



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5514

Introduced 2/9/2024, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-5  
20 ILCS 3855/1-10  
20 ILCS 3855/1-20  
20 ILCS 3855/1-75  
220 ILCS 5/16-108  
220 ILCS 5/16-111.5

Amends the Illinois Power Agency Act. Authorizes the Illinois Power Agency to develop a high voltage direct current (HVDC) renewable energy credit procurement for HVDC renewable energy credits. Provides that, within 120 days after the effective date of the amendatory Act, the Agency shall develop a HVDC renewable energy credit procurement plan limited to the procurement of HVDC renewable energy credits. Sets forth requirements and procedures for the procurement plan. Amends the Public Utilities Act to make conforming changes.

LRB103 39335 CES 69496 b

1 AN ACT concerning regulation.

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 Sections 1-5, 1-10, 1-20, and 1-75 as follows:

6 (20 ILCS 3855/1-5)

7 Sec. 1-5. Legislative declarations and findings. The  
8 General Assembly finds and declares:

9 (1) The health, welfare, and prosperity of all  
10 Illinois residents require the provision of adequate,  
11 reliable, affordable, efficient, and environmentally  
12 sustainable electric service at the lowest total cost over  
13 time, taking into account any benefits of price stability.

14 (1.5) To provide the highest quality of life for the  
15 residents of Illinois and to provide for a clean and  
16 healthy environment, it is the policy of this State to  
17 rapidly transition to 100% clean energy by 2050.

18 (2) (Blank).

19 (3) (Blank).

20 (4) It is necessary to improve the process of  
21 procuring electricity to serve Illinois residents, to  
22 promote investment in energy efficiency and  
23 demand-response measures, and to maintain and support

1 development of clean coal technologies, generation  
2 resources that operate at all hours of the day and under  
3 all weather conditions, zero emission facilities, and  
4 renewable resources.

5 (5) Procuring a diverse electricity supply portfolio  
6 will ensure the lowest total cost over time for adequate,  
7 reliable, efficient, and environmentally sustainable  
8 electric service.

9 (6) Including renewable resources and zero emission  
10 credits from zero emission facilities in that portfolio  
11 will reduce long-term direct and indirect costs to  
12 consumers by decreasing environmental impacts and by  
13 avoiding or delaying the need for new generation,  
14 transmission, and distribution infrastructure. Developing  
15 new renewable energy resources in Illinois, including  
16 brownfield solar projects and community solar projects,  
17 will help to diversify Illinois electricity supply, avoid  
18 and reduce pollution, reduce peak demand, and enhance  
19 public health and well-being of Illinois residents.

20 (7) Developing community solar projects in Illinois  
21 will help to expand access to renewable energy resources  
22 to more Illinois residents.

23 (8) Developing brownfield solar projects in Illinois  
24 will help return blighted or contaminated land to  
25 productive use while enhancing public health and the  
26 well-being of Illinois residents, including those in

1 environmental justice communities.

2 (9) Energy efficiency, demand-response measures, zero  
3 emission energy, and renewable energy are resources  
4 currently underused in Illinois. These resources should be  
5 used, when cost effective, to reduce costs to consumers,  
6 improve reliability, and improve environmental quality and  
7 public health.

8 (10) The State should encourage the use of advanced  
9 clean coal technologies that capture and sequester carbon  
10 dioxide emissions to advance environmental protection  
11 goals and to demonstrate the viability of coal and  
12 coal-derived fuels in a carbon-constrained economy.

13 (10.5) The State should encourage the development of  
14 interregional high voltage direct current (HVDC)  
15 transmission lines that benefit Illinois. All ratepayers  
16 in the State served by the regional transmission  
17 organization where the HVDC converter station is  
18 interconnected benefit from the long-term price stability  
19 and market access provided by interregional HVDC  
20 transmission facilities. The benefits to Illinois include:  
21 reduction in wholesale power prices; access to lower-cost  
22 markets; enabling the integration of additional renewable  
23 generating units within the State through near  
24 instantaneous dispatchability and the provision of  
25 ancillary services; creating good-paying union jobs in  
26 Illinois; and, enhancing grid reliability and climate

1 resilience via HVDC facilities that are installed  
2 underground.

3 (10.6) The health, welfare, and safety of the people  
4 of the State are advanced by developing new HVDC  
5 transmission lines predominantly along transportation  
6 rights-of-way, with an HVDC converter station that is  
7 located in the service territory of a public utility as  
8 defined in Section 3-105 of the Public Utilities Act  
9 serving more than 3,000,000 retail customers, and with a  
10 project labor agreement as defined in Section 1-10 of this  
11 Act.

12 (10.8) Procurement of renewable resources transmitted  
13 over new HVDC transmission lines benefits all ratepayers  
14 by decarbonizing the Illinois economy by providing as much  
15 as 17,958,000 megawatt-hours of diversified renewable  
16 energy resources annually while improving reliability  
17 through fully dispatchable high-voltage direct current  
18 transmission facilities that cannot be provided through  
19 development of local renewable generation or transmission  
20 alone.

21 (11) The General Assembly enacted Public Act 96-0795  
22 to reform the State's purchasing processes, recognizing  
23 that government procurement is susceptible to abuse if  
24 structural and procedural safeguards are not in place to  
25 ensure independence, insulation, oversight, and  
26 transparency.

1           (12) The principles that underlie the procurement  
2 reform legislation apply also in the context of power  
3 purchasing.

4           (13) To ensure that the benefits of installing  
5 renewable resources are available to all Illinois  
6 residents and located across the State, subject to  
7 appropriation, it is necessary for the Agency to provide  
8 public information and educational resources on how  
9 residents can benefit from the expansion of renewable  
10 energy in Illinois and participate in the Illinois Solar  
11 for All Program established in Section 1-56, the  
12 Adjustable Block program established in Section 1-75, the  
13 job training programs established by paragraph (1) of  
14 subsection (a) of Section 16-108.12 of the Public  
15 Utilities Act, and the programs and resources established  
16 by the Energy Transition Act.

17           The General Assembly therefore finds that it is necessary  
18 to create the Illinois Power Agency and that the goals and  
19 objectives of that Agency are to accomplish each of the  
20 following:

21           (A) Develop electricity procurement plans to ensure  
22 adequate, reliable, affordable, efficient, and  
23 environmentally sustainable electric service at the lowest  
24 total cost over time, taking into account any benefits of  
25 price stability, for electric utilities that on December  
26 31, 2005 provided electric service to at least 100,000

1 customers in Illinois and for small multi-jurisdictional  
2 electric utilities that (i) on December 31, 2005 served  
3 less than 100,000 customers in Illinois and (ii) request a  
4 procurement plan for their Illinois jurisdictional load.  
5 The procurement plan shall be updated on an annual basis  
6 and shall include renewable energy resources and,  
7 beginning with the delivery year commencing June 1, 2017,  
8 zero emission credits from zero emission facilities  
9 sufficient to achieve the standards specified in this Act.

10 (B) Conduct the competitive procurement processes  
11 identified in this Act.

12 (C) Develop electric generation and co-generation  
13 facilities that use indigenous coal or renewable  
14 resources, or both, financed with bonds issued by the  
15 Illinois Finance Authority.

16 (D) Supply electricity from the Agency's facilities at  
17 cost to one or more of the following: municipal electric  
18 systems, governmental aggregators, or rural electric  
19 cooperatives in Illinois.

20 (E) Ensure that the process of power procurement is  
21 conducted in an ethical and transparent fashion, immune  
22 from improper influence.

23 (F) Continue to review its policies and practices to  
24 determine how best to meet its mission of providing the  
25 lowest cost power to the greatest number of people, at any  
26 given point in time, in accordance with applicable law.

1 (G) Operate in a structurally insulated, independent,  
2 and transparent fashion so that nothing impedes the  
3 Agency's mission to secure power at the best prices the  
4 market will bear, provided that the Agency meets all  
5 applicable legal requirements.

6 (H) Implement renewable energy procurement and  
7 training programs throughout the State to diversify  
8 Illinois electricity supply, improve reliability, avoid  
9 and reduce pollution, reduce peak demand, and enhance  
10 public health and well-being of Illinois residents,  
11 including low-income residents.

12 (I) Implement procurement of high voltage direct  
13 current renewable energy credits.

14 (Source: P.A. 102-662, eff. 9-15-21.)

15 (20 ILCS 3855/1-10)

16 Sec. 1-10. Definitions.

17 "Agency" means the Illinois Power Agency.

18 "Agency loan agreement" means any agreement pursuant to  
19 which the Illinois Finance Authority agrees to loan the  
20 proceeds of revenue bonds issued with respect to a project to  
21 the Agency upon terms providing for loan repayment  
22 installments at least sufficient to pay when due all principal  
23 of, interest and premium, if any, on those revenue bonds, and  
24 providing for maintenance, insurance, and other matters in  
25 respect of the project.



1 "Authority" means the Illinois Finance Authority.

2 "Brownfield site photovoltaic project" means photovoltaics  
3 that are either:

4 (1) interconnected to an electric utility as defined  
5 in this Section, a municipal utility as defined in this  
6 Section, a public utility as defined in Section 3-105 of  
7 the Public Utilities Act, or an electric cooperative as  
8 defined in Section 3-119 of the Public Utilities Act and  
9 located at a site that is regulated by any of the following  
10 entities under the following programs:

11 (A) the United States Environmental Protection  
12 Agency under the federal Comprehensive Environmental  
13 Response, Compensation, and Liability Act of 1980, as  
14 amended;

15 (B) the United States Environmental Protection  
16 Agency under the Corrective Action Program of the  
17 federal Resource Conservation and Recovery Act, as  
18 amended;

19 (C) the Illinois Environmental Protection Agency  
20 under the Illinois Site Remediation Program; or

21 (D) the Illinois Environmental Protection Agency  
22 under the Illinois Solid Waste Program; or

23 (2) located at the site of a coal mine that has  
24 permanently ceased coal production, permanently halted any  
25 re-mining operations, and is no longer accepting any coal  
26 combustion residues; has both completed all clean-up and

1 remediation obligations under the federal Surface Mining  
2 and Reclamation Act of 1977 and all applicable Illinois  
3 rules and any other clean-up, remediation, or ongoing  
4 monitoring to safeguard the health and well-being of the  
5 people of the State of Illinois, as well as demonstrated  
6 compliance with all applicable federal and State  
7 environmental rules and regulations, including, but not  
8 limited, to 35 Ill. Adm. Code Part 845 and any rules for  
9 historic fill of coal combustion residuals, including any  
10 rules finalized in Subdocket A of Illinois Pollution  
11 Control Board docket R2020-019.

12 "Clean coal facility" means an electric generating  
13 facility that uses primarily coal as a feedstock and that  
14 captures and sequesters carbon dioxide emissions at the  
15 following levels: at least 50% of the total carbon dioxide  
16 emissions that the facility would otherwise emit if, at the  
17 time construction commences, the facility is scheduled to  
18 commence operation before 2016, at least 70% of the total  
19 carbon dioxide emissions that the facility would otherwise  
20 emit if, at the time construction commences, the facility is  
21 scheduled to commence operation during 2016 or 2017, and at  
22 least 90% of the total carbon dioxide emissions that the  
23 facility would otherwise emit if, at the time construction  
24 commences, the facility is scheduled to commence operation  
25 after 2017. The power block of the clean coal facility shall  
26 not exceed allowable emission rates for sulfur dioxide,

1 nitrogen oxides, carbon monoxide, particulates and mercury for  
2 a natural gas-fired combined-cycle facility the same size as  
3 and in the same location as the clean coal facility at the time  
4 the clean coal facility obtains an approved air permit. All  
5 coal used by a clean coal facility shall have high volatile  
6 bituminous rank and greater than 1.7 pounds of sulfur per  
7 million Btu content, unless the clean coal facility does not  
8 use gasification technology and was operating as a  
9 conventional coal-fired electric generating facility on June  
10 1, 2009 (the effective date of Public Act 95-1027).

11 "Clean coal SNG brownfield facility" means a facility that  
12 (1) has commenced construction by July 1, 2015 on an urban  
13 brownfield site in a municipality with at least 1,000,000  
14 residents; (2) uses a gasification process to produce  
15 substitute natural gas; (3) uses coal as at least 50% of the  
16 total feedstock over the term of any sourcing agreement with a  
17 utility and the remainder of the feedstock may be either  
18 petroleum coke or coal, with all such coal having a high  
19 bituminous rank and greater than 1.7 pounds of sulfur per  
20 million Btu content unless the facility reasonably determines  
21 that it is necessary to use additional petroleum coke to  
22 deliver additional consumer savings, in which case the  
23 facility shall use coal for at least 35% of the total feedstock  
24 over the term of any sourcing agreement; and (4) captures and  
25 sequesters at least 85% of the total carbon dioxide emissions  
26 that the facility would otherwise emit.

1 "Clean coal SNG facility" means a facility that uses a  
2 gasification process to produce substitute natural gas, that  
3 sequesters at least 90% of the total carbon dioxide emissions  
4 that the facility would otherwise emit, that uses at least 90%  
5 coal as a feedstock, with all such coal having a high  
6 bituminous rank and greater than 1.7 pounds of sulfur per  
7 million Btu content, and that has a valid and effective permit  
8 to construct emission sources and air pollution control  
9 equipment and approval with respect to the federal regulations  
10 for Prevention of Significant Deterioration of Air Quality  
11 (PSD) for the plant pursuant to the federal Clean Air Act;  
12 provided, however, a clean coal SNG brownfield facility shall  
13 not be a clean coal SNG facility.

14 "Clean energy" means energy generation that is 90% or  
15 greater free of carbon dioxide emissions.

16 "Commission" means the Illinois Commerce Commission.

17 "Community renewable generation project" means an electric  
18 generating facility that:

19 (1) is powered by wind, solar thermal energy,  
20 photovoltaic cells or panels, biodiesel, crops and  
21 untreated and unadulterated organic waste biomass, and  
22 hydropower that does not involve new construction of dams;

23 (2) is interconnected at the distribution system level  
24 of an electric utility as defined in this Section, a  
25 municipal utility as defined in this Section that owns or  
26 operates electric distribution facilities, a public

1 utility as defined in Section 3-105 of the Public  
2 Utilities Act, or an electric cooperative, as defined in  
3 Section 3-119 of the Public Utilities Act;

4 (3) credits the value of electricity generated by the  
5 facility to the subscribers of the facility; and

6 (4) is limited in nameplate capacity to less than or  
7 equal to 5,000 kilowatts.

8 "Costs incurred in connection with the development and  
9 construction of a facility" means:

10 (1) the cost of acquisition of all real property,  
11 fixtures, and improvements in connection therewith and  
12 equipment, personal property, and other property, rights,  
13 and easements acquired that are deemed necessary for the  
14 operation and maintenance of the facility;

15 (2) financing costs with respect to bonds, notes, and  
16 other evidences of indebtedness of the Agency;

17 (3) all origination, commitment, utilization,  
18 facility, placement, underwriting, syndication, credit  
19 enhancement, and rating agency fees;

20 (4) engineering, design, procurement, consulting,  
21 legal, accounting, title insurance, survey, appraisal,  
22 escrow, trustee, collateral agency, interest rate hedging,  
23 interest rate swap, capitalized interest, contingency, as  
24 required by lenders, and other financing costs, and other  
25 expenses for professional services; and

26 (5) the costs of plans, specifications, site study and

1 investigation, installation, surveys, other Agency costs  
2 and estimates of costs, and other expenses necessary or  
3 incidental to determining the feasibility of any project,  
4 together with such other expenses as may be necessary or  
5 incidental to the financing, insuring, acquisition, and  
6 construction of a specific project and starting up,  
7 commissioning, and placing that project in operation.

8 "Delivery services" has the same definition as found in  
9 Section 16-102 of the Public Utilities Act.

10 "Delivery year" means the consecutive 12-month period  
11 beginning June 1 of a given year and ending May 31 of the  
12 following year.

13 "Department" means the Department of Commerce and Economic  
14 Opportunity.

15 "Director" means the Director of the Illinois Power  
16 Agency.

17 "Demand-response" means measures that decrease peak  
18 electricity demand or shift demand from peak to off-peak  
19 periods.

20 "Distributed renewable energy generation device" means a  
21 device that is:

22 (1) powered by wind, solar thermal energy,  
23 photovoltaic cells or panels, biodiesel, crops and  
24 untreated and unadulterated organic waste biomass, tree  
25 waste, and hydropower that does not involve new  
26 construction of dams, waste heat to power systems, or

1 qualified combined heat and power systems;

2 (2) interconnected at the distribution system level of  
3 either an electric utility as defined in this Section, a  
4 municipal utility as defined in this Section that owns or  
5 operates electric distribution facilities, or a rural  
6 electric cooperative as defined in Section 3-119 of the  
7 Public Utilities Act;

8 (3) located on the customer side of the customer's  
9 electric meter and is primarily used to offset that  
10 customer's electricity load; and

11 (4) (blank).

12 "Energy efficiency" means measures that reduce the amount  
13 of electricity or natural gas consumed in order to achieve a  
14 given end use. "Energy efficiency" includes voltage  
15 optimization measures that optimize the voltage at points on  
16 the electric distribution voltage system and thereby reduce  
17 electricity consumption by electric customers' end use  
18 devices. "Energy efficiency" also includes measures that  
19 reduce the total Btus of electricity, natural gas, and other  
20 fuels needed to meet the end use or uses.

21 "Electric utility" has the same definition as found in  
22 Section 16-102 of the Public Utilities Act.

23 "Equity investment eligible community" or "eligible  
24 community" are synonymous and mean the geographic areas  
25 throughout Illinois which would most benefit from equitable  
26 investments by the State designed to combat discrimination.

1 Specifically, the eligible communities shall be defined as the  
2 following areas:

3 (1) R3 Areas as established pursuant to Section 10-40  
4 of the Cannabis Regulation and Tax Act, where residents  
5 have historically been excluded from economic  
6 opportunities, including opportunities in the energy  
7 sector; and

8 (2) environmental justice communities, as defined by  
9 the Illinois Power Agency pursuant to the Illinois Power  
10 Agency Act, where residents have historically been subject  
11 to disproportionate burdens of pollution, including  
12 pollution from the energy sector.

13 "Equity eligible persons" or "eligible persons" means  
14 persons who would most benefit from equitable investments by  
15 the State designed to combat discrimination, specifically:

16 (1) persons who graduate from or are current or former  
17 participants in the Clean Jobs Workforce Network Program,  
18 the Clean Energy Contractor Incubator Program, the  
19 Illinois Climate Works Preapprenticeship Program,  
20 Returning Residents Clean Jobs Training Program, or the  
21 Clean Energy Primes Contractor Accelerator Program, and  
22 the solar training pipeline and multi-cultural jobs  
23 program created in paragraphs (a) (1) and (a) (3) of Section  
24 16-208.12 of the Public Utilities Act;

25 (2) persons who are graduates of or currently enrolled  
26 in the foster care system;



1 (3) persons who were formerly incarcerated;

2 (4) persons whose primary residence is in an equity  
3 investment eligible community.

4 "Equity eligible contractor" means a business that is  
5 majority-owned by eligible persons, or a nonprofit or  
6 cooperative that is majority-governed by eligible persons, or  
7 is a natural person that is an eligible person offering  
8 personal services as an independent contractor.

9 "Facility" means an electric generating unit or a  
10 co-generating unit that produces electricity along with  
11 related equipment necessary to connect the facility to an  
12 electric transmission or distribution system.

13 "General contractor" means the entity or organization with  
14 main responsibility for the building of a construction project  
15 and who is the party signing the prime construction contract  
16 for the project.

17 "Governmental aggregator" means one or more units of local  
18 government that individually or collectively procure  
19 electricity to serve residential retail electrical loads  
20 located within its or their jurisdiction.

21 "High voltage direct current converter station" means the  
22 collection of equipment that converts direct current energy  
23 from a high voltage direct current transmission line into  
24 alternating current using Voltage Source Conversion technology  
25 and that is interconnected with transmission or distribution  
26 assets located in Illinois.

1 "High voltage direct current renewable energy credit"  
2 means a renewable energy credit associated with a renewable  
3 energy resource where the renewable energy resource has  
4 entered into a contract to transmit the energy associated with  
5 such renewable energy credit over high voltage direct current  
6 transmission facilities.

