



Rep. Ann M. Williams

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1 AMENDMENT TO HOUSE BILL 2875

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2875 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be referred to as the  
5 Thermal Energy Network and Jobs Act.

6 Section 5. Legislative findings and intent.

7 (a) The General Assembly finds and declares that:

8 (1) This State has a strong interest in ensuring that  
9 emissions of greenhouse gases from buildings are reduced  
10 because buildings are one of this State's largest sources  
11 of greenhouse gases due to the combustion of fossil fuels  
12 for heating, domestic hot water production, cooking, and  
13 other end uses.

14 (2) The decarbonization of buildings must be pursued  
15 in a manner that is affordable and accessible, preserves  
16 and creates living-wage jobs, and retains the knowledge

1 and experience of the existing utility union workforce.

2 (3) Thermal energy networks have the potential to  
3 decarbonize buildings at the community and utility scale  
4 and help achieve the goals of Public Act 102-662 (also  
5 known as the Climate and Equitable Jobs Act).

6 (4) Thermal energy networks consist of pipe loops  
7 between multiple buildings and energy sources, which carry  
8 water and can be connected to by building owners to  
9 support heating and cooling and hot water services.  
10 Building owners can connect to the loops to support water  
11 heating and cooling and hot water services.

12 (5) Many utilities in this State have been seeking to  
13 develop thermal energy networks but have encountered legal  
14 and regulatory barriers.

15 (6) This State has a strong interest in ensuring an  
16 adequate supply of reliable electrical power and,  
17 therefore, needs to promote the development of alternative  
18 power sources and take steps to assure reliable  
19 deliverability. Thermal energy networks are highly  
20 efficient because they use and exchange thermal energy  
21 from many underground sources and buildings, including  
22 recycled thermal energy, which minimizes impacts on the  
23 electricity grid.

24 (7) Access to thermal energy networks has the  
25 potential to reduce the upfront and operating costs of  
26 building electrification for customers.

1           (8) A utility's access to capital, the utility's  
2           experience with networked infrastructure in public  
3           rights-of-way, and the requirement that the utility serve  
4           all customers positions the utility well to develop and  
5           scale thermal energy networks that are accessible to all  
6           customers and to coordinate the development of thermal  
7           energy networks with any orderly rightsizing of the  
8           utility gas system.

9           (9) This State also has an interest in the efficient  
10          and reliable delivery of energy and the energy  
11          infrastructure of the State, which interest is  
12          acknowledged throughout the Public Utilities Act. Utility  
13          corporations and other power suppliers share these  
14          interests and, moreover, have a duty to protect  
15          proprietary interests in the projects they fund. Such  
16          investments of ratepayer resources can be protected by  
17          establishing effective contractor qualification and  
18          performance standards, including requirements for  
19          prevailing wage rates, bona fide apprenticeship criteria,  
20          and project labor agreements.

21          (10) The construction industry is highly skilled and  
22          labor intensive, and the installation of modern thermal  
23          energy networks involves particularly complex work.  
24          Therefore, effective qualification standards for craft  
25          labor personnel employed on these projects are critically  
26          needed to promote successful project delivery.

1           (11) Finally, these findings are especially vital now  
2 because the construction industry is experiencing  
3 widespread skill shortages across the country, which are  
4 crippling existing capital projects and threatening  
5 projects planned for the future. The construction of  
6 thermal energy networks will utilize many of the same  
7 skills that the current utility and building trades  
8 workforces already possess.

9           (b) It is the intent of the General Assembly that passage  
10 of this Act is for the following purposes:

11           (1) to remove the legal barriers to utility  
12 development of thermal energy networks and require the  
13 Illinois Commerce Commission, within 90 days after the  
14 effective date of this amendatory Act of the 103rd General  
15 Assembly, to begin to authorize and direct utilities to  
16 immediately commence piloting thermal energy networks in  
17 each and every utility territory;

18           (2) to direct and authorize the Illinois Commerce  
19 Commission to develop a regulatory structure for utility  
20 thermal energy networks that scales affordable and  
21 accessible building electrification, protects customers,  
22 and balances the role of incumbent monopoly utilities with  
23 other market and public actors;

24           (3) to promote the successful planning and delivery of  
25 thermal energy networks and protect critical investments  
26 in such projects by requiring the use of appropriate

1 quality craft labor policies that ensure the development  
2 of and access to an adequate supply of well trained,  
3 highly skilled craft persons needed to support timely,  
4 reliable, high-quality projects;

