual
14 contract expenditure for that year, equaling the
15 difference between (i) the sum across all relevant
16 contracts of the applicable strike price
17 multiplied by contract quantity and (ii) the sum
18 across all relevant contracts of the forward price
19 curve for the applicable load zone for that year
20 multiplied by contract quantity. The contracting
21 utility shall not assume an obligation in excess
22 of the estimated annual cost of the contracts for
23 indexed renewable energy credits. Forward curves
24 shall be revised on an annual basis as updated
25 forward price curves are released and filed with
26 the Commission in the proceeding approving the

1 Agency's most recent long-term renewable resources
2 procurement plan. If the expected contract spend
3 is higher or lower than the total quantity of
4 contracts multiplied by the forward price curve
5 value for that year, the forward price curve shall
6 be updated by the procurement administrator, in
7 consultation with the Agency, Commission staff,
8 and procurement monitors, using then-currently
9 available price forecast data and additional
10 budget dollars shall be obligated or reobligated
11 as appropriate.

12 (4) To ensure that indexed renewable energy
13 credit prices remain predictable and affordable,
14 the Agency may consider the institution of a price
15 collar on REC prices paid under indexed renewable
16 energy credit procurements establishing floor and
17 ceiling REC prices applicable to indexed REC
18 contract prices. Any price collars applicable to
19 indexed REC procurements shall be proposed by the
20 Agency through its long-term renewable resources
21 procurement plan.

22 (vi) All procurements under this subparagraph (G)
23 shall comply with the geographic requirements in
24 subparagraph (I) of this paragraph (1) and shall
25 follow the procurement processes and procedures
26 described in this Section and Section 16-111.5 of the

1 Public Utilities Act to the extent practicable, and
2 these processes and procedures may be expedited to
3 accommodate the schedule established by this
4 subparagraph (G).

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

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

22 The informational filing shall identify each
23 facility that was eligible to satisfy the alternative
24 retail electric supplier's obligations under Section
25 16-115D of the Public Utilities Act as described in
26 this item (i).

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

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

22 For the delivery year beginning June 1, 2018,
23 the maximum amount of renewable energy credits to
24 be supplied by an alternative retail electric
25 supplier under this subparagraph (H) shall be 68%
26 multiplied by 25% multiplied by 14.5% multiplied

1 by the amount of metered electricity
2 (megawatt-hours) delivered by the alternative
3 retail electric supplier to Illinois retail
4 customers during the delivery year ending May 31,
5 2016.

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

20 For each delivery year, the total amount of
21 renewable energy credits supplied by all alternative
22 retail electric suppliers under this subparagraph (H)
23 shall not exceed 9% of the Illinois target renewable
24 energy credit quantity. The Illinois target renewable
25 energy credit quantity for the delivery year beginning
26 June 1, 2018 is 14.5% multiplied by the total amount of

1 metered electricity (megawatt-hours) delivered in the
2 delivery year immediately preceding that delivery
3 year, provided that the 14.5% shall increase by 1.5%
4 each delivery year thereafter to 25% by the delivery
5 year beginning June 1, 2025, and thereafter the 25%
6 value shall apply to each delivery year.

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

25 On or before April 1 of each year, the Agency shall
26 annually publish a report on its website that

1 identifies the aggregate amount of renewable energy
2 credits supplied by alternative retail electric
3 suppliers under this subparagraph (H).

4 (I) The Agency shall design its long-term renewable
5 energy procurement plan to maximize the State's interest
6 in the health, safety, and welfare of its residents,
7 including but not limited to minimizing sulfur dioxide,
8 nitrogen oxide, particulate matter and other pollution
9 that adversely affects public health in this State,
10 increasing fuel and resource diversity in this State,
11 enhancing the reliability and resiliency of the
12 electricity distribution system in this State, meeting
13 goals to limit carbon dioxide emissions under federal or
14 State law, and contributing to a cleaner and healthier
15 environment for the citizens of this State. In order to
16 further these legislative purposes, renewable energy
17 credits shall be eligible to be counted toward the
18 renewable energy requirements of this subsection (c) if
19 they are generated from facilities located in this State.
20 The Agency may qualify renewable energy credits from
21 facilities located in states adjacent to Illinois or
22 renewable energy credits associated with the electricity
23 generated by a utility-scale wind energy facility or
24 utility-scale photovoltaic facility and transmitted by a
25 qualifying direct current project described in subsection
26 (b-5) of Section 8-406 of the Public Utilities Act to a

1 delivery point on the electric transmission grid located
2 in this State or a state adjacent to Illinois, if the
3 generator demonstrates and the Agency determines that the
4 operation of such facility or facilities will help promote
5 the State's interest in the health, safety, and welfare of
6 its residents based on the public interest criteria
7 described above. For the purposes of this Section,
8 renewable resources that are delivered via a high voltage
9 direct current converter station located in Illinois shall
10 be deemed generated in Illinois at the time and location
11 the energy is converted to alternating current by the high
12 voltage direct current converter station if the high
13 voltage direct current transmission line: (i) after the
14 effective date of this amendatory Act of the 102nd General
15 Assembly, was constructed with a project labor agreement;
16 (ii) is capable of transmitting electricity at 525kv;
17 (iii) has an Illinois converter station located and
18 interconnected in the region of the PJM Interconnection,
19 LLC; (iv) does not operate as a public utility; and (v) if
20 the high voltage direct current transmission line was
21 energized after June 1, 2023. To ensure that the public
22 interest criteria are applied to the procurement and given
23 full effect, the Agency's long-term procurement plan shall
24 describe in detail how each public interest factor shall
25 be considered and weighted for facilities located in
26 states adjacent to Illinois.

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

25 Notwithstanding the limitations of this subparagraph
26 (J), renewable energy credits sourced from generating

1 units that are constructed, purchased, owned, or leased by
2 an electric utility as part of an approved project,
3 program, or pilot under Section 1-56 of this Act shall be
4 eligible to be counted toward the renewable energy
5 requirements of this subsection (c), regardless of how the
6 costs of these units are recovered. As long as a
7 generating unit or an identifiable portion of a generating
8 unit has not had and does not have its costs recovered
9 through rates regulated by this State or any other state,
10 HVDC renewable energy credits associated with that
11 generating unit or identifiable portion thereof shall be
12 eligible to be counted toward the renewable energy
13 requirements of this subsection (c).

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

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

5 The Adjustable Block program shall include for each
6 category of eligible projects for each delivery year: a
7 single block of nameplate capacity, a price for renewable
8 energy credits within that block, and the terms and
9 conditions for securing a spot on a waitlist once the
10 block is fully committed or reserved. Except as outlined
11 below, the waitlist of projects in a given year will carry
12 over to apply to the subsequent year when another block is
13 opened. Only projects energized on or after June 1, 2017
14 shall be eligible for the Adjustable Block program. For
15 each category for each delivery year the Agency shall
16 determine the amount of generation capacity in each block,
17 and the purchase price for each block, provided that the
18 purchase price provided and the total amount of generation
19 in all blocks for all categories shall be sufficient to
20 meet the goals in this subsection (c). The Agency shall
21 strive to issue a single block sized to provide for
22 stability and market growth. The Agency shall establish
23 program eligibility requirements that ensure that projects
24 that enter the program are sufficiently mature to indicate
25 a demonstrable path to completion. The Agency may
26 periodically review its prior decisions establishing the

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

13 The Adjustable Block program shall include the
14 following categories in at least the following amounts:

15 (i) At least 20% from distributed renewable energy
16 generation devices with a nameplate capacity of no
17 more than 25 kilowatts.

18 (ii) At least 20% from distributed renewable
19 energy generation devices with a nameplate capacity of
20 more than 25 kilowatts and no more than 5,000
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 30% from photovoltaic community

1 renewable generation projects. Capacity for this
2 category for the first 2 delivery years after the
3 effective date of this amendatory Act of the 102nd
4 General Assembly shall be allocated to waitlist
5 projects as provided in paragraph (3) of item (iv) of
6 subparagraph (G). Starting in the third delivery year
7 after the effective date of this amendatory Act of the
8 102nd General Assembly or earlier if the Agency
9 determines there is additional capacity needed for to
10 meet previous delivery year requirements, the
11 following shall apply:

12 (1) the Agency shall select projects on a
13 first-come, first-serve basis, however the Agency
14 may suggest additional methods to prioritize
15 projects that are submitted at the same time;

16 (2) projects shall have subscriptions of 25 kW
17 or less for at least 50% of the facility's
18 nameplate capacity and the Agency shall price the
19 renewable energy credits with that as a factor;

20 (3) projects shall not be colocated with one
21 or more other community renewable generation
22 projects, as defined in the Agency's first revised
23 long-term renewable resources procurement plan
24 approved by the Commission on February 18, 2020,
25 such that the aggregate nameplate capacity exceeds
26 5,000 kilowatts; and

1 (4) projects greater than 2 MW may not apply
2 until after the approval of the Agency's revised
3 Long-Term Renewable Resources Procurement Plan
4 after the effective date of this amendatory Act of
5 the 102nd General Assembly.

6 (iv) At least 15% from distributed renewable
7 generation devices or photovoltaic community renewable
8 generation projects installed at public schools. The
9 Agency may create subcategories within this category
10 to account for the differences between project size or
11 location. Projects located within environmental
12 justice communities or within Organizational Units
13 that fall within Tier 1 or Tier 2 shall be given
14 priority. Each of the Agency's periodic updates to its
15 long-term renewable resources procurement plan to
16 incorporate the procurement described in this
17 subparagraph (iv) shall also include the proposed
18 quantities or blocks, pricing, and contract terms
19 applicable to the procurement as indicated herein. In
20 each such update and procurement, the Agency shall set
21 the renewable energy credit price and establish
22 payment terms for the renewable energy credits
23 procured pursuant to this subparagraph (iv) that make
24 it feasible and affordable for public schools to
25 install photovoltaic distributed renewable energy
26 devices on their premises, including, but not limited

1 to, those public schools subject to the prioritization
2 provisions of this subparagraph. For the purposes of
3 this item (iv):

4 "Environmental Justice Community" shall have the
5 same meaning set forth in the Agency's long-term
6 renewable resources procurement plan;

7 "Organization Unit", "Tier 1" and "Tier 2" shall
8 have the meanings set for in Section 18-8.15 of the
9 School Code;

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

12 (v) At least 5% from community-driven community
13 solar projects intended to provide more direct and
14 tangible connection and benefits to the communities
15 which they serve or in which they operate and,
16 additionally, to increase the variety of community
17 solar locations, models, and options in Illinois. As
18 part of its long-term renewable resources procurement
19 plan, the Agency shall develop selection criteria for
20 projects participating in this category. Nothing in
21 this Section shall preclude the Agency from creating a
22 selection process that maximizes community ownership
23 and community benefits in selecting projects to
24 receive renewable energy credits. Selection criteria
25 shall include:

26 (1) community ownership or community

1 wealth-building;

2 (2) additional direct and indirect community
3 benefit, beyond project participation as a
4 subscriber, including, but not limited to,
5 economic, environmental, social, cultural, and
6 physical benefits;

7 (3) meaningful involvement in project
8 organization and development by community members
9 or nonprofit organizations or public entities
10 located in or serving the community;

11 (4) engagement in project operations and
12 management by nonprofit organizations, public
13 entities, or community members; and

14 (5) whether a project is developed in response
15 to a site-specific RFP developed by community
16 members or a nonprofit organization or public
17 entity located in or serving the community.

18 Selection criteria may also prioritize projects
19 that:

20 (1) are developed in collaboration with or to
21 provide complementary opportunities for the Clean
22 Jobs Workforce Network Program, the Illinois
23 Climate Works Preapprenticeship Program, the
24 Returning Residents Clean Jobs Training Program,
25 the Clean Energy Contractor Incubator Program, or
26 the Clean Energy Primes Contractor Accelerator

1 Program;

2 (2) increase the diversity of locations of
3 community solar projects in Illinois, including by
4 locating in urban areas and population centers;

5 (3) are located in Equity Investment Eligible
6 Communities;

7 (4) are not greenfield projects;

8 (5) serve only local subscribers;

9 (6) have a nameplate capacity that does not
10 exceed 500 kW;

11 (7) are developed by an equity eligible
12 contractor; or

13 (8) otherwise meaningfully advance the goals
14 of providing more direct and tangible connection
15 and benefits to the communities which they serve
16 or in which they operate and increasing the
17 variety of community solar locations, models, and
18 options in Illinois.

19 For the purposes of this item (v):

20 "Community" means a social unit in which people
21 come together regularly to effect change; a social
22 unit in which participants are marked by a cooperative
23 spirit, a common purpose, or shared interests or
24 characteristics; or a space understood by its
25 residents to be delineated through geographic
26 boundaries or landmarks.

1 "Community benefit" means a range of services and
2 activities that provide affirmative, economic,
3 environmental, social, cultural, or physical value to
4 a community; or a mechanism that enables economic
5 development, high-quality employment, and education
6 opportunities for local workers and residents, or
7 formal monitoring and oversight structures such that
8 community members may ensure that those services and
9 activities respond to local knowledge and needs.

10 "Community ownership" means an arrangement in
11 which an electric generating facility is, or over time
12 will be, in significant part, owned collectively by
13 members of the community to which an electric
14 generating facility provides benefits; members of that
15 community participate in decisions regarding the
16 governance, operation, maintenance, and upgrades of
17 and to that facility; and members of that community
18 benefit from regular use of that facility.