7 "High voltage direct current transmission facilities"  
8 means the collection of installed equipment that converts  
9 alternating current energy in one location to direct current  
10 and transmits that direct current energy to a high voltage  
11 direct current converter station using Voltage Source  
12 Conversion technology. "High voltage direct current  
13 transmission facilities" includes the high voltage direct  
14 current converter station itself and associated high voltage  
15 direct current transmission lines. Notwithstanding the  
16 preceding, after September 15, 2021 (the effective date of  
17 Public Act 102-662), an otherwise qualifying collection of  
18 equipment does not qualify as high voltage direct current  
19 transmission facilities unless: (i) its developer entered into  
20 a project labor agreement, (ii) more than 100 miles of its  
21 Illinois footprint is built underground, (iii) the facilities  
22 are ~~is~~ capable of transmitting electricity at 525kv or above,  
23 and (iv) the facilities include ~~with~~ an Illinois converter  
24 station physically located in and interconnected in the  
25 Illinois footprint ~~region~~ of ~~the~~ PJM Interconnection, LLC, and  
26 the system does not operate as a public utility in Illinois, as

1 that term is defined in Section 3-105 of the Public Utilities  
2 Act.

3 "Hydropower" means any method of electricity generation or  
4 storage that results from the flow of water, including  
5 impoundment facilities, diversion facilities, and pumped  
6 storage facilities.

7 "Index price" means the real-time energy settlement price  
8 at the applicable Illinois trading hub, such as PJM-NIHUB or  
9 MISO-IL, for a given settlement period.

10 "Indexed renewable energy credit" means a tradable credit  
11 that represents the environmental attributes of one megawatt  
12 hour of energy produced from a renewable energy resource, the  
13 price of which shall be calculated by subtracting the strike  
14 price offered by a new utility-scale wind project or a new  
15 utility-scale photovoltaic project from the index price in a  
16 given settlement period.

17 "Indexed renewable energy credit counterparty" has the  
18 same meaning as "public utility" as defined in Section 3-105  
19 of the Public Utilities Act.

20 "Local government" means a unit of local government as  
21 defined in Section 1 of Article VII of the Illinois  
22 Constitution.

23 "Modernized" or "retooled" means the construction, repair,  
24 maintenance, or significant expansion of turbines and existing  
25 hydropower dams.

26 "Municipality" means a city, village, or incorporated

1 town.

2 "Municipal utility" means a public utility owned and  
3 operated by any subdivision or municipal corporation of this  
4 State.

5 "Nameplate capacity" means the aggregate inverter  
6 nameplate capacity in kilowatts AC.

7 "Person" means any natural person, firm, partnership,  
8 corporation, either domestic or foreign, company, association,  
9 limited liability company, joint stock company, or association  
10 and includes any trustee, receiver, assignee, or personal  
11 representative thereof.

12 "Project" means the planning, bidding, and construction of  
13 a facility.

14 "Project labor agreement" means a pre-hire collective  
15 bargaining agreement that covers all terms and conditions of  
16 employment on a specific construction project and must include  
17 the following:

18 (1) provisions establishing the minimum hourly wage  
19 for each class of labor organization employee;

20 (2) provisions establishing the benefits and other  
21 compensation for each class of labor organization  
22 employee;

23 (3) provisions establishing that no strike or disputes  
24 will be engaged in by the labor organization employees;

25 (4) provisions establishing that no lockout or  
26 disputes will be engaged in by the general contractor

1 building the project; and

2 (5) provisions for minorities and women, as defined  
3 under the Business Enterprise for Minorities, Women, and  
4 Persons with Disabilities Act, setting forth goals for  
5 apprenticeship hours to be performed by minorities and  
6 women and setting forth goals for total hours to be  
7 performed by underrepresented minorities and women.

8 A labor organization and the general contractor building  
9 the project shall have the authority to include other terms  
10 and conditions as they deem necessary.

11 "Public utility" has the same definition as found in  
12 Section 3-105 of the Public Utilities Act.

13 "Qualified combined heat and power systems" means systems  
14 that, either simultaneously or sequentially, produce  
15 electricity and useful thermal energy from a single fuel  
16 source. Such systems are eligible for "renewable energy  
17 credits" in an amount equal to its total energy output where a  
18 renewable fuel is consumed or in an amount equal to the net  
19 reduction in nonrenewable fuel consumed on a total energy  
20 output basis.

21 "Real property" means any interest in land together with  
22 all structures, fixtures, and improvements thereon, including  
23 lands under water and riparian rights, any easements,  
24 covenants, licenses, leases, rights-of-way, uses, and other  
25 interests, together with any liens, judgments, mortgages, or  
26 other claims or security interests related to real property.

1 "Renewable energy credit" means a tradable credit that  
2 represents the environmental attributes of one megawatt hour  
3 of energy produced from a renewable energy resource.

4 "Renewable energy resources" includes energy and its  
5 associated renewable energy credit or renewable energy credits  
6 from wind, solar thermal energy, photovoltaic cells and  
7 panels, biodiesel, anaerobic digestion, crops and untreated  
8 and unadulterated organic waste biomass, and hydropower that  
9 does not involve new construction of dams, waste heat to power  
10 systems, or qualified combined heat and power systems. For  
11 purposes of this Act, landfill gas produced in the State is  
12 considered a renewable energy resource. "Renewable energy  
13 resources" does not include the incineration or burning of  
14 tires, garbage, general household, institutional, and  
15 commercial waste, industrial lunchroom or office waste,  
16 landscape waste, railroad crossties, utility poles, or  
17 construction or demolition debris, other than untreated and  
18 unadulterated waste wood. "Renewable energy resources" also  
19 includes high voltage direct current renewable energy credits  
20 and the associated energy converted to alternating current by  
21 a high voltage direct current converter station to the extent  
22 that: (1) the generator of such renewable energy resource  
23 contracted with a third party to transmit the energy over the  
24 high voltage direct current transmission facilities, and (2)  
25 the third-party contracting for delivery of renewable energy  
26 resources over the high voltage direct current transmission

1 facilities have ownership rights over the unretired associated  
2 high voltage direct current renewable energy credit.

3 "Retail customer" has the same definition as found in  
4 Section 16-102 of the Public Utilities Act.

5 "Revenue bond" means any bond, note, or other evidence of  
6 indebtedness issued by the Authority, the principal and  
7 interest of which is payable solely from revenues or income  
8 derived from any project or activity of the Agency.

9 "Sequester" means permanent storage of carbon dioxide by  
10 injecting it into a saline aquifer, a depleted gas reservoir,  
11 or an oil reservoir, directly or through an enhanced oil  
12 recovery process that may involve intermediate storage,  
13 regardless of whether these activities are conducted by a  
14 clean coal facility, a clean coal SNG facility, a clean coal  
15 SNG brownfield facility, or a party with which a clean coal  
16 facility, clean coal SNG facility, or clean coal SNG  
17 brownfield facility has contracted for such purposes.

18 "Service area" has the same definition as found in Section  
19 16-102 of the Public Utilities Act.

20 "Settlement period" means the period of time utilized by  
21 MISO and PJM and their successor organizations as the basis  
22 for settlement calculations in the real-time energy market.

23 "Sourcing agreement" means (i) in the case of an electric  
24 utility, an agreement between the owner of a clean coal  
25 facility and such electric utility, which agreement shall have  
26 terms and conditions meeting the requirements of paragraph (3)

1 of subsection (d) of Section 1-75, (ii) in the case of an  
2 alternative retail electric supplier, an agreement between the  
3 owner of a clean coal facility and such alternative retail  
4 electric supplier, which agreement shall have terms and  
5 conditions meeting the requirements of Section 16-115(d)(5) of  
6 the Public Utilities Act, and (iii) in case of a gas utility,  
7 an agreement between the owner of a clean coal SNG brownfield  
8 facility and the gas utility, which agreement shall have the  
9 terms and conditions meeting the requirements of subsection  
10 (h-1) of Section 9-220 of the Public Utilities Act.

11 "Strike price" means a contract price for energy and  
12 renewable energy credits from a new utility-scale wind project  
13 or a new utility-scale photovoltaic project.

14 "Subscriber" means a person who (i) takes delivery service  
15 from an electric utility, and (ii) has a subscription of no  
16 less than 200 watts to a community renewable generation  
17 project that is located in the electric utility's service  
18 area. No subscriber's subscriptions may total more than 40% of  
19 the nameplate capacity of an individual community renewable  
20 generation project. Entities that are affiliated by virtue of  
21 a common parent shall not represent multiple subscriptions  
22 that total more than 40% of the nameplate capacity of an  
23 individual community renewable generation project.

24 "Subscription" means an interest in a community renewable  
25 generation project expressed in kilowatts, which is sized  
26 primarily to offset part or all of the subscriber's



1 electricity usage.

2 "Substitute natural gas" or "SNG" means a gas manufactured  
3 by gasification of hydrocarbon feedstock, which is  
4 substantially interchangeable in use and distribution with  
5 conventional natural gas.

6 "Total resource cost test" or "TRC test" means a standard  
7 that is met if, for an investment in energy efficiency or  
8 demand-response measures, the benefit-cost ratio is greater  
9 than one. The benefit-cost ratio is the ratio of the net  
10 present value of the total benefits of the program to the net  
11 present value of the total costs as calculated over the  
12 lifetime of the measures. A total resource cost test compares  
13 the sum of avoided electric utility costs, representing the  
14 benefits that accrue to the system and the participant in the  
15 delivery of those efficiency measures and including avoided  
16 costs associated with reduced use of natural gas or other  
17 fuels, avoided costs associated with reduced water  
18 consumption, and avoided costs associated with reduced  
19 operation and maintenance costs, as well as other quantifiable  
20 societal benefits, to the sum of all incremental costs of  
21 end-use measures that are implemented due to the program  
22 (including both utility and participant contributions), plus  
23 costs to administer, deliver, and evaluate each demand-side  
24 program, to quantify the net savings obtained by substituting  
25 the demand-side program for supply resources. In calculating  
26 avoided costs of power and energy that an electric utility

1 would otherwise have had to acquire, reasonable estimates  
2 shall be included of financial costs likely to be imposed by  
3 future regulations and legislation on emissions of greenhouse  
4 gases. In discounting future societal costs and benefits for  
5 the purpose of calculating net present values, a societal  
6 discount rate based on actual, long-term Treasury bond yields  
7 should be used. Notwithstanding anything to the contrary, the  
8 TRC test shall not include or take into account a calculation  
9 of market price suppression effects or demand reduction  
10 induced price effects.

11 "Utility-scale solar project" means an electric generating  
12 facility that:

13 (1) generates electricity using photovoltaic cells;  
14 and

15 (2) has a nameplate capacity that is greater than  
16 5,000 kilowatts.

17 "Utility-scale wind project" means an electric generating  
18 facility that:

19 (1) generates electricity using wind; and

20 (2) has a nameplate capacity that is greater than  
21 5,000 kilowatts.

22 "Waste Heat to Power Systems" means systems that capture  
23 and generate electricity from energy that would otherwise be  
24 lost to the atmosphere without the use of additional fuel.

25 "Zero emission credit" means a tradable credit that  
26 represents the environmental attributes of one megawatt hour

1 of energy produced from a zero emission facility.

2 "Zero emission facility" means a facility that: (1) is  
3 fueled by nuclear power; and (2) is interconnected with PJM  
4 Interconnection, LLC or the Midcontinent Independent System  
5 Operator, Inc., or their successors.

6 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;  
7 103-380, eff. 1-1-24.)

8 (20 ILCS 3855/1-20)

9 Sec. 1-20. General powers and duties of the Agency.

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

11 (1) Develop electricity procurement plans to ensure  
12 adequate, reliable, affordable, efficient, and  
13 environmentally sustainable electric service at the lowest  
14 total cost over time, taking into account any benefits of  
15 price stability, for electric utilities that on December  
16 31, 2005 provided electric service to at least 100,000  
17 customers in Illinois and for small multi-jurisdictional  
18 electric utilities that (A) on December 31, 2005 served  
19 less than 100,000 customers in Illinois and (B) request a  
20 procurement plan for their Illinois jurisdictional load.

21 Except as provided in paragraph (1.5) of this subsection  
22 (a), the electricity procurement plans shall be updated on  
23 an annual basis and shall include electricity generated  
24 from renewable resources sufficient to achieve the  
25 standards specified in this Act. Beginning with the

1 delivery year commencing June 1, 2017, develop procurement  
2 plans to include zero emission credits generated from zero  
3 emission facilities sufficient to achieve the standards  
4 specified in this Act. Beginning with the delivery year  
5 commencing on June 1, 2022, the Agency is authorized to  
6 develop carbon mitigation credit procurement plans to  
7 include carbon mitigation credits generated from  
8 carbon-free energy resources sufficient to achieve the  
9 standards specified in this Act.

10 (1.5) Develop a long-term renewable resources  
11 procurement plan in accordance with subsection (c) of  
12 Section 1-75 of this Act for renewable energy credits in  
13 amounts sufficient to achieve the standards specified in  
14 this Act for delivery years commencing June 1, 2017 and  
15 for the programs and renewable energy credits specified in  
16 Section 1-56 of this Act. Electricity procurement plans  
17 for delivery years commencing after May 31, 2017, shall  
18 not include procurement of renewable energy resources.

19 (1.7) Develop a high voltage direct current renewable  
20 energy credit procurement in accordance with subsection  
21 (c-7) of Section 1-75 of this Act for high voltage direct  
22 current renewable energy credits for delivery starting on  
23 or about June 1, 2029 or as otherwise provided in this Act  
24 for at least 25 years, or as otherwise permitted under  
25 that subsection.

26 (2) Conduct competitive procurement processes to

1 procure the supply resources identified in the electricity  
2 procurement plan, pursuant to Section 16-111.5 of the  
3 Public Utilities Act, and, for the delivery year  
4 commencing June 1, 2017, conduct procurement processes to  
5 procure zero emission credits from zero emission  
6 facilities, under subsection (d-5) of Section 1-75 of this  
7 Act. For the delivery year commencing June 1, 2022, the  
8 Agency is authorized to conduct procurement processes to  
9 procure carbon mitigation credits from carbon-free energy  
10 resources, under subsection (d-10) of Section 1-75 of this  
11 Act.

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

19 (2.10) Oversee the procurement by electric utilities  
20 that served more than 300,000 customers in this State as  
21 of January 1, 2019 of renewable energy credits from new  
22 renewable energy facilities to be installed, along with  
23 energy storage facilities, at or adjacent to the sites of  
24 electric generating facilities that burned coal as their  
25 primary fuel source as of January 1, 2016 in accordance  
26 with subsection (c-5) of Section 1-75 of this Act.

1           (2.15) Oversee the procurement by electric utilities  
2           of renewable energy credits from newly modernized or  
3           retooled hydropower dams or dams that have been converted  
4           to support hydropower generation.

5           (3) Develop electric generation and co-generation  
6           facilities that use indigenous coal or renewable  
7           resources, or both, financed with bonds issued by the  
8           Illinois Finance Authority.

9           (4) Supply electricity from the Agency's facilities at  
10          cost to one or more of the following: municipal electric  
11          systems, governmental aggregators, or rural electric  
12          cooperatives in Illinois.

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

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

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

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

24                (4) To obtain and employ personnel and hire  
25                consultants that are necessary to fulfill the Agency's  
26                purposes, and to make expenditures for that purpose within

1 the appropriations for that purpose.

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

7 (6) To acquire real or personal property, whether  
8 tangible or intangible, including without limitation  
9 property rights, interests in property, franchises,  
10 obligations, contracts, and debt and equity securities,  
11 and to do so by the exercise of the power of eminent domain  
12 in accordance with Section 1-21; except that any real  
13 property acquired by the exercise of the power of eminent  
14 domain must be located within the State.

15 (7) To sell, convey, lease, exchange, transfer,  
16 abandon, or otherwise dispose of, or mortgage, pledge, or  
17 create a security interest in, any of its assets,  
18 properties, or any interest therein, wherever situated.

19 (8) To purchase, take, receive, subscribe for, or  
20 otherwise acquire, hold, make a tender offer for, vote,  
21 employ, sell, lend, lease, exchange, transfer, or  
22 otherwise dispose of, mortgage, pledge, or grant a  
23 security interest in, use, and otherwise deal in and with,  
24 bonds and other obligations, shares, or other securities  
25 (or interests therein) issued by others, whether engaged  
26 in a similar or different business or activity.

1           (9) To make and execute agreements, contracts, and  
2 other instruments necessary or convenient in the exercise  
3 of the powers and functions of the Agency under this Act,  
4 including contracts with any person, including personal  
5 service contracts, or with any local government, State  
6 agency, or other entity; and all State agencies and all  
7 local governments are authorized to enter into and do all  
8 things necessary to perform any such agreement, contract,  
9 or other instrument with the Agency. No such agreement,  
10 contract, or other instrument shall exceed 40 years.

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

15           (11) To borrow money at such rate or rates of interest  
16 as the Agency may determine, issue its notes, bonds, or  
17 other obligations to evidence that indebtedness, and  
18 secure any of its obligations by mortgage or pledge of its  
19 real or personal property, machinery, equipment,  
20 structures, fixtures, inventories, revenues, grants, and  
21 other funds as provided or any interest therein, wherever  
22 situated.

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

26           (13) To procure insurance against any loss in



1 connection with its properties or operations in such  
2 amount or amounts and from such insurers, including the  
3 federal government, as it may deem necessary or desirable,  
4 and to pay any premiums therefor.

5 (14) To negotiate and enter into agreements with  
6 trustees or receivers appointed by United States  
7 bankruptcy courts or federal district courts or in other  
8 proceedings involving adjustment of debts and authorize  
9 proceedings involving adjustment of debts and authorize  
10 legal counsel for the Agency to appear in any such  
11 proceedings.

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

15 (16) To enter into management agreements for the  
16 operation of any of the property or facilities owned by  
17 the Agency.

18 (17) To enter into an agreement to transfer and to  
19 transfer any land, facilities, fixtures, or equipment of  
20 the Agency to one or more municipal electric systems,  
21 governmental aggregators, or rural electric agencies or  
22 cooperatives, for such consideration and upon such terms  
23 as the Agency may determine to be in the best interest of  
24 the residents of Illinois.

25 (18) To enter upon any lands and within any building  
26 whenever in its judgment it may be necessary for the

1           purpose of making surveys and examinations to accomplish  
2           any purpose authorized by this Act.

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

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

9           (21) To accept and expend appropriations.

10          (22) To engage in any activity or operation that is  
11          incidental to and in furtherance of efficient operation to  
12          accomplish the Agency's purposes, including hiring  
13          employees that the Director deems essential for the  
14          operations of the Agency.

15          (23) To adopt, revise, amend, and repeal rules with  
16          respect to its operations, properties, and facilities as  
17          may be necessary or convenient to carry out the purposes  
18          of this Act, subject to the provisions of the Illinois  
19          Administrative Procedure Act and Sections 1-22 and 1-35 of  
20          this Act.

21          (24) To establish and collect charges and fees as  
22          described in this Act.

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

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

6           (27) To request, review and accept proposals, execute  
7 contracts, purchase renewable energy credits and otherwise  
8 dedicate funds from the Illinois Power Agency Renewable  
9 Energy Resources Fund to create and carry out the  
10 objectives of the Illinois Solar for All Program in  
11 accordance with Section 1-56 of this Act.

12           (28) To ensure Illinois residents and business benefit  
13 from programs administered by the Agency and are properly  
14 protected from any deceptive or misleading marketing  
15 practices by participants in the Agency's programs and  
16 procurements.

17           (c) In conducting the procurement of electricity or other  
18 products, beginning January 1, 2022, the Agency shall not  
19 procure any products or services from persons or organizations  
20 that are in violation of the Displaced Energy Workers Bill of  
21 Rights, as provided under the Energy Community Reinvestment  
22 Act at the time of the procurement event or fail to comply the  
23 labor standards established in subparagraph (Q) of paragraph  
24 (1) of subsection (c) of Section 1-75.

25           (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24.)

