

HB3445



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3445

Introduced 2/17/2023, by Rep. Lawrence "Larry" Walsh, Jr.

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-75

Amends the Illinois Power Agency Act. In provisions concerning distributed renewable generation devices or photovoltaic community renewable generation projects installed at public schools, adds public institutions of higher education to the definition of "public schools".

LRB103 29599 AMQ 55994 b

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Power Agency Act is amended by
5 changing Section 1-75 as follows:

6 (20 ILCS 3855/1-75)

7 Sec. 1-75. Planning and Procurement Bureau. The Planning
8 and Procurement Bureau has the following duties and
9 responsibilities:

10 (a) The Planning and Procurement Bureau shall each year,
11 beginning in 2008, develop procurement plans and conduct
12 competitive procurement processes in accordance with the
13 requirements of Section 16-111.5 of the Public Utilities Act
14 for the eligible retail customers of electric utilities that
15 on December 31, 2005 provided electric service to at least
16 100,000 customers in Illinois. Beginning with the delivery
17 year commencing on June 1, 2017, the Planning and Procurement
18 Bureau shall develop plans and processes for the procurement
19 of zero emission credits from zero emission facilities in
20 accordance with the requirements of subsection (d-5) of this
21 Section. Beginning on the effective date of this amendatory
22 Act of the 102nd General Assembly, the Planning and
23 Procurement Bureau shall develop plans and processes for the

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

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

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

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

16 (A) direct previous experience assembling
17 large-scale power supply plans or portfolios for
18 end-use customers;

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

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

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

1 organizations;

2 (E) expertise in credit protocols and familiarity
3 with contract protocols;

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

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

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

15 (A) direct previous experience administering a
16 large-scale competitive procurement process;

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

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

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

25 (E) expertise in credit and contract protocols;

26 (F) adequate resources to perform and fulfill the

1 required functions and responsibilities; and

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

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

20 (A) failure to satisfy qualification criteria;

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

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

24 The Agency shall remove experts or expert consulting
25 firms from the lists within 10 days if there is a
26 reasonable basis for an objection and provide the updated

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

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

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

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

25 (b) The experts or expert consulting firms retained by the
26 Agency shall, as appropriate, prepare procurement plans, and

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

13 (c) Renewable portfolio standard.

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

1 than 120 days after the effective date of this amendatory
2 Act of the 102nd General Assembly, the Agency shall
3 release for comment a revision to the long-term renewable
4 resources procurement plan, updating elements of the most
5 recently approved plan as needed to comply with this
6 amendatory Act of the 102nd General Assembly, and any
7 long-term renewable resources procurement plan update
8 published by the Agency but not yet approved by the
9 Illinois Commerce Commission shall be withdrawn. The
10 long-term renewable resources procurement plans shall be
11 subject to review and approval by the Commission under
12 Section 16-111.5 of the Public Utilities Act.

13 (B) Subject to subparagraph (F) of this paragraph (1),
14 the long-term renewable resources procurement plan shall
15 attempt to meet the goals for procurement of renewable
16 energy credits at levels of at least the following overall
17 percentages: 13% by the 2017 delivery year; increasing by
18 at least 1.5% each delivery year thereafter to at least
19 25% by the 2025 delivery year; increasing by at least 3%
20 each delivery year thereafter to at least 40% by the 2030
21 delivery year, and continuing at no less than 40% for each
22 delivery year thereafter. The Agency shall attempt to
23 procure 50% by delivery year 2040. The Agency shall
24 determine the annual increase between delivery year 2030
25 and delivery year 2040, if any, taking into account energy
26 demand, other energy resources, and other public policy

1 goals. In the event of a conflict between these goals and
2 the new wind and new photovoltaic procurement requirements
3 described in items (i) through (iii) of subparagraph (C)
4 of this paragraph (1), the long-term plan shall prioritize
5 compliance with the new wind and new photovoltaic
6 procurement requirements described in items (i) through
7 (iii) of subparagraph (C) of this paragraph (1) over the
8 annual percentage targets described in this subparagraph
9 (B). The Agency shall not comply with the annual
10 percentage targets described in this subparagraph (B) by
11 procuring renewable energy credits that are unlikely to
12 lead to the development of new renewable resources.

13 For the delivery year beginning June 1, 2017, the
14 procurement plan shall attempt to include, subject to the
15 prioritization outlined in this subparagraph (B),
16 cost-effective renewable energy resources equal to at
17 least 13% of each utility's load for eligible retail
18 customers and 13% of the applicable portion of each
19 utility's load for retail customers who are not eligible
20 retail customers, which applicable portion shall equal 50%
21 of the utility's load for retail customers who are not
22 eligible retail customers on February 28, 2017.

23 For the delivery year beginning June 1, 2018, the
24 procurement plan shall attempt to include, subject to the
25 prioritization outlined in this subparagraph (B),
26 cost-effective renewable energy resources equal to at

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

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

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

1 energy credits as part of renewable energy resources,
2 shall be used to meet the goals set forth in this
3 subsection (c) for the delivery year.

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

8 (i) 10,000,000 renewable energy credits delivered
9 annually by the end of the 2021 delivery year, and
10 increasing ratably to reach 45,000,000 renewable
11 energy credits delivered annually from new wind and
12 solar projects by the end of delivery year 2030 such
13 that the goals in subparagraph (B) of this paragraph
14 (1) are met entirely by procurements of renewable
15 energy credits from new wind and photovoltaic
16 projects. Of that amount, to the extent possible, the
17 Agency shall procure 45% from wind projects and 55%
18 from photovoltaic projects. Of the amount to be
19 procured from photovoltaic projects, the Agency shall
20 procure: at least 50% from solar photovoltaic projects
21 using the program outlined in subparagraph (K) of this
22 paragraph (1) from distributed renewable energy
23 generation devices or community renewable generation
24 projects; at least 47% from utility-scale solar
25 projects; at least 3% from brownfield site
26 photovoltaic projects that are not community renewable

1 generation projects.

2 In developing the long-term renewable resources
3 procurement plan, the Agency shall consider other
4 approaches, in addition to competitive procurements,
5 that can be used to procure renewable energy credits
6 from brownfield site photovoltaic projects and thereby
7 help return blighted or contaminated land to
8 productive use while enhancing public health and the
9 well-being of Illinois residents, including those in
10 environmental justice communities, as defined using
11 existing methodologies and findings used by the Agency
12 and its Administrator in its Illinois Solar for All
13 Program.

14 (ii) In any given delivery year, if forecasted
15 expenses are less than the maximum budget available
16 under subparagraph (E) of this paragraph (1), the
17 Agency shall continue to procure new renewable energy
18 credits until that budget is exhausted in the manner
19 outlined in item (i) of this subparagraph (C).

20 (iii) For purposes of this Section:

21 "New wind projects" means wind renewable energy
22 facilities that are energized after June 1, 2017 for
23 the delivery year commencing June 1, 2017.

24 "New photovoltaic projects" means photovoltaic
25 renewable energy facilities that are energized after
26 June 1, 2017. Photovoltaic projects developed under

1 Section 1-56 of this Act shall not apply towards the
2 new photovoltaic project requirements in this
3 subparagraph (C).

4 For purposes of calculating whether the Agency has
5 procured enough new wind and solar renewable energy
6 credits required by this subparagraph (C), renewable
7 energy facilities that have a multi-year renewable
8 energy credit delivery contract with the utility
9 through at least delivery year 2030 shall be
10 considered new, however no renewable energy credits
11 from contracts entered into before June 1, 2021 shall
12 be used to calculate whether the Agency has procured
13 the correct proportion of new wind and new solar
14 contracts described in this subparagraph (C) for
15 delivery year 2021 and thereafter.

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

1 similar vintage (new or existing), the same or
2 substantially similar quantity, and the same or
3 substantially similar contract length and structure.
4 Benchmarks shall reflect development, financing, or
5 related costs resulting from requirements imposed through
6 other provisions of State law, including, but not limited
7 to, requirements in subparagraphs (P) and (Q) of this
8 paragraph (1) and the Renewable Energy Facilities
9 Agricultural Impact Mitigation Act. Confidential
10 benchmarks shall be developed by the procurement
11 administrator, in consultation with the Commission staff,
12 Agency staff, and the procurement monitor and shall be
13 subject to Commission review and approval. If price
14 benchmarks for like products in the region are not
15 available, the procurement administrator shall establish
16 price benchmarks based on publicly available data on
17 regional technology costs and expected current and future
18 regional energy prices. The benchmarks in this Section
19 shall not be used to curtail or otherwise reduce
20 contractual obligations entered into by or through the
21 Agency prior to June 1, 2017 (the effective date of Public
22 Act 99-906).

23 (E) For purposes of this subsection (c), the required
24 procurement of cost-effective renewable energy resources
25 for a particular year commencing prior to June 1, 2017
26 shall be measured as a percentage of the actual amount of

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

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

1 than 4.25% of the amount paid per kilowatthour by those
2 customers during the year ending May 31, 2009. To arrive
3 at a maximum dollar amount of renewable energy resources
4 to be procured for the particular delivery year, the
5 resulting per kilowatthour amount shall be applied to the
6 actual amount of kilowatthours of electricity delivered,
7 or applicable portion of such amount as specified in
8 paragraph (1) of this subsection (c), as applicable, by
9 the electric utility in the delivery year immediately
10 prior to the procurement to all retail customers in its
11 service territory. The calculations required by this
12 subparagraph (E) shall be made only once for each delivery
13 year at the time that the renewable energy resources are
14 procured. Once the determination as to the amount of
15 renewable energy resources to procure is made based on the
16 calculations set forth in this subparagraph (E) and the
17 contracts procuring those amounts are executed, no
18 subsequent rate impact determinations shall be made and no
19 adjustments to those contract amounts shall be allowed.
20 All costs incurred under such contracts shall be fully
21 recoverable by the electric utility as provided in this
22 Section.