19 Terms and guidance within these criteria that are
20 not defined in this item (v) shall be defined by the
21 Agency, with stakeholder input, during the development
22 of the Agency's long-term renewable resources
23 procurement plan. The Agency shall develop regular
24 opportunities for projects to submit applications for
25 projects under this category, and develop selection
26 criteria that gives preference to projects that better

1 meet individual criteria as well as projects that
2 address a higher number of criteria.

3 (vi) At least 10% from distributed renewable
4 energy generation devices, which includes distributed
5 renewable energy devices with a nameplate capacity
6 under 5,000 kilowatts or photovoltaic community
7 renewable generation projects, from applicants that
8 are equity eligible contractors. The Agency may create
9 subcategories within this category to account for the
10 differences between project size and type. The Agency
11 shall propose to increase the percentage in this item
12 (vi) over time to 40% based on factors, including, but
13 not limited to, the number of equity eligible
14 contractors and capacity used in this item (vi) in
15 previous delivery years.

16 The Agency shall propose a payment structure for
17 contracts executed pursuant to this paragraph under
18 which, upon a demonstration of qualification or need,
19 applicant firms are advanced capital disbursed after
20 contract execution but before the contracted project's
21 energization. The amount or percentage of capital
22 advanced prior to project energization shall be
23 sufficient to both cover any increase in development
24 costs resulting from prevailing wage requirements or
25 project-labor agreements, and designed to overcome
26 barriers in access to capital faced by equity eligible

1 contractors. The amount or percentage of advanced
2 capital may vary by subcategory within this category
3 and by an applicant's demonstration of need, with such
4 levels to be established through the Long-Term
5 Renewable Resources Procurement Plan authorized under
6 subparagraph (A) of paragraph (1) of subsection (c) of
7 this Section.

8 Contracts developed featuring capital advanced
9 prior to a project's energization shall feature
10 provisions to ensure both the successful development
11 of applicant projects and the delivery of the
12 renewable energy credits for the full term of the
13 contract, including ongoing collateral requirements
14 and other provisions deemed necessary by the Agency,
15 and may include energization timelines longer than for
16 comparable project types. The percentage or amount of
17 capital advanced prior to project energization shall
18 not operate to increase the overall contract value,
19 however contracts executed under this subparagraph may
20 feature renewable energy credit prices higher than
21 those offered to similar projects participating in
22 other categories. Capital advanced prior to
23 energization shall serve to reduce the ratable
24 payments made after energization under items (ii) and
25 (iii) of subparagraph (L) or payments made for each
26 renewable energy credit delivery under item (iv) of

1 subparagraph (L).

2 (vii) The remaining capacity shall be allocated by
3 the Agency in order to respond to market demand. The
4 Agency shall allocate any discretionary capacity prior
5 to the beginning of each delivery year.

6 To the extent there is uncontracted capacity from any
7 block in any of categories (i) through (vi) at the end of a
8 delivery year, the Agency shall redistribute that capacity
9 to one or more other categories giving priority to
10 categories with projects on a waitlist. The redistributed
11 capacity shall be added to the annual capacity in the
12 subsequent delivery year, and the price for renewable
13 energy credits shall be the price for the new delivery
14 year. Redistributed capacity shall not be considered
15 redistributed when determining whether the goals in this
16 subsection (K) have been met.

17 Notwithstanding anything to the contrary, as the
18 Agency increases the capacity in item (vi) to 40% over
19 time, the Agency may reduce the capacity of items (i)
20 through (v) proportionate to the capacity of the
21 categories of projects in item (vi), to achieve a balance
22 of project types.

23 The Adjustable Block program shall be designed to
24 ensure that renewable energy credits are procured from
25 projects in diverse locations and are not concentrated in
26 a few regional areas.

1 (L) Notwithstanding provisions for advancing capital
2 prior to project energization found in item (vi) of
3 subparagraph (K), the procurement of photovoltaic
4 renewable energy credits under items (i) through (vi) of
5 subparagraph (K) of this paragraph (1) shall otherwise be
6 subject to the following contract and payment terms:

7 (i) (Blank).

8 (ii) For those renewable energy credits that
9 qualify and are procured under item (i) of
10 subparagraph (K) of this paragraph (1), and any
11 similar category projects that are procured under item
12 (vi) of subparagraph (K) of this paragraph (1) that
13 qualify and are procured under item (vi), the contract
14 length shall be 15 years. The renewable energy credit
15 delivery contract value shall be paid in full, based
16 on the estimated generation during the first 15 years
17 of operation, by the contracting utilities at the time
18 that the facility producing the renewable energy
19 credits is interconnected at the distribution system
20 level of the utility and verified as energized and
21 compliant by the Program Administrator. 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. Renewable energy credits generated
25 by the project thereafter shall not be transferred
26 under the renewable energy credit delivery contract

1 with the counterparty electric utility.

2 (iii) For those renewable energy credits that
3 qualify and are procured under item (ii) and (v) of
4 subparagraph (K) of this paragraph (1) and any like
5 projects similar category that qualify and are
6 procured under item (vi), the contract length shall be
7 15 years. 15% of the renewable energy credit delivery
8 contract value, based on the estimated generation
9 during the first 15 years of operation, shall be paid
10 by 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 verified as energized and compliant by the
14 Program Administrator. The remaining portion shall be
15 paid ratably over the subsequent 6-year period. The
16 electric utility shall receive and retire all
17 renewable energy credits generated by the project for
18 the first 15 years of operation. Renewable energy
19 credits generated by the project thereafter shall not
20 be transferred under the renewable energy credit
21 delivery contract with the counterparty electric
22 utility.

23 (iv) For those renewable energy credits that
24 qualify and are procured under items (iii) and (iv) of
25 subparagraph (K) of this paragraph (1), and any like
26 projects that qualify and are procured under item

1 (vi), the renewable energy credit delivery contract
2 length shall be 20 years and shall be paid over the
3 delivery term, not to exceed during each delivery year
4 the contract price multiplied by the estimated annual
5 renewable energy credit generation amount. If
6 generation of renewable energy credits during a
7 delivery year exceeds the estimated annual generation
8 amount, the excess renewable energy credits shall be
9 carried forward to future delivery years and shall not
10 expire during the delivery term. If generation of
11 renewable energy credits during a delivery year,
12 including carried forward excess renewable energy
13 credits, if any, is less than the estimated annual
14 generation amount, payments during such delivery year
15 will not exceed the quantity generated plus the
16 quantity carried forward multiplied by the contract
17 price. The electric utility shall receive all
18 renewable energy credits generated by the project
19 during the first 20 years of operation and retire all
20 renewable energy credits paid for under this item (iv)
21 and return at the end of the delivery term all
22 renewable energy credits that were not paid for.
23 Renewable energy credits generated by the project
24 thereafter shall not be transferred under the
25 renewable energy credit delivery contract with the
26 counterparty electric utility. Notwithstanding the

1 preceding, for those projects participating under item
2 (iii) of subparagraph (K), the contract price for a
3 delivery year shall be based on subscription levels as
4 measured on the higher of the first business day of the
5 delivery year or the first business day 6 months after
6 the first business day of the delivery year.
7 Subscription of 90% of nameplate capacity or greater
8 shall be deemed to be fully subscribed for the
9 purposes of this item (iv). For projects receiving a
10 20-year delivery contract, REC prices shall be
11 adjusted downward for consistency with the incentive
12 levels previously determined to be necessary to
13 support projects under 15-year delivery contracts,
14 taking into consideration any additional new
15 requirements placed on the projects, including, but
16 not limited to, labor standards.

17 (v) Each contract shall include provisions to
18 ensure the delivery of the estimated quantity of
19 renewable energy credits and ongoing collateral
20 requirements and other provisions deemed appropriate
21 by the Agency.

22 (vi) The utility shall be the counterparty to the
23 contracts executed under this subparagraph (L) that
24 are approved by the Commission under the process
25 described in Section 16-111.5 of the Public Utilities
26 Act. No contract shall be executed for an amount that

1 is less than one renewable energy credit per year.

2 (vii) If, at any time, approved applications for
3 the Adjustable Block program exceed funds collected by
4 the electric utility or would cause the Agency to
5 exceed the limitation described in subparagraph (E) of
6 this paragraph (1) on the amount of renewable energy
7 resources that may be procured, then the Agency may
8 consider future uncommitted funds to be reserved for
9 these contracts on a first-come, first-served basis.

10 (viii) Nothing in this Section shall require the
11 utility to advance any payment or pay any amounts that
12 exceed the actual amount of revenues anticipated to be
13 collected by the utility under paragraph (6) of this
14 subsection (c) and subsection (k) of Section 16-108 of
15 the Public Utilities Act inclusive of eligible funds
16 collected in prior years and alternative compliance
17 payments for use by the utility, and contracts
18 executed under this Section shall expressly
19 incorporate this limitation.

20 (ix) Notwithstanding other requirements of this
21 subparagraph (L), no modification shall be required to
22 Adjustable Block program contracts if they were
23 already executed prior to the establishment, approval,
24 and implementation of new contract forms as a result
25 of this amendatory Act of the 102nd General Assembly.

26 (x) Contracts may be assignable, but only to

1 entities first deemed by the Agency to have met
2 program terms and requirements applicable to direct
3 program participation. In developing contracts for the
4 delivery of renewable energy credits, the Agency shall
5 be permitted to establish fees applicable to each
6 contract assignment.

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

22 The Program Administrator may charge application fees
23 to participating firms to cover the cost of program
24 administration. Any application fee amounts shall
25 initially be determined through the long-term renewable
26 resources procurement plan, and modifications to any

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

8 In addition to covering the costs of program
9 administration, the Agency, in conjunction with its
10 Program Administrator, may also use the proceeds of such
11 fees charged to participating firms to support public
12 education and ongoing regional and national coordination
13 with nonprofit organizations, public bodies, and others
14 engaged in the implementation of renewable energy
15 incentive programs or similar initiatives. This work may
16 include developing papers and reports, hosting regional
17 and national conferences, and other work deemed necessary
18 by the Agency to position the State of Illinois as a
19 national leader in renewable energy incentive program
20 development and administration.

21 The Agency and its consultant or consultants shall
22 monitor block activity, share program activity with
23 stakeholders and conduct quarterly meetings to discuss
24 program activity and market conditions. If necessary, the
25 Agency may make prospective administrative adjustments to
26 the Adjustable Block program design, such as making

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

14 The Agency and its program administrators for both the
15 Adjustable Block program and the Illinois Solar for All
16 Program, consistent with the requirements of this
17 subsection (c) and subsection (b) of Section 1-56 of this
18 Act, shall propose the Adjustable Block program terms,
19 conditions, and requirements, including the prices to be
20 paid for renewable energy credits, where applicable, and
21 requirements applicable to participating entities and
22 project applications, through the development, review, and
23 approval of the Agency's long-term renewable resources
24 procurement plan described in this subsection (c) and
25 paragraph (5) of subsection (b) of Section 16-111.5 of the
26 Public Utilities Act. Terms, conditions, and requirements

1 for program participation shall include the following:

2 (i) The Agency shall establish a registration
3 process for entities seeking to qualify for
4 program-administered incentive funding and establish
5 baseline qualifications for vendor approval. The
6 Agency must maintain a list of approved entities on
7 each program's website, and may revoke a vendor's
8 ability to receive program-administered incentive
9 funding status upon a determination that the vendor
10 failed to comply with contract terms, the law, or
11 other program requirements.

12 (ii) The Agency shall establish program
13 requirements and minimum contract terms to ensure
14 projects are properly installed and produce their
15 expected amounts of energy. Program requirements may
16 include on-site inspections and photo documentation of
17 projects under construction. The Agency may require
18 repairs, alterations, or additions to remedy any
19 material deficiencies discovered. Vendors who have a
20 disproportionately high number of deficient systems
21 may lose their eligibility to continue to receive
22 State-administered incentive funding through Agency
23 programs and procurements.

24 (iii) To discourage deceptive marketing or other
25 bad faith business practices, the Agency may require
26 direct program participants, including agents

1 operating on their behalf, to provide standardized
2 disclosures to a customer prior to that customer's
3 execution of a contract for the development of a
4 distributed generation system or a subscription to a
5 community solar project.

6 (iv) The Agency shall establish one or multiple
7 Consumer Complaints Centers to accept complaints
8 regarding businesses that participate in, or otherwise
9 benefit from, State-administered incentive funding
10 through Agency-administered programs. The Agency shall
11 maintain a public database of complaints with any
12 confidential or particularly sensitive information
13 redacted from public entries.

14 (v) Through a filing in the proceeding for the
15 approval of its long-term renewable energy resources
16 procurement plan, the Agency shall provide an annual
17 written report to the Illinois Commerce Commission
18 documenting the frequency and nature of complaints and
19 any enforcement actions taken in response to those
20 complaints.

21 (vi) The Agency shall schedule regular meetings
22 with representatives of the Office of the Attorney
23 General, the Illinois Commerce Commission, consumer
24 protection groups, and other interested stakeholders
25 to share relevant information about consumer
26 protection, project compliance, and complaints

1 received.