5 (4) to promote strong economic development and good  
6 jobs for local residents in the expanding decarbonized  
7 sector by requiring application of progressive State labor  
8 and employment policies that ensure public utility  
9 investments and related State subsidies create  
10 unparalleled skill training and employment opportunities  
11 for residents in project areas through the use of local  
12 prevailing wage standards and successful, bona fide  
13 apprenticeship programs or project labor agreements that  
14 incorporate prevailing wage and training standards and  
15 provide additional benefits for project owners and  
16 workers; and

17 (5) to promote the use of preapprenticeship programs  
18 that will fortify and expand existing apprenticeship  
19 programs through systematic outreach efforts to recruit  
20 and assist persons from underrepresented and low income  
21 communities by providing such persons with remedial  
22 education, social services, and unique opportunities for  
23 direct access into high-quality apprenticeship programs  
24 and gainful employment in the growing building  
25 decarbonization workforce.

1 Section 10. The Illinois Power Agency Act is amended by  
2 adding Section 1-83 as follows:

3 (20 ILCS 3855/1-83 new)

4 Sec. 1-83. Pilot thermal energy network projects. No later  
5 than 3 months after the effective date of this amendatory Act  
6 of the 103rd General Assembly, the Department of Commerce and  
7 Economic Opportunity, the Agency, and a public utility shall  
8 submit for review to the Commission at least one and as many as  
9 5 proposed pilot thermal energy network projects as described  
10 in Section 8-513 of the Public Utilities Act. Designs for the  
11 projects should coordinate and maximize the value of existing  
12 State energy efficiency and weatherization programs and take  
13 full advantage of federal funding opportunities. No later than  
14 6 months after the effective date of this amendatory Act of the  
15 103rd General Assembly, and upon recommendation by the Agency,  
16 the Commission shall determine whether it is in the public  
17 interest to approve or modify such pilot thermal energy  
18 network projects and shall direct the service provider to  
19 implement such proposed or modified pilot thermal energy  
20 network projects. The Commission shall adopt rules consistent  
21 with the standards set forth in subsections (b) and (c) of  
22 Section 8-513 of the Public Utilities Act.

23 Section 905. The Public Utilities Act is amended by  
24 changing Sections 3-101 and 3-105 and by adding Sections

1 3-127, 3-128, and 8-513 as follows:

2 (220 ILCS 5/3-101) (from Ch. 111 2/3, par. 3-101)

3 Sec. 3-101. Definitions. Unless otherwise specified, the  
4 terms set forth in Sections 3-102 through 3-128 ~~3-126~~ are used  
5 in this Act as therein defined.

6 (Source: P.A. 97-96, eff. 7-13-11; 97-239, eff. 8-2-11;  
7 97-813, eff. 7-13-12.)

8 (220 ILCS 5/3-105) (from Ch. 111 2/3, par. 3-105)

9 Sec. 3-105. Public utility.

10 (a) "Public utility" means and includes, except where  
11 otherwise expressly provided in this Section, every  
12 corporation, company, limited liability company, association,  
13 joint stock company or association, firm, partnership or  
14 individual, their lessees, trustees, or receivers appointed by  
15 any court whatsoever that owns, controls, operates or manages,  
16 within this State, directly or indirectly, for public use, any  
17 plant, equipment or property used or to be used for or in  
18 connection with, or owns or controls any franchise, license,  
19 permit, or right to engage in:

20 (1) the production, storage, transmission, sale,  
21 delivery, or furnishing of heat, cold, power, electricity,  
22 water, or light, except when used solely for  
23 communications purposes;

24 (2) the disposal of sewerage; ~~or~~

1 (3) the conveyance of oil or gas by pipe line; ~~or~~

2 (4) a thermal energy network.

3 (b) "Public utility" does not include, however:

4 (1) public utilities that are owned and operated by  
5 any political subdivision, public institution of higher  
6 education or municipal corporation of this State, or  
7 public utilities that are owned by such political  
8 subdivision, public institution of higher education, or  
9 municipal corporation and operated by any of its lessees  
10 or operating agents;

11 (2) water companies which are purely mutual concerns,  
12 having no rates or charges for services, but paying the  
13 operating expenses by assessment upon the members of such  
14 a company and no other person;

15 (3) electric cooperatives as defined in Section 3-119  
16 except to the extent that the cooperative is developing a  
17 thermal energy network under Section 8-513;

18 (4) the following natural gas cooperatives:

19 (A) residential natural gas cooperatives that are  
20 not-for-profit corporations established for the  
21 purpose of administering and operating, on a  
22 cooperative basis, the furnishing of natural gas to  
23 residences for the benefit of their members who are  
24 residential consumers of natural gas. For entities  
25 qualifying as residential natural gas cooperatives and  
26 recognized by the Illinois Commerce Commission as