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

1 shall prioritize compliance with the requirements of this
2 subsection (c) regarding renewable energy credits in the
3 following order:

4 (i) renewable energy credits under existing
5 contractual obligations as of June 1, 2021;

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

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

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

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

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

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

15 (ii) Notwithstanding whether a long-term renewable
16 resources procurement plan has been approved, the
17 Agency shall conduct an initial forward procurement
18 for renewable energy credits from new utility-scale
19 solar projects and brownfield site photovoltaic
20 projects within one year 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 solar projects and brownfield site
26 photovoltaic projects to begin delivery on June 1,

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

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

1 paragraph (1) through the delivery year beginning June
2 1, 2021.

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

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

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

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

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

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

1 energy credits generated by the project
2 thereafter shall not be transferred under the
3 renewable energy credit delivery contract with
4 the counterparty electric utility.

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

20 (3) For opening the first 2 blocks of annual
21 capacity for projects participating in item (iii)
22 of subparagraph (K) of paragraph (1) of subsection
23 (c), projects shall be selected exclusively from
24 those projects on the ordinal waitlists of
25 community renewable generation projects
26 established by the Agency based on the status of

1 those ordinal waitlists as of December 31, 2020,
2 and only those projects previously determined to
3 be eligible for the Agency's April 2019 community
4 solar project selection process.

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

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

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

24 (i) Each applicant firm having a
25 waitlisted project eligible for selection
26 shall receive no less than 500 kilowatts

1 in awarded capacity across all groups, and
2 no approved vendor may receive more than
3 20% of each Group's waitlist allocation.

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

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

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

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

1 the 102nd General Assembly.

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

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

1 terms:

2 (i) Renewable energy credit prices
3 shall be fixed, without further adjustment
4 under any other provision of this Act or
5 for any other reason, at 10% lower than
6 prices applicable to the last open block
7 for this category, inclusive of any adders
8 available for achieving a minimum of 50%
9 of subscribers to the project's nameplate
10 capacity being residential or small
11 commercial customers with subscriptions of
12 below 25 kilowatts in size;

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

18 (iii) Permission for the ability of a
19 contract holder to substitute projects
20 with other waitlisted projects without
21 penalty should a project receive a
22 non-binding estimate of costs to construct
23 the interconnection facilities and any
24 required distribution upgrades associated
25 with that project of greater than 30 cents
26 per watt AC of that project's nameplate

1 capacity. In developing the applicable
2 contract instrument, the Agency may
3 consider whether other circumstances
4 outside of the control of the applicant
5 firm should also warrant project
6 substitution rights.

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

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

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

1 any other provision of this Act or for any other
2 reason, at the price in the last open block in the
3 category described in item (ii) of subparagraph
4 (K) of this paragraph (1). Pricing for future
5 blocks of annual capacity for this category may be
6 adjusted in the Agency's second revision to its
7 Long-Term Renewable Resources Procurement Plan.
8 Projects in this category shall be subject to the
9 contract terms outlined in item (iv) of
10 subparagraph (L) of this paragraph (1).

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

1 Projects in this category shall be subject to the
2 contract terms outlined in item (iii) of
3 subsection (L) of this paragraph (1).

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

25 (v) Upon the effective date of this amendatory Act
26 of the 102nd General Assembly, for all competitive

1 procurements and any procurements of renewable energy
2 credit from new utility-scale wind and new
3 utility-scale photovoltaic projects, the Agency shall
4 procure indexed renewable energy credits and direct
5 respondents to offer a strike price.

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

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

24 (3) To ensure funding in the annual budget
25 established under subparagraph (E) for indexed
26 renewable energy credit procurements for each year

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

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

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

25 (vi) All procurements under this subparagraph (G)
26 shall comply with the geographic requirements in

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

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

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

25 The informational filing shall identify each
26 facility that was eligible to satisfy the alternative

1 retail electric supplier's obligations under Section
2 16-115D of the Public Utilities Act as described in
3 this item (i).

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

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

25 For the delivery year beginning June 1, 2018,
26 the maximum amount of renewable energy credits to

1 be supplied by an alternative retail electric
2 supplier under this subparagraph (H) shall be 68%
3 multiplied by 25% multiplied by 14.5% multiplied
4 by the amount of metered electricity
5 (megawatt-hours) delivered by the alternative
6 retail electric supplier to Illinois retail
7 customers during the delivery year ending May 31,
8 2016.

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

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

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

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

1 shall apply to each delivery year.

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

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

1 utility-scale photovoltaic facility and transmitted by a
2 qualifying direct current project described in subsection
3 (b-5) of Section 8-406 of the Public Utilities Act to a
4 delivery point on the electric transmission grid located
5 in this State or a state adjacent to Illinois, if the
6 generator demonstrates and the Agency determines that the
7 operation of such facility or facilities will help promote
8 the State's interest in the health, safety, and welfare of
9 its residents based on the public interest criteria
10 described above. For the purposes of this Section,
11 renewable resources that are delivered via a high voltage
12 direct current converter station located in Illinois shall
13 be deemed generated in Illinois at the time and location
14 the energy is converted to alternating current by the high
15 voltage direct current converter station if the high
16 voltage direct current transmission line: (i) after the
17 effective date of this amendatory Act of the 102nd General
18 Assembly, was constructed with a project labor agreement;
19 (ii) is capable of transmitting electricity at 525kv;
20 (iii) has an Illinois converter station located and
21 interconnected in the region of the PJM Interconnection,
22 LLC; (iv) does not operate as a public utility; and (v) if
23 the high voltage direct current transmission line was
24 energized after June 1, 2023. To ensure that the public
25 interest criteria are applied to the procurement and given
26 full effect, the Agency's long-term procurement plan shall

1 describe in detail how each public interest factor shall
2 be considered and weighted for facilities located in
3 states adjacent to Illinois.

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

1 next procurement event.

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

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

1 To this end, the Adjustable Block program shall provide a
2 transparent annual schedule of prices and quantities to
3 enable the photovoltaic market to scale up and for
4 renewable energy credit prices to adjust at a predictable
5 rate over time. The prices set by the Adjustable Block
6 program can be reflected as a set value or as the product
7 of a formula.

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

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

16 The Adjustable Block program shall include the
17 following categories in at least the following amounts:

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

21 (ii) At least 20% from distributed renewable
22 energy generation devices with a nameplate capacity of
23 more than 25 kilowatts and no more than 5,000
24 kilowatts. The Agency may create sub-categories within
25 this category to account for the differences between
26 projects for small commercial customers, large

1 commercial customers, and public or non-profit
2 customers.

3 (iii) At least 30% from photovoltaic community
4 renewable generation projects. Capacity for this
5 category for the first 2 delivery years after the
6 effective date of this amendatory Act of the 102nd
7 General Assembly shall be allocated to waitlist
8 projects as provided in paragraph (3) of item (iv) of
9 subparagraph (G). Starting in the third delivery year
10 after the effective date of this amendatory Act of the
11 102nd General Assembly or earlier if the Agency
12 determines there is additional capacity needed for to
13 meet previous delivery year requirements, the
14 following shall apply:

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

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

23 (3) projects shall not be colocated with one
24 or more other community renewable generation
25 projects, as defined in the Agency's first revised
26 long-term renewable resources procurement plan

1 approved by the Commission on February 18, 2020,
2 such that the aggregate nameplate capacity exceeds
3 5,000 kilowatts; and

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

9 (iv) At least 15% from distributed renewable
10 generation devices or photovoltaic community renewable
11 generation projects installed at public schools. The
12 Agency may create subcategories within this category
13 to account for the differences between project size or
14 location. Projects located within environmental
15 justice communities or within Organizational Units
16 that fall within Tier 1 or Tier 2 shall be given
17 priority. Each of the Agency's periodic updates to its
18 long-term renewable resources procurement plan to
19 incorporate the procurement described in this
20 subparagraph (iv) shall also include the proposed
21 quantities or blocks, pricing, and contract terms
22 applicable to the procurement as indicated herein. In
23 each such update and procurement, the Agency shall set
24 the renewable energy credit price and establish
25 payment terms for the renewable energy credits
26 procured pursuant to this subparagraph (iv) that make

1 it feasible and affordable for public schools to
2 install photovoltaic distributed renewable energy
3 devices on their premises, including, but not limited
4 to, those public schools subject to the prioritization
5 provisions of this subparagraph. For the purposes of
6 this item (iv):

7 "Environmental Justice Community" shall have the
8 same meaning set forth in the Agency's long-term
9 renewable resources procurement plan;

10 "Organization Unit", "Tier 1" and "Tier 2" shall
11 have the meanings set for in Section 18-8.15 of the
12 School Code;

13 "Public schools" shall have the meaning set forth
14 in Section 1-3 of the School Code and includes public
15 institutions of higher education, as defined in the
16 Board of Higher Education Act.