2 (vii) To the extent that complaints received
3 implicate the jurisdiction of the Office of the
4 Attorney General, the Illinois Commerce Commission, or
5 local, State, or federal law enforcement, the Agency
6 shall also refer complaints to those entities as
7 appropriate.

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

25 Through the development of its long-term renewable
26 resources procurement plan, the Agency may consider

1 whether community renewable generation projects utilizing
2 technologies other than photovoltaics should be supported
3 through State-administered incentive funding, and may
4 issue requests for information to gauge market demand.

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

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

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

1 become an alternative retail electric supplier by
2 participating in a community renewable generation project
3 with a public utility.

4 (O) For the delivery year beginning June 1, 2018, the
5 long-term renewable resources procurement plan required by
6 this subsection (c) shall provide for the Agency to
7 procure contracts to continue offering the Illinois Solar
8 for All Program described in subsection (b) of Section
9 1-56 of this Act, and the contracts approved by the
10 Commission shall be executed by the utilities that are
11 subject to this subsection (c). The long-term renewable
12 resources procurement plan shall allocate up to
13 \$50,000,000 per delivery year to fund the programs, and
14 the plan shall determine the amount of funding to be
15 apportioned to the programs identified in subsection (b)
16 of Section 1-56 of this Act; provided that for the
17 delivery years beginning June 1, 2021, June 1, 2022, and
18 June 1, 2023, the long-term renewable resources
19 procurement plan may average the annual budgets over a
20 3-year period to account for program ramp-up. For the
21 delivery years beginning June 1, 2021, June 1, 2024, June
22 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
23 be provided to the Department of Commerce and Economic
24 Opportunity to implement the workforce development
25 programs and reporting as outlined in Section 16-108.12 of
26 the Public Utilities Act. In making the determinations

1 required under this subparagraph (O), the Commission shall
2 consider the experience and performance under the programs
3 and any evaluation reports. The Commission shall also
4 provide for an independent evaluation of those programs on
5 a periodic basis that are funded under this subparagraph
6 (O).

7 (P) All programs and procurements under this
8 subsection (c) shall be designed to encourage
9 participating projects to use a diverse and equitable
10 workforce and a diverse set of contractors, including
11 minority-owned businesses, disadvantaged businesses,
12 trade unions, graduates of any workforce training programs
13 administered under this Act, and small businesses.

14 The Agency shall develop a method to optimize
15 procurement of renewable energy credits from proposed
16 utility-scale projects that are located in communities
17 eligible to receive Energy Transition Community Grants
18 pursuant to Section 10-20 of the Energy Community
19 Reinvestment Act. If this requirement conflicts with other
20 provisions of law or the Agency determines that full
21 compliance with the requirements of this subparagraph (P)
22 would be unreasonably costly or administratively
23 impractical, the Agency is to propose alternative
24 approaches to achieve development of renewable energy
25 resources in communities eligible to receive Energy
26 Transition Community Grants pursuant to Section 10-20 of

1 the Energy Community Reinvestment Act or seek an exemption
2 from this requirement from the Commission.

3 (Q) Each facility listed in subitems (i) through
4 (viii) of item (1) of this subparagraph (Q) for which a
5 renewable energy credit delivery contract is signed after
6 the effective date of this amendatory Act of the 102nd
7 General Assembly is subject to the following requirements
8 through the Agency's long-term renewable resources
9 procurement plan:

10 (1) Each facility shall be subject to the
11 prevailing wage requirements included in the
12 Prevailing Wage Act. The Agency shall require
13 verification that all construction performed on the
14 facility by the renewable energy credit delivery
15 contract holder, its contractors, or its
16 subcontractors relating to construction of the
17 facility is performed by construction employees
18 receiving an amount for that work equal to or greater
19 than the general prevailing rate, as that term is
20 defined in Section 3 of the Prevailing Wage Act. For
21 purposes of this item (1), "house of worship" means
22 property that is both (1) used exclusively by a
23 religious society or body of persons as a place for
24 religious exercise or religious worship and (2)
25 recognized as exempt from taxation pursuant to Section
26 15-40 of the Property Tax Code. This item (1) shall

1 apply to any the following:

2 (i) all new utility-scale wind projects;

3 (ii) all new utility-scale photovoltaic
4 projects;

5 (iii) all new brownfield photovoltaic
6 projects;

7 (iv) all new photovoltaic community renewable
8 energy facilities that qualify for item (iii) of
9 subparagraph (K) of this paragraph (1);

10 (v) all new community driven community
11 photovoltaic projects that qualify for item (v) of
12 subparagraph (K) of this paragraph (1);

13 (vi) all new photovoltaic distributed
14 renewable energy generation devices on schools
15 that qualify for item (iv) of subparagraph (K) of
16 this paragraph (1);

17 (vii) all new photovoltaic distributed
18 renewable energy generation devices that (1)
19 qualify for item (i) of subparagraph (K) of this
20 paragraph (1); (2) are not projects that serve
21 single-family or multi-family residential
22 buildings; and (3) are not houses of worship where
23 the aggregate capacity including collocated
24 projects would not exceed 100 kilowatts;

25 (viii) all new photovoltaic distributed
26 renewable energy generation devices that (1)

1 qualify for item (ii) of subparagraph (K) of this
2 paragraph (1); (2) are not projects that serve
3 single-family or multi-family residential
4 buildings; and (3) are not houses of worship where
5 the aggregate capacity including collocated
6 projects would not exceed 100 kilowatts.

7 (2) Renewable energy credits procured from new
8 utility-scale wind projects, new utility-scale solar
9 projects, and new brownfield solar projects pursuant
10 to Agency procurement events occurring after the
11 effective date of this amendatory Act of the 102nd
12 General Assembly must be from facilities built by
13 general contractors that must enter into a project
14 labor agreement, as defined by this Act, prior to
15 construction. The project labor agreement shall be
16 filed with the Director in accordance with procedures
17 established by the Agency through its long-term
18 renewable resources procurement plan. Any information
19 submitted to the Agency in this item (2) shall be
20 considered commercially sensitive information. At a
21 minimum, the project labor agreement must provide the
22 names, addresses, and occupations of the owner of the
23 plant and the individuals representing the labor
24 organization employees participating in the project
25 labor agreement consistent with the Project Labor
26 Agreements Act. The agreement must also specify the

1 terms and conditions as defined by this Act.

2 (3) It is the intent of this Section to ensure that
3 economic development occurs across Illinois
4 communities, that emerging businesses may grow, and
5 that there is improved access to the clean energy
6 economy by persons who have greater economic burdens
7 to success. The Agency shall take into consideration
8 the unique cost of compliance of this subparagraph (Q)
9 that might be borne by equity eligible contractors,
10 shall include such costs when determining the price of
11 renewable energy credits in the Adjustable Block
12 program, and shall take such costs into consideration
13 in a nondiscriminatory manner when comparing bids for
14 competitive procurements. The Agency shall consider
15 costs associated with compliance whether in the
16 development, financing, or construction of projects.
17 The Agency shall periodically review the assumptions
18 in these costs and may adjust prices, in compliance
19 with subparagraph (M) of this paragraph (1).

20 (R) In its long-term renewable resources procurement
21 plan, the Agency shall establish a self-direct renewable
22 portfolio standard compliance program for eligible
23 self-direct customers that purchase renewable energy
24 credits from utility-scale wind and solar projects through
25 long-term agreements for purchase of renewable energy
26 credits as described in this Section. Such long-term

1 agreements may include the purchase of energy or other
2 products on a physical or financial basis and may involve
3 an alternative retail electric supplier as defined in
4 Section 16-102 of the Public Utilities Act. This program
5 shall take effect in the delivery year commencing June 1,
6 2023.

7 (1) For the purposes of this subparagraph:

8 "Eligible self-direct customer" means any retail
9 customers of an electric utility that serves 3,000,000
10 or more retail customers in the State and whose total
11 highest 30-minute demand was more than 10,000
12 kilowatts, or any retail customers of an electric
13 utility that serves less than 3,000,000 retail
14 customers but more than 500,000 retail customers in
15 the State and whose total highest 15-minute demand was
16 more than 10,000 kilowatts.

17 "Retail customer" has the meaning set forth in
18 Section 16-102 of the Public Utilities Act and
19 multiple retail customer accounts under the same
20 corporate parent may aggregate their account demands
21 to meet the 10,000 kilowatt threshold. The criteria
22 for determining whether this subparagraph is
23 applicable to a retail customer shall be based on the
24 12 consecutive billing periods prior to the start of
25 the year in which the application is filed.

26 (2) For renewable energy credits to count toward

1 the self-direct renewable portfolio standard
2 compliance program, they must:

3 (i) qualify as renewable energy credits as
4 defined in Section 1-10 of this Act;

5 (ii) be sourced from one or more renewable
6 energy generating facilities that comply with the
7 geographic requirements as set forth in
8 subparagraph (I) of paragraph (1) of subsection
9 (c) as interpreted through the Agency's long-term
10 renewable resources procurement plan, or, where
11 applicable, the geographic requirements that
12 governed utility-scale renewable energy credits at
13 the time the eligible self-direct customer entered
14 into the applicable renewable energy credit
15 purchase agreement;

16 (iii) be procured through long-term contracts
17 with term lengths of at least 10 years either
18 directly with the renewable energy generating
19 facility or through a bundled power purchase
20 agreement, a virtual power purchase agreement, an
21 agreement between the renewable generating
22 facility, an alternative retail electric supplier,
23 and the customer, or such other structure as is
24 permissible under this subparagraph (R);

25 (iv) be equivalent in volume to at least 40%
26 of the eligible self-direct customer's usage,

1 determined annually by the eligible self-direct
2 customer's usage during the previous delivery
3 year, measured to the nearest megawatt-hour;

4 (v) be retired by or on behalf of the large
5 energy customer;

6 (vi) be sourced from new utility-scale wind
7 projects or new utility-scale solar projects; and

8 (vii) if the contracts for renewable energy
9 credits are entered into after the effective date
10 of this amendatory Act of the 102nd General
11 Assembly, the new utility-scale wind projects or
12 new utility-scale solar projects must comply with
13 the requirements established in subparagraphs (P)
14 and (Q) of paragraph (1) of this subsection (c)
15 and subsection (c-10).

16 (3) The self-direct renewable portfolio standard
17 compliance program shall be designed to allow eligible
18 self-direct customers to procure new renewable energy
19 credits from new utility-scale wind projects or new
20 utility-scale photovoltaic projects. The Agency shall
21 annually determine the amount of utility-scale
22 renewable energy credits it will include each year
23 from the self-direct renewable portfolio standard
24 compliance program, subject to receiving qualifying
25 applications. In making this determination, the Agency
26 shall evaluate publicly available analyses and studies

1 of the potential market size for utility-scale
2 renewable energy long-term purchase agreements by
3 commercial and industrial energy customers and make
4 that report publicly available. If demand for
5 participation in the self-direct renewable portfolio
6 standard compliance program exceeds availability, the
7 Agency shall ensure participation is evenly split
8 between commercial and industrial users to the extent
9 there is sufficient demand from both customer classes.
10 Each renewable energy credit procured pursuant to this
11 subparagraph (R) by a self-direct customer shall
12 reduce the total volume of renewable energy credits
13 the Agency is otherwise required to procure from new
14 utility-scale projects pursuant to subparagraph (C) of
15 paragraph (1) of this subsection (c) on behalf of
16 contracting utilities where the eligible self-direct
17 customer is located. The self-direct customer shall
18 file an annual compliance report with the Agency
19 pursuant to terms established by the Agency through
20 its long-term renewable resources procurement plan to
21 be eligible for participation in this program.
22 Customers must provide the Agency with their most
23 recent electricity billing statements or other
24 information deemed necessary by the Agency to
25 demonstrate they are an eligible self-direct customer.

26 (4) The Commission shall approve a reduction in

1 the volumetric charges collected pursuant to Section
2 16-108 of the Public Utilities Act for approved
3 eligible self-direct customers equivalent to the
4 anticipated cost of renewable energy credit deliveries
5 under contracts for new utility-scale wind and new
6 utility-scale solar entered for each delivery year
7 after the large energy customer begins retiring
8 eligible new utility scale renewable energy credits
9 for self-compliance. The self-direct credit amount
10 shall be determined annually and is equal to the
11 estimated portion of the cost authorized by
12 subparagraph (E) of paragraph (1) of this subsection
13 (c) that supported the annual procurement of
14 utility-scale renewable energy credits in the prior
15 delivery year using a methodology described in the
16 long-term renewable resources procurement plan,
17 expressed on a per kilowatthour basis, and does not
18 include (i) costs associated with any contracts
19 entered into before the delivery year in which the
20 customer files the initial compliance report to be
21 eligible for participation in the self-direct program,
22 and (ii) costs associated with procuring renewable
23 energy credits through existing and future contracts
24 through the Adjustable Block Program, subsection (c-5)
25 of this Section 1-75, and the Solar for All Program.
26 The Agency shall assist the Commission in determining

1 the current and future costs. The Agency must
2 determine the self-direct credit amount for new and
3 existing eligible self-direct customers and submit
4 this to the Commission in an annual compliance filing.
5 The Commission must approve the self-direct credit
6 amount by June 1, 2023 and June 1 of each delivery year
7 thereafter.