1           such, the State shall guarantee legally binding  
2           contracts entered into by residential natural gas  
3           cooperatives for the express purpose of acquiring  
4           natural gas supplies for their members. The Illinois  
5           Commerce Commission shall establish rules and  
6           regulations providing for such guarantees. The total  
7           liability of the State in providing all such  
8           guarantees shall not at any time exceed \$1,000,000,  
9           nor shall the State provide such a guarantee to a  
10          residential natural gas cooperative for more than 3  
11          consecutive years; and

12                 (B) natural gas cooperatives that are  
13          not-for-profit corporations operated for the purpose  
14          of administering, on a cooperative basis, the  
15          furnishing of natural gas for the benefit of their  
16          members and that, prior to 90 days after the effective  
17          date of this amendatory Act of the 94th General  
18          Assembly, either had acquired or had entered into an  
19          asset purchase agreement to acquire all or  
20          substantially all of the operating assets of a public  
21          utility or natural gas cooperative with the intention  
22          of operating those assets as a natural gas  
23          cooperative;

24                 (5) sewage disposal companies which provide sewage  
25          disposal services on a mutual basis without establishing  
26          rates or charges for services, but paying the operating

1 expenses by assessment upon the members of the company and  
2 no others;

3 (6) (blank);

4 (7) cogeneration facilities, small power production  
5 facilities, and other qualifying facilities, as defined in  
6 the Public Utility Regulatory Policies Act and regulations  
7 promulgated thereunder, except to the extent State  
8 regulatory jurisdiction and action is required or  
9 authorized by federal law, regulations, regulatory  
10 decisions or the decisions of federal or State courts of  
11 competent jurisdiction;

12 (8) the ownership or operation of a facility that  
13 sells compressed natural gas at retail to the public for  
14 use only as a motor vehicle fuel and the selling of  
15 compressed natural gas at retail to the public for use  
16 only as a motor vehicle fuel;

17 (9) alternative retail electric suppliers as defined  
18 in Article XVI; and

19 (10) the Illinois Power Agency.

20 (c) An entity that furnishes the service of charging  
21 electric vehicles does not and shall not be deemed to sell  
22 electricity and is not and shall not be deemed a public utility  
23 notwithstanding the basis on which the service is provided or  
24 billed. If, however, the entity is otherwise deemed a public  
25 utility under this Act, or is otherwise subject to regulation  
26 under this Act, then that entity is not exempt from and remains

1 subject to the otherwise applicable provisions of this Act.  
2 The installation, maintenance, and repair of an electric  
3 vehicle charging station shall comply with the requirements of  
4 subsection (a) of Section 16-128 and Section 16-128A of this  
5 Act.

6 For purposes of this subsection, the term "electric  
7 vehicles" has the meaning ascribed to that term in Section 10  
8 of the Electric Vehicle Act.

9 (Source: P.A. 97-1128, eff. 8-28-12.)

10 (220 ILCS 5/3-127 new)

11 Sec. 3-127. Thermal energy. "Thermal energy" means piped  
12 noncombustible fluids used for transferring heat into and out  
13 of buildings for the purpose of eliminating any resultant  
14 onsite greenhouse gas emissions of all types of heating and  
15 cooling processes, including, but not limited to, comfort  
16 heating and cooling, domestic hot water, and refrigeration.

17 (220 ILCS 5/3-128 new)

18 Sec. 3-128. Thermal energy network. "Thermal energy  
19 network" means all real estate, fixtures, and personal  
20 property operated, owned, used, or to be used for, in  
21 connection with, or to facilitate a utility-scale distribution  
22 infrastructure project that supplies thermal energy.

23 (220 ILCS 5/8-513 new)

1       Sec. 8-513. Thermal energy network development.

2       (a) The Illinois Commerce Commission shall initiate a  
3 proceeding within 3 months after the effective date of this  
4 amendatory Act of the 103rd General Assembly to support the  
5 development of thermal energy networks. The matters the  
6 Commission shall consider in such proceeding shall include,  
7 but are not limited to, the appropriate ownership, market, and  
8 rate structures for thermal energy networks and whether the  
9 provision of thermal energy services by gas or electric  
10 utilities is in the public interest.

11       (b) The Commission shall adopt rules within 2 years after  
12 the effective date of this amendatory Act of the 103rd General  
13 Assembly to:

14           (1) create fair market access rules for utility-owned  
15 thermal energy networks to accept thermal energy that  
16 aligns with the Illinois Power Agency Act and that does  
17 not increase greenhouse gas emissions or copollutants;

18           (2) exempt small-scale thermal energy networks not  
19 owned by utilities from regulation by the Commission;

20           (3) promote the training and transition of utility  
21 workers impacted by this amendatory Act of the 103rd  
22 General Assembly; and

23           (4) encourage third-party participation and  
24 competition where it will maximize benefits to customers.