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

1 selection process that maximizes community ownership
2 and community benefits in selecting projects to
3 receive renewable energy credits. Selection criteria
4 shall include:

5 (1) community ownership or community
6 wealth-building;

7 (2) additional direct and indirect community
8 benefit, beyond project participation as a
9 subscriber, including, but not limited to,
10 economic, environmental, social, cultural, and
11 physical benefits;

12 (3) meaningful involvement in project
13 organization and development by community members
14 or nonprofit organizations or public entities
15 located in or serving the community;

16 (4) engagement in project operations and
17 management by nonprofit organizations, public
18 entities, or community members; and

19 (5) whether a project is developed in response
20 to a site-specific RFP developed by community
21 members or a nonprofit organization or public
22 entity located in or serving the community.

23 Selection criteria may also prioritize projects
24 that:

25 (1) are developed in collaboration with or to
26 provide complementary opportunities for the Clean

1 Jobs Workforce Network Program, the Illinois
2 Climate Works Preapprenticeship Program, the
3 Returning Residents Clean Jobs Training Program,
4 the Clean Energy Contractor Incubator Program, or
5 the Clean Energy Primes Contractor Accelerator
6 Program;

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

10 (3) are located in Equity Investment Eligible
11 Communities;

12 (4) are not greenfield projects;

13 (5) serve only local subscribers;

14 (6) have a nameplate capacity that does not
15 exceed 500 kW;

16 (7) are developed by an equity eligible
17 contractor; or

18 (8) otherwise meaningfully advance the goals
19 of providing more direct and tangible connection
20 and benefits to the communities which they serve
21 or in which they operate and increasing the
22 variety of community solar locations, models, and
23 options in Illinois.

24 For the purposes of this item (v):

25 "Community" means a social unit in which people
26 come together regularly to effect change; a social

1 unit in which participants are marked by a cooperative
2 spirit, a common purpose, or shared interests or
3 characteristics; or a space understood by its
4 residents to be delineated through geographic
5 boundaries or landmarks.

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

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

24 Terms and guidance within these criteria that are
25 not defined in this item (v) shall be defined by the
26 Agency, with stakeholder input, during the development

1 of the Agency's long-term renewable resources
2 procurement plan. The Agency shall develop regular
3 opportunities for projects to submit applications for
4 projects under this category, and develop selection
5 criteria that gives preference to projects that better
6 meet individual criteria as well as projects that
7 address a higher number of criteria.

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

21 The Agency shall propose a payment structure for
22 contracts executed pursuant to this paragraph under
23 which, upon a demonstration of qualification or need,
24 applicant firms are advanced capital disbursed after
25 contract execution but before the contracted project's
26 energization. The amount or percentage of capital

1 advanced prior to project energization shall be
2 sufficient to both cover any increase in development
3 costs resulting from prevailing wage requirements or
4 project-labor agreements, and designed to overcome
5 barriers in access to capital faced by equity eligible
6 contractors. The amount or percentage of advanced
7 capital may vary by subcategory within this category
8 and by an applicant's demonstration of need, with such
9 levels to be established through the Long-Term
10 Renewable Resources Procurement Plan authorized under
11 subparagraph (A) of paragraph (1) of subsection (c) of
12 this Section.

13 Contracts developed featuring capital advanced
14 prior to a project's energization shall feature
15 provisions to ensure both the successful development
16 of applicant projects and the delivery of the
17 renewable energy credits for the full term of the
18 contract, including ongoing collateral requirements
19 and other provisions deemed necessary by the Agency,
20 and may include energization timelines longer than for
21 comparable project types. The percentage or amount of
22 capital advanced prior to project energization shall
23 not operate to increase the overall contract value,
24 however contracts executed under this subparagraph may
25 feature renewable energy credit prices higher than
26 those offered to similar projects participating in

1 other categories. Capital advanced prior to
2 energization shall serve to reduce the ratable
3 payments made after energization under items (ii) and
4 (iii) of subparagraph (L) or payments made for each
5 renewable energy credit delivery under item (iv) of
6 subparagraph (L).

7 (vii) The remaining capacity shall be allocated by
8 the Agency in order to respond to market demand. The
9 Agency shall allocate any discretionary capacity prior
10 to the beginning of each delivery year.

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

22 Notwithstanding anything to the contrary, as the
23 Agency increases the capacity in item (vi) to 40% over
24 time, the Agency may reduce the capacity of items (i)
25 through (v) proportionate to the capacity of the
26 categories of projects in item (vi), to achieve a balance

1 of project types.

2 The Adjustable Block program shall be designed to
3 ensure that renewable energy credits are procured from
4 projects in diverse locations and are not concentrated in
5 a few regional areas.

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

12 (i) (Blank).

13 (ii) For those renewable energy credits that
14 qualify and are procured under item (i) of
15 subparagraph (K) of this paragraph (1), and any
16 similar category projects that are procured under item
17 (vi) of subparagraph (K) of this paragraph (1) that
18 qualify and are procured under item (vi), the contract
19 length shall be 15 years. The renewable energy credit
20 delivery contract value shall be paid in full, based
21 on the estimated generation during the first 15 years
22 of operation, by the contracting utilities at the time
23 that the facility producing the renewable energy
24 credits is interconnected at the distribution system
25 level of the utility and verified as energized and
26 compliant by the Program Administrator. The electric

1 utility shall receive and retire all renewable energy
2 credits generated by the project for the first 15
3 years of operation. Renewable energy credits generated
4 by the project thereafter shall not be transferred
5 under the renewable energy credit delivery contract
6 with the counterparty electric utility.

7 (iii) For those renewable energy credits that
8 qualify and are procured under item (ii) and (v) of
9 subparagraph (K) of this paragraph (1) and any like
10 projects similar category that qualify and are
11 procured under item (vi), the contract length shall be
12 15 years. 15% of the renewable energy credit delivery
13 contract value, based on the estimated generation
14 during the first 15 years of operation, shall be paid
15 by the contracting utilities at the time that the
16 facility producing the renewable energy credits is
17 interconnected at the distribution system level of the
18 utility and verified as energized and compliant by the
19 Program Administrator. The remaining portion shall be
20 paid ratably over the subsequent 6-year period. The
21 electric utility shall receive and retire all
22 renewable energy credits generated by the project for
23 the first 15 years of operation. Renewable energy
24 credits generated by the project thereafter shall not
25 be transferred under the renewable energy credit
26 delivery contract with the counterparty electric

1 utility.

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

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

22 (v) Each contract shall include provisions to
23 ensure the delivery of the estimated quantity of
24 renewable energy credits and ongoing collateral
25 requirements and other provisions deemed appropriate
26 by the Agency.

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

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

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

25 (ix) Notwithstanding other requirements of this
26 subparagraph (L), no modification shall be required to

1 Adjustable Block program contracts if they were
2 already executed prior to the establishment, approval,
3 and implementation of new contract forms as a result
4 of this amendatory Act of the 102nd General Assembly.

5 (x) Contracts may be assignable, but only to
6 entities first deemed by the Agency to have met
7 program terms and requirements applicable to direct
8 program participation. In developing contracts for the
9 delivery of renewable energy credits, the Agency shall
10 be permitted to establish fees applicable to each
11 contract assignment.

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

1 The Program Administrator may charge application fees
2 to participating firms to cover the cost of program
3 administration. Any application fee amounts shall
4 initially be determined through the long-term renewable
5 resources procurement plan, and modifications to any
6 application fee that deviate more than 25% from the
7 Commission's approved value must be approved by the
8 Commission as a long-term plan revision under Section
9 16-111.5 of the Public Utilities Act. The Agency shall
10 consider stakeholder feedback when making adjustments to
11 application fees and shall notify stakeholders in advance
12 of any planned changes.

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

26 The Agency and its consultant or consultants shall

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

19 The Agency and its program administrators for both the
20 Adjustable Block program and the Illinois Solar for All
21 Program, consistent with the requirements of this
22 subsection (c) and subsection (b) of Section 1-56 of this
23 Act, shall propose the Adjustable Block program terms,
24 conditions, and requirements, including the prices to be
25 paid for renewable energy credits, where applicable, and
26 requirements applicable to participating entities and

1 project applications, through the development, review, and
2 approval of the Agency's long-term renewable resources
3 procurement plan described in this subsection (c) and
4 paragraph (5) of subsection (b) of Section 16-111.5 of the
5 Public Utilities Act. Terms, conditions, and requirements
6 for program participation shall include the following:

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

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

1 State-administered incentive funding through Agency
2 programs and procurements.

3 (iii) To discourage deceptive marketing or other
4 bad faith business practices, the Agency may require
5 direct program participants, including agents
6 operating on their behalf, to provide standardized
7 disclosures to a customer prior to that customer's
8 execution of a contract for the development of a
9 distributed generation system or a subscription to a
10 community solar project.

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

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

26 (vi) The Agency shall schedule regular meetings

1 with representatives of the Office of the Attorney
2 General, the Illinois Commerce Commission, consumer
3 protection groups, and other interested stakeholders
4 to share relevant information about consumer
5 protection, project compliance, and complaints
6 received.

7 (vii) To the extent that complaints received
8 implicate the jurisdiction of the Office of the
9 Attorney General, the Illinois Commerce Commission, or
10 local, State, or federal law enforcement, the Agency
11 shall also refer complaints to those entities as
12 appropriate.