8 (5) Customers described in this subparagraph (R)
9 shall apply, on a form developed by the Agency, to the
10 Agency to be designated as a self-direct eligible
11 customer. Once the Agency determines that a
12 self-direct customer is eligible for participation in
13 the program, the self-direct customer will remain
14 eligible until the end of the term of the contract.
15 Thereafter, application may be made not less than 12
16 months before the filing date of the long-term
17 renewable resources procurement plan described in this
18 Act. At a minimum, such application shall contain the
19 following:

20 (i) the customer's certification that, at the
21 time of the customer's application, the customer
22 qualifies to be a self-direct eligible customer,
23 including documents demonstrating that
24 qualification;

25 (ii) the customer's certification that the
26 customer has entered into or will enter into by

1 the beginning of the applicable procurement year,
2 one or more bilateral contracts for new wind
3 projects or new photovoltaic projects, including
4 supporting documentation;

5 (iii) certification that the contract or
6 contracts for new renewable energy resources are
7 long-term contracts with term lengths of at least
8 10 years, including supporting documentation;

9 (iv) certification of the quantities of
10 renewable energy credits that the customer will
11 purchase each year under such contract or
12 contracts, including supporting documentation;

13 (v) proof that the contract is sufficient to
14 produce renewable energy credits to be equivalent
15 in volume to at least 40% of the large energy
16 customer's usage from the previous delivery year,
17 measured to the nearest megawatt-hour; and

18 (vi) certification that the customer intends
19 to maintain the contract for the duration of the
20 length of the contract.

21 (6) If a customer receives the self-direct credit
22 but fails to properly procure and retire renewable
23 energy credits as required under this subparagraph
24 (R), the Commission, on petition from the Agency and
25 after notice and hearing, may direct such customer's
26 utility to recover the cost of the wrongfully received

1 self-direct credits plus interest through an adder to
2 charges assessed pursuant to Section 16-108 of the
3 Public Utilities Act. Self-direct customers who
4 knowingly fail to properly procure and retire
5 renewable energy credits and do not notify the Agency
6 are ineligible for continued participation in the
7 self-direct renewable portfolio standard compliance
8 program.

9 (2) (Blank).

10 (3) (Blank).

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

13 (5) Beginning with the 2010 delivery year and ending
14 June 1, 2017, an electric utility subject to this
15 subsection (c) shall apply the lesser of the maximum
16 alternative compliance payment rate or the most recent
17 estimated alternative compliance payment rate for its
18 service territory for the corresponding compliance period,
19 established pursuant to subsection (d) of Section 16-115D
20 of the Public Utilities Act to its retail customers that
21 take service pursuant to the electric utility's hourly
22 pricing tariff or tariffs. The electric utility shall
23 retain all amounts collected as a result of the
24 application of the alternative compliance payment rate or
25 rates to such customers, and, beginning in 2011, the
26 utility shall include in the information provided under

1 item (1) of subsection (d) of Section 16-111.5 of the
2 Public Utilities Act the amounts collected under the
3 alternative compliance payment rate or rates for the prior
4 year ending May 31. Notwithstanding any limitation on the
5 procurement of renewable energy resources imposed by item
6 (2) of this subsection (c), the Agency shall increase its
7 spending on the purchase of renewable energy resources to
8 be procured by the electric utility for the next plan year
9 by an amount equal to the amounts collected by the utility
10 under the alternative compliance payment rate or rates in
11 the prior year ending May 31.

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

22 (7) Renewable energy credits procured from new
23 photovoltaic projects or new distributed renewable energy
24 generation devices under this Section after June 1, 2017
25 (the effective date of Public Act 99-906) must be procured
26 from devices installed by a qualified person in compliance

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

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

14 (c-5) Procurement of renewable energy credits from new
15 renewable energy facilities installed at or adjacent to the
16 sites of electric generating facilities that burn or burned
17 coal as their primary fuel source.

18 (1) In addition to the procurement of renewable energy
19 credits pursuant to long-term renewable resources
20 procurement plans in accordance with subsection (c) of
21 this Section and Section 16-111.5 of the Public Utilities
22 Act, the Agency shall conduct procurement events in
23 accordance with this subsection (c-5) for the procurement
24 by electric utilities that served more than 300,000 retail
25 customers in this State as of January 1, 2019 of renewable
26 energy credits from new renewable energy facilities to be

1 installed at or adjacent to the sites of electric
2 generating facilities that, as of January 1, 2016, burned
3 coal as their primary fuel source and meet the other
4 criteria specified in this subsection (c-5). For purposes
5 of this subsection (c-5), "new renewable energy facility"
6 means a new utility-scale solar project as defined in this
7 Section 1-75. The renewable energy credits procured
8 pursuant to this subsection (c-5) may be included or
9 counted for purposes of compliance with the amounts of
10 renewable energy credits required to be procured pursuant
11 to subsection (c) of this Section to the extent that there
12 are otherwise shortfalls in compliance with such
13 requirements. The procurement of renewable energy credits
14 by electric utilities pursuant to this subsection (c-5)
15 shall be funded solely by revenues collected from the Coal
16 to Solar and Energy Storage Initiative Charge provided for
17 in this subsection (c-5) and subsection (i-5) of Section
18 16-108 of the Public Utilities Act, shall not be funded by
19 revenues collected through any of the other funding
20 mechanisms provided for in subsection (c) of this Section,
21 and shall not be subject to the limitation imposed by
22 subsection (c) on charges to retail customers for costs to
23 procure renewable energy resources pursuant to subsection
24 (c), and shall not be subject to any other requirements or
25 limitations of subsection (c).

26 (2) The Agency shall conduct 2 procurement events to

1 select owners of electric generating facilities meeting
2 the eligibility criteria specified in this subsection
3 (c-5) to enter into long-term contracts to sell renewable
4 energy credits to electric utilities serving more than
5 300,000 retail customers in this State as of January 1,
6 2019. The first procurement event shall be conducted no
7 later than March 31, 2022, unless the Agency elects to
8 delay it, until no later than May 1, 2022, due to its
9 overall volume of work, and shall be to select owners of
10 electric generating facilities located in this State and
11 south of federal Interstate Highway 80 that meet the
12 eligibility criteria specified in this subsection (c-5).
13 The second procurement event shall be conducted no sooner
14 than September 30, 2022 and no later than October 31, 2022
15 and shall be to select owners of electric generating
16 facilities located anywhere in this State that meet the
17 eligibility criteria specified in this subsection (c-5).
18 The Agency shall establish and announce a time period,
19 which shall begin no later than 30 days prior to the
20 scheduled date for the procurement event, during which
21 applicants may submit applications to be selected as
22 suppliers of renewable energy credits pursuant to this
23 subsection (c-5). The eligibility criteria for selection
24 as a supplier of renewable energy credits pursuant to this
25 subsection (c-5) shall be as follows:

26 (A) The applicant owns an electric generating

1 facility located in this State that: (i) as of January
2 1, 2016, burned coal as its primary fuel to generate
3 electricity; and (ii) has, or had prior to retirement,
4 an electric generating capacity of at least 150
5 megawatts. The electric generating facility can be
6 either: (i) retired as of the date of the procurement
7 event; or (ii) still operating as of the date of the
8 procurement event.

9 (B) The applicant is not (i) an electric
10 cooperative as defined in Section 3-119 of the Public
11 Utilities Act, or (ii) an entity described in
12 subsection (b)(1) of Section 3-105 of the Public
13 Utilities Act, or an association or consortium of or
14 an entity owned by entities described in (i) or (ii);
15 and the coal-fueled electric generating facility was
16 at one time owned, in whole or in part, by a public
17 utility as defined in Section 3-105 of the Public
18 Utilities Act.

19 (C) If participating in the first procurement
20 event, the applicant proposes and commits to construct
21 and operate, at the site, and if necessary for
22 sufficient space on property adjacent to the existing
23 property, at which the electric generating facility
24 identified in paragraph (A) is located: (i) a new
25 renewable energy facility of at least 20 megawatts but
26 no more than 100 megawatts of electric generating

1 capacity, and (ii) an energy storage facility having a
2 storage capacity equal to at least 2 megawatts and at
3 most 10 megawatts. If participating in the second
4 procurement event, the applicant proposes and commits
5 to construct and operate, at the site, and if
6 necessary for sufficient space on property adjacent to
7 the existing property, at which the electric
8 generating facility identified in paragraph (A) is
9 located: (i) a new renewable energy facility of at
10 least 5 megawatts but no more than 20 megawatts of
11 electric generating capacity, and (ii) an energy
12 storage facility having a storage capacity equal to at
13 least 0.5 megawatts and at most one megawatt.

14 (D) The applicant agrees that the new renewable
15 energy facility and the energy storage facility will
16 be constructed or installed by a qualified entity or
17 entities in compliance with the requirements of
18 subsection (g) of Section 16-128A of the Public
19 Utilities Act and any rules adopted thereunder.

20 (E) The applicant agrees that personnel operating
21 the new renewable energy facility and the energy
22 storage facility will have the requisite skills,
23 knowledge, training, experience, and competence, which
24 may be demonstrated by completion or current
25 participation and ultimate completion by employees of
26 an accredited or otherwise recognized apprenticeship

1 program for the employee's particular craft, trade, or
2 skill, including through training and education
3 courses and opportunities offered by the owner to
4 employees of the coal-fueled electric generating
5 facility or by previous employment experience
6 performing the employee's particular work skill or
7 function.

8 (F) The applicant commits that not less than the
9 prevailing wage, as determined pursuant to the
10 Prevailing Wage Act, will be paid to the applicant's
11 employees engaged in construction activities
12 associated with the new renewable energy facility and
13 the new energy storage facility and to the employees
14 of applicant's contractors engaged in construction
15 activities associated with the new renewable energy
16 facility and the new energy storage facility, and
17 that, on or before the commercial operation date of
18 the new renewable energy facility, the applicant shall
19 file a report with the Agency certifying that the
20 requirements of this subparagraph (F) have been met.

21 (G) The applicant commits that if selected, it
22 will negotiate a project labor agreement for the
23 construction of the new renewable energy facility and
24 associated energy storage facility that includes
25 provisions requiring the parties to the agreement to
26 work together to establish diversity threshold

1 requirements and to ensure best efforts to meet
2 diversity targets, improve diversity at the applicable
3 job site, create diverse apprenticeship opportunities,
4 and create opportunities to employ former coal-fired
5 power plant workers.

6 (H) The applicant commits to enter into a contract
7 or contracts for the applicable duration to provide
8 specified numbers of renewable energy credits each
9 year from the new renewable energy facility to
10 electric utilities that served more than 300,000
11 retail customers in this State as of January 1, 2019,
12 at a price of \$30 per renewable energy credit. The
13 price per renewable energy credit shall be fixed at
14 \$30 for the applicable duration and the renewable
15 energy credits shall not be indexed renewable energy
16 credits as provided for in item (v) of subparagraph
17 (G) of paragraph (1) of subsection (c) of Section 1-75
18 of this Act. The applicable duration of each contract
19 shall be 20 years, unless the applicant is physically
20 interconnected to the PJM Interconnection, LLC
21 transmission grid and had a generating capacity of at
22 least 1,200 megawatts as of January 1, 2021, in which
23 case the applicable duration of the contract shall be
24 15 years.

25 (I) The applicant's application is certified by an
26 officer of the applicant and by an officer of the

1 applicant's ultimate parent company, if any.

2 (3) An applicant may submit applications to contract
3 to supply renewable energy credits from more than one new
4 renewable energy facility to be constructed at or adjacent
5 to one or more qualifying electric generating facilities
6 owned by the applicant. The Agency may select new
7 renewable energy facilities to be located at or adjacent
8 to the sites of more than one qualifying electric
9 generation facility owned by an applicant to contract with
10 electric utilities to supply renewable energy credits from
11 such facilities.

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

21 (5) The Agency shall select the applicants and the new
22 renewable energy facilities to contract with electric
23 utilities to supply renewable energy credits in accordance
24 with this subsection (c-5). In the first procurement
25 event, the Agency shall select applicants and new
26 renewable energy facilities to supply renewable energy

1 credits, at a price of \$30 per renewable energy credit,
2 aggregating to no less than 400,000 renewable energy
3 credits per year for the applicable duration, assuming
4 sufficient qualifying applications to supply, in the
5 aggregate, at least that amount of renewable energy
6 credits per year; and not more than 580,000 renewable
7 energy credits per year for the applicable duration. In
8 the second procurement event, the Agency shall select
9 applicants and new renewable energy facilities to supply
10 renewable energy credits, at a price of \$30 per renewable
11 energy credit, aggregating to no more than 625,000
12 renewable energy credits per year less the amount of
13 renewable energy credits each year contracted for as a
14 result of the first procurement event, for the applicable
15 durations. The number of renewable energy credits to be
16 procured as specified in this paragraph (5) shall not be
17 reduced based on renewable energy credits procured in the
18 self-direct renewable energy credit compliance program
19 established pursuant to subparagraph (R) of paragraph (1)
20 of subsection (c) of Section 1-75.

21 (6) The obligation to purchase renewable energy
22 credits from the applicants and their new renewable energy
23 facilities selected by the Agency shall be allocated to
24 the electric utilities based on their respective
25 percentages of kilowatthours delivered to delivery
26 services customers to the aggregate kilowatthour

1 deliveries by the electric utilities to delivery services
2 customers for the year ended December 31, 2021. In order
3 to achieve these allocation percentages between or among
4 the electric utilities, the Agency shall require each
5 applicant that is selected in the procurement event to
6 enter into a contract with each electric utility for the
7 sale and purchase of renewable energy credits from each
8 new renewable energy facility to be constructed and
9 operated by the applicant, with the sale and purchase
10 obligations under the contracts to aggregate to the total
11 number of renewable energy credits per year to be supplied
12 by the applicant from the new renewable energy facility.