1 (20 ILCS 3855/1-75)

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

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

1 31, 2005 served less than 100,000 customers in Illinois and  
2 (ii) request a procurement plan for their Illinois  
3 jurisdictional load. This Section shall not apply to a small  
4 multi-jurisdictional utility until such time as a small  
5 multi-jurisdictional utility requests the Agency to prepare a  
6 procurement plan for their Illinois jurisdictional load. For  
7 the purposes of this Section, the term "eligible retail  
8 customers" has the same definition as found in Section  
9 16-111.5(a) of the Public Utilities Act.

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

19 In accordance with subsection (c-5) of this Section, the  
20 Planning and Procurement Bureau shall oversee the procurement  
21 by electric utilities that served more than 300,000 retail  
22 customers in this State as of January 1, 2019 of renewable  
23 energy credits from new utility-scale solar projects to be  
24 installed, along with energy storage facilities, at or  
25 adjacent to the sites of electric generating facilities that,  
26 as of January 1, 2016, burned coal as their primary fuel

1 source.

2 In accordance with subsection (c-7) of this Section, the  
3 Planning and Procurement Bureau shall oversee the procurement  
4 by electric utilities that served more than 300,000 retail  
5 customers in this State as of January 1, 2019 of high voltage  
6 direct current renewable energy credits.

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

13 (A) direct previous experience assembling  
14 large-scale power supply plans or portfolios for  
15 end-use customers;

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

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

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 protocols and familiarity  
26 with contract protocols;

1 (F) adequate resources to perform and fulfill the  
2 required functions and responsibilities; and

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

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

12 (A) direct previous experience administering a  
13 large-scale competitive procurement process;

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

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

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

22 (E) expertise in credit and contract protocols;

23 (F) adequate resources to perform and fulfill the  
24 required functions and responsibilities; and

25 (G) the absence of a conflict of interest and  
26 inappropriate bias for or against potential bidders or

1 the affected electric utilities.

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

- 17 (A) failure to satisfy qualification criteria;  
18 (B) identification of a conflict of interest; or  
19 (C) evidence of inappropriate bias for or against  
20 potential bidders or the affected utilities.

21 The Agency shall remove experts or expert consulting  
22 firms from the lists within 10 days if there is a  
23 reasonable basis for an objection and provide the updated  
24 lists to the affected utilities and other interested  
25 parties. If the Agency fails to remove an expert or expert  
26 consulting firm from a list, an objecting party may seek



1 review by the Commission within 5 days thereafter by  
2 filing a petition, and the Commission shall render a  
3 ruling on the petition within 10 days. There is no right of  
4 appeal of the Commission's ruling.

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

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

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

22 (b) The experts or expert consulting firms retained by the  
23 Agency shall, as appropriate, prepare procurement plans, and  
24 conduct a competitive procurement process as prescribed in  
25 Section 16-111.5 of the Public Utilities Act, to ensure  
26 adequate, reliable, affordable, efficient, and environmentally

1 sustainable electric service at the lowest total cost over  
2 time, taking into account any benefits of price stability, for  
3 eligible retail customers of electric utilities that on  
4 December 31, 2005 provided electric service to at least  
5 100,000 customers in the State of Illinois, and for eligible  
6 Illinois retail customers of small multi-jurisdictional  
7 electric utilities that (i) on December 31, 2005 served less  
8 than 100,000 customers in Illinois and (ii) request a  
9 procurement plan for their Illinois jurisdictional load.

10 (c) Renewable portfolio standard.

11 (1) (A) The Agency shall develop a long-term renewable  
12 resources procurement plan that shall include procurement  
13 programs and competitive procurement events necessary to  
14 meet the goals set forth in this subsection (c). The  
15 initial long-term renewable resources procurement plan  
16 shall be released for comment no later than 160 days after  
17 June 1, 2017 (the effective date of Public Act 99-906).  
18 The Agency shall review, and may revise on an expedited  
19 basis, the long-term renewable resources procurement plan  
20 at least every 2 years, which shall be conducted in  
21 conjunction with the procurement plan under Section  
22 16-111.5 of the Public Utilities Act to the extent  
23 practicable to minimize administrative expense. No later  
24 than 120 days after the effective date of this amendatory  
25 Act of the 103rd General Assembly, the Agency shall  
26 release for comment a revision to the long-term renewable

1 resources procurement plan, updating elements of the most  
2 recently approved plan as needed to comply with this  
3 amendatory Act of the 103rd General Assembly, and any  
4 long-term renewable resources procurement plan update  
5 published by the Agency but not yet approved by the  
6 Illinois Commerce Commission shall be withdrawn. The  
7 long-term renewable resources procurement plans shall be  
8 subject to review and approval by the Commission under  
9 Section 16-111.5 of the Public Utilities Act.

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

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

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

22           For the delivery year beginning June 1, 2018, the  
23          procurement plan shall attempt to include, subject to the  
24          prioritization outlined in this subparagraph (B),  
25          cost-effective renewable energy resources equal to at  
26          least 14.5% of each utility's load for eligible retail

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

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

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

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

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

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

1 voltage direct current renewable energy credits  
2 procured by the Agency pursuant to subsection (c-7) of  
3 this Section 1-75 shall not count toward the renewable  
4 energy credit purchase targets in this subparagraph  
5 (i); however, nothing prohibits the Agency from  
6 procuring high voltage direct current renewable energy  
7 credits under a procurement authorized by this  
8 subsection (c) from counting toward the renewable  
9 energy credit purchase targets in this subparagraph  
10 (i).

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

1 Agency shall explore options to convert existing dams  
2 but shall not consider approaches to develop new dams  
3 where they do not already exist.

4 (ii) In any given delivery year, if forecasted  
5 expenses are less than the maximum budget available  
6 under subparagraph (E) of this paragraph (1), the  
7 Agency shall continue to procure new renewable energy  
8 credits until that budget is exhausted in the manner  
9 outlined in item (i) of this subparagraph (C).

10 (iii) For purposes of this Section:

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

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

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



1 from contracts entered into before June 1, 2021 shall  
2 be used to calculate whether the Agency has procured  
3 the correct proportion of new wind and new solar  
4 contracts described in this subparagraph (C) for  
5 delivery year 2021 and thereafter.

6 (c-7) Within 120 days after the effective date of this  
7 amendatory Act of the 103rd General Assembly, the Agency shall  
8 develop a one-time high voltage direct current renewable  
9 energy credit procurement plan limited to the procurement of  
10 high voltage direct current renewable energy credits.

11 (1) In addition to the procurement of renewable energy  
12 credits pursuant to long-term renewable resources  
13 procurement plans in accordance with subsection (c) of  
14 this Section, Section 16-111.5 of the Public Utilities  
15 Act, and the procurement of coal-to-solar renewable energy  
16 credits in accordance with subsection (c-5) of this  
17 Section, the Agency shall conduct procurement events in  
18 accordance with this subsection (c-7) for the procurement  
19 by electric utilities that served more than 300,000 retail  
20 customers in this State as of January 1, 2019 of high  
21 voltage direct current renewable energy credits and meet  
22 the other criteria specified in this subsection (c-7). The  
23 procurement of renewable energy credits by electric  
24 utilities pursuant to this subsection (c-7) shall be  
25 funded solely by revenues collected from the dispatchable  
26 and reliable renewable energy charge provided for in this

1 subsection (c-7) and subsection (i-7) of Section 16-108 of  
2 the Public Utilities Act, shall not be funded by revenues  
3 collected through any of the other funding mechanisms  
4 provided for in subsection (c) of this Section, and shall  
5 not be subject to the limitation imposed by subsection (c)  
6 on charges to retail customers for costs to procure  
7 renewable energy resources pursuant to subsection (c), and  
8 shall not be subject to any other requirements or  
9 limitations of subsection (c).

10 (2) Within 5 days after the filing of the high voltage  
11 direct current renewable energy credit procurement plan at  
12 the Commission, any person objecting to the supplemental  
13 procurement plan shall file an objection with the  
14 Commission. Within 10 days after the filing, the  
15 Commission shall determine whether a hearing is necessary.  
16 The Commission shall enter its order confirming or  
17 modifying the supplemental procurement plan within 90 days  
18 after the filing of the supplemental procurement plan by  
19 the Agency.

20 (3) The Commission shall approve the high voltage  
21 direct current renewable energy credit procurement plan if  
22 the Commission determines that it will ensure adequate,  
23 reliable, affordable, efficient, and environmentally  
24 sustainable electric service in the form of renewable  
25 energy credits at the lowest total cost over time, taking  
26 into account any benefits of price stability.

1           (4) The high voltage direct current renewable energy  
2           credit procurement plan shall provide for procurement of  
3           high voltage direct current renewable energy credits using  
4           an indexed renewable energy credit structure as described  
5           in item (v) of subparagraph (G) of paragraph (1) of  
6           subsection (c) of this Section 1-75. The high voltage  
7           direct current renewable energy credit procurement plan  
8           shall procure a target volume of not less than 12,500,000  
9           high voltage direct current renewable energy credits  
10           delivered annually. Notwithstanding the preceding  
11           provisions, the contracts for high voltage direct current  
12           renewable energy credits shall contain the following  
13           terms:

14                   (i) delivery begins on the later of June 1, 2029  
15                   and energization of the associated high voltage direct  
16                   current transmission line, with additional reasonable  
17                   extensions available for delays in energization of the  
18                   generation facility;

19                   (ii) the term shall be selected by the bidder to be  
20                   not less than 25 years and not more than 40 years;

21                   (iii) the fuel type for the high voltage direct  
22                   current renewable energy credits shall be solar  
23                   photovoltaics or wind, or if insufficient high voltage  
24                   direct current renewable energy credits are available  
25                   from solar photovoltaics or wind, other fuel types  
26                   that qualify as a renewable resource under Section

1 1-10 of this Act;

2 (iv) monthly payment for renewable energy credits  
3 actually delivered, not to exceed on a three-year  
4 rolling average basis 120% of the annual delivery  
5 quantity bid;

6 (v) a reasonable minimum annual delivery quantity  
7 of high voltage direct current renewable energy  
8 credits, however no penalties shall be assessed in the  
9 event of force majeure, to the extent that the minimum  
10 annual delivery quantity was missed due to less than  
11 full dispatch of the high voltage direct current  
12 converter station or curtailment of associated  
13 generation during that same delivery year, or such  
14 other reasonable exceptions as may be identified;

15 (vi) reasonable performance assurance and credit  
16 requirements;

17 (vii) all high voltage direct current renewable  
18 energy credits delivered must be generated from a  
19 system that is energized or repowered on or after the  
20 effective date of this Act; and

21 (viii) At any time after selection, the winning  
22 bidder may change upon notice to the Agency the  
23 generation source or anticipated generation source of  
24 any high voltage direct current renewable energy  
25 credits.

26 The high voltage direct current renewable energy credit

1 procurement plan shall allow the owner or operator, or the  
2 owner's or operator's designee, to enter multiple bids,  
3 provided that the same bid shall not include high-voltage  
4 direct current renewable energy credits pledged in another  
5 bid.

6 The high voltage direct current renewable energy credit  
7 procurement plan shall not, subject to the preference for  
8 solar photovoltaic and wind generation, prohibit or penalize  
9 any renewable energy credits that meet the definition of high  
10 voltage renewable energy credit in this Act.

11 The high voltage direct current renewable energy credit  
12 procurement plan shall include a contingency plan if the  
13 Agency procures less than 12,500,000 high voltage direct  
14 current renewable energy credits annually or if one or more  
15 winning bidders fails to deliver any high voltage direct  
16 current renewable energy credits. The number of high voltage  
17 direct current renewable energy credits to be procured as  
18 specified in this paragraph (4) shall not be reduced based on  
19 renewable energy credits procured in the self-direct renewable  
20 energy credit compliance program established pursuant to  
21 subparagraph (R) of paragraph (1) of subsection (c) of Section  
22 1-75.

23 (5) The renewable energy credits procured pursuant to  
24 the high voltage direct current renewable energy credit  
25 procurement plan shall be procured in accordance with the  
26 Agency and Commission's process competitive procurement in

1 subsections (e) through (p) of Section 16-111.5 of the  
2 Public Utilities Act, as applicable. Notwithstanding  
3 anything in Section 16-111.5 of the Public Utilities Act:

4 (A) To ensure the delivery of high voltage direct  
5 current renewable energy credits, the high voltage  
6 direct current renewable energy credit procurement  
7 plan shall provide that only the owner or operator of a  
8 high voltage direct current transmission line or its  
9 designee may bid in the procurements described in this  
10 subsection (c-7). For the purposes of this paragraph,  
11 the owner or operator, or the owner's or operator's  
12 designee, must demonstrate that it has site control of  
13 at least 90 miles route located within Illinois, and  
14 plans reflecting 525 kV or greater delivery voltage  
15 and construction of at least 100 miles of transmission  
16 line underground in Illinois. For the purpose of this  
17 subparagraph, "site control" may include easements,  
18 leases, options for leases, or any similar indicia of  
19 site control identified by the Agency.

20 (B) For the purpose of the competitive  
21 procurement, a bid shall be a price and quantity of  
22 high voltage direct current renewable energy credits.  
23 Each bid shall be for a quantity of not less than  
24 5,000,000 high voltage direct current renewable energy  
25 credits annually.

26 (C) The Agency shall only procure cost-effective

1 high voltage direct current renewable energy credits.  
2 For the purposes of this subsection (c-7),  
3 "cost-effective" shall mean the high voltage direct  
4 current renewable energy credits shall not exceed  
5 benchmarks based on market prices for high voltage  
6 direct current renewable energy credits.

7 (D) Each competitive bid shall specifically  
8 identify the price charged by the high voltage direct  
9 current transmission line. The benchmark established  
10 in accordance with subsection (e) of Section 16-111.5  
11 of the Public Utilities Act shall be applied to the bid  
12 price minus the line item for the price charged by the  
13 high voltage direct current transmission line.

14 Notwithstanding anything to the contrary in this Act or  
15 the Public Utilities Act, in developing the benchmark the  
16 Procurement Administrator shall use values for the capital and  
17 costs for a high voltage direct current transmission line. The  
18 Capital Development Board shall calculate a range of capital  
19 costs that it believes would be reasonable for an HVDC  
20 transmission line of similar specifications to an applicant  
21 high voltage direct current transmission line. The Capital  
22 Development Board may consult as much as it deems necessary  
23 with applicant or potential applicant high voltage direct  
24 current transmission lines and conduct whatever research and  
25 investigation it deems necessary. The Capital Development  
26 Board shall retain an engineering expert in making such

1 determination with at least ten years of experience in  
2 transmission and merchant transmission development and  
3 experience with high voltage direct current transmission. The  
4 expert shall: (i) not own or control any direct or indirect  
5 interest in the high voltage direct current transmission line,  
6 and (iii) have no contractual relationship with the high  
7 voltage direct current transmission line.

8 (E) The contract price shall the original bid price of  
9 each winning bidder, inclusive of the costs charged by the  
10 high voltage direct current transmission line.

11 (F) For the purposes of this paragraph (4), all  
12 information about high voltage direct current transmission  
13 line pricing shall be maintained as highly confidential  
14 and not disclosed by the Agency, Commission, or any third  
15 party otherwise privy to such information.

16 (6) The Agency and its procurement administrator shall  
17 administer the procurement authorized in the high voltage  
18 direct current renewable energy credit procurement plan not  
19 later than December 31, 2024.

20 (7) The Agency shall assess fees to each applicant to  
21 recover the Agency's costs incurred in receiving and  
22 evaluating applications, conducting the procurement event,  
23 developing contracts for sale, delivery and purchase of  
24 renewable energy credits, and monitoring the administration of  
25 such contracts, as provided for in this subsection (c-7),  
26 including fees paid to a procurement administrator retained by



1 the Agency for one or more of these purposes.

2 (8) The obligation to purchase high voltage direct current  
3 renewable energy credits selected by the Agency shall be  
4 allocated to the electric utilities based on their respective  
5 percentages of kilowatthours delivered to delivery services  
6 customers to the aggregate kilowatthour deliveries by the  
7 electric utilities to delivery services customers for the year  
8 ended December 31, 2021. In order to achieve these allocation  
9 percentages between or among the electric utilities, the  
10 Agency shall require each applicant that is selected in the  
11 procurement event to enter into a contract with each electric  
12 utility for the sale and purchase of high voltage direct  
13 current renewable energy credits meeting the standards of this  
14 subsection (c-7), with the sale and purchase obligations under  
15 the contracts to aggregate to the total number of high voltage  
16 direct current renewable energy credits per year to be  
17 supplied by the applicant.

18 (D) Renewable energy credits shall be cost effective.

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

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

25 (E) For purposes of this subsection (c), the required  
26 procurement of cost-effective renewable energy resources

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

20 Notwithstanding the requirements of this subsection  
21 (c), the total of renewable energy resources procured  
22 under the procurement plan for any single year shall be  
23 subject to the limitations of this subparagraph (E). Such  
24 procurement shall be reduced for all retail customers  
25 based on the amount necessary to limit the annual  
26 estimated average net increase due to the costs of these

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

25 (F) If the limitation on the amount of renewable  
26 energy resources procured in subparagraph (E) of this

1 paragraph (1) prevents the Agency from meeting all of the  
2 goals in this subsection (c), the Agency's long-term plan  
3 shall prioritize compliance with the requirements of this  
4 subsection (c) regarding renewable energy credits in the  
5 following order:

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

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

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

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

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

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

1 solicit 15-year contracts for delivery of 1,000,000  
2 renewable energy credits delivered annually from new  
3 utility-scale wind projects to begin delivery on June  
4 1, 2019, if available, but not later than June 1, 2021,  
5 unless the project has delays in the establishment of  
6 an operating interconnection with the applicable  
7 transmission or distribution system as a result of the  
8 actions or inactions of the transmission or  
9 distribution provider, or other causes for force  
10 majeure as outlined in the procurement contract, in  
11 which case, not later than June 1, 2022. Payments to  
12 suppliers of renewable energy credits shall commence  
13 upon delivery. Renewable energy credits procured under  
14 this initial procurement shall be included in the  
15 Agency's long-term plan and shall apply to all  
16 renewable energy goals in this subsection (c).

17 (ii) Notwithstanding whether a long-term renewable  
18 resources procurement plan has been approved, the  
19 Agency shall conduct an initial forward procurement  
20 for renewable energy credits from new utility-scale  
21 solar projects and brownfield site photovoltaic  
22 projects within one year 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 solar projects and brownfield site  
2 photovoltaic projects to begin delivery on June 1,  
3 2019, if available, but not later than June 1, 2021,  
4 unless the project has delays in the establishment of  
5 an operating interconnection with the applicable  
6 transmission or distribution system as a result of the  
7 actions or inactions of the transmission or  
8 distribution provider, or other causes for force  
9 majeure as outlined in the procurement contract, in  
10 which case, not later than June 1, 2022. The Agency may  
11 structure this initial procurement in one or more  
12 discrete procurement events. Payments to suppliers of  
13 renewable energy credits shall commence upon delivery.  
14 Renewable energy credits procured under this initial  
15 procurement shall be included in the Agency's  
16 long-term plan and shall apply to all renewable energy  
17 goals in this subsection (c).

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

1 of the 102nd General Assembly in quantities necessary  
2 to meet the requirements of subparagraph (C) of this  
3 paragraph (1) through the delivery year beginning June  
4 1, 2021.

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

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



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

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

21 (A) The price of the renewable energy  
22 credit for any project on a waitlist for this  
23 category before the opening of this block  
24 shall be 4% less than the price of the last  
25 open block in this category. Projects on the  
26 waitlist shall be awarded contracts first in

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

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

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

22 (3) For opening the first 2 blocks of annual  
23 capacity for projects participating in item (iii)  
24 of subparagraph (K) of paragraph (1) of subsection  
25 (c), projects shall be selected exclusively from  
26 those projects on the ordinal waitlists of

1 community renewable generation projects  
2 established by the Agency based on the status of  
3 those ordinal waitlists as of December 31, 2020,  
4 and only those projects previously determined to  
5 be eligible for the Agency's April 2019 community  
6 solar project selection process.

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

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

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

26 (i) Each applicant firm having a

1 waitlisted project eligible for selection  
2 shall receive no less than 500 kilowatts  
3 in awarded capacity across all groups, and  
4 no approved vendor may receive more than  
5 20% of each Group's waitlist allocation.