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

1 "transferable" means that a subscriber may assign or sell
2 subscriptions to another person within the same utility
3 service territory.

4 Through the development of its long-term renewable
5 resources procurement plan, the Agency may consider
6 whether community renewable generation projects utilizing
7 technologies other than photovoltaics should be supported
8 through State-administered incentive funding, and may
9 issue requests for information to gauge market demand.

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

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

26 The owners of and any subscribers to a community

1 renewable generation project shall not be considered
2 public utilities or alternative retail electricity
3 suppliers under the Public Utilities Act solely as a
4 result of their interest in or subscription to a community
5 renewable generation project and shall not be required to
6 become an alternative retail electric supplier by
7 participating in a community renewable generation project
8 with a public utility.

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

1 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
2 be provided to the Department of Commerce and Economic
3 Opportunity to implement the workforce development
4 programs and reporting as outlined in Section 16-108.12 of
5 the Public Utilities Act. In making the determinations
6 required under this subparagraph (O), the Commission shall
7 consider the experience and performance under the programs
8 and any evaluation reports. The Commission shall also
9 provide for an independent evaluation of those programs on
10 a periodic basis that are funded under this subparagraph
11 (O).

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

19 The Agency shall develop a method to optimize
20 procurement of renewable energy credits from proposed
21 utility-scale projects that are located in communities
22 eligible to receive Energy Transition Community Grants
23 pursuant to Section 10-20 of the Energy Community
24 Reinvestment Act. If this requirement conflicts with other
25 provisions of law or the Agency determines that full
26 compliance with the requirements of this subparagraph (P)

1 would be unreasonably costly or administratively
2 impractical, the Agency is to propose alternative
3 approaches to achieve development of renewable energy
4 resources in communities eligible to receive Energy
5 Transition Community Grants pursuant to Section 10-20 of
6 the Energy Community Reinvestment Act or seek an exemption
7 from this requirement from the Commission.

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

15 (1) Each facility shall be subject to the
16 prevailing wage requirements included in the
17 Prevailing Wage Act. The Agency shall require
18 verification that all construction performed on the
19 facility by the renewable energy credit delivery
20 contract holder, its contractors, or its
21 subcontractors relating to construction of the
22 facility is performed by construction employees
23 receiving an amount for that work equal to or greater
24 than the general prevailing rate, as that term is
25 defined in Section 3 of the Prevailing Wage Act. For
26 purposes of this item (1), "house of worship" means

1 property that is both (1) used exclusively by a
2 religious society or body of persons as a place for
3 religious exercise or religious worship and (2)
4 recognized as exempt from taxation pursuant to Section
5 15-40 of the Property Tax Code. This item (1) shall
6 apply to any the following:

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

8 (ii) all new utility-scale photovoltaic
9 projects;

10 (iii) all new brownfield photovoltaic
11 projects;

12 (iv) all new photovoltaic community renewable
13 energy facilities that qualify for item (iii) of
14 subparagraph (K) of this paragraph (1);

15 (v) all new community driven community
16 photovoltaic projects that qualify for item (v) of
17 subparagraph (K) of this paragraph (1);

18 (vi) all new photovoltaic distributed
19 renewable energy generation devices on schools
20 that qualify for item (iv) of subparagraph (K) of
21 this paragraph (1);

22 (vii) all new photovoltaic distributed
23 renewable energy generation devices that (1)
24 qualify for item (i) of subparagraph (K) of this
25 paragraph (1); (2) are not projects that serve
26 single-family or multi-family residential

1 buildings; and (3) are not houses of worship where
2 the aggregate capacity including collocated
3 projects would not exceed 100 kilowatts;

4 (viii) all new photovoltaic distributed
5 renewable energy generation devices that (1)
6 qualify for item (ii) of subparagraph (K) of this
7 paragraph (1); (2) are not projects that serve
8 single-family or multi-family residential
9 buildings; and (3) are not houses of worship where
10 the aggregate capacity including collocated
11 projects would not exceed 100 kilowatts.

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

1 names, addresses, and occupations of the owner of the
2 plant and the individuals representing the labor
3 organization employees participating in the project
4 labor agreement consistent with the Project Labor
5 Agreements Act. The agreement must also specify the
6 terms and conditions as defined by this Act.

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

25 (R) In its long-term renewable resources procurement
26 plan, the Agency shall establish a self-direct renewable

1 portfolio standard compliance program for eligible
2 self-direct customers that purchase renewable energy
3 credits from utility-scale wind and solar projects through
4 long-term agreements for purchase of renewable energy
5 credits as described in this Section. Such long-term
6 agreements may include the purchase of energy or other
7 products on a physical or financial basis and may involve
8 an alternative retail electric supplier as defined in
9 Section 16-102 of the Public Utilities Act. This program
10 shall take effect in the delivery year commencing June 1,
11 2023.

12 (1) For the purposes of this subparagraph:

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

22 "Retail customer" has the meaning set forth in
23 Section 16-102 of the Public Utilities Act and
24 multiple retail customer accounts under the same
25 corporate parent may aggregate their account demands
26 to meet the 10,000 kilowatt threshold. The criteria

1 for determining whether this subparagraph is
2 applicable to a retail customer shall be based on the
3 12 consecutive billing periods prior to the start of
4 the year in which the application is filed.

5 (2) For renewable energy credits to count toward
6 the self-direct renewable portfolio standard
7 compliance program, they must:

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

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

21 (iii) be procured through long-term contracts
22 with term lengths of at least 10 years either
23 directly with the renewable energy generating
24 facility or through a bundled power purchase
25 agreement, a virtual power purchase agreement, an
26 agreement between the renewable generating

1 facility, an alternative retail electric supplier,
2 and the customer, or such other structure as is
3 permissible under this subparagraph (R);

4 (iv) be equivalent in volume to at least 40%
5 of the eligible self-direct customer's usage,
6 determined annually by the eligible self-direct
7 customer's usage during the previous delivery
8 year, measured to the nearest megawatt-hour;

9 (v) be retired by or on behalf of the large
10 energy customer;

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

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

21 (3) The self-direct renewable portfolio standard
22 compliance program shall be designed to allow eligible
23 self-direct customers to procure new renewable energy
24 credits from new utility-scale wind projects or new
25 utility-scale photovoltaic projects. The Agency shall
26 annually determine the amount of utility-scale

1 renewable energy credits it will include each year
2 from the self-direct renewable portfolio standard
3 compliance program, subject to receiving qualifying
4 applications. In making this determination, the Agency
5 shall evaluate publicly available analyses and studies
6 of the potential market size for utility-scale
7 renewable energy long-term purchase agreements by
8 commercial and industrial energy customers and make
9 that report publicly available. If demand for
10 participation in the self-direct renewable portfolio
11 standard compliance program exceeds availability, the
12 Agency shall ensure participation is evenly split
13 between commercial and industrial users to the extent
14 there is sufficient demand from both customer classes.
15 Each renewable energy credit procured pursuant to this
16 subparagraph (R) by a self-direct customer shall
17 reduce the total volume of renewable energy credits
18 the Agency is otherwise required to procure from new
19 utility-scale projects pursuant to subparagraph (C) of
20 paragraph (1) of this subsection (c) on behalf of
21 contracting utilities where the eligible self-direct
22 customer is located. The self-direct customer shall
23 file an annual compliance report with the Agency
24 pursuant to terms established by the Agency through
25 its long-term renewable resources procurement plan to
26 be eligible for participation in this program.

1 Customers must provide the Agency with their most
2 recent electricity billing statements or other
3 information deemed necessary by the Agency to
4 demonstrate they are an eligible self-direct customer.

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

1 and (ii) costs associated with procuring renewable
2 energy credits through existing and future contracts
3 through the Adjustable Block Program, subsection (c-5)
4 of this Section 1-75, and the Solar for All Program.
5 The Agency shall assist the Commission in determining
6 the current and future costs. The Agency must
7 determine the self-direct credit amount for new and
8 existing eligible self-direct customers and submit
9 this to the Commission in an annual compliance filing.
10 The Commission must approve the self-direct credit
11 amount by June 1, 2023 and June 1 of each delivery year
12 thereafter.

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

25 (i) the customer's certification that, at the
26 time of the customer's application, the customer

1 qualifies to be a self-direct eligible customer,
2 including documents demonstrating that
3 qualification;

4 (ii) the customer's certification that the
5 customer has entered into or will enter into by
6 the beginning of the applicable procurement year,
7 one or more bilateral contracts for new wind
8 projects or new photovoltaic projects, including
9 supporting documentation;

10 (iii) certification that the contract or
11 contracts for new renewable energy resources are
12 long-term contracts with term lengths of at least
13 10 years, including supporting documentation;

14 (iv) certification of the quantities of
15 renewable energy credits that the customer will
16 purchase each year under such contract or
17 contracts, including supporting documentation;

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

23 (vi) certification that the customer intends
24 to maintain the contract for the duration of the
25 length of the contract.

26 (6) If a customer receives the self-direct credit

1 but fails to properly procure and retire renewable
2 energy credits as required under this subparagraph
3 (R), the Commission, on petition from the Agency and
4 after notice and hearing, may direct such customer's
5 utility to recover the cost of the wrongfully received
6 self-direct credits plus interest through an adder to
7 charges assessed pursuant to Section 16-108 of the
8 Public Utilities Act. Self-direct customers who
9 knowingly fail to properly procure and retire
10 renewable energy credits and do not notify the Agency
11 are ineligible for continued participation in the
12 self-direct renewable portfolio standard compliance
13 program.