13 (7) The Agency shall submit its proposed selection of
14 applicants, new renewable energy facilities to be
15 constructed, and renewable energy credit amounts for each
16 procurement event to the Commission for approval. The
17 Commission shall, within 2 business days after receipt of
18 the Agency's proposed selections, approve the proposed
19 selections if it determines that the applicants and the
20 new renewable energy facilities to be constructed meet the
21 selection criteria set forth in this subsection (c-5) and
22 that the Agency seeks approval for contracts of applicable
23 durations aggregating to no more than the maximum amount
24 of renewable energy credits per year authorized by this
25 subsection (c-5) for the procurement event, at a price of
26 \$30 per renewable energy credit.

1 (8) The Agency, in conjunction with its procurement
2 administrator if one is retained, the electric utilities,
3 and potential applicants for contracts to produce and
4 supply renewable energy credits pursuant to this
5 subsection (c-5), shall develop a standard form contract
6 for the sale, delivery and purchase of renewable energy
7 credits pursuant to this subsection (c-5). Each contract
8 resulting from the first procurement event shall allow for
9 a commercial operation date for the new renewable energy
10 facility of either June 1, 2023 or June 1, 2024, with such
11 dates subject to adjustment as provided in this paragraph.
12 Each contract resulting from the second procurement event
13 shall provide for a commercial operation date on June 1
14 next occurring up to 48 months after execution of the
15 contract. Each contract shall provide that the owner shall
16 receive payments for renewable energy credits for the
17 applicable durations beginning with the commercial
18 operation date of the new renewable energy facility. The
19 form contract shall provide for adjustments to the
20 commercial operation and payment start dates as needed due
21 to any delays in completing the procurement and
22 contracting processes, in finalizing interconnection
23 agreements and installing interconnection facilities, and
24 in obtaining other necessary governmental permits and
25 approvals. The form contract shall be, to the maximum
26 extent possible, consistent with standard electric

1 industry contracts for sale, delivery, and purchase of
2 renewable energy credits while taking into account the
3 specific requirements of this subsection (c-5). The form
4 contract shall provide for over-delivery and
5 under-delivery of renewable energy credits within
6 reasonable ranges during each 12-month period and penalty,
7 default, and enforcement provisions for failure of the
8 selling party to deliver renewable energy credits as
9 specified in the contract and to comply with the
10 requirements of this subsection (c-5). The standard form
11 contract shall specify that all renewable energy credits
12 delivered to the electric utility pursuant to the contract
13 shall be retired. The Agency shall make the proposed
14 contracts available for a reasonable period for comment by
15 potential applicants, and shall publish the final form
16 contract at least 30 days before the date of the first
17 procurement event.

18 (9) Coal to Solar and Energy Storage Initiative
19 Charge.

20 (A) By no later than July 1, 2022, each electric
21 utility that served more than 300,000 retail customers
22 in this State as of January 1, 2019 shall file a tariff
23 with the Commission for the billing and collection of
24 a Coal to Solar and Energy Storage Initiative Charge
25 in accordance with subsection (i-5) of Section 16-108
26 of the Public Utilities Act, with such tariff to be

1 effective, following review and approval or
2 modification by the Commission, beginning January 1,
3 2023. The tariff shall provide for the calculation and
4 setting of the electric utility's Coal to Solar and
5 Energy Storage Initiative Charge to collect revenues
6 estimated to be sufficient, in the aggregate, (i) to
7 enable the electric utility to pay for the renewable
8 energy credits it has contracted to purchase in the
9 delivery year beginning June 1, 2023 and each delivery
10 year thereafter from new renewable energy facilities
11 located at the sites of qualifying electric generating
12 facilities, and (ii) to fund the grant payments to be
13 made in each delivery year by the Department of
14 Commerce and Economic Opportunity, or any successor
15 department or agency, which shall be referred to in
16 this subsection (c-5) as the Department, pursuant to
17 paragraph (10) of this subsection (c-5). The electric
18 utility's tariff shall provide for the billing and
19 collection of the Coal to Solar and Energy Storage
20 Initiative Charge on each kilowatthour of electricity
21 delivered to its delivery services customers within
22 its service territory and shall provide for an annual
23 reconciliation of revenues collected with actual
24 costs, in accordance with subsection (i-5) of Section
25 16-108 of the Public Utilities Act.

26 (B) Each electric utility shall remit on a monthly

1 basis to the State Treasurer, for deposit in the Coal
2 to Solar and Energy Storage Initiative Fund provided
3 for in this subsection (c-5), the electric utility's
4 collections of the Coal to Solar and Energy Storage
5 Initiative Charge in the amount estimated to be needed
6 by the Department for grant payments pursuant to grant
7 contracts entered into by the Department pursuant to
8 paragraph (10) of this subsection (c-5).

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

10 (A) The Coal to Solar and Energy Storage
11 Initiative Fund is established as a special fund in
12 the State treasury. The Coal to Solar and Energy
13 Storage Initiative Fund is authorized to receive, by
14 statutory deposit, that portion specified in item (B)
15 of paragraph (9) of this subsection (c-5) of moneys
16 collected by electric utilities through imposition of
17 the Coal to Solar and Energy Storage Initiative Charge
18 required by this subsection (c-5). The Coal to Solar
19 and Energy Storage Initiative Fund shall be
20 administered by the Department to provide grants to
21 support the installation and operation of energy
22 storage facilities at the sites of qualifying electric
23 generating facilities meeting the criteria specified
24 in this paragraph (10).

25 (B) The Coal to Solar and Energy Storage
26 Initiative Fund shall not be subject to sweeps,

1 administrative charges, or chargebacks, including, but
2 not limited to, those authorized under Section 8h of
3 the State Finance Act, that would in any way result in
4 the transfer of those funds from the Coal to Solar and
5 Energy Storage Initiative Fund to any other fund of
6 this State or in having any such funds utilized for any
7 purpose other than the express purposes set forth in
8 this paragraph (10).

9 (C) The Department shall utilize up to
10 \$280,500,000 in the Coal to Solar and Energy Storage
11 Initiative Fund for grants, assuming sufficient
12 qualifying applicants, to support installation of
13 energy storage facilities at the sites of up to 3
14 qualifying electric generating facilities located in
15 the Midcontinent Independent System Operator, Inc.,
16 region in Illinois and the sites of up to 2 qualifying
17 electric generating facilities located in the PJM
18 Interconnection, LLC region in Illinois that meet the
19 criteria set forth in this subparagraph (C). The
20 criteria for receipt of a grant pursuant to this
21 subparagraph (C) are as follows:

22 (1) the electric generating facility at the
23 site has, or had prior to retirement, an electric
24 generating capacity of at least 150 megawatts;

25 (2) the electric generating facility burns (or
26 burned prior to retirement) coal as its primary

1 source of fuel;

2 (3) if the electric generating facility is
3 retired, it was retired subsequent to January 1,
4 2016;

5 (4) the owner of the electric generating
6 facility has not been selected by the Agency
7 pursuant to this subsection (c-5) of this Section
8 to enter into a contract to sell renewable energy
9 credits to one or more electric utilities from a
10 new renewable energy facility located or to be
11 located at or adjacent to the site at which the
12 electric generating facility is located;

13 (5) the electric generating facility located
14 at the site was at one time owned, in whole or in
15 part, by a public utility as defined in Section
16 3-105 of the Public Utilities Act;

17 (6) the electric generating facility at the
18 site is not owned by (i) an electric cooperative
19 as defined in Section 3-119 of the Public
20 Utilities Act, or (ii) an entity described in
21 subsection (b)(1) of Section 3-105 of the Public
22 Utilities Act, or an association or consortium of
23 or an entity owned by entities described in items
24 (i) or (ii);

25 (7) the proposed energy storage facility at
26 the site will have energy storage capacity of at

1 least 37 megawatts;

2 (8) the owner commits to place the energy
3 storage facility into commercial operation on
4 either June 1, 2023, June 1, 2024, or June 1, 2025,
5 with such date subject to adjustment as needed due
6 to any delays in completing the grant contracting
7 process, in finalizing interconnection agreements
8 and in installing interconnection facilities, and
9 in obtaining necessary governmental permits and
10 approvals;

11 (9) the owner agrees that the new energy
12 storage facility will be constructed or installed
13 by a qualified entity or entities consistent with
14 the requirements of subsection (g) of Section
15 16-128A of the Public Utilities Act and any rules
16 adopted under that Section;

17 (10) the owner agrees that personnel operating
18 the energy storage facility will have the
19 requisite skills, knowledge, training, experience,
20 and competence, which may be demonstrated by
21 completion or current participation and ultimate
22 completion by employees of an accredited or
23 otherwise recognized apprenticeship program for
24 the employee's particular craft, trade, or skill,
25 including through training and education courses
26 and opportunities offered by the owner to

1 employees of the coal-fueled electric generating
2 facility or by previous employment experience
3 performing the employee's particular work skill or
4 function;

5 (11) the owner commits that not less than the
6 prevailing wage, as determined pursuant to the
7 Prevailing Wage Act, will be paid to the owner's
8 employees engaged in construction activities
9 associated with the new energy storage facility
10 and to the employees of the owner's contractors
11 engaged in construction activities associated with
12 the new energy storage facility, and that, on or
13 before the commercial operation date of the new
14 energy storage facility, the owner shall file a
15 report with the Department certifying that the
16 requirements of this subparagraph (11) have been
17 met; and

18 (12) the owner commits that if selected to
19 receive a grant, it will negotiate a project labor
20 agreement for the construction of the new energy
21 storage facility that includes provisions
22 requiring the parties to the agreement to work
23 together to establish diversity threshold
24 requirements and to ensure best efforts to meet
25 diversity targets, improve diversity at the
26 applicable job site, create diverse apprenticeship

1 opportunities, and create opportunities to employ
2 former coal-fired power plant workers.

3 The Department shall accept applications for this
4 grant program until March 31, 2022 and shall announce
5 the award of grants no later than June 1, 2022. The
6 Department shall make the grant payments to a
7 recipient in equal annual amounts for 10 years
8 following the date the energy storage facility is
9 placed into commercial operation. The annual grant
10 payments to a qualifying energy storage facility shall
11 be \$110,000 per megawatt of energy storage capacity,
12 with total annual grant payments pursuant to this
13 subparagraph (C) for qualifying energy storage
14 facilities not to exceed \$28,050,000 in any year.

15 (D) Grants of funding for energy storage
16 facilities pursuant to subparagraph (C) of this
17 paragraph (10), from the Coal to Solar and Energy
18 Storage Initiative Fund, shall be memorialized in
19 grant contracts between the Department and the
20 recipient. The grant contracts shall specify the date
21 or dates in each year on which the annual grant
22 payments shall be paid.

23 (E) All disbursements from the Coal to Solar and
24 Energy Storage Initiative Fund shall be made only upon
25 warrants of the Comptroller drawn upon the Treasurer
26 as custodian of the Fund upon vouchers signed by the

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

8 (11) Diversity, equity, and inclusion plans.

9 (A) Each applicant selected in a procurement event
10 to contract to supply renewable energy credits in
11 accordance with this subsection (c-5) and each owner
12 selected by the Department to receive a grant or
13 grants to support the construction and operation of a
14 new energy storage facility or facilities in
15 accordance with this subsection (c-5) shall, within 60
16 days following the Commission's approval of the
17 applicant to contract to supply renewable energy
18 credits or within 60 days following execution of a
19 grant contract with the Department, as applicable,
20 submit to the Commission a diversity, equity, and
21 inclusion plan setting forth the applicant's or
22 owner's numeric goals for the diversity composition of
23 its supplier entities for the new renewable energy
24 facility or new energy storage facility, as
25 applicable, which shall be referred to for purposes of
26 this paragraph (11) as the project, and the

1 applicant's or owner's action plan and schedule for
2 achieving those goals.

3 (B) For purposes of this paragraph (11), diversity
4 composition shall be based on the percentage, which
5 shall be a minimum of 25%, of eligible expenditures
6 for contract awards for materials and services (which
7 shall be defined in the plan) to business enterprises
8 owned by minority persons, women, or persons with
9 disabilities as defined in Section 2 of the Business
10 Enterprise for Minorities, Women, and Persons with
11 Disabilities Act, to LGBTQ business enterprises, to
12 veteran-owned business enterprises, and to business
13 enterprises located in environmental justice
14 communities. The diversity composition goals of the
15 plan may include eligible expenditures in areas for
16 vendor or supplier opportunities in addition to
17 development and construction of the project, and may
18 exclude from eligible expenditures materials and
19 services with limited market availability, limited
20 production and availability from suppliers in the
21 United States, such as solar panels and storage
22 batteries, and material and services that are subject
23 to critical energy infrastructure or cybersecurity
24 requirements or restrictions. The plan may provide
25 that the diversity composition goals may be met
26 through Tier 1 Direct or Tier 2 subcontracting

1 expenditures or a combination thereof for the project.