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

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

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

23 (C) After a review of affiliate  
24 information and the current ordinal waitlists,  
25 the Agency shall announce the nameplate  
26 capacity award amounts associated with

1 applicant firms no later than 90 days after  
2 the effective date of this amendatory Act of  
3 the 102nd General Assembly.

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

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

1 Contract instruments used for this  
2 subparagraph shall contain the following  
3 terms:

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

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

20 (iii) Permission for the ability of a  
21 contract holder to substitute projects  
22 with other waitlisted projects without  
23 penalty should a project receive a  
24 non-binding estimate of costs to construct  
25 the interconnection facilities and any  
26 required distribution upgrades associated

1 with that project of greater than 30 cents  
2 per watt AC of that project's nameplate  
3 capacity. In developing the applicable  
4 contract instrument, the Agency may  
5 consider whether other circumstances  
6 outside of the control of the applicant  
7 firm should also warrant project  
8 substitution rights.

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

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

22 (4) The Agency shall open the first block of  
23 annual capacity for the category described in item  
24 (iv) of subparagraph (K) of this paragraph (1).  
25 The first block of annual capacity for item (iv)  
26 shall be for at least 50 megawatts of total



1 nameplate capacity. Renewable energy credit prices  
2 shall be fixed, without further adjustment under  
3 any other provision of this Act or for any other  
4 reason, at the price in the last open block in the  
5 category described in item (ii) of subparagraph  
6 (K) of this paragraph (1). Pricing for future  
7 blocks of annual capacity for this category may be  
8 adjusted in the Agency's second revision to its  
9 Long-Term Renewable Resources Procurement Plan.  
10 Projects in this category shall be subject to the  
11 contract terms outlined in item (iv) of  
12 subparagraph (L) of this paragraph (1).

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

1 that is approved as of the effective date of this  
2 amendatory Act of the 102nd General Assembly.  
3 Projects in this category shall be subject to the  
4 contract terms outlined in item (iii) of  
5 subsection (L) of this paragraph (1).

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

1           (v) Upon the effective date of this amendatory Act  
2 of the 102nd General Assembly, for all competitive  
3 procurements and any procurements of renewable energy  
4 credit from new utility-scale wind and new  
5 utility-scale photovoltaic projects, the Agency shall  
6 procure indexed renewable energy credits and direct  
7 respondents to offer a strike price.

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

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

26           (3) To ensure funding in the annual budget

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

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

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

1           (vi) All procurements under this subparagraph (G),  
2 including the procurement of renewable energy credits  
3 from hydropower facilities, shall comply with the  
4 geographic requirements in subparagraph (I) of this  
5 paragraph (1) and shall follow the procurement  
6 processes and procedures described in this Section and  
7 Section 16-111.5 of the Public Utilities Act to the  
8 extent practicable, and these processes and procedures  
9 may be expedited to accommodate the schedule  
10 established by this subparagraph (G).

11           (vii) On and after the effective date of this  
12 amendatory Act of the 103rd General Assembly, for all  
13 procurements of renewable energy credits from  
14 hydropower facilities, the Agency shall establish  
15 contract terms designed to optimize existing  
16 hydropower facilities through modernization or  
17 retooling and establish new hydropower facilities at  
18 existing dams. Procurements made under this item (vii)  
19 shall prioritize projects located in designated  
20 environmental justice communities, as defined in  
21 subsection (b) of Section 1-56 of this Act, or in  
22 projects located in units of local government with  
23 median incomes that do not exceed 82% of the median  
24 income of the State.

25           (H) The procurement of renewable energy resources for  
26 a given delivery year shall be reduced as described in

1           this subparagraph (H) if an alternative retail electric  
2           supplier meets the requirements described in this  
3           subparagraph (H).

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

16                  The informational filing shall identify each  
17                  facility that was eligible to satisfy the alternative  
18                  retail electric supplier's obligations under Section  
19                  16-115D of the Public Utilities Act as described in  
20                  this item (i).

21                  (ii) For a given delivery year, the alternative  
22                  retail electric supplier may elect to supply its  
23                  retail customers with renewable energy credits from  
24                  the facility or facilities described in item (i) of  
25                  this subparagraph (H) that continue to be owned by the  
26                  alternative retail electric supplier.

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

16 For the delivery year beginning June 1, 2018,  
17 the maximum amount of renewable energy credits to  
18 be supplied by an alternative retail electric  
19 supplier under this subparagraph (H) shall be 68%  
20 multiplied by 25% multiplied by 14.5% multiplied  
21 by the amount of metered electricity  
22 (megawatt-hours) delivered by the alternative  
23 retail electric supplier to Illinois retail  
24 customers during the delivery year ending May 31,  
25 2016.

26 For delivery years beginning June 1, 2019 and



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

14 For each delivery year, the total amount of  
15 renewable energy credits supplied by all alternative  
16 retail electric suppliers under this subparagraph (H)  
17 shall not exceed 9% of the Illinois target renewable  
18 energy credit quantity. The Illinois target renewable  
19 energy credit quantity for the delivery year beginning  
20 June 1, 2018 is 14.5% multiplied by the total amount of  
21 metered electricity (megawatt-hours) delivered in the  
22 delivery year immediately preceding that delivery  
23 year, provided that the 14.5% shall increase by 1.5%  
24 each delivery year thereafter to 25% by the delivery  
25 year beginning June 1, 2025, and thereafter the 25%  
26 value shall apply to each delivery year.

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

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

24           (I) The Agency shall design its long-term renewable  
25           energy procurement plan to maximize the State's interest  
26           in the health, safety, and welfare of its residents,

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

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

21 (J) In order to promote the competitive development of  
22 renewable energy resources in furtherance of the State's  
23 interest in the health, safety, and welfare of its  
24 residents, renewable energy credits shall not be eligible  
25 to be counted toward the renewable energy requirements of  
26 this subsection (c) if they are sourced from a generating

1 unit whose costs were being recovered through rates  
2 regulated by this State or any other state or states on or  
3 after January 1, 2017. Each contract executed to purchase  
4 renewable energy credits under this subsection (c) shall  
5 provide for the contract's termination if the costs of the  
6 generating unit supplying the renewable energy credits  
7 subsequently begin to be recovered through rates regulated  
8 by this State or any other state or states; and each  
9 contract shall further provide that, in that event, the  
10 supplier of the credits must return 110% of all payments  
11 received under the contract. Amounts returned under the  
12 requirements of this subparagraph (J) shall be retained by  
13 the utility and all of these amounts shall be used for the  
14 procurement of additional renewable energy credits from  
15 new wind or new photovoltaic resources as defined in this  
16 subsection (c). The long-term plan shall provide that  
17 these renewable energy credits shall be procured in the  
18 next procurement event.

19 Notwithstanding the limitations of this subparagraph  
20 (J), renewable energy credits sourced from generating  
21 units that are constructed, purchased, owned, or leased by  
22 an electric utility as part of an approved project,  
23 program, or pilot under Section 1-56 of this Act shall be  
24 eligible to be counted toward the renewable energy  
25 requirements of this subsection (c), regardless of how the  
26 costs of these units are recovered. As long as a

1 generating unit or an identifiable portion of a generating  
2 unit has not had and does not have its costs recovered  
3 through rates regulated by this State or any other state,  
4 HVDC renewable energy credits associated with that  
5 generating unit or identifiable portion thereof shall be  
6 eligible to be counted toward the renewable energy  
7 requirements of this subsection (c).

8 (K) The long-term renewable resources procurement plan  
9 developed by the Agency in accordance with subparagraph  
10 (A) of this paragraph (1) shall include an Adjustable  
11 Block program for the procurement of renewable energy  
12 credits from new photovoltaic projects that are  
13 distributed renewable energy generation devices or new  
14 photovoltaic community renewable generation projects. The  
15 Adjustable Block program shall be generally designed to  
16 provide for the steady, predictable, and sustainable  
17 growth of new solar photovoltaic development in Illinois.  
18 To this end, the Adjustable Block program shall provide a  
19 transparent annual schedule of prices and quantities to  
20 enable the photovoltaic market to scale up and for  
21 renewable energy credit prices to adjust at a predictable  
22 rate over time. The prices set by the Adjustable Block  
23 program can be reflected as a set value or as the product  
24 of a formula.

25 The Adjustable Block program shall include for each  
26 category of eligible projects for each delivery year: a

1 single block of nameplate capacity, a price for renewable  
2 energy credits within that block, and the terms and  
3 conditions for securing a spot on a waitlist once the  
4 block is fully committed or reserved. Except as outlined  
5 below, the waitlist of projects in a given year will carry  
6 over to apply to the subsequent year when another block is  
7 opened. Only projects energized on or after June 1, 2017  
8 shall be eligible for the Adjustable Block program. For  
9 each category for each delivery year the Agency shall  
10 determine the amount of generation capacity in each block,  
11 and the purchase price for each block, provided that the  
12 purchase price provided and the total amount of generation  
13 in all blocks for all categories shall be sufficient to  
14 meet the goals in this subsection (c). The Agency shall  
15 strive to issue a single block sized to provide for  
16 stability and market growth. The Agency shall establish  
17 program eligibility requirements that ensure that projects  
18 that enter the program are sufficiently mature to indicate  
19 a demonstrable path to completion. The Agency may  
20 periodically review its prior decisions establishing the  
21 amount of generation capacity in each block, and the  
22 purchase price for each block, and may propose, on an  
23 expedited basis, changes to these previously set values,  
24 including but not limited to redistributing these amounts  
25 and the available funds as necessary and appropriate,  
26 subject to Commission approval as part of the periodic

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

7 The Adjustable Block program shall include the  
8 following categories in at least the following amounts:

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

12 (ii) At least 20% from distributed renewable  
13 energy generation devices with a nameplate capacity of  
14 more than 25 kilowatts and no more than 5,000  
15 kilowatts. The Agency may create sub-categories within  
16 this category to account for the differences between  
17 projects for small commercial customers, large  
18 commercial customers, and public or non-profit  
19 customers.

20 (iii) At least 30% from photovoltaic community  
21 renewable generation projects. Capacity for this  
22 category for the first 2 delivery years after the  
23 effective date of this amendatory Act of the 102nd  
24 General Assembly shall be allocated to waitlist  
25 projects as provided in paragraph (3) of item (iv) of  
26 subparagraph (G). Starting in the third delivery year



1 after the effective date of this amendatory Act of the  
2 102nd General Assembly or earlier if the Agency  
3 determines there is additional capacity needed for to  
4 meet previous delivery year requirements, the  
5 following shall apply:

6 (1) the Agency shall select projects on a  
7 first-come, first-serve basis, however the Agency  
8 may suggest additional methods to prioritize  
9 projects that are submitted at the same time;

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

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

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

26 (iv) At least 15% from distributed renewable

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

24 "Environmental Justice Community" shall have the  
25 same meaning set forth in the Agency's long-term  
26 renewable resources procurement plan;

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

4           "Public schools" shall have the meaning set forth  
5 in Section 1-3 of the School Code and includes public  
6 institutions of higher education, as defined in the  
7 Board of Higher Education Act.

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

22           (1) community ownership or community  
23 wealth-building;

24           (2) additional direct and indirect community  
25 benefit, beyond project participation as a  
26 subscriber, including, but not limited to,

1 economic, environmental, social, cultural, and  
2 physical benefits;

3 (3) meaningful involvement in project  
4 organization and development by community members  
5 or nonprofit organizations or public entities  
6 located in or serving the community;

7 (4) engagement in project operations and  
8 management by nonprofit organizations, public  
9 entities, or community members; and

10 (5) whether a project is developed in response  
11 to a site-specific RFP developed by community  
12 members or a nonprofit organization or public  
13 entity located in or serving the community.

14 Selection criteria may also prioritize projects  
15 that:

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

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

1 (3) are located in Equity Investment Eligible  
2 Communities;

3 (4) are not greenfield projects;

4 (5) serve only local subscribers;

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

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

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

15 For the purposes of this item (v):

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

23 "Community benefit" means a range of services and  
24 activities that provide affirmative, economic,  
25 environmental, social, cultural, or physical value to  
26 a community; or a mechanism that enables economic

1 development, high-quality employment, and education  
2 opportunities for local workers and residents, or  
3 formal monitoring and oversight structures such that  
4 community members may ensure that those services and  
5 activities respond to local knowledge and needs.

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

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

25 (vi) At least 10% from distributed renewable  
26 energy generation devices, which includes distributed

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

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

1 Renewable Resources Procurement Plan authorized under  
2 subparagraph (A) of paragraph (1) of subsection (c) of  
3 this Section.

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

24 (vii) The remaining capacity shall be allocated by  
25 the Agency in order to respond to market demand. The  
26 Agency shall allocate any discretionary capacity prior



1 to the beginning of each delivery year.

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

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

19 The Adjustable Block program shall be designed to  
20 ensure that renewable energy credits are procured from  
21 projects in diverse locations and are not concentrated in  
22 a few regional areas.

23 (L) Notwithstanding provisions for advancing capital  
24 prior to project energization found in item (vi) of  
25 subparagraph (K), the procurement of photovoltaic  
26 renewable energy credits under items (i) through (vi) of

1           subparagraph (K) of this paragraph (1) shall otherwise be  
2           subject to the following contract and payment terms:

3           (i) (Blank).

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

24          (iii) For those renewable energy credits that  
25          qualify and are procured under item (ii) and (v) of  
26          subparagraph (K) of this paragraph (1) and any like

1 projects similar category that qualify and are  
2 procured under item (vi), the contract length shall be  
3 15 years. 15% of the renewable energy credit delivery  
4 contract value, based on the estimated generation  
5 during the first 15 years of operation, shall be paid  
6 by the contracting utilities at the time that the  
7 facility producing the renewable energy credits is  
8 interconnected at the distribution system level of the  
9 utility and verified as energized and compliant by the  
10 Program Administrator. The remaining portion shall be  
11 paid ratably over the subsequent 6-year period. The  
12 electric utility shall receive and retire all  
13 renewable energy credits generated by the project for  
14 the first 15 years of operation. Renewable energy  
15 credits generated by the project thereafter shall not  
16 be transferred under the renewable energy credit  
17 delivery contract with the counterparty electric  
18 utility.

19 (iv) For those renewable energy credits that  
20 qualify and are procured under items (iii) and (iv) of  
21 subparagraph (K) of this paragraph (1), and any like  
22 projects that qualify and are procured under item  
23 (vi), the renewable energy credit delivery contract  
24 length shall be 20 years and shall be paid over the  
25 delivery term, not to exceed during each delivery year  
26 the contract price multiplied by the estimated annual

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

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

13 (v) Each contract shall include provisions to  
14 ensure the delivery of the estimated quantity of  
15 renewable energy credits and ongoing collateral  
16 requirements and other provisions deemed appropriate  
17 by the Agency.

18 (vi) The utility shall be the counterparty to the  
19 contracts executed under this subparagraph (L) that  
20 are approved by the Commission under the process  
21 described in Section 16-111.5 of the Public Utilities  
22 Act. No contract shall be executed for an amount that  
23 is less than one renewable energy credit per year.

24 (vii) If, at any time, approved applications for  
25 the Adjustable Block program exceed funds collected by  
26 the electric utility or would cause the Agency to

1 exceed the limitation described in subparagraph (E) of  
2 this paragraph (1) on the amount of renewable energy  
3 resources that may be procured, then the Agency may  
4 consider future uncommitted funds to be reserved for  
5 these contracts on a first-come, first-served basis.

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

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

22 (x) Contracts may be assignable, but only to  
23 entities first deemed by the Agency to have met  
24 program terms and requirements applicable to direct  
25 program participation. In developing contracts for the  
26 delivery of renewable energy credits, the Agency shall

1           be permitted to establish fees applicable to each  
2           contract assignment.

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

18          The Program Administrator may charge application fees  
19          to participating firms to cover the cost of program  
20          administration. Any application fee amounts shall  
21          initially be determined through the long-term renewable  
22          resources procurement plan, and modifications to any  
23          application fee that deviate more than 25% from the  
24          Commission's approved value must be approved by the  
25          Commission as a long-term plan revision under Section  
26          16-111.5 of the Public Utilities Act. The Agency shall

1 consider stakeholder feedback when making adjustments to  
2 application fees and shall notify stakeholders in advance  
3 of any planned changes.

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

17 The Agency and its consultant or consultants shall  
18 monitor block activity, share program activity with  
19 stakeholders and conduct quarterly meetings to discuss  
20 program activity and market conditions. If necessary, the  
21 Agency may make prospective administrative adjustments to  
22 the Adjustable Block program design, such as making  
23 adjustments to purchase prices as necessary to achieve the  
24 goals of this subsection (c). Program modifications to any  
25 block price that do not deviate from the Commission's  
26 approved value by more than 10% shall take effect



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

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

24 (i) The Agency shall establish a registration  
25 process for entities seeking to qualify for  
26 program-administered incentive funding and establish

1 baseline qualifications for vendor approval. The  
2 Agency must maintain a list of approved entities on  
3 each program's website, and may revoke a vendor's  
4 ability to receive program-administered incentive  
5 funding status upon a determination that the vendor  
6 failed to comply with contract terms, the law, or  
7 other program requirements.

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

20 (iii) To discourage deceptive marketing or other  
21 bad faith business practices, the Agency may require  
22 direct program participants, including agents  
23 operating on their behalf, to provide standardized  
24 disclosures to a customer prior to that customer's  
25 execution of a contract for the development of a  
26 distributed generation system or a subscription to a

1 community solar project.

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

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

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

24 (vii) To the extent that complaints received  
25 implicate the jurisdiction of the Office of the  
26 Attorney General, the Illinois Commerce Commission, or

1 local, State, or federal law enforcement, the Agency  
2 shall also refer complaints to those entities as  
3 appropriate.

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

21 Through the development of its long-term renewable  
22 resources procurement plan, the Agency may consider  
23 whether community renewable generation projects utilizing  
24 technologies other than photovoltaics should be supported  
25 through State-administered incentive funding, and may  
26 issue requests for information to gauge market demand.

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

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

17          The owners of and any subscribers to a community  
18          renewable generation project shall not be considered  
19          public utilities or alternative retail electricity  
20          suppliers under the Public Utilities Act solely as a  
21          result of their interest in or subscription to a community  
22          renewable generation project and shall not be required to  
23          become an alternative retail electric supplier by  
24          participating in a community renewable generation project  
25          with a public utility.

26               (O) For the delivery year beginning June 1, 2018, the

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

1 a periodic basis that are funded under this subparagraph  
2 (O).

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

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

25 (Q) Each facility listed in subitems (i) through (ix)  
26 of item (1) of this subparagraph (Q) for which a renewable

1 energy credit delivery contract is signed after the  
2 effective date of this amendatory Act of the 102nd General  
3 Assembly is subject to the following requirements through  
4 the Agency's long-term renewable resources procurement  
5 plan:

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

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

25 (ii) all new utility-scale photovoltaic  
26 projects;



1 (iii) all new brownfield photovoltaic  
2 projects;

3 (iv) all new photovoltaic community renewable  
4 energy facilities that qualify for item (iii) of  
5 subparagraph (K) of this paragraph (1);

6 (v) all new community driven community  
7 photovoltaic projects that qualify for item (v) of  
8 subparagraph (K) of this paragraph (1);

9 (vi) all new photovoltaic projects on public  
10 school land that qualify for item (iv) of  
11 subparagraph (K) of this paragraph (1);

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

20 (viii) all new photovoltaic distributed  
21 renewable energy generation devices that (1)  
22 qualify for item (ii) of subparagraph (K) of this  
23 paragraph (1); (2) are not projects that serve  
24 single-family or multi-family residential  
25 buildings; and (3) are not houses of worship where  
26 the aggregate capacity including collocated

1 projects would not exceed 100 kilowatts;

2 (ix) all new, modernized, or retooled  
3 hydropower facilities.

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

25 (3) It is the intent of this Section to ensure that  
26 economic development occurs across Illinois

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

17 (R) In its long-term renewable resources procurement  
18 plan, the Agency shall establish a self-direct renewable  
19 portfolio standard compliance program for eligible  
20 self-direct customers that purchase renewable energy  
21 credits from utility-scale wind and solar projects through  
22 long-term agreements for purchase of renewable energy  
23 credits as described in this Section. Such long-term  
24 agreements may include the purchase of energy or other  
25 products on a physical or financial basis and may involve  
26 an alternative retail electric supplier as defined in

1 Section 16-102 of the Public Utilities Act. This program  
2 shall take effect in the delivery year commencing June 1,  
3 2023.