14 (2) (Blank).

15 (3) (Blank).

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

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

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

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

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

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

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

23 (1) In addition to the procurement of renewable energy
24 credits pursuant to long-term renewable resources
25 procurement plans in accordance with subsection (c) of
26 this Section and Section 16-111.5 of the Public Utilities

1 Act, the Agency shall conduct procurement events in
2 accordance with this subsection (c-5) for the procurement
3 by electric utilities that served more than 300,000 retail
4 customers in this State as of January 1, 2019 of renewable
5 energy credits from new renewable energy facilities to be
6 installed at or adjacent to the sites of electric
7 generating facilities that, as of January 1, 2016, burned
8 coal as their primary fuel source and meet the other
9 criteria specified in this subsection (c-5). For purposes
10 of this subsection (c-5), "new renewable energy facility"
11 means a new utility-scale solar project as defined in this
12 Section 1-75. The renewable energy credits procured
13 pursuant to this subsection (c-5) may be included or
14 counted for purposes of compliance with the amounts of
15 renewable energy credits required to be procured pursuant
16 to subsection (c) of this Section to the extent that there
17 are otherwise shortfalls in compliance with such
18 requirements. The procurement of renewable energy credits
19 by electric utilities pursuant to this subsection (c-5)
20 shall be funded solely by revenues collected from the Coal
21 to Solar and Energy Storage Initiative Charge provided for
22 in this subsection (c-5) and subsection (i-5) of Section
23 16-108 of the Public Utilities Act, shall not be funded by
24 revenues collected through any of the other funding
25 mechanisms provided for in subsection (c) of this Section,
26 and shall not be subject to the limitation imposed by

1 subsection (c) on charges to retail customers for costs to
2 procure renewable energy resources pursuant to subsection
3 (c), and shall not be subject to any other requirements or
4 limitations of subsection (c).

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

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

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

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

24 (C) If participating in the first procurement
25 event, the applicant proposes and commits to construct
26 and operate, at the site, and if necessary for

1 sufficient space on property adjacent to the existing
2 property, at which the electric generating facility
3 identified in paragraph (A) is located: (i) a new
4 renewable energy facility of at least 20 megawatts but
5 no more than 100 megawatts of electric generating
6 capacity, and (ii) an energy storage facility having a
7 storage capacity equal to at least 2 megawatts and at
8 most 10 megawatts. If participating in the second
9 procurement event, the applicant proposes and commits
10 to construct and operate, at the site, and if
11 necessary for sufficient space on property adjacent to
12 the existing property, at which the electric
13 generating facility identified in paragraph (A) is
14 located: (i) a new renewable energy facility of at
15 least 5 megawatts but no more than 20 megawatts of
16 electric generating capacity, and (ii) an energy
17 storage facility having a storage capacity equal to at
18 least 0.5 megawatts and at most one megawatt.

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

25 (E) The applicant agrees that personnel operating
26 the new renewable energy facility and the energy

1 storage facility will have the requisite skills,
2 knowledge, training, experience, and competence, which
3 may be demonstrated by completion or current
4 participation and ultimate completion by employees of
5 an accredited or otherwise recognized apprenticeship
6 program for the employee's particular craft, trade, or
7 skill, including through training and education
8 courses and opportunities offered by the owner to
9 employees of the coal-fueled electric generating
10 facility or by previous employment experience
11 performing the employee's particular work skill or
12 function.

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

26 (G) The applicant commits that if selected, it

1 will negotiate a project labor agreement for the
2 construction of the new renewable energy facility and
3 associated energy storage facility that includes
4 provisions requiring the parties to the agreement to
5 work together to establish diversity threshold
6 requirements and to ensure best efforts to meet
7 diversity targets, improve diversity at the applicable
8 job site, create diverse apprenticeship opportunities,
9 and create opportunities to employ former coal-fired
10 power plant workers.

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

1 least 1,200 megawatts as of January 1, 2021, in which
2 case the applicable duration of the contract shall be
3 15 years.

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

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

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

26 (5) The Agency shall select the applicants and the new

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

26 (6) The obligation to purchase renewable energy

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

18 (7) The Agency shall submit its proposed selection of
19 applicants, new renewable energy facilities to be
20 constructed, and renewable energy credit amounts for each
21 procurement event to the Commission for approval. The
22 Commission shall, within 2 business days after receipt of
23 the Agency's proposed selections, approve the proposed
24 selections if it determines that the applicants and the
25 new renewable energy facilities to be constructed meet the
26 selection criteria set forth in this subsection (c-5) and

1 that the Agency seeks approval for contracts of applicable
2 durations aggregating to no more than the maximum amount
3 of renewable energy credits per year authorized by this
4 subsection (c-5) for the procurement event, at a price of
5 \$30 per renewable energy credit.

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

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

23 (9) Coal to Solar and Energy Storage Initiative
24 Charge.

25 (A) By no later than July 1, 2022, each electric
26 utility that served more than 300,000 retail customers

1 in this State as of January 1, 2019 shall file a tariff
2 with the Commission for the billing and collection of
3 a Coal to Solar and Energy Storage Initiative Charge
4 in accordance with subsection (i-5) of Section 16-108
5 of the Public Utilities Act, with such tariff to be
6 effective, following review and approval or
7 modification by the Commission, beginning January 1,
8 2023. The tariff shall provide for the calculation and
9 setting of the electric utility's Coal to Solar and
10 Energy Storage Initiative Charge to collect revenues
11 estimated to be sufficient, in the aggregate, (i) to
12 enable the electric utility to pay for the renewable
13 energy credits it has contracted to purchase in the
14 delivery year beginning June 1, 2023 and each delivery
15 year thereafter from new renewable energy facilities
16 located at the sites of qualifying electric generating
17 facilities, and (ii) to fund the grant payments to be
18 made in each delivery year by the Department of
19 Commerce and Economic Opportunity, or any successor
20 department or agency, which shall be referred to in
21 this subsection (c-5) as the Department, pursuant to
22 paragraph (10) of this subsection (c-5). The electric
23 utility's tariff shall provide for the billing and
24 collection of the Coal to Solar and Energy Storage
25 Initiative Charge on each kilowatthour of electricity
26 delivered to its delivery services customers within

1 its service territory and shall provide for an annual
2 reconciliation of revenues collected with actual
3 costs, in accordance with subsection (i-5) of Section
4 16-108 of the Public Utilities Act.

5 (B) Each electric utility shall remit on a monthly
6 basis to the State Treasurer, for deposit in the Coal
7 to Solar and Energy Storage Initiative Fund provided
8 for in this subsection (c-5), the electric utility's
9 collections of the Coal to Solar and Energy Storage
10 Initiative Charge in the amount estimated to be needed
11 by the Department for grant payments pursuant to grant
12 contracts entered into by the Department pursuant to
13 paragraph (10) of this subsection (c-5).

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

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

1 storage facilities at the sites of qualifying electric
2 generating facilities meeting the criteria specified
3 in this paragraph (10).

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

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

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

4 (2) the electric generating facility burns (or
5 burned prior to retirement) coal as its primary
6 source of fuel;

7 (3) if the electric generating facility is
8 retired, it was retired subsequent to January 1,
9 2016;

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

18 (5) the electric generating facility located
19 at the site was at one time owned, in whole or in
20 part, by a public utility as defined in Section
21 3-105 of the Public Utilities Act;

22 (6) the electric generating facility at the
23 site is not owned by (i) an electric cooperative
24 as defined in Section 3-119 of the Public
25 Utilities Act, or (ii) an entity described in
26 subsection (b)(1) of Section 3-105 of the Public

1 Utilities Act, or an association or consortium of
2 or an entity owned by entities described in items
3 (i) or (ii);

4 (7) the proposed energy storage facility at
5 the site will have energy storage capacity of at
6 least 37 megawatts;

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

16 (9) the owner agrees that the new energy
17 storage facility will be constructed or installed
18 by a qualified entity or entities consistent with
19 the requirements of subsection (g) of Section
20 16-128A of the Public Utilities Act and any rules
21 adopted under that Section;

22 (10) the owner agrees that personnel operating
23 the energy storage facility will have the
24 requisite skills, knowledge, training, experience,
25 and competence, which may be demonstrated by
26 completion or current participation and ultimate

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

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

23 (12) the owner commits that if selected to
24 receive a grant, it will negotiate a project labor
25 agreement for the construction of the new energy
26 storage facility that includes provisions

1 requiring the parties to the agreement to work
2 together to establish diversity threshold
3 requirements and to ensure best efforts to meet
4 diversity targets, improve diversity at the
5 applicable job site, create diverse apprenticeship
6 opportunities, and create opportunities to employ
7 former coal-fired power plant workers.

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

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

1 payments shall be paid.

2 (E) All disbursements from the Coal to Solar and
3 Energy Storage Initiative Fund shall be made only upon
4 warrants of the Comptroller drawn upon the Treasurer
5 as custodian of the Fund upon vouchers signed by the
6 Director of the Department or by the person or persons
7 designated by the Director of the Department for that
8 purpose. The Comptroller is authorized to draw the
9 warrants upon vouchers so signed. The Treasurer shall
10 accept all written warrants so signed and shall be
11 released from liability for all payments made on those
12 warrants.