2 (C) The plan shall provide for, but not be limited
3 to: (i) internal initiatives, including multi-tier
4 initiatives, by the applicant or owner, or by its
5 engineering, procurement and construction contractor
6 if one is used for the project, which for purposes of
7 this paragraph (11) shall be referred to as the EPC
8 contractor, to enable diverse businesses to be
9 considered fairly for selection to provide materials
10 and services; (ii) requirements for the applicant or
11 owner or its EPC contractor to proactively solicit and
12 utilize diverse businesses to provide materials and
13 services; and (iii) requirements for the applicant or
14 owner or its EPC contractor to hire a diverse
15 workforce for the project. The plan shall include a
16 description of the applicant's or owner's diversity
17 recruiting efforts both for the project and for other
18 areas of the applicant's or owner's business
19 operations. The plan shall provide for the imposition
20 of financial penalties on the applicant's or owner's
21 EPC contractor for failure to exercise best efforts to
22 comply with and execute the EPC contractor's diversity
23 obligations under the plan. The plan may provide for
24 the applicant or owner to set aside a portion of the
25 work on the project to serve as an incubation program
26 for qualified businesses, as specified in the plan,

1 owned by minority persons, women, persons with
2 disabilities, LGBTQ persons, and veterans, and
3 businesses located in environmental justice
4 communities, seeking to enter the renewable energy
5 industry.

6 (D) The applicant or owner may submit a revised or
7 updated plan to the Commission from time to time as
8 circumstances warrant. The applicant or owner shall
9 file annual reports with the Commission detailing the
10 applicant's or owner's progress in implementing its
11 plan and achieving its goals and any modifications the
12 applicant or owner has made to its plan to better
13 achieve its diversity, equity and inclusion goals. The
14 applicant or owner shall file a final report on the
15 fifth June 1 following the commercial operation date
16 of the new renewable energy resource or new energy
17 storage facility, but the applicant or owner shall
18 thereafter continue to be subject to applicable
19 reporting requirements of Section 5-117 of the Public
20 Utilities Act.

21 (c-10) Equity accountability system. It is the purpose of
22 this subsection (c-10) to create an equity accountability
23 system, which includes the minimum equity standards for all
24 renewable energy procurements, the equity category of the
25 Adjustable Block Program, and the equity prioritization for
26 noncompetitive procurements, that is successful in advancing

1 priority access to the clean energy economy for businesses and
2 workers from communities that have been excluded from economic
3 opportunities in the energy sector, have been subject to
4 disproportionate levels of pollution, and have
5 disproportionately experienced negative public health
6 outcomes. Further, it is the purpose of this subsection to
7 ensure that this equity accountability system is successful in
8 advancing equity across Illinois by providing access to the
9 clean energy economy for businesses and workers from
10 communities that have been historically excluded from economic
11 opportunities in the energy sector, have been subject to
12 disproportionate levels of pollution, and have
13 disproportionately experienced negative public health
14 outcomes.

15 (1) Minimum equity standards. The Agency shall create
16 programs with the purpose of increasing access to and
17 development of equity eligible contractors, who are prime
18 contractors and subcontractors, across all of the programs
19 it manages. All applications for renewable energy credit
20 procurements shall comply with specific minimum equity
21 commitments. Starting in the delivery year immediately
22 following the next long-term renewable resources
23 procurement plan, at least 10% of the project workforce
24 for each entity participating in a procurement program
25 outlined in this subsection (c-10) must be done by equity
26 eligible persons or equity eligible contractors. The

1 Agency shall increase the minimum percentage each delivery
2 year thereafter by increments that ensure a statewide
3 average of 30% of the project workforce for each entity
4 participating in a procurement program is done by equity
5 eligible persons or equity eligible contractors by 2030.
6 The Agency shall propose a schedule of percentage
7 increases to the minimum equity standards in its draft
8 revised renewable energy resources procurement plan
9 submitted to the Commission for approval pursuant to
10 paragraph (5) of subsection (b) of Section 16-111.5 of the
11 Public Utilities Act. In determining these annual
12 increases, the Agency shall have the discretion to
13 establish different minimum equity standards for different
14 types of procurements and different regions of the State
15 if the Agency finds that doing so will further the
16 purposes of this subsection (c-10). The proposed schedule
17 of annual increases shall be revisited and updated on an
18 annual basis. Revisions shall be developed with
19 stakeholder input, including from equity eligible persons,
20 equity eligible contractors, clean energy industry
21 representatives, and community-based organizations that
22 work with such persons and contractors.

23 (A) At the start of each delivery year, the Agency
24 shall require a compliance plan from each entity
25 participating in a procurement program of subsection
26 (c) of this Section that demonstrates how they will

1 achieve compliance with the minimum equity standard
2 percentage for work completed in that delivery year.
3 If an entity applies for its approved vendor or
4 designee status between delivery years, the Agency
5 shall require a compliance plan at the time of
6 application.

7 (B) Halfway through each delivery year, the Agency
8 shall require each entity participating in a
9 procurement program to confirm that it will achieve
10 compliance in that delivery year, when applicable. The
11 Agency may offer corrective action plans to entities
12 that are not on track to achieve compliance.

13 (C) At the end of each delivery year, each entity
14 participating and completing work in that delivery
15 year in a procurement program of subsection (c) shall
16 submit a report to the Agency that demonstrates how it
17 achieved compliance with the minimum equity standards
18 percentage for that delivery year.

19 (D) The Agency shall prohibit participation in
20 procurement programs by an approved vendor or
21 designee, as applicable, or entities with which an
22 approved vendor or designee, as applicable, shares a
23 common parent company if an approved vendor or
24 designee, as applicable, failed to meet the minimum
25 equity standards for the prior delivery year. Waivers
26 approved for lack of equity eligible persons or equity

1 eligible contractors in a geographic area of a project
2 shall not count against the approved vendor or
3 designee. The Agency shall offer a corrective action
4 plan for any such entities to assist them in obtaining
5 compliance and shall allow continued access to
6 procurement programs upon an approved vendor or
7 designee demonstrating compliance.

8 (E) The Agency shall pursue efficiencies achieved
9 by combining with other approved vendor or designee
10 reporting.

11 (2) Equity accountability system within the Adjustable
12 Block program. The equity category described in item (vi)
13 of subparagraph (K) of subsection (c) is only available to
14 applicants that are equity eligible contractors.

15 (3) Equity accountability system within competitive
16 procurements. Through its long-term renewable resources
17 procurement plan, the Agency shall develop requirements
18 for ensuring that competitive procurement processes,
19 including utility-scale solar, utility-scale wind, and
20 brownfield site photovoltaic projects, advance the equity
21 goals of this subsection (c-10). Subject to Commission
22 approval, the Agency shall develop bid application
23 requirements and a bid evaluation methodology for ensuring
24 that utilization of equity eligible contractors, whether
25 as bidders or as participants on project development, is
26 optimized, including requiring that winning or successful

1 applicants for utility-scale projects are or will partner
2 with equity eligible contractors and giving preference to
3 bids through which a higher portion of contract value
4 flows to equity eligible contractors. To the extent
5 practicable, entities participating in competitive
6 procurements shall also be required to meet all the equity
7 accountability requirements for approved vendors and their
8 designees under this subsection (c-10). In developing
9 these requirements, the Agency shall also consider whether
10 equity goals can be further advanced through additional
11 measures.

12 (4) In the first revision to the long-term renewable
13 energy resources procurement plan and each revision
14 thereafter, the Agency shall include the following:

15 (A) The current status and number of equity
16 eligible contractors listed in the Energy Workforce
17 Equity Database designed in subsection (c-25),
18 including the number of equity eligible contractors
19 with current certifications as issued by the Agency.

20 (B) A mechanism for measuring, tracking, and
21 reporting project workforce at the approved vendor or
22 designee level, as applicable, which shall include a
23 measurement methodology and records to be made
24 available for audit by the Agency or the Program
25 Administrator.

26 (C) A program for approved vendors, designees,

1 eligible persons, and equity eligible contractors to
2 receive trainings, guidance, and other support from
3 the Agency or its designee regarding the equity
4 category outlined in item (vi) of subparagraph (K) of
5 paragraph (1) of subsection (c) and in meeting the
6 minimum equity standards of this subsection (c-10).

7 (D) A process for certifying equity eligible
8 contractors and equity eligible persons. The
9 certification process shall coordinate with the Energy
10 Workforce Equity Database set forth in subsection
11 (c-25).

12 (E) An application for waiver of the minimum
13 equity standards of this subsection, which the Agency
14 shall have the discretion to grant in rare
15 circumstances. The Agency may grant such a waiver
16 where the applicant provides evidence of significant
17 efforts toward meeting the minimum equity commitment,
18 including: use of the Energy Workforce Equity
19 Database; efforts to hire or contract with entities
20 that hire eligible persons; and efforts to establish
21 contracting relationships with eligible contractors.
22 The Agency shall support applicants in understanding
23 the Energy Workforce Equity Database and other
24 resources for pursuing compliance of the minimum
25 equity standards. Waivers shall be project-specific,
26 unless the Agency deems it necessary to grant a waiver

1 across a portfolio of projects, and in effect for no
2 longer than one year. Any waiver extension or
3 subsequent waiver request from an applicant shall be
4 subject to the requirements of this Section and shall
5 specify efforts made to reach compliance. When
6 considering whether to grant a waiver, and to what
7 extent, the Agency shall consider the degree to which
8 similarly situated applicants have been able to meet
9 these minimum equity commitments. For repeated waiver
10 requests for specific lack of eligible persons or
11 eligible contractors available, the Agency shall make
12 recommendations to target recruitment to add such
13 eligible persons or eligible contractors to the
14 database.

15 (5) The Agency shall collect information about work on
16 projects or portfolios of projects subject to these
17 minimum equity standards to ensure compliance with this
18 subsection (c-10). Reporting in furtherance of this
19 requirement may be combined with other annual reporting
20 requirements. Such reporting shall include proof of
21 certification of each equity eligible contractor or equity
22 eligible person during the applicable time period.

23 (6) The Agency shall keep confidential all information
24 and communication that provides private or personal
25 information.

26 (7) Modifications to the equity accountability system.

1 As part of the update of the long-term renewable resources
2 procurement plan to be initiated in 2023, or sooner if the
3 Agency deems necessary, the Agency shall determine the
4 extent to which the equity accountability system described
5 in this subsection (c-10) has advanced the goals of this
6 amendatory Act of the 102nd General Assembly, including
7 through the inclusion of equity eligible persons and
8 equity eligible contractors in renewable energy credit
9 projects. If the Agency finds that the equity
10 accountability system has failed to meet those goals to
11 its fullest potential, the Agency may revise the following
12 criteria for future Agency procurements: (A) the
13 percentage of project workforce, or other appropriate
14 workforce measure, certified as equity eligible persons or
15 equity eligible contractors; (B) definitions for equity
16 investment eligible persons and equity investment eligible
17 community; and (C) such other modifications necessary to
18 advance the goals of this amendatory Act of the 102nd
19 General Assembly effectively. Such revised criteria may
20 also establish distinct equity accountability systems for
21 different types of procurements or different regions of
22 the State if the Agency finds that doing so will further
23 the purposes of such programs. Revisions shall be
24 developed with stakeholder input, including from equity
25 eligible persons, equity eligible contractors, and
26 community-based organizations that work with such persons

1 and contractors.

2 (c-15) Racial discrimination elimination powers and
3 process.

4 (1) Purpose. It is the purpose of this subsection to
5 empower the Agency and other State actors to remedy racial
6 discrimination in Illinois' clean energy economy as
7 effectively and expediently as possible, including through
8 the use of race-conscious remedies, such as race-conscious
9 contracting and hiring goals, as consistent with State and
10 federal law.

11 (2) Racial disparity and discrimination review
12 process.

13 (A) Within one year after awarding contracts using
14 the equity actions processes established in this
15 Section, the Agency shall publish a report evaluating
16 the effectiveness of the equity actions point criteria
17 of this Section in increasing participation of equity
18 eligible persons and equity eligible contractors. The
19 report shall disaggregate participating workers and
20 contractors by race and ethnicity. The report shall be
21 forwarded to the Governor, the General Assembly, and
22 the Illinois Commerce Commission and be made available
23 to the public.

24 (B) As soon as is practicable thereafter, the
25 Agency, in consultation with the Department of
26 Commerce and Economic Opportunity, Department of

1 Labor, and other agencies that may be relevant, shall
2 commission and publish a disparity and availability
3 study that measures the presence and impact of
4 discrimination on minority businesses and workers in
5 Illinois' clean energy economy. The Agency may hire
6 consultants and experts to conduct the disparity and
7 availability study, with the retention of those
8 consultants and experts exempt from the requirements
9 of Section 20-10 of the Illinois Procurement Code. The
10 Illinois Power Agency shall forward a copy of its
11 findings and recommendations to the Governor, the
12 General Assembly, and the Illinois Commerce
13 Commission. If the disparity and availability study
14 establishes a strong basis in evidence that there is
15 discrimination in Illinois' clean energy economy, the
16 Agency, Department of Commerce and Economic
17 Opportunity, Department of Labor, Department of
18 Corrections, and other appropriate agencies shall take
19 appropriate remedial actions, including race-conscious
20 remedial actions as consistent with State and federal
21 law, to effectively remedy this discrimination. Such
22 remedies may include modification of the equity
23 accountability system as described in subsection
24 (c-10).