4 (1) For the purposes of this subparagraph:

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

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

23 (2) For renewable energy credits to count toward  
24 the self-direct renewable portfolio standard  
25 compliance program, they must:

26 (i) qualify as renewable energy credits as

1 defined in Section 1-10 of this Act;

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

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

22 (iv) be equivalent in volume to at least 40%  
23 of the eligible self-direct customer's usage,  
24 determined annually by the eligible self-direct  
25 customer's usage during the previous delivery  
26 year, measured to the nearest megawatt-hour;

1           (v) be retired by or on behalf of the large  
2 energy customer;

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

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

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

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

23 (4) The Commission shall approve a reduction in  
24 the volumetric charges collected pursuant to Section  
25 16-108 of the Public Utilities Act for approved  
26 eligible self-direct customers equivalent to the

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



1 this to the Commission in an annual compliance filing.  
2 The Commission must approve the self-direct credit  
3 amount by June 1, 2023 and June 1 of each delivery year  
4 thereafter.

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

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

22 (ii) the customer's certification that the  
23 customer has entered into or will enter into by  
24 the beginning of the applicable procurement year,  
25 one or more bilateral contracts for new wind  
26 projects or new photovoltaic projects, including

1 supporting documentation;

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

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

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

15 (vi) certification that the customer intends  
16 to maintain the contract for the duration of the  
17 length of the contract.

18 (6) If a customer receives the self-direct credit  
19 but fails to properly procure and retire renewable  
20 energy credits as required under this subparagraph  
21 (R), the Commission, on petition from the Agency and  
22 after notice and hearing, may direct such customer's  
23 utility to recover the cost of the wrongfully received  
24 self-direct credits plus interest through an adder to  
25 charges assessed pursuant to Section 16-108 of the  
26 Public Utilities Act. Self-direct customers who

1            knowingly fail to properly procure and retire  
2            renewable energy credits and do not notify the Agency  
3            are ineligible for continued participation in the  
4            self-direct renewable portfolio standard compliance  
5            program.

6            (2) (Blank).

7            (3) (Blank).

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

10           (5) Beginning with the 2010 delivery year and ending  
11           June 1, 2017, an electric utility subject to this  
12           subsection (c) shall apply the lesser of the maximum  
13           alternative compliance payment rate or the most recent  
14           estimated alternative compliance payment rate for its  
15           service territory for the corresponding compliance period,  
16           established pursuant to subsection (d) of Section 16-115D  
17           of the Public Utilities Act to its retail customers that  
18           take service pursuant to the electric utility's hourly  
19           pricing tariff or tariffs. The electric utility shall  
20           retain all amounts collected as a result of the  
21           application of the alternative compliance payment rate or  
22           rates to such customers, and, beginning in 2011, the  
23           utility shall include in the information provided under  
24           item (1) of subsection (d) of Section 16-111.5 of the  
25           Public Utilities Act the amounts collected under the  
26           alternative compliance payment rate or rates for the prior

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

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

19 (7) Renewable energy credits procured from new  
20 photovoltaic projects or new distributed renewable energy  
21 generation devices under this Section after June 1, 2017  
22 (the effective date of Public Act 99-906) must be procured  
23 from devices installed by a qualified person in compliance  
24 with the requirements of Section 16-128A of the Public  
25 Utilities Act and any rules or regulations adopted  
26 thereunder.

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

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

15           (1) In addition to the procurement of renewable energy  
16 credits pursuant to long-term renewable resources  
17 procurement plans in accordance with subsection (c) of  
18 this Section and Section 16-111.5 of the Public Utilities  
19 Act, the Agency shall conduct procurement events in  
20 accordance with this subsection (c-5) for the procurement  
21 by electric utilities that served more than 300,000 retail  
22 customers in this State as of January 1, 2019 of renewable  
23 energy credits from new renewable energy facilities to be  
24 installed at or adjacent to the sites of electric  
25 generating facilities that, as of January 1, 2016, burned  
26 coal as their primary fuel source and meet the other

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

23 (2) The Agency shall conduct 2 procurement events to  
24 select owners of electric generating facilities meeting  
25 the eligibility criteria specified in this subsection  
26 (c-5) to enter into long-term contracts to sell renewable

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

23 (A) The applicant owns an electric generating  
24 facility located in this State that: (i) as of January  
25 1, 2016, burned coal as its primary fuel to generate  
26 electricity; and (ii) has, or had prior to retirement,

1 an electric generating capacity of at least 150  
2 megawatts. The electric generating facility can be  
3 either: (i) retired as of the date of the procurement  
4 event; or (ii) still operating as of the date of the  
5 procurement event.

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

16 (C) If participating in the first procurement  
17 event, the applicant proposes and commits to construct  
18 and operate, at the site, and if necessary for  
19 sufficient space on property adjacent to the existing  
20 property, at which the electric generating facility  
21 identified in paragraph (A) is located: (i) a new  
22 renewable energy facility of at least 20 megawatts but  
23 no more than 100 megawatts of electric generating  
24 capacity, and (ii) an energy storage facility having a  
25 storage capacity equal to at least 2 megawatts and at  
26 most 10 megawatts. If participating in the second



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

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

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

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

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

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

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

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

22 (I) The applicant's application is certified by an  
23 officer of the applicant and by an officer of the  
24 applicant's ultimate parent company, if any.

25 (3) An applicant may submit applications to contract  
26 to supply renewable energy credits from more than one new

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

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

18 (5) The Agency shall select the applicants and the new  
19 renewable energy facilities to contract with electric  
20 utilities to supply renewable energy credits in accordance  
21 with this subsection (c-5). In the first procurement  
22 event, the Agency shall select applicants and new  
23 renewable energy facilities to supply renewable energy  
24 credits, at a price of \$30 per renewable energy credit,  
25 aggregating to no less than 400,000 renewable energy  
26 credits per year for the applicable duration, assuming

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

18 (6) The obligation to purchase renewable energy  
19 credits from the applicants and their new renewable energy  
20 facilities selected by the Agency shall be allocated to  
21 the electric utilities based on their respective  
22 percentages of kilowatthours delivered to delivery  
23 services customers to the aggregate kilowatthour  
24 deliveries by the electric utilities to delivery services  
25 customers for the year ended December 31, 2021. In order  
26 to achieve these allocation percentages between or among

1 the electric utilities, the Agency shall require each  
2 applicant that is selected in the procurement event to  
3 enter into a contract with each electric utility for the  
4 sale and purchase of renewable energy credits from each  
5 new renewable energy facility to be constructed and  
6 operated by the applicant, with the sale and purchase  
7 obligations under the contracts to aggregate to the total  
8 number of renewable energy credits per year to be supplied  
9 by the applicant from the new renewable energy facility.

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

24 (8) The Agency, in conjunction with its procurement  
25 administrator if one is retained, the electric utilities,  
26 and potential applicants for contracts to produce and

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

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

15 (9) Coal to Solar and Energy Storage Initiative  
16 Charge.

17 (A) By no later than July 1, 2022, each electric  
18 utility that served more than 300,000 retail customers  
19 in this State as of January 1, 2019 shall file a tariff  
20 with the Commission for the billing and collection of  
21 a Coal to Solar and Energy Storage Initiative Charge  
22 in accordance with subsection (i-5) of Section 16-108  
23 of the Public Utilities Act, with such tariff to be  
24 effective, following review and approval or  
25 modification by the Commission, beginning January 1,  
26 2023. The tariff shall provide for the calculation and



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

23 (B) Each electric utility shall remit on a monthly  
24 basis to the State Treasurer, for deposit in the Coal  
25 to Solar and Energy Storage Initiative Fund provided  
26 for in this subsection (c-5), the electric utility's

1 collections of the Coal to Solar and Energy Storage  
2 Initiative Charge in the amount estimated to be needed  
3 by the Department for grant payments pursuant to grant  
4 contracts entered into by the Department pursuant to  
5 paragraph (10) of this subsection (c-5).

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

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

22 (B) The Coal to Solar and Energy Storage  
23 Initiative Fund shall not be subject to sweeps,  
24 administrative charges, or chargebacks, including, but  
25 not limited to, those authorized under Section 8h of  
26 the State Finance Act, that would in any way result in

1 the transfer of those funds from the Coal to Solar and  
2 Energy Storage Initiative Fund to any other fund of  
3 this State or in having any such funds utilized for any  
4 purpose other than the express purposes set forth in  
5 this paragraph (10).

6 (C) The Department shall utilize up to  
7 \$280,500,000 in the Coal to Solar and Energy Storage  
8 Initiative Fund for grants, assuming sufficient  
9 qualifying applicants, to support installation of  
10 energy storage facilities at the sites of up to 3  
11 qualifying electric generating facilities located in  
12 the Midcontinent Independent System Operator, Inc.,  
13 region in Illinois and the sites of up to 2 qualifying  
14 electric generating facilities located in the PJM  
15 Interconnection, LLC region in Illinois that meet the  
16 criteria set forth in this subparagraph (C). The  
17 criteria for receipt of a grant pursuant to this  
18 subparagraph (C) are as follows:

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

22 (2) the electric generating facility burns (or  
23 burned prior to retirement) coal as its primary  
24 source of fuel;

25 (3) if the electric generating facility is  
26 retired, it was retired subsequent to January 1,

1 2016;

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

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

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

22 (7) the proposed energy storage facility at  
23 the site will have energy storage capacity of at  
24 least 37 megawatts;

25 (8) the owner commits to place the energy  
26 storage facility into commercial operation on

1           either June 1, 2023, June 1, 2024, or June 1, 2025,  
2           with such date subject to adjustment as needed due  
3           to any delays in completing the grant contracting  
4           process, in finalizing interconnection agreements  
5           and in installing interconnection facilities, and  
6           in obtaining necessary governmental permits and  
7           approvals;

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

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

1 function;

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

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

26 The Department shall accept applications for this

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

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

20 (E) All disbursements from the Coal to Solar and  
21 Energy Storage Initiative Fund shall be made only upon  
22 warrants of the Comptroller drawn upon the Treasurer  
23 as custodian of the Fund upon vouchers signed by the  
24 Director of the Department or by the person or persons  
25 designated by the Director of the Department for that  
26 purpose. The Comptroller is authorized to draw the

1 warrants upon vouchers so signed. The Treasurer shall  
2 accept all written warrants so signed and shall be  
3 released from liability for all payments made on those  
4 warrants.

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

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

26 (B) For purposes of this paragraph (11), diversity



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

25 (C) The plan shall provide for, but not be limited  
26 to: (i) internal initiatives, including multi-tier

1 initiatives, by the applicant or owner, or by its  
2 engineering, procurement and construction contractor  
3 if one is used for the project, which for purposes of  
4 this paragraph (11) shall be referred to as the EPC  
5 contractor, to enable diverse businesses to be  
6 considered fairly for selection to provide materials  
7 and services; (ii) requirements for the applicant or  
8 owner or its EPC contractor to proactively solicit and  
9 utilize diverse businesses to provide materials and  
10 services; and (iii) requirements for the applicant or  
11 owner or its EPC contractor to hire a diverse  
12 workforce for the project. The plan shall include a  
13 description of the applicant's or owner's diversity  
14 recruiting efforts both for the project and for other  
15 areas of the applicant's or owner's business  
16 operations. The plan shall provide for the imposition  
17 of financial penalties on the applicant's or owner's  
18 EPC contractor for failure to exercise best efforts to  
19 comply with and execute the EPC contractor's diversity  
20 obligations under the plan. The plan may provide for  
21 the applicant or owner to set aside a portion of the  
22 work on the project to serve as an incubation program  
23 for qualified businesses, as specified in the plan,  
24 owned by minority persons, women, persons with  
25 disabilities, LGBTQ persons, and veterans, and  
26 businesses located in environmental justice

1 communities, seeking to enter the renewable energy  
2 industry.

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

18 (c-10) Equity accountability system. It is the purpose of  
19 this subsection (c-10) to create an equity accountability  
20 system, which includes the minimum equity standards for all  
21 renewable energy procurements, the equity category of the  
22 Adjustable Block Program, and the equity prioritization for  
23 noncompetitive procurements, that is successful in advancing  
24 priority access to the clean energy economy for businesses and  
25 workers from communities that have been excluded from economic  
26 opportunities in the energy sector, have been subject to

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

12 (1) Minimum equity standards. The Agency shall create  
13 programs with the purpose of increasing access to and  
14 development of equity eligible contractors, who are prime  
15 contractors and subcontractors, across all of the programs  
16 it manages. All applications for renewable energy credit  
17 procurements shall comply with specific minimum equity  
18 commitments. Starting in the delivery year immediately  
19 following the next long-term renewable resources  
20 procurement plan, at least 10% of the project workforce  
21 for each entity participating in a procurement program  
22 outlined in this subsection (c-10) must be done by equity  
23 eligible persons or equity eligible contractors. The  
24 Agency shall increase the minimum percentage each delivery  
25 year thereafter by increments that ensure a statewide  
26 average of 30% of the project workforce for each entity

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

20 (A) At the start of each delivery year, the Agency  
21 shall require a compliance plan from each entity  
22 participating in a procurement program of subsection  
23 (c) of this Section that demonstrates how they will  
24 achieve compliance with the minimum equity standard  
25 percentage for work completed in that delivery year.  
26 If an entity applies for its approved vendor or

1           designee status between delivery years, the Agency  
2           shall require a compliance plan at the time of  
3           application.

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

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

16          (D) The Agency shall prohibit participation in  
17          procurement programs by an approved vendor or  
18          designee, as applicable, or entities with which an  
19          approved vendor or designee, as applicable, shares a  
20          common parent company if an approved vendor or  
21          designee, as applicable, failed to meet the minimum  
22          equity standards for the prior delivery year. Waivers  
23          approved for lack of equity eligible persons or equity  
24          eligible contractors in a geographic area of a project  
25          shall not count against the approved vendor or  
26          designee. The Agency shall offer a corrective action

1 plan for any such entities to assist them in obtaining  
2 compliance and shall allow continued access to  
3 procurement programs upon an approved vendor or  
4 designee demonstrating compliance.

5 (E) The Agency shall pursue efficiencies achieved  
6 by combining with other approved vendor or designee  
7 reporting.

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

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

1 flows to equity eligible contractors. To the extent  
2 practicable, entities participating in competitive  
3 procurements shall also be required to meet all the equity  
4 accountability requirements for approved vendors and their  
5 designees under this subsection (c-10). In developing  
6 these requirements, the Agency shall also consider whether  
7 equity goals can be further advanced through additional  
8 measures.

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

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

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

23 (C) A program for approved vendors, designees,  
24 eligible persons, and equity eligible contractors to  
25 receive trainings, guidance, and other support from  
26 the Agency or its designee regarding the equity



1 category outlined in item (vi) of subparagraph (K) of  
2 paragraph (1) of subsection (c) and in meeting the  
3 minimum equity standards of this subsection (c-10).

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

9 (E) An application for waiver of the minimum  
10 equity standards of this subsection, which the Agency  
11 shall have the discretion to grant in rare  
12 circumstances. The Agency may grant such a waiver  
13 where the applicant provides evidence of significant  
14 efforts toward meeting the minimum equity commitment,  
15 including: use of the Energy Workforce Equity  
16 Database; efforts to hire or contract with entities  
17 that hire eligible persons; and efforts to establish  
18 contracting relationships with eligible contractors.  
19 The Agency shall support applicants in understanding  
20 the Energy Workforce Equity Database and other  
21 resources for pursuing compliance of the minimum  
22 equity standards. Waivers shall be project-specific,  
23 unless the Agency deems it necessary to grant a waiver  
24 across a portfolio of projects, and in effect for no  
25 longer than one year. Any waiver extension or  
26 subsequent waiver request from an applicant shall be

1 subject to the requirements of this Section and shall  
2 specify efforts made to reach compliance. When  
3 considering whether to grant a waiver, and to what  
4 extent, the Agency shall consider the degree to which  
5 similarly situated applicants have been able to meet  
6 these minimum equity commitments. For repeated waiver  
7 requests for specific lack of eligible persons or  
8 eligible contractors available, the Agency shall make  
9 recommendations to target recruitment to add such  
10 eligible persons or eligible contractors to the  
11 database.

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

20 (6) The Agency shall keep confidential all information  
21 and communication that provides private or personal  
22 information.

23 (7) Modifications to the equity accountability system.  
24 As part of the update of the long-term renewable resources  
25 procurement plan to be initiated in 2023, or sooner if the  
26 Agency deems necessary, the Agency shall determine the

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

25 (c-15) Racial discrimination elimination powers and  
26 process.

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

8           (2) Racial disparity and discrimination review  
9 process.

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

21           (B) As soon as is practicable thereafter, the  
22 Agency, in consultation with the Department of  
23 Commerce and Economic Opportunity, Department of  
24 Labor, and other agencies that may be relevant, shall  
25 commission and publish a disparity and availability  
26 study that measures the presence and impact of

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

22 (c-20) Program data collection.

23 (1) Purpose. Data collection, data analysis, and  
24 reporting are critical to ensure that the benefits of the  
25 clean energy economy provided to Illinois residents and  
26 businesses are equitably distributed across the State. The

1 Agency shall collect data from program applicants in order  
2 to track and improve equitable distribution of benefits  
3 across Illinois communities for all procurements the  
4 Agency conducts. The Agency shall use this data to, among  
5 other things, measure any potential impact of racial  
6 discrimination on the distribution of benefits and provide  
7 information necessary to correct any discrimination  
8 through methods consistent with State and federal law.

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

13 (3) Required information to be collected. The Agency  
14 shall collect the following information from applicants  
15 and program participants where applicable:

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

21 (B) geographic location of the residency of real  
22 persons employed, contracted, or subcontracted through  
23 the program and geographic location of the  
24 headquarters of the business or entity that applies to  
25 receive renewable energy credits from the Agency; and

26 (C) any other information the Agency determines is

1           necessary for the purpose of achieving the purpose of  
2           this subsection.

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

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

11          (c-25) Energy Workforce Equity Database.

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

22                   (A) publicly accessible;

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

24                   (C) organized by company specialty or field;

25                   (D) region-specific; and

26                   (E) populated with information including, but not

1 limited to, contacts for suppliers, vendors, or  
2 subcontractors who are minority and women-owned  
3 business enterprise certified or who participate or  
4 have participated in any of the programs described in  
5 this Act.

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

9 (A) a map of environmental justice and equity  
10 investment eligible communities;

11 (B) job postings and recruiting opportunities;

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

16 (D) information on workforce training service  
17 providers and training opportunities available to  
18 prospective workers;

19 (E) renewable energy company diversity reporting;

20 (F) a list of equity eligible contractors with  
21 their contact information, types of work performed,  
22 and locations worked in;

23 (G) reporting on outcomes of the programs  
24 described in the workforce programs of the Energy  
25 Transition Act, including information such as, but not  
26 limited to, retention rate, graduation rate, and



1 placement rates of trainees; and

2 (H) information about the Jobs and Environmental  
3 Justice Grant Program, the Clean Energy Jobs and  
4 Justice Fund, and other sources of capital.

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

14 (c-30) Enforcement of minimum equity standards. All  
15 entities seeking renewable energy credits must submit an  
16 annual report to demonstrate compliance with each of the  
17 equity commitments required under subsection (c-10). If the  
18 Agency concludes the entity has not met or maintained its  
19 minimum equity standards required under the applicable  
20 subparagraphs under subsection (c-10), the Agency shall deny  
21 the entity's ability to participate in procurement programs in  
22 subsection (c), including by withholding approved vendor or  
23 designee status. The Agency may require the entity to enter  
24 into a corrective action plan. An entity that is not  
25 recertified for failing to meet required equity actions in  
26 subparagraph (c-10) may reapply once they have a corrective

1 action plan and achieve compliance with the minimum equity  
2 standards.

3 (d) Clean coal portfolio standard.

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

1 subject to Commission review and approval.

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

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

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

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

1 electric service includes without limitation amounts paid  
2 for supply, transmission, distribution, surcharges and  
3 add-on taxes.