25       (c) Within 6 months after the effective date of this  
26 amendatory Act of the 103rd General Assembly, each of the

1 largest gas, electric, or combination gas and electric  
2 corporations shall submit to the Commission for review and  
3 approval at least one and as many as 5 proposed pilot thermal  
4 energy network projects. In developing the pilot project  
5 proposals, at least one pilot project in each utility  
6 territory shall be proposed in a disadvantaged community, as  
7 described in the Illinois Power Agency Act, and if an electric  
8 cooperative, nonutility organization, or utility proposes 4 or  
9 more pilot projects, at least 2 shall be proposed in  
10 disadvantaged communities. At least one electric cooperative,  
11 nonutility organization, or electric utility pilot thermal  
12 energy network project shall focus on existing electric heat  
13 customers, and if a utility proposes 4 or more pilot projects,  
14 at least 2 shall be focused on existing electric heat  
15 customers. Each electric cooperative, nonutility organization,  
16 or utility shall coordinate with other electric cooperative,  
17 nonutility organization, and utility participants, the  
18 Illinois Power Agency, and consultants with expertise on  
19 successful pilot projects to ensure that the pilot projects  
20 are diverse and designed to inform the Commission's decisions  
21 in the proceeding on the various ownership, market, and rate  
22 structures for thermal energy networks. The pilot project  
23 proposals shall include specific customer protection plans,  
24 shall be made publicly available on the Commission's website,  
25 and shall be subject to a public comment period of no less than  
26 30 days. Within 6 months after the effective date of this

1 amendatory Act of the 103rd General Assembly, the Commission  
2 shall determine whether it is in the public interest to  
3 approve or modify such pilot thermal energy network projects  
4 and shall issue an order directing each gas, electric, or  
5 combination gas and electric corporation to implement such  
6 proposed or modified pilot thermal energy network projects. In  
7 considering whether pilot thermal energy network projects are  
8 in the public interest, the Commission shall consider whether  
9 the pilot project will develop information useful for the  
10 Commission's adoption of rules governing thermal energy  
11 networks, whether the pilot project furthers the climate  
12 justice and emissions reduction, whether the pilot project  
13 advances financial and technical approaches to equitable and  
14 affordable building electrification, and whether the pilot  
15 project creates benefits to customers and society at large,  
16 including, but not limited to, public health benefits in areas  
17 with disproportionate environmental or public health burdens,  
18 job retention and creation, reliability, and increased  
19 affordability of renewable thermal energy options.

20 (d) If an electric cooperative, nonutility organization,  
21 or gas, electric, or combination gas and electric corporation  
22 begins to develop a pilot thermal energy network project, the  
23 electric cooperative, nonutility organization, or corporation  
24 shall report to the Commission, on a quarterly basis and until  
25 completion of the pilot thermal energy network project, as  
26 determined by the Commission, the status of each pilot thermal

1 energy network project. The Commission shall post and make  
2 publicly available such reports on its website. The report  
3 shall include, but not be limited to:

4 (1) the stage of development of each pilot project;

5 (2) the barriers to development;

6 (3) the number of customers served;

7 (4) the costs of the pilot project;

8 (5) the number of jobs retained or created by the  
9 pilot project; and

10 (6) any other such information the Commission deems to  
11 be in the public interest.

12 (e) An electric cooperative, nonutility organization, or  
13 gas, electric, or combination gas or electric corporation that  
14 begins to develop a pilot thermal energy network project under  
15 this Section shall demonstrate that it has entered into a  
16 labor peace agreement with a bona fide labor organization that  
17 is actively engaged in representing its employees.

18 (f) Any contractor or subcontractor that performs work on  
19 a thermal energy network under this Section shall be a  
20 responsible bidder as described in Section 30-22 of the  
21 Illinois Procurement Code. The contractor or subcontractor  
22 shall submit evidence of meeting the requirements to be a  
23 responsible bidder as described in Section 30-22 to the  
24 thermal energy network utility.

25 (g) For any pending application for a thermal energy  
26 network, the contractor or subcontractor shall submit within

1 30 days after the effective date of this amendatory Act of the  
2 103rd General Assembly evidence that the contractor or  
3 subcontractor has entered into a fully executed project labor  
4 agreement with the applicable local building trades council.  
5 The Commission shall not approve any pending applications  
6 until the contractor or subcontractor has submitted the  
7 information required under this subsection.

8 Section 999. Effective date. This Act takes effect upon  
9 becoming law.".