25 (c-20) Program data collection.

26 (1) Purpose. Data collection, data analysis, and

1 reporting are critical to ensure that the benefits of the
2 clean energy economy provided to Illinois residents and
3 businesses are equitably distributed across the State. The
4 Agency shall collect data from program applicants in order
5 to track and improve equitable distribution of benefits
6 across Illinois communities for all procurements the
7 Agency conducts. The Agency shall use this data to, among
8 other things, measure any potential impact of racial
9 discrimination on the distribution of benefits and provide
10 information necessary to correct any discrimination
11 through methods consistent with State and federal law.

12 (2) Agency collection of program data. The Agency
13 shall collect demographic and geographic data for each
14 entity awarded contracts under any Agency-administered
15 program.

16 (3) Required information to be collected. The Agency
17 shall collect the following information from applicants
18 and program participants where applicable:

19 (A) demographic information, including racial or
20 ethnic identity for real persons employed, contracted,
21 or subcontracted through the program and owners of
22 businesses or entities that apply to receive renewable
23 energy credits from the Agency;

24 (B) geographic location of the residency of real
25 persons employed, contracted, or subcontracted through
26 the program and geographic location of the

1 headquarters of the business or entity that applies to
2 receive renewable energy credits from the Agency; and

3 (C) any other information the Agency determines is
4 necessary for the purpose of achieving the purpose of
5 this subsection.

6 (4) Publication of collected information. The Agency
7 shall publish, at least annually, information on the
8 demographics of program participants on an aggregate
9 basis.

10 (5) Nothing in this subsection shall be interpreted to
11 limit the authority of the Agency, or other agency or
12 department of the State, to require or collect demographic
13 information from applicants of other State programs.

14 (c-25) Energy Workforce Equity Database.

15 (1) The Agency, in consultation with the Department of
16 Commerce and Economic Opportunity, shall create an Energy
17 Workforce Equity Database, and may contract with a third
18 party to do so ("database program administrator"). If the
19 Department decides to contract with a third party, that
20 third party shall be exempt from the requirements of
21 Section 20-10 of the Illinois Procurement Code. The Energy
22 Workforce Equity Database shall be a searchable database
23 of suppliers, vendors, and subcontractors for clean energy
24 industries that is:

25 (A) publicly accessible;

26 (B) easy for people to find and use;

1 (C) organized by company specialty or field;

2 (D) region-specific; and

3 (E) populated with information including, but not
4 limited to, contacts for suppliers, vendors, or
5 subcontractors who are minority and women-owned
6 business enterprise certified or who participate or
7 have participated in any of the programs described in
8 this Act.

9 (2) The Agency shall create an easily accessible,
10 public facing online tool using the database information
11 that includes, at a minimum, the following:

12 (A) a map of environmental justice and equity
13 investment eligible communities;

14 (B) job postings and recruiting opportunities;

15 (C) a means by which recruiting clean energy
16 companies can find and interact with current or former
17 participants of clean energy workforce training
18 programs;

19 (D) information on workforce training service
20 providers and training opportunities available to
21 prospective workers;

22 (E) renewable energy company diversity reporting;

23 (F) a list of equity eligible contractors with
24 their contact information, types of work performed,
25 and locations worked in;

26 (G) reporting on outcomes of the programs

1 described in the workforce programs of the Energy
2 Transition Act, including information such as, but not
3 limited to, retention rate, graduation rate, and
4 placement rates of trainees; and

5 (H) information about the Jobs and Environmental
6 Justice Grant Program, the Clean Energy Jobs and
7 Justice Fund, and other sources of capital.

8 (3) The Agency shall ensure the database is regularly
9 updated to ensure information is current and shall
10 coordinate with the Department of Commerce and Economic
11 Opportunity to ensure that it includes information on
12 individuals and entities that are or have participated in
13 the Clean Jobs Workforce Network Program, Clean Energy
14 Contractor Incubator Program, Returning Residents Clean
15 Jobs Training Program, or Clean Energy Primes Contractor
16 Accelerator Program.

17 (c-30) Enforcement of minimum equity standards. All
18 entities seeking renewable energy credits must submit an
19 annual report to demonstrate compliance with each of the
20 equity commitments required under subsection (c-10). If the
21 Agency concludes the entity has not met or maintained its
22 minimum equity standards required under the applicable
23 subparagraphs under subsection (c-10), the Agency shall deny
24 the entity's ability to participate in procurement programs in
25 subsection (c), including by withholding approved vendor or
26 designee status. The Agency may require the entity to enter

1 into a corrective action plan. An entity that is not
2 recertified for failing to meet required equity actions in
3 subparagraph (c-10) may reapply once they have a corrective
4 action plan and achieve compliance with the minimum equity
5 standards.

6 (d) Clean coal portfolio standard.

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

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

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

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

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

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

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

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

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

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

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

1 the year ending May 31, 2009;

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

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

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

1 sourcing agreements.

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

24 (A) a formula contractual price (the "contract
25 price") approved pursuant to paragraph (4) of this
26 subsection (d), which shall:

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

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

1 (B) power purchase provisions, which shall:

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

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

9 (iii) require the utility party to such
10 sourcing agreement to buy from the initial clean
11 coal facility in each hour an amount of energy
12 equal to all clean coal energy made available from
13 the initial clean coal facility during such hour
14 times a fraction, the numerator of which is such
15 utility's retail market sales of electricity
16 (expressed in kilowatthours sold) in the State
17 during the prior calendar month and the
18 denominator of which is the total retail market
19 sales of electricity (expressed in kilowatthours
20 sold) in the State by utilities during such prior
21 month and the sales of electricity (expressed in
22 kilowatthours sold) in the State by alternative
23 retail electric suppliers during such prior month
24 that are subject to the requirements of this
25 subsection (d) and paragraph (5) of subsection (d)
26 of Section 16-115 of the Public Utilities Act,

1 provided that the amount purchased by the utility
2 in any year will be limited by paragraph (2) of
3 this subsection (d); and

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

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

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

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

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

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

26 (D) general provisions, which shall:

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

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

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

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

25 (v) require the owner of the initial clean
26 coal facility to provide documentation to the

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

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

24 (vi) include limits on, and accordingly
25 provide for modification of, the amount the
26 utility is required to source under the sourcing

1 agreement consistent with paragraph (2) of this
2 subsection (d);

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

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

25 (ix) limit the utility's or alternative retail
26 electric supplier's obligation to incur any

1 liability until such time as the facility is in
2 commercial operation and generating power and
3 energy and such power and energy is being
4 delivered to the facility busbar;

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

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

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

25 (xiii) conform with customary lender
26 requirements in power purchase agreements used as

1 the basis for financing non-utility generators.

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

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

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

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

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

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

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

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

1 systems.

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

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

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

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

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

25 (D) The facility cost report shall also include an
26 analysis of the initial clean coal facility's ability

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

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

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

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

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

20 (d-5) Zero emission standard.

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

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

24 The 16% value identified in this paragraph (1) is the
25 average of the percentage targets in subparagraph (B) of
26 paragraph (1) of subsection (c) of this Section for the 5

1 delivery years beginning June 1, 2017.

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

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

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

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

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

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

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

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

24 (B) The price for each zero emission credit
25 procured under this subsection (d-5) for each delivery
26 year shall be in an amount that equals the Social Cost

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

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

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

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

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

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

9 (bb) Projected capacity prices:

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

1 Inc.

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

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

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

23 "RTO" means regional transmission
24 organization.

25 (C) No later than 45 days after June 1, 2017 (the
26 effective date of Public Act 99-906), the Agency shall

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

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

1 available analyses and studies performed by or for
2 regional transmission organizations that serve the
3 State and their independent market monitors.

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

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

26 (C-5) As part of the Commission's review and

1 acceptance or rejection of the procurement results,
2 the Commission shall, in its public notice of
3 successful bidders:

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

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

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

25 (aa) the value of avoided greenhouse gas
26 emissions measured as the product of the zero

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

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

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

20 (II) the price, or if there is more
21 than one price, the average of the prices,
22 paid for renewable energy credits from new
23 utility-scale solar projects and
24 brownfield site photovoltaic projects in
25 the procurement events specified in item
26 (ii) of subparagraph (G) of paragraph (1)

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

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

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

26 (D) Following the procurement event described in

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

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

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

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

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

23 (iii) A zero emission facility shall be
24 permitted to terminate the contract in the event
25 that the resource requires capital expenditures in
26 excess of \$40,000,000 that were neither known nor

1 reasonably foreseeable at the time it executed the
2 contract and that a prudent owner or operator of
3 such resource would not undertake.

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

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

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

24 Notwithstanding the requirements of this subsection
25 (d-5), the contracts executed under this subsection (d-5)
26 shall provide that the total of zero emission credits

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

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

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

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

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

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

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

24 (B) The average of the market price indices, as
25 defined in subparagraph (B) of paragraph (1) of this
26 subsection (d-5), during the term of the contract,

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

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

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

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

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

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

24 (d-10) Nuclear Plant Assistance; carbon mitigation
25 credits.

26 (1) The General Assembly finds:

1 (A) The health, welfare, and prosperity of all
2 Illinois citizens require that the State of Illinois act
3 to avoid and not increase carbon emissions from electric
4 generation sources while continuing to ensure affordable,
5 stable, and reliable electricity to all citizens.

6 (B) Absent immediate action by the State to preserve
7 existing carbon-free energy resources, those resources may
8 retire, and the electric generation needs of Illinois'
9 retail customers may be met instead by facilities that
10 emit significant amounts of carbon pollution and other
11 harmful air pollutants at a high social and economic cost
12 until Illinois is able to develop other forms of clean
13 energy.

14 (C) The General Assembly finds that nuclear power
15 generation is necessary for the State's transition to 100%
16 clean energy, and ensuring continued operation of nuclear
17 plants advances environmental and public health interests
18 through providing carbon-free electricity while reducing
19 the air pollution profile of the Illinois energy
20 generation fleet.

21 (D) The clean energy attributes of nuclear generation
22 facilities support the State in its efforts to achieve
23 100% clean energy.

24 (E) The State currently invests in various forms of
25 clean energy, including, but not limited to, renewable
26 energy, energy efficiency, and low-emission vehicles,

1 among others.

2 (F) The Environmental Protection Agency commissioned
3 an independent audit which provided a detailed assessment
4 of the financial condition of the Illinois nuclear fleet
5 to evaluate its financial viability and whether the
6 environmental benefits of such resources were at risk. The
7 report identified the risk of losing the environmental
8 benefits of several specific nuclear units. The report
9 also identified that the LaSalle County Generating Station
10 will continue to operate through 2026 and therefore is not
11 eligible to participate in the carbon mitigation credit
12 program.

13 (G) Nuclear plants provide carbon-free energy, which
14 helps to avoid many health-related negative impacts for
15 Illinois residents.

16 (H) The procurement of carbon mitigation credits
17 representing the environmental benefits of carbon-free
18 generation will further the State's efforts at achieving
19 100% clean energy and decarbonizing the electricity sector
20 in a safe, reliable, and affordable manner. Further, the
21 procurement of carbon emission credits will enhance the
22 health and welfare of Illinois residents through decreased
23 reliance on more highly polluting generation.

24 (I) The General Assembly therefore finds it necessary
25 to establish carbon mitigation credits to ensure decreased
26 reliance on more carbon-intensive energy resources, for

1 transitioning to a fully decarbonized electricity sector,
2 and to help ensure health and welfare of the State's
3 residents.

4 (2) As used in this subsection:

5 "Baseline costs" means costs used to establish a customer
6 protection cap that have been evaluated through an independent
7 audit of a carbon-free energy resource conducted by the
8 Environmental Protection Agency that evaluated projected
9 annual costs for operation and maintenance expenses; fully
10 allocated overhead costs, which shall be allocated using the
11 methodology developed by the Institute for Nuclear Power
12 Operations; fuel expenditures; nonfuel capital expenditures;
13 spent fuel expenditures; a return on working capital; the cost
14 of operational and market risks that could be avoided by
15 ceasing operation; and any other costs necessary for continued
16 operations, provided that "necessary" means, for purposes of
17 this definition, that the costs could reasonably be avoided
18 only by ceasing operations of the carbon-free energy resource.

19 "Carbon mitigation credit" means a tradable credit that
20 represents the carbon emission reduction attributes of one
21 megawatt-hour of energy produced from a carbon-free energy
22 resource.

23 "Carbon-free energy resource" means a generation facility
24 that: (1) is fueled by nuclear power; and (2) is
25 interconnected to PJM Interconnection, LLC.

26 (3) Procurement.

1 (A) Beginning with the delivery year commencing on
2 June 1, 2022, the Agency shall, for electric utilities
3 serving at least 3,000,000 retail customers in the State,
4 seek to procure contracts for no more than approximately
5 54,500,000 cost-effective carbon mitigation credits from
6 carbon-free energy resources because such credits are
7 necessary to support current levels of carbon-free energy
8 generation and ensure the State meets its carbon dioxide
9 emissions reduction goals. The Agency shall not make a
10 partial award of a contract for carbon mitigation credits
11 covering a fractional amount of a carbon-free energy
12 resource's projected output.