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

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

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

20 (C) in 2012, the greater of an additional 0.5% of  
21 the amount paid per kilowatthour by those customers  
22 during the year ending May 31, 2011 or 1.5% of the  
23 amount paid per kilowatthour by those customers during  
24 the year ending May 31, 2009;

25 (D) in 2013, the greater of an additional 0.5% of  
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2012 or 2% of the amount  
2 paid per kilowatthour by those customers during the  
3 year ending May 31, 2009; and

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

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

25 (3) Initial clean coal facility. In order to promote  
26 development of clean coal facilities in Illinois, each

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

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

24 (i) be determined using a cost of service  
25 methodology employing either a level or deferred  
26 capital recovery component, based on a capital

1 structure consisting of 45% equity and 55% debt,  
2 and a return on equity as may be approved by the  
3 Federal Energy Regulatory Commission, which in any  
4 case may not exceed the lower of 11.5% or the rate  
5 of return approved by the General Assembly  
6 pursuant to paragraph (4) of this subsection (d);  
7 and

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

24 (B) power purchase provisions, which shall:

25 (i) provide that the utility party to such  
26 sourcing agreement shall pay the contract price

1 for electricity delivered under such sourcing  
2 agreement;

3 (ii) require delivery of electricity to the  
4 regional transmission organization market of the  
5 utility that is party to such sourcing agreement;

6 (iii) require the utility party to such  
7 sourcing agreement to buy from the initial clean  
8 coal facility in each hour an amount of energy  
9 equal to all clean coal energy made available from  
10 the initial clean coal facility during such hour  
11 times a fraction, the numerator of which is such  
12 utility's retail market sales of electricity  
13 (expressed in kilowatthours sold) in the State  
14 during the prior calendar month and the  
15 denominator of which is the total retail market  
16 sales of electricity (expressed in kilowatthours  
17 sold) in the State by utilities during such prior  
18 month and the sales of electricity (expressed in  
19 kilowatthours sold) in the State by alternative  
20 retail electric suppliers during such prior month  
21 that are subject to the requirements of this  
22 subsection (d) and paragraph (5) of subsection (d)  
23 of Section 16-115 of the Public Utilities Act,  
24 provided that the amount purchased by the utility  
25 in any year will be limited by paragraph (2) of  
26 this subsection (d); and



1 (iv) be considered pre-existing contracts in  
2 such utility's procurement plans for eligible  
3 retail customers;

4 (C) contract for differences provisions, which  
5 shall:

6 (i) require the utility party to such sourcing  
7 agreement to contract with the initial clean coal  
8 facility in each hour with respect to an amount of  
9 energy equal to all clean coal energy made  
10 available from the initial clean coal facility  
11 during such hour times a fraction, the numerator  
12 of which is such utility's retail market sales of  
13 electricity (expressed in kilowatthours sold) in  
14 the utility's service territory in the State  
15 during the prior calendar month and the  
16 denominator of which is the total retail market  
17 sales of electricity (expressed in kilowatthours  
18 sold) in the State by utilities during such prior  
19 month and the sales of electricity (expressed in  
20 kilowatthours sold) in the State by alternative  
21 retail electric suppliers during such prior month  
22 that are subject to the requirements of this  
23 subsection (d) and paragraph (5) of subsection (d)  
24 of Section 16-115 of the Public Utilities Act,  
25 provided that the amount paid by the utility in  
26 any year will be limited by paragraph (2) of this

1 subsection (d);

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

20 (iii) not require the utility to take physical  
21 delivery of the electricity produced by the  
22 facility;

23 (D) general provisions, which shall:

24 (i) specify a term of no more than 30 years,  
25 commencing on the commercial operation date of the  
26 facility;

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

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

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

22           (v) require the owner of the initial clean  
23 coal facility to provide documentation to the  
24 Commission each year, starting in the facility's  
25 first year of commercial operation, accurately  
26 reporting the quantity of carbon emissions from

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

1 designation as a clean coal facility if the  
2 facility fails to fully comply with the applicable  
3 carbon sequestration requirements in any given  
4 year, provided the requisite offsets are  
5 purchased. However, the Attorney General, on  
6 behalf of the People of the State of Illinois, may  
7 specifically enforce the facility's sequestration  
8 requirement and the other terms of this contract  
9 provision. Compliance with the sequestration  
10 requirements and offset purchase requirements  
11 specified in paragraph (3) of this subsection (d)  
12 shall be reviewed annually by an independent  
13 expert retained by the owner of the initial clean  
14 coal facility, with the advance written approval  
15 of the Attorney General. The Commission may, in  
16 the course of the review specified in item (vii),  
17 reduce the allowable return on equity for the  
18 facility if the facility willfully fails to comply  
19 with the carbon capture and sequestration  
20 requirements set forth in this item (v);

21 (vi) include limits on, and accordingly  
22 provide for modification of, the amount the  
23 utility is required to source under the sourcing  
24 agreement consistent with paragraph (2) of this  
25 subsection (d);

26 (vii) require Commission review: (1) to

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

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

22 (ix) limit the utility's or alternative retail  
23 electric supplier's obligation to incur any  
24 liability until such time as the facility is in  
25 commercial operation and generating power and  
26 energy and such power and energy is being

1 delivered to the facility busbar;

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

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

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

22 (xiii) conform with customary lender  
23 requirements in power purchase agreements used as  
24 the basis for financing non-utility generators.

25 (4) Effective date of sourcing agreements with the  
26 initial clean coal facility. Any proposed sourcing

1 agreement with the initial clean coal facility shall not  
2 become effective unless the following reports are prepared  
3 and submitted and authorizations and approvals obtained:

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

17 (ii) Commission report. Within 6 months following  
18 receipt of the facility cost report, the Commission,  
19 in consultation with the Agency, shall submit a report  
20 to the General Assembly setting forth its analysis of  
21 the facility cost report. Such report shall include,  
22 but not be limited to, a comparison of the costs  
23 associated with electricity generated by the initial  
24 clean coal facility to the costs associated with  
25 electricity generated by other types of generation  
26 facilities, an analysis of the rate impacts on



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

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

24 (iv) Commission review. If the General Assembly  
25 enacts authorizing legislation pursuant to  
26 subparagraph (iii) approving a sourcing agreement, the

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

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

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

25 (ii) an estimate of the capital cost of the  
26 balance of the plant, including any capital costs

1 associated with sequestration of carbon dioxide  
2 emissions and all interconnects and interfaces  
3 required to operate the facility, such as  
4 transmission of electricity, construction or  
5 backfeed power supply, pipelines to transport  
6 substitute natural gas or carbon dioxide, potable  
7 water supply, natural gas supply, water supply,  
8 water discharge, landfill, access roads, and coal  
9 delivery.

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

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

24 (C) The facility cost report shall also include an  
25 operating and maintenance cost quote that will provide  
26 the estimated cost of delivered fuel, personnel,

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

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

22 (D) The facility cost report shall also include an  
23 analysis of the initial clean coal facility's ability  
24 to deliver power and energy into the applicable  
25 regional transmission organization markets and an  
26 analysis of the expected capacity factor for the

1 initial clean coal facility.

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

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

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

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

17 (d-5) Zero emission standard.

18 (1) Beginning with the delivery year commencing on  
19 June 1, 2017, the Agency shall, for electric utilities  
20 that serve at least 100,000 retail customers in this  
21 State, procure contracts with zero emission facilities  
22 that are reasonably capable of generating cost-effective  
23 zero emission credits in an amount approximately equal to  
24 16% of the actual amount of electricity delivered by each  
25 electric utility to retail customers in the State during  
26 calendar year 2014. For an electric utility serving fewer

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

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

25 The procurement process shall be subject to the  
26 following provisions:

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

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

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

14           (iii) the annual zero emission facility cost  
15 projections, expressed on a per megawatthour  
16 basis, over the next 6 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; non-fuel 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 item (iii), that the costs could  
2 reasonably be avoided only by ceasing operations  
3 of the zero emission facility; and

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

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

21 (B) The price for each zero emission credit  
22 procured under this subsection (d-5) for each delivery  
23 year shall be in an amount that equals the Social Cost  
24 of Carbon, expressed on a price per megawatthour  
25 basis. However, to ensure that the procurement remains  
26 affordable to retail customers in this State if

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

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

24 (ii) Baseline market price index: The baseline  
25 market price index for the consecutive 12-month  
26 period ending May 31, 2016 is \$31.40 per

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

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

17 (aa) Projected energy prices: the  
18 projected energy prices for the applicable  
19 delivery year shall be calculated once for the  
20 year using the forward market price for the  
21 PJM Interconnection, LLC Northern Illinois  
22 Hub. The forward market price shall be  
23 calculated as follows: the energy forward  
24 prices for each month of the applicable  
25 delivery year averaged for each trade date  
26 during the calendar year immediately preceding

1 that delivery year to produce a single energy  
2 forward price for the delivery year. The  
3 forward market price calculation shall use  
4 data published by the Intercontinental  
5 Exchange, or its successor.

6 (bb) Projected capacity prices:

7 (I) For the delivery years commencing  
8 June 1, 2017, June 1, 2018, and June 1,  
9 2019, the projected capacity price shall  
10 be equal to the sum of (1) 50% multiplied  
11 by the Base Residual Auction, or its  
12 successor, price for the rest of the RTO  
13 zone group as determined by PJM  
14 Interconnection LLC, divided by 24 hours  
15 per day and, (2) 50% multiplied by the  
16 resource auction price determined in the  
17 resource auction administered by the  
18 Midcontinent Independent System Operator,  
19 Inc., in which the largest percentage of  
20 load cleared for Local Resource Zone 4,  
21 divided by 24 hours per day, and where  
22 such price is determined by the  
23 Midcontinent Independent System Operator,  
24 Inc.

25 (II) For the delivery year commencing  
26 June 1, 2020, and each year thereafter,

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

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

17 "Rest of the RTO" and "ComEd Zone" shall have  
18 the meaning ascribed to them by PJM  
19 Interconnection, LLC.

20 "RTO" means regional transmission  
21 organization.

22 (C) No later than 45 days after June 1, 2017 (the  
23 effective date of Public Act 99-906), the Agency shall  
24 publish its proposed zero emission standard  
25 procurement plan. The plan shall be consistent with  
26 the provisions of this paragraph (1) and shall provide

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

19 For purposes of developing the plan, the Agency  
20 shall consider any reports issued by a State agency,  
21 board, or commission under House Resolution 1146 of  
22 the 98th General Assembly and paragraph (4) of  
23 subsection (d) of this Section, as well as publicly  
24 available analyses and studies performed by or for  
25 regional transmission organizations that serve the  
26 State and their independent market monitors.

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

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

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

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

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

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

22           (aa) the value of avoided greenhouse gas  
23 emissions measured as the product of the zero  
24 emission facilities' output over the contract  
25 term multiplied by the U.S. Environmental  
26 Protection Agency eGrid subregion carbon



1 dioxide emission rate and the U.S. Interagency  
2 Working Group on Social Cost of Carbon's price  
3 in the August 2016 Technical Update using a 3%  
4 discount rate, adjusted for inflation for each  
5 delivery year; and

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

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

17 (II) the price, or if there is more  
18 than one price, the average of the prices,  
19 paid for renewable energy credits from new  
20 utility-scale solar projects and  
21 brownfield site photovoltaic projects in  
22 the procurement events specified in item  
23 (ii) of subparagraph (G) of paragraph (1)  
24 of subsection (c) of this Section and,  
25 after January 1, 2015, renewable energy  
26 credits from photovoltaic distributed

1 generation projects in procurement events  
2 held under subsection (c) of this Section.

3 Each utility shall enter into binding contractual  
4 arrangements with the winning suppliers.

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

23 (D) Following the procurement event described in  
24 this paragraph (1) and consistent with subparagraph  
25 (B) of this paragraph (1), the Agency shall calculate  
26 the payments to be made under each contract for the

1 next delivery year based on the market price index for  
2 that delivery year. The Agency shall publish the  
3 payment calculations no later than May 25, 2017 and  
4 every May 25 thereafter.

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

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

1 overcome. In such event, the zero emission  
2 facility shall be excused from performance for the  
3 duration of the event, including, but not limited  
4 to, delivery of zero emission credits, and no  
5 payment shall be due to the zero emission facility  
6 during the duration of the event.

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

20 (iii) A zero emission facility shall be  
21 permitted to terminate the contract in the event  
22 that the resource requires capital expenditures in  
23 excess of \$40,000,000 that were neither known nor  
24 reasonably foreseeable at the time it executed the  
25 contract and that a prudent owner or operator of  
26 such resource would not undertake.

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

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

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

21           Notwithstanding the requirements of this subsection  
22 (d-5), the contracts executed under this subsection (d-5)  
23 shall provide that the total of zero emission credits  
24 procured under a procurement plan shall be subject to the  
25 limitations of this paragraph (2). For each delivery year,  
26 the contractual volume receiving payments in such year

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

1 shall be made and no adjustments to those contract amounts  
2 shall be allowed. All costs incurred under those contracts  
3 and in implementing this subsection (d-5) shall be  
4 recovered by the electric utility as provided in this  
5 Section.

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

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

1 exceed the Average ZEC Payment, then the supplier shall  
2 credit the difference back to the utility. The amount of  
3 the credit shall be remitted to the applicable electric  
4 utility no later than 120 days after the Agency's  
5 determination, which the utility shall reflect as a credit  
6 on its retail customer bills as soon as practicable;  
7 however, the credit remitted to the utility shall not  
8 exceed the total amount of payments received by the  
9 facility under its contract.

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

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

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



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

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

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

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

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

21          (d-10) Nuclear Plant Assistance; carbon mitigation  
22          credits.

23          (1) The General Assembly finds:

24                (A) The health, welfare, and prosperity of all  
25                Illinois citizens require that the State of Illinois act  
26                to avoid and not increase carbon emissions from electric

1 generation sources while continuing to ensure affordable,  
2 stable, and reliable electricity to all citizens.

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

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

18 (D) The clean energy attributes of nuclear generation  
19 facilities support the State in its efforts to achieve  
20 100% clean energy.

21 (E) The State currently invests in various forms of  
22 clean energy, including, but not limited to, renewable  
23 energy, energy efficiency, and low-emission vehicles,  
24 among others.

25 (F) The Environmental Protection Agency commissioned  
26 an independent audit which provided a detailed assessment

1 of the financial condition of the Illinois nuclear fleet  
2 to evaluate its financial viability and whether the  
3 environmental benefits of such resources were at risk. The  
4 report identified the risk of losing the environmental  
5 benefits of several specific nuclear units. The report  
6 also identified that the LaSalle County Generating Station  
7 will continue to operate through 2026 and therefore is not  
8 eligible to participate in the carbon mitigation credit  
9 program.

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

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

21 (I) The General Assembly therefore finds it necessary  
22 to establish carbon mitigation credits to ensure decreased  
23 reliance on more carbon-intensive energy resources, for  
24 transitioning to a fully decarbonized electricity sector,  
25 and to help ensure health and welfare of the State's  
26 residents.

1 (2) As used in this subsection:

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

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

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

23 (3) Procurement.

24 (A) Beginning with the delivery year commencing on  
25 June 1, 2022, the Agency shall, for electric utilities  
26 serving at least 3,000,000 retail customers in the State,

1 seek to procure contracts for no more than approximately  
2 54,500,000 cost-effective carbon mitigation credits from  
3 carbon-free energy resources because such credits are  
4 necessary to support current levels of carbon-free energy  
5 generation and ensure the State meets its carbon dioxide  
6 emissions reduction goals. The Agency shall not make a  
7 partial award of a contract for carbon mitigation credits  
8 covering a fractional amount of a carbon-free energy  
9 resource's projected output.

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

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

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

19 (iii) a commitment to be reflected in any contract  
20 entered into pursuant to this subsection (d-10) to  
21 continue operating the carbon-free energy resource at  
22 a capacity factor of at least 88% annually on average  
23 for the duration of the contract or contracts executed  
24 under the procurement held under this subsection  
25 (d-10), except in an instance described in  
26 subparagraph (E) of paragraph (1) of subsection (d-5)

1 of this Section or made impracticable as a result of  
2 compliance with law or regulation;

3 (iv) financial need and the risk of loss of the  
4 environmental benefits of such resource, which shall  
5 include the following information:

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

22 (II) the carbon-free energy resource's revenue  
23 projections, including energy, capacity, ancillary  
24 services, any other direct State support, known or  
25 anticipated federal attribute credits, known or  
26 anticipated tax credits, and any other direct

1 federal support.

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

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

19 (i) Contracts are for delivery of carbon  
20 mitigation credits, and are not energy or capacity  
21 sales contracts requiring physical delivery. Pursuant  
22 to item (iii), contract payments shall fully deduct  
23 the value of any monetized federal production tax  
24 credits, credits issued pursuant to a federal clean  
25 energy standard, and other federal credits if  
26 applicable.

1 (ii) Contracts for carbon mitigation credits shall  
2 commence with the delivery year beginning on June 1,  
3 2022 and shall be for a term of 5 delivery years  
4 concluding on May 31, 2027.

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

8 (I) one of the following energy price indices,  
9 selected by the bidder at the time of the bid for  
10 the term of the contract:

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

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

22 (II) the Base Residual Auction Capacity Price  
23 for the ComEd zone as determined by PJM  
24 Interconnection, LLC, divided by 24 hours per day,  
25 for the applicable delivery year for the first 3  
26 delivery years, and then any subsequent delivery



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

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

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

23 To protect retail customers from retail rate  
24 impacts that may arise upon the initiation of carbon  
25 policy changes, if the price-per-megawatt-hour  
26 calculation performed under item (iii) of this

1           subparagraph (C) for a given delivery year results in  
2           a net negative value, then the supplier counterparty  
3           to the contract shall multiply such net value by the  
4           applicable contract quantity and remit such amount to  
5           the electric utility counterparty. The electric  
6           utility shall reflect such amounts remitted by  
7           suppliers as a credit on its retail customer bills as  
8           soon as practicable.

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

16          The baseline costs for the applicable year shall  
17          be the following:

18               (I) For the delivery year beginning June 1,  
19               2022, the baseline costs shall be an amount equal  
20               to \$30.30 per megawatt-hour.

21               (II) For the delivery year beginning June 1,  
22               2023, the baseline costs shall be an amount equal  
23               to \$32.50 per megawatt-hour.

24               (III) For the delivery year beginning June 1,  
25               2024, the baseline costs shall be an amount equal  
26               to \$33.43 per megawatt-hour.

1 (IV) For the delivery year beginning June 1,  
2 2025, the baseline costs shall be an amount equal  
3 to \$33.50 per megawatt-hour.

4 (V) For the delivery year beginning June 1,  
5 2026, the baseline costs shall be an amount equal  
6 to \$34.50 per megawatt-hour.

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

17 Although actual energy and capacity prices may  
18 vary from year-to-year, the General Assembly finds  
19 that this customer protection cap will help ensure  
20 that the cost of carbon mitigation credits will be  
21 less than its value, based upon the social cost of  
22 carbon identified in the Technical Support Document  
23 issued in February 2021 by the U.S. Interagency  
24 Working Group on Social Cost of Greenhouse Gases and  
25 the PJM Interconnection, LLC carbon dioxide marginal  
26 emission rate for 2020, and that a carbon-free energy

1 resource receiving payment for carbon mitigation  
2 credits receives no more than necessary to keep those  
3 units in operation.

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

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

18 (E) If the Commission determines that the plan is  
19 likely to result in the procurement of cost-effective  
20 carbon mitigation credits, then the Commission shall,  
21 after notice and hearing and opportunity for comment, but  
22 no later than 42 days after the Agency filed the plan,  
23 approve the plan or approve it with modification. For  
24 purposes of this subsection (d-10), "cost-effective" means  
25 carbon mitigation credits that are procured from  
26 carbon-free energy resources at prices that are within the

1 limits specified in this paragraph (3). As part of the  
2 Commission's review and acceptance or rejection of the  
3 procurement results, the Commission shall, in its public  
4 notice of successful bidders:

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

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

21 (iii) quantify the environmental benefit of  
22 preserving the carbon-free energy resources procured  
23 pursuant to this subsection (d-10), including the  
24 following:

25 (I) an assessment value of avoided greenhouse  
26 gas emissions measured as the product of the

1 carbon-free energy resources' output over the  
2 contract term, using generally accepted  
3 methodologies for the valuation of avoided  
4 emissions; and

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

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

1           Following the completion of such procurements, and  
2           consistent with this paragraph (3), the Agency shall  
3           calculate the payments to be made under each contract in a  
4           timely fashion.