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

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

1 owner's numeric goals for the diversity composition of
2 its supplier entities for the new renewable energy
3 facility or new energy storage facility, as
4 applicable, which shall be referred to for purposes of
5 this paragraph (11) as the project, and the
6 applicant's or owner's action plan and schedule for
7 achieving those goals.

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

1 batteries, and material and services that are subject
2 to critical energy infrastructure or cybersecurity
3 requirements or restrictions. The plan may provide
4 that the diversity composition goals may be met
5 through Tier 1 Direct or Tier 2 subcontracting
6 expenditures or a combination thereof for the project.

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

1 comply with and execute the EPC contractor's diversity
2 obligations under the plan. The plan may provide for
3 the applicant or owner to set aside a portion of the
4 work on the project to serve as an incubation program
5 for qualified businesses, as specified in the plan,
6 owned by minority persons, women, persons with
7 disabilities, LGBTQ persons, and veterans, and
8 businesses located in environmental justice
9 communities, seeking to enter the renewable energy
10 industry.

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

26 (c-10) Equity accountability system. It is the purpose of

1 this subsection (c-10) to create an equity accountability
2 system, which includes the minimum equity standards for all
3 renewable energy procurements, the equity category of the
4 Adjustable Block Program, and the equity prioritization for
5 noncompetitive procurements, that is successful in advancing
6 priority access to the clean energy economy for businesses and
7 workers from communities that have been excluded from economic
8 opportunities in the energy sector, have been subject to
9 disproportionate levels of pollution, and have
10 disproportionately experienced negative public health
11 outcomes. Further, it is the purpose of this subsection to
12 ensure that this equity accountability system is successful in
13 advancing equity across Illinois by providing access to the
14 clean energy economy for businesses and workers from
15 communities that have been historically excluded from economic
16 opportunities in the energy sector, have been subject to
17 disproportionate levels of pollution, and have
18 disproportionately experienced negative public health
19 outcomes.

20 (1) Minimum equity standards. The Agency shall create
21 programs with the purpose of increasing access to and
22 development of equity eligible contractors, who are prime
23 contractors and subcontractors, across all of the programs
24 it manages. All applications for renewable energy credit
25 procurements shall comply with specific minimum equity
26 commitments. Starting in the delivery year immediately

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

1 work with such persons and contractors.

2 (A) At the start of each delivery year, the Agency
3 shall require a compliance plan from each entity
4 participating in a procurement program of subsection
5 (c) of this Section that demonstrates how they will
6 achieve compliance with the minimum equity standard
7 percentage for work completed in that delivery year.
8 If an entity applies for its approved vendor or
9 designee status between delivery years, the Agency
10 shall require a compliance plan at the time of
11 application.

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

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

24 (D) The Agency shall prohibit participation in
25 procurement programs by an approved vendor or
26 designee, as applicable, or entities with which an

1 approved vendor or designee, as applicable, shares a
2 common parent company if an approved vendor or
3 designee, as applicable, failed to meet the minimum
4 equity standards for the prior delivery year. Waivers
5 approved for lack of equity eligible persons or equity
6 eligible contractors in a geographic area of a project
7 shall not count against the approved vendor or
8 designee. The Agency shall offer a corrective action
9 plan for any such entities to assist them in obtaining
10 compliance and shall allow continued access to
11 procurement programs upon an approved vendor or
12 designee demonstrating compliance.

13 (E) The Agency shall pursue efficiencies achieved
14 by combining with other approved vendor or designee
15 reporting.

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

20 (3) Equity accountability system within competitive
21 procurements. Through its long-term renewable resources
22 procurement plan, the Agency shall develop requirements
23 for ensuring that competitive procurement processes,
24 including utility-scale solar, utility-scale wind, and
25 brownfield site photovoltaic projects, advance the equity
26 goals of this subsection (c-10). Subject to Commission

1 approval, the Agency shall develop bid application
2 requirements and a bid evaluation methodology for ensuring
3 that utilization of equity eligible contractors, whether
4 as bidders or as participants on project development, is
5 optimized, including requiring that winning or successful
6 applicants for utility-scale projects are or will partner
7 with equity eligible contractors and giving preference to
8 bids through which a higher portion of contract value
9 flows to equity eligible contractors. To the extent
10 practicable, entities participating in competitive
11 procurements shall also be required to meet all the equity
12 accountability requirements for approved vendors and their
13 designees under this subsection (c-10). In developing
14 these requirements, the Agency shall also consider whether
15 equity goals can be further advanced through additional
16 measures.

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

20 (A) The current status and number of equity
21 eligible contractors listed in the Energy Workforce
22 Equity Database designed in subsection (c-25),
23 including the number of equity eligible contractors
24 with current certifications as issued by the Agency.

25 (B) A mechanism for measuring, tracking, and
26 reporting project workforce at the approved vendor or

1 designee level, as applicable, which shall include a
2 measurement methodology and records to be made
3 available for audit by the Agency or the Program
4 Administrator.

5 (C) A program for approved vendors, designees,
6 eligible persons, and equity eligible contractors to
7 receive trainings, guidance, and other support from
8 the Agency or its designee regarding the equity
9 category outlined in item (vi) of subparagraph (K) of
10 paragraph (1) of subsection (c) and in meeting the
11 minimum equity standards of this subsection (c-10).

12 (D) A process for certifying equity eligible
13 contractors and equity eligible persons. The
14 certification process shall coordinate with the Energy
15 Workforce Equity Database set forth in subsection
16 (c-25).

17 (E) An application for waiver of the minimum
18 equity standards of this subsection, which the Agency
19 shall have the discretion to grant in rare
20 circumstances. The Agency may grant such a waiver
21 where the applicant provides evidence of significant
22 efforts toward meeting the minimum equity commitment,
23 including: use of the Energy Workforce Equity
24 Database; efforts to hire or contract with entities
25 that hire eligible persons; and efforts to establish
26 contracting relationships with eligible contractors.

1 The Agency shall support applicants in understanding
2 the Energy Workforce Equity Database and other
3 resources for pursuing compliance of the minimum
4 equity standards. Waivers shall be project-specific,
5 unless the Agency deems it necessary to grant a waiver
6 across a portfolio of projects, and in effect for no
7 longer than one year. Any waiver extension or
8 subsequent waiver request from an applicant shall be
9 subject to the requirements of this Section and shall
10 specify efforts made to reach compliance. When
11 considering whether to grant a waiver, and to what
12 extent, the Agency shall consider the degree to which
13 similarly situated applicants have been able to meet
14 these minimum equity commitments. For repeated waiver
15 requests for specific lack of eligible persons or
16 eligible contractors available, the Agency shall make
17 recommendations to target recruitment to add such
18 eligible persons or eligible contractors to the
19 database.

20 (5) The Agency shall collect information about work on
21 projects or portfolios of projects subject to these
22 minimum equity standards to ensure compliance with this
23 subsection (c-10). Reporting in furtherance of this
24 requirement may be combined with other annual reporting
25 requirements. Such reporting shall include proof of
26 certification of each equity eligible contractor or equity

1 eligible person during the applicable time period.

2 (6) The Agency shall keep confidential all information
3 and communication that provides private or personal
4 information.

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

1 the State if the Agency finds that doing so will further
2 the purposes of such programs. Revisions shall be
3 developed with stakeholder input, including from equity
4 eligible persons, equity eligible contractors, and
5 community-based organizations that work with such persons
6 and contractors.

7 (c-15) Racial discrimination elimination powers and
8 process.

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

16 (2) Racial disparity and discrimination review
17 process.

18 (A) Within one year after awarding contracts using
19 the equity actions processes established in this
20 Section, the Agency shall publish a report evaluating
21 the effectiveness of the equity actions point criteria
22 of this Section in increasing participation of equity
23 eligible persons and equity eligible contractors. The
24 report shall disaggregate participating workers and
25 contractors by race and ethnicity. The report shall be
26 forwarded to the Governor, the General Assembly, and

1 the Illinois Commerce Commission and be made available
2 to the public.

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

1 remedies may include modification of the equity
2 accountability system as described in subsection
3 (c-10).

4 (c-20) Program data collection.

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

17 (2) Agency collection of program data. The Agency
18 shall collect demographic and geographic data for each
19 entity awarded contracts under any Agency-administered
20 program.

21 (3) Required information to be collected. The Agency
22 shall collect the following information from applicants
23 and program participants where applicable:

24 (A) demographic information, including racial or
25 ethnic identity for real persons employed, contracted,
26 or subcontracted through the program and owners of

1 businesses or entities that apply to receive renewable
2 energy credits from the Agency;

3 (B) geographic location of the residency of real
4 persons employed, contracted, or subcontracted through
5 the program and geographic location of the
6 headquarters of the business or entity that applies to
7 receive renewable energy credits from the Agency; and

8 (C) any other information the Agency determines is
9 necessary for the purpose of achieving the purpose of
10 this subsection.

11 (4) Publication of collected information. The Agency
12 shall publish, at least annually, information on the
13 demographics of program participants on an aggregate
14 basis.

15 (5) Nothing in this subsection shall be interpreted to
16 limit the authority of the Agency, or other agency or
17 department of the State, to require or collect demographic
18 information from applicants of other State programs.

19 (c-25) Energy Workforce Equity Database.