13 (B) Each carbon-free energy resource that intends to
14 participate in a procurement shall be required to submit
15 to the Agency the following information for the resource
16 on or before the date established by the Agency:

17 (i) the in-service date and remaining useful life
18 of the carbon-free energy resource;

19 (ii) the amount of power generated annually for
20 each of the past 10 years, which shall be used to
21 determine the capability of each facility;

22 (iii) a commitment to be reflected in any contract
23 entered into pursuant to this subsection (d-10) to
24 continue operating the carbon-free energy resource at
25 a capacity factor of at least 88% annually on average
26 for the duration of the contract or contracts executed

1 under the procurement held under this subsection
2 (d-10), except in an instance described in
3 subparagraph (E) of paragraph (1) of subsection (d-5)
4 of this Section or made impracticable as a result of
5 compliance with law or regulation;

6 (iv) financial need and the risk of loss of the
7 environmental benefits of such resource, which shall
8 include the following information:

9 (I) the carbon-free energy resource's cost
10 projections, expressed on a per megawatt-hour
11 basis, over the next 5 delivery years, which shall
12 include the following: operation and maintenance
13 expenses; fully allocated overhead costs, which
14 shall be allocated using the methodology developed
15 by the Institute for Nuclear Power Operations;
16 fuel expenditures; nonfuel capital expenditures;
17 spent fuel expenditures; a return on working
18 capital; the cost of operational and market risks
19 that could be avoided by ceasing operation; and
20 any other costs necessary for continued
21 operations, provided that "necessary" means, for
22 purposes of this subitem (I), that the costs could
23 reasonably be avoided only by ceasing operations
24 of the carbon-free energy resource; and

25 (II) the carbon-free energy resource's revenue
26 projections, including energy, capacity, ancillary

1 services, any other direct State support, known or
2 anticipated federal attribute credits, known or
3 anticipated tax credits, and any other direct
4 federal support.

5 The information described in this subparagraph (B) may
6 be submitted on a confidential basis and shall be treated
7 and maintained by the Agency, the procurement
8 administrator, and the Commission as confidential and
9 proprietary and exempt from disclosure under subparagraphs
10 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
11 Information Act. The Office of the Attorney General shall
12 have access to, and maintain the confidentiality of, such
13 information pursuant to Section 6.5 of the Attorney
14 General Act.

15 (C) The Agency shall solicit bids for the contracts
16 described in this subsection (d-10) from carbon-free
17 energy resources that have satisfied the requirements of
18 subparagraph (B) of this paragraph (3). The contracts
19 procured pursuant to a procurement event shall reflect,
20 and be subject to, the following terms, requirements, and
21 limitations:

22 (i) Contracts are for delivery of carbon
23 mitigation credits, and are not energy or capacity
24 sales contracts requiring physical delivery. Pursuant
25 to item (iii), contract payments shall fully deduct
26 the value of any monetized federal production tax

1 credits, credits issued pursuant to a federal clean
2 energy standard, and other federal credits if
3 applicable.

4 (ii) Contracts for carbon mitigation credits shall
5 commence with the delivery year beginning on June 1,
6 2022 and shall be for a term of 5 delivery years
7 concluding on May 31, 2027.

8 (iii) The price per carbon mitigation credit to be
9 paid under a contract for a given delivery year shall
10 be equal to an accepted bid price less the sum of:

11 (I) one of the following energy price indices,
12 selected by the bidder at the time of the bid for
13 the term of the contract:

14 (aa) the weighted-average hourly day-ahead
15 price for the applicable delivery year at the
16 busbar of all resources procured pursuant to
17 this subsection (d-10), weighted by actual
18 production from the resources; or

19 (bb) the projected energy price for the
20 PJM Interconnection, LLC Northern Illinois Hub
21 for the applicable delivery year determined
22 according to subitem (aa) of item (iii) of
23 subparagraph (B) of paragraph (1) of
24 subsection (d-5).

25 (II) the Base Residual Auction Capacity Price
26 for the ComEd zone as determined by PJM

1 Interconnection, LLC, divided by 24 hours per day,
2 for the applicable delivery year for the first 3
3 delivery years, and then any subsequent delivery
4 years unless the PJM Interconnection, LLC applies
5 the Minimum Offer Price Rule to participating
6 carbon-free energy resources because they supply
7 carbon mitigation credits pursuant to this Section
8 at which time, upon notice by the carbon-free
9 energy resource to the Commission and subject to
10 the Commission's confirmation, the value under
11 this subitem shall be zero, as further described
12 in the carbon mitigation credit procurement plan;
13 and

14 (III) any value of monetized federal tax
15 credits, direct payments, or similar subsidy
16 provided to the carbon-free energy resource from
17 any unit of government that is not already
18 reflected in energy prices.

19 If the price-per-megawatt-hour calculation
20 performed under item (iii) of this subparagraph (C)
21 for a given delivery year results in a net positive
22 value, then the electric utility counterparty to the
23 contract shall multiply such net value by the
24 applicable contract quantity and remit the amount to
25 the supplier.

26 To protect retail customers from retail rate

1 impacts that may arise upon the initiation of carbon
2 policy changes, if the price-per-megawatt-hour
3 calculation performed under item (iii) of this
4 subparagraph (C) for a given delivery year results in
5 a net negative value, then the supplier counterparty
6 to the contract shall multiply such net value by the
7 applicable contract quantity and remit such amount to
8 the electric utility counterparty. The electric
9 utility shall reflect such amounts remitted by
10 suppliers as a credit on its retail customer bills as
11 soon as practicable.

12 (iv) To ensure that retail customers in Northern
13 Illinois do not pay more for carbon mitigation credits
14 than the value such credits provide, and
15 notwithstanding the provisions of this subsection
16 (d-10), the Agency shall not accept bids for contracts
17 that exceed a customer protection cap equal to the
18 baseline costs of carbon-free energy resources.

19 The baseline costs for the applicable year shall
20 be the following:

21 (I) For the delivery year beginning June 1,
22 2022, the baseline costs shall be an amount equal
23 to \$30.30 per megawatt-hour.

24 (II) For the delivery year beginning June 1,
25 2023, the baseline costs shall be an amount equal
26 to \$32.50 per megawatt-hour.

1 (III) For the delivery year beginning June 1,
2 2024, the baseline costs shall be an amount equal
3 to \$33.43 per megawatt-hour.

4 (IV) For the delivery year beginning June 1,
5 2025, the baseline costs shall be an amount equal
6 to \$33.50 per megawatt-hour.

7 (V) For the delivery year beginning June 1,
8 2026, the baseline costs shall be an amount equal
9 to \$34.50 per megawatt-hour.

10 An Environmental Protection Agency consultant
11 forecast, included in a report issued April 14, 2021,
12 projects that a carbon-free energy resource has the
13 opportunity to earn on average approximately \$30.28
14 per megawatt-hour, for the sale of energy and capacity
15 during the time period between 2022 and 2027.
16 Therefore, the sale of carbon mitigation credits
17 provides the opportunity to receive an additional
18 amount per megawatt-hour in addition to the projected
19 prices for energy and capacity.

20 Although actual energy and capacity prices may
21 vary from year-to-year, the General Assembly finds
22 that this customer protection cap will help ensure
23 that the cost of carbon mitigation credits will be
24 less than its value, based upon the social cost of
25 carbon identified in the Technical Support Document
26 issued in February 2021 by the U.S. Interagency

1 Working Group on Social Cost of Greenhouse Gases and
2 the PJM Interconnection, LLC carbon dioxide marginal
3 emission rate for 2020, and that a carbon-free energy
4 resource receiving payment for carbon mitigation
5 credits receives no more than necessary to keep those
6 units in operation.

7 (D) No later than 7 days after the effective date of
8 this amendatory Act of the 102nd General Assembly, the
9 Agency shall publish its proposed carbon mitigation credit
10 procurement plan. The Plan shall provide that winning bids
11 shall be selected by taking into consideration which
12 resources best match public interest criteria that
13 include, but are not limited to, minimizing carbon dioxide
14 emissions that result from electricity consumed in
15 Illinois and minimizing sulfur dioxide, nitrogen oxide,
16 and particulate matter emissions that adversely affect the
17 citizens of this State. The selection of winning bids
18 shall also take into account the incremental environmental
19 benefits resulting from the procurement or procurements,
20 such as any existing environmental benefits that are
21 preserved by a procurement held under this subsection
22 (d-10) and would cease to exist if the procurement were
23 not held, including the preservation of carbon-free energy
24 resources. For those bidders having the same public
25 interest criteria score, the relative ranking of such
26 bidders shall be determined by price. The Plan shall

1 describe in detail how each public interest factor shall
2 be considered and weighted in the bid selection process to
3 ensure that the public interest criteria are applied to
4 the procurement. The Plan shall, to the extent practical
5 and permissible by federal law, ensure that successful
6 bidders make commercially reasonable efforts to apply for
7 federal tax credits, direct payments, or similar subsidy
8 programs that support carbon-free generation and for which
9 the successful bidder is eligible. Upon publishing of the
10 carbon mitigation credit procurement plan, copies of the
11 plan shall be posted and made publicly available on the
12 Agency's website. All interested parties shall have 7 days
13 following the date of posting to provide comment to the
14 Agency on the plan. All comments shall be posted to the
15 Agency's website. Following the end of the comment period,
16 but no more than 19 days later than the effective date of
17 this amendatory Act of the 102nd General Assembly, the
18 Agency shall revise the plan as necessary based on the
19 comments received and file its carbon mitigation credit
20 procurement plan with the Commission.

21 (E) If the Commission determines that the plan is
22 likely to result in the procurement of cost-effective
23 carbon mitigation credits, then the Commission shall,
24 after notice and hearing and opportunity for comment, but
25 no later than 42 days after the Agency filed the plan,
26 approve the plan or approve it with modification. For

1 purposes of this subsection (d-10), "cost-effective" means
2 carbon mitigation credits that are procured from
3 carbon-free energy resources at prices that are within the
4 limits specified in this paragraph (3). As part of the
5 Commission's review and acceptance or rejection of the
6 procurement results, the Commission shall, in its public
7 notice of successful bidders:

8 (i) identify how the selected carbon-free energy
9 resources satisfy the public interest criteria
10 described in this paragraph (3) of minimizing carbon
11 dioxide emissions that result from electricity
12 consumed in Illinois and minimizing sulfur dioxide,
13 nitrogen oxide, and particulate matter emissions that
14 adversely affect the citizens of this State;

15 (ii) specifically address how the selection of
16 carbon-free energy resources takes into account the
17 incremental environmental benefits resulting from the
18 procurement, including any existing environmental
19 benefits that are preserved by the procurements held
20 under this amendatory Act of the 102nd General
21 Assembly and would have ceased to exist if the
22 procurements had not been held, such as the
23 preservation of carbon-free energy resources;

24 (iii) quantify the environmental benefit of
25 preserving the carbon-free energy resources procured
26 pursuant to this subsection (d-10), including the

1 following:

2 (I) an assessment value of avoided greenhouse
3 gas emissions measured as the product of the
4 carbon-free energy resources' output over the
5 contract term, using generally accepted
6 methodologies for the valuation of avoided
7 emissions; and

8 (II) an assessment of costs of replacement
9 with other carbon-free energy resources and
10 renewable energy resources, including wind and
11 photovoltaic generation, based upon an assessment
12 of the prices paid for renewable energy credits
13 through programs and procurements conducted
14 pursuant to subsection (c) of Section 1-75 of this
15 Act, and the additional storage necessary to
16 produce the same or similar capability of matching
17 customer usage patterns.

18 (F) The procurements described in this paragraph (3),
19 including, but not limited to, the execution of all
20 contracts procured, shall be completed no later than
21 December 3, 2021. The procurement and plan approval
22 processes required by this paragraph (3) shall be
23 conducted in conjunction with the procurement and plan
24 approval processes required by Section 16-111.5 of the
25 Public Utilities Act, to the extent practicable. However,
26 the Agency and Commission may, as appropriate, modify the

1 various dates and timelines under this subparagraph and
2 subparagraphs (D) and (E) of this paragraph (3) to meet
3 the December 3, 2021 contract execution deadline.
4 Following the completion of such procurements, and
5 consistent with this paragraph (3), the Agency shall
6 calculate the payments to be made under each contract in a
7 timely fashion.

8 (F-1) Costs incurred by the electric utility pursuant
9 to a contract authorized by this subsection (d-10) shall
10 be deemed prudently incurred and reasonable in amount, and
11 the electric utility shall be entitled to full cost
12 recovery pursuant to a tariff or tariffs filed with the
13 Commission.

14 (G) The counterparty electric utility shall retire all
15 carbon mitigation credits used to comply with the
16 requirements of this subsection (d-10).

17 (H) If a carbon-free energy resource is sold to
18 another owner, the rights, obligations, and commitments
19 under this subsection (d-10) shall continue to the
20 subsequent owner.

21 (I) This subsection (d-10) shall become inoperative on
22 January 1, 2028.

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

26 (f) The Agency shall submit the final procurement plan to

1 the Commission. The Agency shall revise a procurement plan if
2 the Commission determines that it does not meet the standards
3 set forth in Section 16-111.5 of the Public Utilities Act.

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

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

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

23 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;
24 102-662, eff. 9-15-21.)

25 Section 2-105. The State Finance Act is amended by adding

1 Section 5.970 as follows:

2 (30 ILCS 105/5.970 new)

3 Sec. 5.970. The Illinois Rust Belt to Green Belt Fund."