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

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

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

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

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

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



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

4 (h) The Agency shall assess fees to each bidder to recover  
5 the costs incurred in connection with a competitive  
6 procurement process.

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

20 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;  
21 103-580, eff. 12-8-23.)

22 Section 10. The Public Utilities Act is amended by  
23 changing Sections 16-108 and 16-111.5 as follows:

24 (220 ILCS 5/16-108)

1           Sec. 16-108. Recovery of costs associated with the  
2 provision of delivery and other services.

3           (a) An electric utility shall file a delivery services  
4 tariff with the Commission at least 210 days prior to the date  
5 that it is required to begin offering such services pursuant  
6 to this Act. An electric utility shall provide the components  
7 of delivery services that are subject to the jurisdiction of  
8 the Federal Energy Regulatory Commission at the same prices,  
9 terms and conditions set forth in its applicable tariff as  
10 approved or allowed into effect by that Commission. The  
11 Commission shall otherwise have the authority pursuant to  
12 Article IX to review, approve, and modify the prices, terms  
13 and conditions of those components of delivery services not  
14 subject to the jurisdiction of the Federal Energy Regulatory  
15 Commission, including the authority to determine the extent to  
16 which such delivery services should be offered on an unbundled  
17 basis. In making any such determination the Commission shall  
18 consider, at a minimum, the effect of additional unbundling on  
19 (i) the objective of just and reasonable rates, (ii) electric  
20 utility employees, and (iii) the development of competitive  
21 markets for electric energy services in Illinois.

22           (b) The Commission shall enter an order approving, or  
23 approving as modified, the delivery services tariff no later  
24 than 30 days prior to the date on which the electric utility  
25 must commence offering such services. The Commission may  
26 subsequently modify such tariff pursuant to this Act.

1           (c) The electric utility's tariffs shall define the  
2 classes of its customers for purposes of delivery services  
3 charges. Delivery services shall be priced and made available  
4 to all retail customers electing delivery services in each  
5 such class on a nondiscriminatory basis regardless of whether  
6 the retail customer chooses the electric utility, an affiliate  
7 of the electric utility, or another entity as its supplier of  
8 electric power and energy. Charges for delivery services shall  
9 be cost based, and shall allow the electric utility to recover  
10 the costs of providing delivery services through its charges  
11 to its delivery service customers that use the facilities and  
12 services associated with such costs. Such costs shall include  
13 the costs of owning, operating and maintaining transmission  
14 and distribution facilities. The Commission shall also be  
15 authorized to consider whether, and if so to what extent, the  
16 following costs are appropriately included in the electric  
17 utility's delivery services rates: (i) the costs of that  
18 portion of generation facilities used for the production and  
19 absorption of reactive power in order that retail customers  
20 located in the electric utility's service area can receive  
21 electric power and energy from suppliers other than the  
22 electric utility, and (ii) the costs associated with the use  
23 and redispatch of generation facilities to mitigate  
24 constraints on the transmission or distribution system in  
25 order that retail customers located in the electric utility's  
26 service area can receive electric power and energy from

1 suppliers other than the electric utility. Nothing in this  
2 subsection shall be construed as directing the Commission to  
3 allocate any of the costs described in (i) or (ii) that are  
4 found to be appropriately included in the electric utility's  
5 delivery services rates to any particular customer group or  
6 geographic area in setting delivery services rates.

7 (d) The Commission shall establish charges, terms and  
8 conditions for delivery services that are just and reasonable  
9 and shall take into account customer impacts when establishing  
10 such charges. In establishing charges, terms and conditions  
11 for delivery services, the Commission shall take into account  
12 voltage level differences. A retail customer shall have the  
13 option to request to purchase electric service at any delivery  
14 service voltage reasonably and technically feasible from the  
15 electric facilities serving that customer's premises provided  
16 that there are no significant adverse impacts upon system  
17 reliability or system efficiency. A retail customer shall also  
18 have the option to request to purchase electric service at any  
19 point of delivery that is reasonably and technically feasible  
20 provided that there are no significant adverse impacts on  
21 system reliability or efficiency. Such requests shall not be  
22 unreasonably denied.

23 (e) Electric utilities shall recover the costs of  
24 installing, operating or maintaining facilities for the  
25 particular benefit of one or more delivery services customers,  
26 including without limitation any costs incurred in complying

1 with a customer's request to be served at a different voltage  
2 level, directly from the retail customer or customers for  
3 whose benefit the costs were incurred, to the extent such  
4 costs are not recovered through the charges referred to in  
5 subsections (c) and (d) of this Section.

6 (f) An electric utility shall be entitled but not required  
7 to implement transition charges in conjunction with the  
8 offering of delivery services pursuant to Section 16-104. If  
9 an electric utility implements transition charges, it shall  
10 implement such charges for all delivery services customers and  
11 for all customers described in subsection (h), but shall not  
12 implement transition charges for power and energy that a  
13 retail customer takes from cogeneration or self-generation  
14 facilities located on that retail customer's premises, if such  
15 facilities meet the following criteria:

16 (i) the cogeneration or self-generation facilities  
17 serve a single retail customer and are located on that  
18 retail customer's premises (for purposes of this  
19 subparagraph and subparagraph (ii), an industrial or  
20 manufacturing retail customer and a third party contractor  
21 that is served by such industrial or manufacturing  
22 customer through such retail customer's own electrical  
23 distribution facilities under the circumstances described  
24 in subsection (vi) of the definition of "alternative  
25 retail electric supplier" set forth in Section 16-102,  
26 shall be considered a single retail customer);

1           (ii) the cogeneration or self-generation facilities  
2 either (A) are sized pursuant to generally accepted  
3 engineering standards for the retail customer's electrical  
4 load at that premises (taking into account standby or  
5 other reliability considerations related to that retail  
6 customer's operations at that site) or (B) if the facility  
7 is a cogeneration facility located on the retail  
8 customer's premises, the retail customer is the thermal  
9 host for that facility and the facility has been designed  
10 to meet that retail customer's thermal energy requirements  
11 resulting in electrical output beyond that retail  
12 customer's electrical demand at that premises, comply with  
13 the operating and efficiency standards applicable to  
14 "qualifying facilities" specified in title 18 Code of  
15 Federal Regulations Section 292.205 as in effect on the  
16 effective date of this amendatory Act of 1999;

17           (iii) the retail customer on whose premises the  
18 facilities are located either has an exclusive right to  
19 receive, and corresponding obligation to pay for, all of  
20 the electrical capacity of the facility, or in the case of  
21 a cogeneration facility that has been designed to meet the  
22 retail customer's thermal energy requirements at that  
23 premises, an identified amount of the electrical capacity  
24 of the facility, over a minimum 5-year period; and

25           (iv) if the cogeneration facility is sized for the  
26 retail customer's thermal load at that premises but

1 exceeds the electrical load, any sales of excess power or  
2 energy are made only at wholesale, are subject to the  
3 jurisdiction of the Federal Energy Regulatory Commission,  
4 and are not for the purpose of circumventing the  
5 provisions of this subsection (f).

6 If a generation facility located at a retail customer's  
7 premises does not meet the above criteria, an electric utility  
8 implementing transition charges shall implement a transition  
9 charge until December 31, 2006 for any power and energy taken  
10 by such retail customer from such facility as if such power and  
11 energy had been delivered by the electric utility. Provided,  
12 however, that an industrial retail customer that is taking  
13 power from a generation facility that does not meet the above  
14 criteria but that is located on such customer's premises will  
15 not be subject to a transition charge for the power and energy  
16 taken by such retail customer from such generation facility if  
17 the facility does not serve any other retail customer and  
18 either was installed on behalf of the customer and for its own  
19 use prior to January 1, 1997, or is both predominantly fueled  
20 by byproducts of such customer's manufacturing process at such  
21 premises and sells or offers an average of 300 megawatts or  
22 more of electricity produced from such generation facility  
23 into the wholesale market. Such charges shall be calculated as  
24 provided in Section 16-102, and shall be collected on each  
25 kilowatt-hour delivered under a delivery services tariff to a  
26 retail customer from the date the customer first takes

1 delivery services until December 31, 2006 except as provided  
2 in subsection (h) of this Section. Provided, however, that an  
3 electric utility, other than an electric utility providing  
4 service to at least 1,000,000 customers in this State on  
5 January 1, 1999, shall be entitled to petition for entry of an  
6 order by the Commission authorizing the electric utility to  
7 implement transition charges for an additional period ending  
8 no later than December 31, 2008. The electric utility shall  
9 file its petition with supporting evidence no earlier than 16  
10 months, and no later than 12 months, prior to December 31,  
11 2006. The Commission shall hold a hearing on the electric  
12 utility's petition and shall enter its order no later than 8  
13 months after the petition is filed. The Commission shall  
14 determine whether and to what extent the electric utility  
15 shall be authorized to implement transition charges for an  
16 additional period. The Commission may authorize the electric  
17 utility to implement transition charges for some or all of the  
18 additional period, and shall determine the mitigation factors  
19 to be used in implementing such transition charges; provided,  
20 that the Commission shall not authorize mitigation factors  
21 less than 110% of those in effect during the 12 months ended  
22 December 31, 2006. In making its determination, the Commission  
23 shall consider the following factors: the necessity to  
24 implement transition charges for an additional period in order  
25 to maintain the financial integrity of the electric utility;  
26 the prudence of the electric utility's actions in reducing its



1 costs since the effective date of this amendatory Act of 1997;  
2 the ability of the electric utility to provide safe, adequate  
3 and reliable service to retail customers in its service area;  
4 and the impact on competition of allowing the electric utility  
5 to implement transition charges for the additional period.

6 (g) The electric utility shall file tariffs that establish  
7 the transition charges to be paid by each class of customers to  
8 the electric utility in conjunction with the provision of  
9 delivery services. The electric utility's tariffs shall define  
10 the classes of its customers for purposes of calculating  
11 transition charges. The electric utility's tariffs shall  
12 provide for the calculation of transition charges on a  
13 customer-specific basis for any retail customer whose average  
14 monthly maximum electrical demand on the electric utility's  
15 system during the 6 months with the customer's highest monthly  
16 maximum electrical demands equals or exceeds 3.0 megawatts for  
17 electric utilities having more than 1,000,000 customers, and  
18 for other electric utilities for any customer that has an  
19 average monthly maximum electrical demand on the electric  
20 utility's system of one megawatt or more, and (A) for which  
21 there exists data on the customer's usage during the 3 years  
22 preceding the date that the customer became eligible to take  
23 delivery services, or (B) for which there does not exist data  
24 on the customer's usage during the 3 years preceding the date  
25 that the customer became eligible to take delivery services,  
26 if in the electric utility's reasonable judgment there exists

1 comparable usage information or a sufficient basis to develop  
2 such information, and further provided that the electric  
3 utility can require customers for which an individual  
4 calculation is made to sign contracts that set forth the  
5 transition charges to be paid by the customer to the electric  
6 utility pursuant to the tariff.

7 (h) An electric utility shall also be entitled to file  
8 tariffs that allow it to collect transition charges from  
9 retail customers in the electric utility's service area that  
10 do not take delivery services but that take electric power or  
11 energy from an alternative retail electric supplier or from an  
12 electric utility other than the electric utility in whose  
13 service area the customer is located. Such charges shall be  
14 calculated, in accordance with the definition of transition  
15 charges in Section 16-102, for the period of time that the  
16 customer would be obligated to pay transition charges if it  
17 were taking delivery services, except that no deduction for  
18 delivery services revenues shall be made in such calculation,  
19 and usage data from the customer's class shall be used where  
20 historical usage data is not available for the individual  
21 customer. The customer shall be obligated to pay such charges  
22 on a lump sum basis on or before the date on which the customer  
23 commences to take service from the alternative retail electric  
24 supplier or other electric utility, provided, that the  
25 electric utility in whose service area the customer is located  
26 shall offer the customer the option of signing a contract

1 pursuant to which the customer pays such charges ratably over  
2 the period in which the charges would otherwise have applied.

3 (i) An electric utility shall be entitled to add to the  
4 bills of delivery services customers charges pursuant to  
5 Sections 9-221, 9-222 (except as provided in Section 9-222.1),  
6 and Section 16-114 of this Act, Section 5-5 of the Electricity  
7 Infrastructure Maintenance Fee Law, Section 6-5 of the  
8 Renewable Energy, Energy Efficiency, and Coal Resources  
9 Development Law of 1997, and Section 13 of the Energy  
10 Assistance Act.

11 (i-5) An electric utility required to impose the Coal to  
12 Solar and Energy Storage Initiative Charge provided for in  
13 subsection (c-5) of Section 1-75 of the Illinois Power Agency  
14 Act shall add such charge to the bills of its delivery services  
15 customers pursuant to the terms of a tariff conforming to the  
16 requirements of subsection (c-5) of Section 1-75 of the  
17 Illinois Power Agency Act and this subsection (i-5) and filed  
18 with and approved by the Commission. The electric utility  
19 shall file its proposed tariff with the Commission on or  
20 before July 1, 2022 to be effective, after review and approval  
21 or modification by the Commission, beginning January 1, 2023.  
22 On or before December 1, 2022, the Commission shall review the  
23 electric utility's proposed tariff, including by conducting a  
24 docketed proceeding if deemed necessary by the Commission, and  
25 shall approve the proposed tariff or direct the electric  
26 utility to make modifications the Commission finds necessary

1 for the tariff to conform to the requirements of subsection  
2 (c-5) of Section 1-75 of the Illinois Power Agency Act and this  
3 subsection (i-5). The electric utility's tariff shall provide  
4 for imposition of the Coal to Solar and Energy Storage  
5 Initiative Charge on a per-kilowatthour basis to all  
6 kilowatthours delivered by the electric utility to its  
7 delivery services customers. The tariff shall provide for the  
8 calculation of the Coal to Solar and Energy Storage Initiative  
9 Charge to be in effect for the year beginning January 1, 2023  
10 and each year beginning January 1 thereafter, sufficient to  
11 collect the electric utility's estimated payment obligations  
12 for the delivery year beginning the following June 1 under  
13 contracts for purchase of renewable energy credits entered  
14 into pursuant to subsection (c-5) of Section 1-75 of the  
15 Illinois Power Agency Act and the obligations of the  
16 Department of Commerce and Economic Opportunity, or any  
17 successor department or agency, which for purposes of this  
18 subsection (i-5) shall be referred to as the Department, to  
19 make grant payments during such delivery year from the Coal to  
20 Solar and Energy Storage Initiative Fund pursuant to grant  
21 contracts entered into pursuant to subsection (c-5) of Section  
22 1-75 of the Illinois Power Agency Act, and using the electric  
23 utility's kilowatthour deliveries to its delivery services  
24 customers during the delivery year ended May 31 of the  
25 preceding calendar year. On or before November 1 of each year  
26 beginning November 1, 2022, the Department shall notify the

1 electric utilities of the amount of the Department's estimated  
2 obligations for grant payments during the delivery year  
3 beginning the following June 1 pursuant to grant contracts  
4 entered into pursuant to subsection (c-5) of Section 1-75 of  
5 the Illinois Power Agency Act; and each electric utility shall  
6 incorporate in the calculation of its Coal to Solar and Energy  
7 Storage Initiative Charge the fractional portion of the  
8 Department's estimated obligations equal to the electric  
9 utility's kilowatthour deliveries to its delivery services  
10 customers in the delivery year ended the preceding May 31  
11 divided by the aggregate deliveries of both electric utilities  
12 to delivery services customers in such delivery year. The  
13 electric utility shall remit on a monthly basis to the State  
14 Treasurer, for deposit in the Coal to Solar and Energy Storage  
15 Initiative Fund provided for in subsection (c-5) of Section  
16 1-75 of the Illinois Power Agency Act, the electric utility's  
17 collections of the Coal to Solar and Energy Storage Initiative  
18 Charge estimated to be needed by the Department for grant  
19 payments pursuant to grant contracts entered into pursuant to  
20 subsection (c-5) of Section 1-75 of the Illinois Power Agency  
21 Act. The initial charge under the electric utility's tariff  
22 shall be effective for kilowatthours delivered beginning  
23 January 1, 2023, and thereafter shall be revised to be  
24 effective January 1, 2024 and each January 1 thereafter, based  
25 on the payment obligations for the delivery year beginning the  
26 following June 1. The tariff shall provide for the electric

1 utility to make an annual filing with the Commission on or  
2 before November 15 of each year, beginning in 2023, setting  
3 forth the Coal to Solar and Energy Storage Initiative Charge  
4 to be in effect for the year beginning the following January 1.  
5 The electric utility's tariff shall also provide that the  
6 electric utility shall make a filing with the Commission on or  
7 before August 1 of each year beginning in 2024 setting forth a  
8 reconciliation, for the delivery year ended the preceding May  
9 31, of the electric utility's collections of the Coal to Solar  
10 and Energy Storage Initiative Charge against actual payments  
11 for renewable energy credits pursuant to contracts entered  
12 into, and the actual grant payments by the Department pursuant  
13 to grant contracts entered into, pursuant to subsection (c-5)  
14 of Section 1-75 of the Illinois Power Agency Act. The tariff  
15 shall provide that any excess or shortfall of collections to  
16 payments shall be deducted from or added to, on a  
17 per-kilowatthour basis, the Coal to Solar and Energy Storage  
18 Initiative Charge, over the 6-month period beginning October 1  
19 of that calendar year.

20 (i-7) The electric utility shall be entitled to recover  
21 through tariffed charges all of the costs associated with  
22 payment under contracts for purchase of high voltage direct  
23 current renewable energy credits entered into pursuant to  
24 subsection (c-7) of Section 1-75 of the Illinois Power Agency  
25 Act. An electric utility required to impose the dispatchable  
26 and reliable renewable energy charge provided for in

1 subsection (c-7) of Section 1-75 of the Illinois Power Agency  
2 Act shall add such charge to the bills of its delivery services  
3 customers pursuant to the terms of a tariff conforming to the  
4 requirements of subsection (c-7) of Section 1-75 of the  
5 Illinois Power Agency Act and this subsection (i-7) and filed  
6 with and approved by the Commission. The electric utility  
7 shall file its proposed tariff with the Commission on or  
8 before February 1, 2025 to be effective, after review and  
9 approval or modification by the Commission, beginning January  
10 1, 2026. On or before January 1, 2026, the Commission shall  
11 review the electric utility's proposed tariff, including by  
12 conducting a docketed proceeding if deemed necessary by the  
13 Commission, and shall approve the proposed tariff or direct  
14 the electric utility to make modifications the Commission  
15 finds necessary for the tariff to conform to the requirements  
16 of subsection (c-7) of Section 1-75 of the Illinois Power  
17 Agency Act and this subsection (i-7). The electric utility's  
18 tariff shall provide for imposition of the Dispatchable and  
19 Reliable Renewable Energy Charge on a per-kilowatthour basis  
20 to all kilowatthours delivered by the electric utility to its  
21 delivery services customers. The tariff shall provide for the  
22 calculation of the dispatchable and reliable renewable energy  
23 charge to be in effect for the year beginning January 1, 2025  
24 and each year beginning January 1 thereafter, sufficient to  
25 collect the electric utility's estimated payment obligations  
26 for the delivery year beginning the following June 1 under

1 contracts for purchase of high voltage direct current  
2 renewable energy credits entered into pursuant to subsection  
3 (c-7) of Section 1-75 of the Illinois Power Agency Act. The  
4 tariff shall provide that any excess or shortfall of  
5 collections to payments shall be deducted from or added to, on  
6 a per-kilowatthour basis, the dispatchable and reliable  
7 renewable energy charge, over the 6-month period beginning  
8 October 1 of that calendar year.