20 (1) The Agency, in consultation with the Department of
21 Commerce and Economic Opportunity, shall create an Energy
22 Workforce Equity Database, and may contract with a third
23 party to do so ("database program administrator"). If the
24 Department decides to contract with a third party, that
25 third party shall be exempt from the requirements of
26 Section 20-10 of the Illinois Procurement Code. The Energy

1 Workforce Equity Database shall be a searchable database
2 of suppliers, vendors, and subcontractors for clean energy
3 industries that is:

4 (A) publicly accessible;

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

6 (C) organized by company specialty or field;

7 (D) region-specific; and

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

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

17 (A) a map of environmental justice and equity
18 investment eligible communities;

19 (B) job postings and recruiting opportunities;

20 (C) a means by which recruiting clean energy
21 companies can find and interact with current or former
22 participants of clean energy workforce training
23 programs;

24 (D) information on workforce training service
25 providers and training opportunities available to
26 prospective workers;

1 (E) renewable energy company diversity reporting;

2 (F) a list of equity eligible contractors with
3 their contact information, types of work performed,
4 and locations worked in;

5 (G) reporting on outcomes of the programs
6 described in the workforce programs of the Energy
7 Transition Act, including information such as, but not
8 limited to, retention rate, graduation rate, and
9 placement rates of trainees; and

10 (H) information about the Jobs and Environmental
11 Justice Grant Program, the Clean Energy Jobs and
12 Justice Fund, and other sources of capital.

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

22 (c-30) Enforcement of minimum equity standards. All
23 entities seeking renewable energy credits must submit an
24 annual report to demonstrate compliance with each of the
25 equity commitments required under subsection (c-10). If the
26 Agency concludes the entity has not met or maintained its

1 minimum equity standards required under the applicable
2 subparagraphs under subsection (c-10), the Agency shall deny
3 the entity's ability to participate in procurement programs in
4 subsection (c), including by withholding approved vendor or
5 designee status. The Agency may require the entity to enter
6 into a corrective action plan. An entity that is not
7 recertified for failing to meet required equity actions in
8 subparagraph (c-10) may reapply once they have a corrective
9 action plan and achieve compliance with the minimum equity
10 standards.

11 (d) Clean coal portfolio standard.

12 (1) The procurement plans shall include electricity
13 generated using clean coal. Each utility shall enter into
14 one or more sourcing agreements with the initial clean
15 coal facility, as provided in paragraph (3) of this
16 subsection (d), covering electricity generated by the
17 initial clean coal facility representing at least 5% of
18 each utility's total supply to serve the load of eligible
19 retail customers in 2015 and each year thereafter, as
20 described in paragraph (3) of this subsection (d), subject
21 to the limits specified in paragraph (2) of this
22 subsection (d). It is the goal of the State that by January
23 1, 2025, 25% of the electricity used in the State shall be
24 generated by cost-effective clean coal facilities. For
25 purposes of this subsection (d), "cost-effective" means
26 that the expenditures pursuant to such sourcing agreements

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

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

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

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

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

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

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

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

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

1 year ending May 31, 2009;

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

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

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

25 No later than June 30, 2015, the Commission shall
26 review the limitation on the total amount paid under

1 sourcing agreements, if any, with clean coal facilities
2 pursuant to this subsection (d) and report to the General
3 Assembly its findings as to whether that limitation unduly
4 constrains the amount of electricity generated by
5 cost-effective clean coal facilities that is covered by
6 sourcing agreements.

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

1 agreement for electricity produced by the initial clean
2 coal facility shall include:

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

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

16 (ii) provide that all miscellaneous net
17 revenue, including but not limited to net revenue
18 from the sale of emission allowances, if any,
19 substitute natural gas, if any, grants or other
20 support provided by the State of Illinois or the
21 United States Government, firm transmission
22 rights, if any, by-products produced by the
23 facility, energy or capacity derived from the
24 facility and not covered by a sourcing agreement
25 pursuant to paragraph (3) of this subsection (d)
26 or item (5) of subsection (d) of Section 16-115 of

1 the Public Utilities Act, whether generated from
2 the synthesis gas derived from coal, from SNG, or
3 from natural gas, shall be credited against the
4 revenue requirement for this initial clean coal
5 facility;

6 (B) power purchase provisions, which shall:

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

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

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

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

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

12 (C) contract for differences provisions, which
13 shall:

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

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

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

1 clause (i); and

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

5 (D) general provisions, which shall:

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

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

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

23 (iv) permit the Illinois Power Agency to
24 assume ownership of the initial clean coal
25 facility, without monetary consideration and
26 otherwise on reasonable terms acceptable to the

1 Agency, if the Agency so requests no less than 3
2 years prior to the end of the stated contract
3 term;

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

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

1 with the carbon capture and sequestration
2 requirements set forth in this item (v);

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

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

23 (viii) limit the utility's obligation to such
24 amount as the utility is allowed to recover
25 through tariffs filed with the Commission,
26 provided that neither the clean coal facility nor

1 the utility waives any right to assert federal
2 pre-emption or any other argument in response to a
3 purported disallowance of recovery costs;

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

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

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

23 (xii) provide that any changes to the terms of
24 the contract, insofar as such changes relate to
25 the power purchase provisions, are subject to
26 review under the public interest standard applied

1 by the Federal Energy Regulatory Commission
2 pursuant to Sections 205 and 206 of the Federal
3 Power Act; and

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

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

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

25 (ii) Commission report. Within 6 months following
26 receipt of the facility cost report, the Commission,

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

21 (iii) General Assembly approval. The proposed
22 sourcing agreements shall not take effect unless,
23 based on the facility cost report and the Commission's
24 report, the General Assembly enacts authorizing
25 legislation approving (A) the projected price, stated
26 in cents per kilowatthour, to be charged for

1 electricity generated by the initial clean coal
2 facility, (B) the projected impact on residential and
3 small business customers' bills over the life of the
4 sourcing agreements, and (C) the maximum allowable
5 return on equity for the project; and

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

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

26 (i) an estimate of the capital cost of the

1 core plant based on one or more front end
2 engineering and design studies for the
3 gasification island and related facilities. The
4 core plant shall include all civil, structural,
5 mechanical, electrical, control, and safety
6 systems.

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

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

25 (B) The front end engineering and design study for
26 the gasification island and the cost study for the

1 balance of plant shall include sufficient design work
2 to permit quantification of major categories of
3 materials, commodities and labor hours, and receipt of
4 quotes from vendors of major equipment required to
5 construct and operate the clean coal facility.

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

22 The operating and maintenance cost quote
23 (including the cost of the front end engineering and
24 design study) shall be expressed in nominal dollars as
25 of the date that the quote is prepared and shall
26 include taxes, insurance, and other owner's costs, and

1 an assumed escalation in materials and labor beyond
2 the date as of which the operating and maintenance
3 cost quote is expressed.

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

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

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

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

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

25 (d-5) Zero emission standard.

26 (1) Beginning with the delivery year commencing on

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

1 credits that are generated from the portion of the zero
2 emission facility that is owned by the winning supplier.

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

7 The procurement process shall be subject to the
8 following provisions:

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

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

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

22 (iii) the annual zero emission facility cost
23 projections, expressed on a per megawatthour
24 basis, over the next 6 delivery years, which shall
25 include the following: operation and maintenance
26 expenses; fully allocated overhead costs, which

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

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

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

1 such information pursuant to Section 6.5 of the
2 Attorney General Act.

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

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

1 commencing June 1, 2023, the price per
2 megawatthour shall increase by \$1 per
3 megawatthour, and continue to increase by an
4 additional \$1 per megawatthour each delivery year
5 thereafter.

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

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

25 (aa) Projected energy prices: the
26 projected energy prices for the applicable

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

14 (bb) Projected capacity prices:

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

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

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

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

25 "Rest of the RTO" and "ComEd Zone" shall have
26 the meaning ascribed to them by PJM

1 Interconnection, LLC.

2 "RTO" means regional transmission
3 organization.

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

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

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

21 If the Commission determines that the plan will
22 result in the procurement of cost-effective zero
23 emission credits, then the Commission shall, after
24 notice and hearing, but no later than 45 days after the
25 Agency filed the plan, approve the plan or approve
26 with modification. For purposes of this subsection

1 (d-5), "cost effective" means the projected costs of
2 procuring zero emission credits from zero emission
3 facilities do not cause the limit stated in paragraph
4 (2) of this subsection to be exceeded.

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

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

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

26 (iii) quantify the environmental benefit of

1 preserving the resources identified in item (ii)
2 of this subparagraph (C-5), including the
3 following:

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

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

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

25 (II) the price, or if there is more
26 than one price, the average of the prices,

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

11 Each utility shall enter into binding contractual
12 arrangements with the winning suppliers.

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

1 conducted under Section 16-111.5 of the Public
2 Utilities Act, the Agency shall immediately initiate a
3 procurement process on June 1, 2017 (the effective
4 date of Public Act 99-906).

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

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

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

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

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

1 federal law.

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

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

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

22 (2) For purposes of this subsection (d-5), the amount
23 paid per kilowatthour means the total amount paid for
24 electric service expressed on a per kilowatthour basis.
25 For purposes of this subsection (d-5), the total amount
26 paid for electric service includes, without limitation,

1 amounts paid for supply, transmission, distribution,
2 surcharges, and add-on taxes.

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

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

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

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

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

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

26 (A) The average of the Social Cost of Carbon, as

1 defined in subparagraph (B) of paragraph (1) of this
2 subsection (d-5), during the term of the contract.

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

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

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

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

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

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

3 (d-10) Nuclear Plant Assistance; carbon mitigation
4 credits.

5 (1) The General Assembly finds:

6 (A) The health, welfare, and prosperity of all
7 Illinois citizens require that the State of Illinois act
8 to avoid and not increase carbon emissions from electric
9 generation sources while continuing to ensure affordable,
10 stable, and reliable electricity to all citizens.

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

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

26 (D) The clean energy attributes of nuclear generation

1 facilities support the State in its efforts to achieve
2 100% clean energy.

3 (E) The State currently invests in various forms of
4 clean energy, including, but not limited to, renewable
5 energy, energy efficiency, and low-emission vehicles,
6 among others.

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

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

21 (H) The procurement of carbon mitigation credits
22 representing the environmental benefits of carbon-free
23 generation will further the State's efforts at achieving
24 100% clean energy and decarbonizing the electricity sector
25 in a safe, reliable, and affordable manner. Further, the
26 procurement of carbon emission credits will enhance the

1 health and welfare of Illinois residents through decreased
2 reliance on more highly polluting generation.

3 (I) The General Assembly therefore finds it necessary
4 to establish carbon mitigation credits to ensure decreased
5 reliance on more carbon-intensive energy resources, for
6 transitioning to a fully decarbonized electricity sector,
7 and to help ensure health and welfare of the State's
8 residents.

9 (2) As used in this subsection:

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

24 "Carbon mitigation credit" means a tradable credit that
25 represents the carbon emission reduction attributes of one
26 megawatt-hour of energy produced from a carbon-free energy

1 resource.

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

5 (3) Procurement.

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

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

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

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

1 (iii) a commitment to be reflected in any contract
2 entered into pursuant to this subsection (d-10) to
3 continue operating the carbon-free energy resource at
4 a capacity factor of at least 88% annually on average
5 for the duration of the contract or contracts executed
6 under the procurement held under this subsection
7 (d-10), except in an instance described in
8 subparagraph (E) of paragraph (1) of subsection (d-5)
9 of this Section or made impracticable as a result of
10 compliance with law or regulation;

11 (iv) financial need and the risk of loss of the
12 environmental benefits of such resource, which shall
13 include the following information:

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

1 purposes of this subitem (I), that the costs could
2 reasonably be avoided only by ceasing operations
3 of the carbon-free energy resource; and

4 (II) the carbon-free energy resource's revenue
5 projections, including energy, capacity, ancillary
6 services, any other direct State support, known or
7 anticipated federal attribute credits, known or
8 anticipated tax credits, and any other direct
9 federal support.

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

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

1 (i) Contracts are for delivery of carbon
2 mitigation credits, and are not energy or capacity
3 sales contracts requiring physical delivery. Pursuant
4 to item (iii), contract payments shall fully deduct
5 the value of any monetized federal production tax
6 credits, credits issued pursuant to a federal clean
7 energy standard, and other federal credits if
8 applicable.

9 (ii) Contracts for carbon mitigation credits shall
10 commence with the delivery year beginning on June 1,
11 2022 and shall be for a term of 5 delivery years
12 concluding on May 31, 2027.

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

16 (I) one of the following energy price indices,
17 selected by the bidder at the time of the bid for
18 the term of the contract:

19 (aa) the weighted-average hourly day-ahead
20 price for the applicable delivery year at the
21 busbar of all resources procured pursuant to
22 this subsection (d-10), weighted by actual
23 production from the resources; or

24 (bb) the projected energy price for the
25 PJM Interconnection, LLC Northern Illinois Hub
26 for the applicable delivery year determined

1 according to subitem (aa) of item (iii) of
2 subparagraph (B) of paragraph (1) of
3 subsection (d-5).

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

19 (III) any value of monetized federal tax
20 credits, direct payments, or similar subsidy
21 provided to the carbon-free energy resource from
22 any unit of government that is not already
23 reflected in energy prices.

24 If the price-per-megawatt-hour calculation
25 performed under item (iii) of this subparagraph (C)
26 for a given delivery year results in a net positive

1 value, then the electric utility counterparty to the
2 contract shall multiply such net value by the
3 applicable contract quantity and remit the amount to
4 the supplier.

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

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

24 The baseline costs for the applicable year shall
25 be the following:

26 (I) For the delivery year beginning June 1,

1 2022, the baseline costs shall be an amount equal
2 to \$30.30 per megawatt-hour.

3 (II) For the delivery year beginning June 1,
4 2023, the baseline costs shall be an amount equal
5 to \$32.50 per megawatt-hour.

6 (III) For the delivery year beginning June 1,
7 2024, the baseline costs shall be an amount equal
8 to \$33.43 per megawatt-hour.

9 (IV) For the delivery year beginning June 1,
10 2025, the baseline costs shall be an amount equal
11 to \$33.50 per megawatt-hour.

12 (V) For the delivery year beginning June 1,
13 2026, the baseline costs shall be an amount equal
14 to \$34.50 per megawatt-hour.

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

25 Although actual energy and capacity prices may
26 vary from year-to-year, the General Assembly finds

1 that this customer protection cap will help ensure
2 that the cost of carbon mitigation credits will be
3 less than its value, based upon the social cost of
4 carbon identified in the Technical Support Document
5 issued in February 2021 by the U.S. Interagency
6 Working Group on Social Cost of Greenhouse Gases and
7 the PJM Interconnection, LLC carbon dioxide marginal
8 emission rate for 2020, and that a carbon-free energy
9 resource receiving payment for carbon mitigation
10 credits receives no more than necessary to keep those
11 units in operation.

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

1 (d-10) and would cease to exist if the procurement were
2 not held, including the preservation of carbon-free energy
3 resources. For those bidders having the same public
4 interest criteria score, the relative ranking of such
5 bidders shall be determined by price. The Plan shall
6 describe in detail how each public interest factor shall
7 be considered and weighted in the bid selection process to
8 ensure that the public interest criteria are applied to
9 the procurement. The Plan shall, to the extent practical
10 and permissible by federal law, ensure that successful
11 bidders make commercially reasonable efforts to apply for
12 federal tax credits, direct payments, or similar subsidy
13 programs that support carbon-free generation and for which
14 the successful bidder is eligible. Upon publishing of the
15 carbon mitigation credit procurement plan, copies of the
16 plan shall be posted and made publicly available on the
17 Agency's website. All interested parties shall have 7 days
18 following the date of posting to provide comment to the
19 Agency on the plan. All comments shall be posted to the
20 Agency's website. Following the end of the comment period,
21 but no more than 19 days later than the effective date of
22 this amendatory Act of the 102nd General Assembly, the
23 Agency shall revise the plan as necessary based on the
24 comments received and file its carbon mitigation credit
25 procurement plan with the Commission.

26 (E) If the Commission determines that the plan is

1 likely to result in the procurement of cost-effective
2 carbon mitigation credits, then the Commission shall,
3 after notice and hearing and opportunity for comment, but
4 no later than 42 days after the Agency filed the plan,
5 approve the plan or approve it with modification. For
6 purposes of this subsection (d-10), "cost-effective" means
7 carbon mitigation credits that are procured from
8 carbon-free energy resources at prices that are within the
9 limits specified in this paragraph (3). As part of the
10 Commission's review and acceptance or rejection of the
11 procurement results, the Commission shall, in its public
12 notice of successful bidders:

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

20 (ii) specifically address how the selection of
21 carbon-free energy resources takes into account the
22 incremental environmental benefits resulting from the
23 procurement, including any existing environmental
24 benefits that are preserved by the procurements held
25 under this amendatory Act of the 102nd General
26 Assembly and would have ceased to exist if the

1 procurements had not been held, such as the
2 preservation of carbon-free energy resources;

3 (iii) quantify the environmental benefit of
4 preserving the carbon-free energy resources procured
5 pursuant to this subsection (d-10), including the
6 following:

7 (I) an assessment value of avoided greenhouse
8 gas emissions measured as the product of the
9 carbon-free energy resources' output over the
10 contract term, using generally accepted
11 methodologies for the valuation of avoided
12 emissions; and

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

23 (F) The procurements described in this paragraph (3),
24 including, but not limited to, the execution of all
25 contracts procured, shall be completed no later than
26 December 3, 2021. The procurement and plan approval

1 processes required by this paragraph (3) shall be
2 conducted in conjunction with the procurement and plan
3 approval processes required by Section 16-111.5 of the
4 Public Utilities Act, to the extent practicable. However,
5 the Agency and Commission may, as appropriate, modify the
6 various dates and timelines under this subparagraph and
7 subparagraphs (D) and (E) of this paragraph (3) to meet
8 the December 3, 2021 contract execution deadline.
9 Following the completion of such procurements, and
10 consistent with this paragraph (3), the Agency shall
11 calculate the payments to be made under each contract in a
12 timely fashion.

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

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

22 (H) If a carbon-free energy resource is sold to
23 another owner, the rights, obligations, and commitments
24 under this subsection (d-10) shall continue to the
25 subsequent owner.

26 (I) This subsection (d-10) shall become inoperative on

1 January 1, 2028.

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

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

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

12 (h) The Agency shall assess fees to each bidder to recover
13 the costs incurred in connection with a competitive
14 procurement process.

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

1 energy.

2 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;

3 102-662, eff. 9-15-21.)