9 (j) If a retail customer that obtains electric power and  
10 energy from cogeneration or self-generation facilities  
11 installed for its own use on or before January 1, 1997,  
12 subsequently takes service from an alternative retail electric  
13 supplier or an electric utility other than the electric  
14 utility in whose service area the customer is located for any  
15 portion of the customer's electric power and energy  
16 requirements formerly obtained from those facilities  
17 (including that amount purchased from the utility in lieu of  
18 such generation and not as standby power purchases, under a  
19 cogeneration displacement tariff in effect as of the effective  
20 date of this amendatory Act of 1997), the transition charges  
21 otherwise applicable pursuant to subsections (f), (g), or (h)  
22 of this Section shall not be applicable in any year to that  
23 portion of the customer's electric power and energy  
24 requirements formerly obtained from those facilities,  
25 provided, that for purposes of this subsection (j), such  
26 portion shall not exceed the average number of kilowatt-hours



1 per year obtained from the cogeneration or self-generation  
2 facilities during the 3 years prior to the date on which the  
3 customer became eligible for delivery services, except as  
4 provided in subsection (f) of Section 16-110.

5 (k) The electric utility shall be entitled to recover  
6 through tariffed charges all of the costs associated with the  
7 purchase of zero emission credits from zero emission  
8 facilities to meet the requirements of subsection (d-5) of  
9 Section 1-75 of the Illinois Power Agency Act and all of the  
10 costs associated with the purchase of carbon mitigation  
11 credits from carbon-free energy resources to meet the  
12 requirements of subsection (d-10) of Section 1-75 of the  
13 Illinois Power Agency Act. Such costs shall include the costs  
14 of procuring the zero emission credits and carbon mitigation  
15 credits from carbon-free energy resources, as well as the  
16 reasonable costs that the utility incurs as part of the  
17 procurement processes and to implement and comply with plans  
18 and processes approved by the Commission under subsections  
19 (d-5) and (d-10). The costs shall be allocated across all  
20 retail customers through a single, uniform cents per  
21 kilowatt-hour charge applicable to all retail customers, which  
22 shall appear as a separate line item on each customer's bill.  
23 Beginning June 1, 2017, the electric utility shall be entitled  
24 to recover through tariffed charges all of the costs  
25 associated with the purchase of renewable energy resources to  
26 meet the renewable energy resource standards of subsection (c)

1 of Section 1-75 of the Illinois Power Agency Act, under  
2 procurement plans as approved in accordance with that Section  
3 and Section 16-111.5 of this Act. Such costs shall include the  
4 costs of procuring the renewable energy resources, as well as  
5 the reasonable costs that the utility incurs as part of the  
6 procurement processes and to implement and comply with plans  
7 and processes approved by the Commission under such Sections.  
8 The costs associated with the purchase of renewable energy  
9 resources shall be allocated across all retail customers in  
10 proportion to the amount of renewable energy resources the  
11 utility procures for such customers through a single, uniform  
12 cents per kilowatt-hour charge applicable to such retail  
13 customers, which shall appear as a separate line item on each  
14 such customer's bill. The credits, costs, and penalties  
15 associated with the self-direct renewable portfolio standard  
16 compliance program described in subparagraph (R) of paragraph  
17 (1) of subsection (c) of Section 1-75 of the Illinois Power  
18 Agency Act shall be allocated to approved eligible self-direct  
19 customers by the utility in a cents per kilowatt-hour credit,  
20 cost, or penalty, which shall appear as a separate line item on  
21 each such customer's bill.

22 Notwithstanding whether the Commission has approved the  
23 initial long-term renewable resources procurement plan as of  
24 June 1, 2017, an electric utility shall place new tariffed  
25 charges into effect beginning with the June 2017 monthly  
26 billing period, to the extent practicable, to begin recovering

1 the costs of procuring renewable energy resources, as those  
2 charges are calculated under the limitations described in  
3 subparagraph (E) of paragraph (1) of subsection (c) of Section  
4 1-75 of the Illinois Power Agency Act. Notwithstanding the  
5 date on which the utility places such new tariffed charges  
6 into effect, the utility shall be permitted to collect the  
7 charges under such tariff as if the tariff had been in effect  
8 beginning with the first day of the June 2017 monthly billing  
9 period. For the delivery years commencing June 1, 2017, June  
10 1, 2018, June 1, 2019, and each delivery year thereafter, the  
11 electric utility shall deposit into a separate interest  
12 bearing account of a financial institution the monies  
13 collected under the tariffed charges. Money collected from  
14 customers for the procurement of renewable energy resources in  
15 a given delivery year may be spent by the utility for the  
16 procurement of renewable resources over any of the following 5  
17 delivery years, after which unspent money shall be credited  
18 back to retail customers. The electric utility shall spend all  
19 money collected in earlier delivery years that has not yet  
20 been returned to customers, first, before spending money  
21 collected in later delivery years. Any interest earned shall  
22 be credited back to retail customers under the reconciliation  
23 proceeding provided for in this subsection (k), provided that  
24 the electric utility shall first be reimbursed from the  
25 interest for the administrative costs that it incurs to  
26 administer and manage the account. Any taxes due on the funds

1 in the account, or interest earned on it, will be paid from the  
2 account or, if insufficient monies are available in the  
3 account, from the monies collected under the tariffed charges  
4 to recover the costs of procuring renewable energy resources.  
5 Monies deposited in the account shall be subject to the  
6 review, reconciliation, and true-up process described in this  
7 subsection (k) that is applicable to the funds collected and  
8 costs incurred for the procurement of renewable energy  
9 resources.

10 The electric utility shall be entitled to recover all of  
11 the costs identified in this subsection (k) through automatic  
12 adjustment clause tariffs applicable to all of the utility's  
13 retail customers that allow the electric utility to adjust its  
14 tariffed charges consistent with this subsection (k). The  
15 determination as to whether any excess funds were collected  
16 during a given delivery year for the purchase of renewable  
17 energy resources, and the crediting of any excess funds back  
18 to retail customers, shall not be made until after the close of  
19 the delivery year, which will ensure that the maximum amount  
20 of funds is available to implement the approved long-term  
21 renewable resources procurement plan during a given delivery  
22 year. The amount of excess funds eligible to be credited back  
23 to retail customers shall be reduced by an amount equal to the  
24 payment obligations required by any contracts entered into by  
25 an electric utility under contracts described in subsection  
26 (b) of Section 1-56 and subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act, even if such payments have not yet  
2 been made and regardless of the delivery year in which those  
3 payment obligations were incurred. Notwithstanding anything to  
4 the contrary, including in tariffs authorized by this  
5 subsection (k) in effect before the effective date of this  
6 amendatory Act of the 102nd General Assembly, all unspent  
7 funds as of May 31, 2021, excluding any funds credited to  
8 customers during any utility billing cycle that commences  
9 prior to the effective date of this amendatory Act of the 102nd  
10 General Assembly, shall remain in the utility account and  
11 shall on a first in, first out basis be used toward utility  
12 payment obligations under contracts described in subsection  
13 (b) of Section 1-56 and subsection (c) of Section 1-75 of the  
14 Illinois Power Agency Act. The electric utility's collections  
15 under such automatic adjustment clause tariffs to recover the  
16 costs of renewable energy resources, zero emission credits  
17 from zero emission facilities, and carbon mitigation credits  
18 from carbon-free energy resources shall be subject to separate  
19 annual review, reconciliation, and true-up against actual  
20 costs by the Commission under a procedure that shall be  
21 specified in the electric utility's automatic adjustment  
22 clause tariffs and that shall be approved by the Commission in  
23 connection with its approval of such tariffs. The procedure  
24 shall provide that any difference between the electric  
25 utility's collections for zero emission credits and carbon  
26 mitigation credits under the automatic adjustment charges for

1 an annual period and the electric utility's actual costs of  
2 zero emission credits from zero emission facilities and carbon  
3 mitigation credits from carbon-free energy resources for that  
4 same annual period shall be refunded to or collected from, as  
5 applicable, the electric utility's retail customers in  
6 subsequent periods.

7 Nothing in this subsection (k) is intended to affect,  
8 limit, or change the right of the electric utility to recover  
9 the costs associated with the procurement of renewable energy  
10 resources for periods commencing before, on, or after June 1,  
11 2017, as otherwise provided in the Illinois Power Agency Act.

12 The funding available under this subsection (k), if any,  
13 for the programs described under subsection (b) of Section  
14 1-56 of the Illinois Power Agency Act shall not reduce the  
15 amount of funding for the programs described in subparagraph  
16 (O) of paragraph (1) of subsection (c) of Section 1-75 of the  
17 Illinois Power Agency Act. If funding is available under this  
18 subsection (k) for programs described under subsection (b) of  
19 Section 1-56 of the Illinois Power Agency Act, then the  
20 long-term renewable resources plan shall provide for the  
21 Agency to procure contracts in an amount that does not exceed  
22 the funding, and the contracts approved by the Commission  
23 shall be executed by the applicable utility or utilities.

24 (1) A utility that has terminated any contract executed  
25 under subsection (d-5) or (d-10) of Section 1-75 of the  
26 Illinois Power Agency Act shall be entitled to recover any

1 remaining balance associated with the purchase of zero  
2 emission credits prior to such termination, and such utility  
3 shall also apply a credit to its retail customer bills in the  
4 event of any over-collection.

5 (m)(1) An electric utility that recovers its costs of  
6 procuring zero emission credits from zero emission facilities  
7 through a cents-per-kilowatthour charge under subsection (k)  
8 of this Section shall be subject to the requirements of this  
9 subsection (m). Notwithstanding anything to the contrary, such  
10 electric utility shall, beginning on April 30, 2018, and each  
11 April 30 thereafter until April 30, 2026, calculate whether  
12 any reduction must be applied to such cents-per-kilowatthour  
13 charge that is paid by retail customers of the electric  
14 utility that have opted out of subsections (a) through (j) of  
15 Section 8-103B of this Act under subsection (l) of Section  
16 8-103B. Such charge shall be reduced for such customers for  
17 the next delivery year commencing on June 1 based on the amount  
18 necessary, if any, to limit the annual estimated average net  
19 increase for the prior calendar year due to the future energy  
20 investment costs to no more than 1.3% of 5.98 cents per  
21 kilowatt-hour, which is the average amount paid per  
22 kilowatthour for electric service during the year ending  
23 December 31, 2015 by Illinois industrial retail customers, as  
24 reported to the Edison Electric Institute.

25 The calculations required by this subsection (m) shall be  
26 made only once for each year, and no subsequent rate impact

1 determinations shall be made.

2 (2) For purposes of this Section, "future energy  
3 investment costs" shall be calculated by subtracting the  
4 cents-per-kilowatthour charge identified in subparagraph (A)  
5 of this paragraph (2) from the sum of the  
6 cents-per-kilowatthour charges identified in subparagraph (B)  
7 of this paragraph (2):

8 (A) The cents-per-kilowatthour charge identified in  
9 the electric utility's tariff placed into effect under  
10 Section 8-103 of the Public Utilities Act that, on  
11 December 1, 2016, was applicable to those retail customers  
12 that have opted out of subsections (a) through (j) of  
13 Section 8-103B of this Act under subsection (l) of Section  
14 8-103B.

15 (B) The sum of the following cents-per-kilowatthour  
16 charges applicable to those retail customers that have  
17 opted out of subsections (a) through (j) of Section 8-103B  
18 of this Act under subsection (l) of Section 8-103B,  
19 provided that if one or more of the following charges has  
20 been in effect and applied to such customers for more than  
21 one calendar year, then each charge shall be equal to the  
22 average of the charges applied over a period that  
23 commences with the calendar year ending December 31, 2017  
24 and ends with the most recently completed calendar year  
25 prior to the calculation required by this subsection (m):

26 (i) the cents-per-kilowatthour charge to recover



1 the costs incurred by the utility under subsection  
2 (d-5) of Section 1-75 of the Illinois Power Agency  
3 Act, adjusted for any reductions required under this  
4 subsection (m); and

5 (ii) the cents-per-kilowatthour charge to recover  
6 the costs incurred by the utility under Section  
7 16-107.6 of the Public Utilities Act.

8 If no charge was applied for a given calendar year  
9 under item (i) or (ii) of this subparagraph (B), then the  
10 value of the charge for that year shall be zero.

11 (3) If a reduction is required by the calculation  
12 performed under this subsection (m), then the amount of the  
13 reduction shall be multiplied by the number of years reflected  
14 in the averages calculated under subparagraph (B) of paragraph  
15 (2) of this subsection (m). Such reduction shall be applied to  
16 the cents-per-kilowatthour charge that is applicable to those  
17 retail customers that have opted out of subsections (a)  
18 through (j) of Section 8-103B of this Act under subsection (1)  
19 of Section 8-103B beginning with the next delivery year  
20 commencing after the date of the calculation required by this  
21 subsection (m).

22 (4) The electric utility shall file a notice with the  
23 Commission on May 1 of 2018 and each May 1 thereafter until May  
24 1, 2026 containing the reduction, if any, which must be  
25 applied for the delivery year which begins in the year of the  
26 filing. The notice shall contain the calculations made

1 pursuant to this Section. By October 1 of each year beginning  
2 in 2018, each electric utility shall notify the Commission if  
3 it appears, based on an estimate of the calculation required  
4 in this subsection (m), that a reduction will be required in  
5 the next year.

6 (Source: P.A. 102-662, eff. 9-15-21.)

7 (220 ILCS 5/16-111.5)

8 Sec. 16-111.5. Provisions relating to procurement.

9 (a) An electric utility that on December 31, 2005 served  
10 at least 100,000 customers in Illinois shall procure power and  
11 energy for its eligible retail customers in accordance with  
12 the applicable provisions set forth in Section 1-75 of the  
13 Illinois Power Agency Act and this Section. Beginning with the  
14 delivery year commencing on June 1, 2017, such electric  
15 utility shall also procure zero emission credits from zero  
16 emission facilities in accordance with the applicable  
17 provisions set forth in Section 1-75 of the Illinois Power  
18 Agency Act, and, for years beginning on or after June 1, 2017,  
19 the utility shall procure renewable energy resources in  
20 accordance with the applicable provisions set forth in Section  
21 1-75 of the Illinois Power Agency Act and this Section.  
22 Beginning with the delivery year commencing on June 1, 2022,  
23 an electric utility serving over 3,000,000 customers shall  
24 also procure carbon mitigation credits from carbon-free energy  
25 resources in accordance with the applicable provisions set

1     forth in Section 1-75 of the Illinois Power Agency Act and this  
2     Section. A small multi-jurisdictional electric utility that on  
3     December 31, 2005 served less than 100,000 customers in  
4     Illinois may elect to procure power and energy for all or a  
5     portion of its eligible Illinois retail customers in  
6     accordance with the applicable provisions set forth in this  
7     Section and Section 1-75 of the Illinois Power Agency Act.  
8     This Section shall not apply to a small multi-jurisdictional  
9     utility until such time as a small multi-jurisdictional  
10    utility requests the Illinois Power Agency to prepare a  
11    procurement plan for its eligible retail customers. "Eligible  
12    retail customers" for the purposes of this Section means those  
13    retail customers that purchase power and energy from the  
14    electric utility under fixed-price bundled service tariffs,  
15    other than those retail customers whose service is declared or  
16    deemed competitive under Section 16-113 and those other  
17    customer groups specified in this Section, including  
18    self-generating customers, customers electing hourly pricing,  
19    or those customers who are otherwise ineligible for  
20    fixed-price bundled tariff service. For those customers that  
21    are excluded from the procurement plan's electric supply  
22    service requirements, and the utility shall procure any supply  
23    requirements, including capacity, ancillary services, and  
24    hourly priced energy, in the applicable markets as needed to  
25    serve those customers, provided that the utility may include  
26    in its procurement plan load requirements for the load that is

1 associated with those retail customers whose service has been  
2 declared or deemed competitive pursuant to Section 16-113 of  
3 this Act to the extent that those customers are purchasing  
4 power and energy during one of the transition periods  
5 identified in subsection (b) of Section 16-113 of this Act.

6 (b) A procurement plan shall be prepared for each electric  
7 utility consistent with the applicable requirements of the  
8 Illinois Power Agency Act and this Section. For purposes of  
9 this Section, Illinois electric utilities that are affiliated  
10 by virtue of a common parent company are considered to be a  
11 single electric utility. Small multi-jurisdictional utilities  
12 may request a procurement plan for a portion of or all of its  
13 Illinois load. Each procurement plan shall analyze the  
14 projected balance of supply and demand for those retail  
15 customers to be included in the plan's electric supply service  
16 requirements over a 5-year period, with the first planning  
17 year beginning on June 1 of the year following the year in  
18 which the plan is filed. The plan shall specifically identify  
19 the wholesale products to be procured following plan approval,  
20 and shall follow all the requirements set forth in the Public  
21 Utilities Act and all applicable State and federal laws,  
22 statutes, rules, or regulations, as well as Commission orders.  
23 Nothing in this Section precludes consideration of contracts  
24 longer than 5 years and related forecast data. Unless  
25 specified otherwise in this Section, in the procurement plan  
26 or in the implementing tariff, any procurement occurring in

1 accordance with this plan shall be competitively bid through a  
2 request for proposals process. Approval and implementation of  
3 the procurement plan shall be subject to review and approval  
4 by the Commission according to the provisions set forth in  
5 this Section. A procurement plan shall include each of the  
6 following components:

7 (1) Hourly load analysis. This analysis shall include:

8 (i) multi-year historical analysis of hourly  
9 loads;

10 (ii) switching trends and competitive retail  
11 market analysis;

12 (iii) known or projected changes to future loads;

13 and

14 (iv) growth forecasts by customer class.

15 (2) Analysis of the impact of any demand side and  
16 renewable energy initiatives. This analysis shall include:

17 (i) the impact of demand response programs and  
18 energy efficiency programs, both current and  
19 projected; for small multi-jurisdictional utilities,  
20 the impact of demand response and energy efficiency  
21 programs approved pursuant to Section 8-408 of this  
22 Act, both current and projected; and

23 (ii) supply side needs that are projected to be  
24 offset by purchases of renewable energy resources, if  
25 any.

26 (3) A plan for meeting the expected load requirements

1 that will not be met through preexisting contracts. This  
2 plan shall include:

3 (i) definitions of the different Illinois retail  
4 customer classes for which supply is being purchased;

5 (ii) the proposed mix of demand-response products  
6 for which contracts will be executed during the next  
7 year. For small multi-jurisdictional electric  
8 utilities that on December 31, 2005 served fewer than  
9 100,000 customers in Illinois, these shall be defined  
10 as demand-response products offered in an energy  
11 efficiency plan approved pursuant to Section 8-408 of  
12 this Act. The cost-effective demand-response measures  
13 shall be procured whenever the cost is lower than  
14 procuring comparable capacity products, provided that  
15 such products shall:

16 (A) be procured by a demand-response provider  
17 from those retail customers included in the plan's  
18 electric supply service requirements;

19 (B) at least satisfy the demand-response  
20 requirements of the regional transmission  
21 organization market in which the utility's service  
22 territory is located, including, but not limited  
23 to, any applicable capacity or dispatch  
24 requirements;

25 (C) provide for customers' participation in  
26 the stream of benefits produced by the

1 demand-response products;

2 (D) provide for reimbursement by the  
3 demand-response provider of the utility for any  
4 costs incurred as a result of the failure of the  
5 supplier of such products to perform its  
6 obligations thereunder; and

7 (E) meet the same credit requirements as apply  
8 to suppliers of capacity, in the applicable  
9 regional transmission organization market;

10 (iii) monthly forecasted system supply  
11 requirements, including expected minimum, maximum, and  
12 average values for the planning period;

13 (iv) the proposed mix and selection of standard  
14 wholesale products for which contracts will be  
15 executed during the next year, separately or in  
16 combination, to meet that portion of its load  
17 requirements not met through pre-existing contracts,  
18 including but not limited to monthly 5 x 16 peak period  
19 block energy, monthly off-peak wrap energy, monthly 7  
20 x 24 energy, annual 5 x 16 energy, other standardized  
21 energy or capacity products designed to provide  
22 eligible retail customer benefits from commercially  
23 deployed advanced technologies including but not  
24 limited to high voltage direct current converter  
25 stations, as such term is defined in Section 1-10 of  
26 the Illinois Power Agency Act, whether or not such

1 product is currently available in wholesale markets,  
2 annual off-peak wrap energy, annual 7 x 24 energy,  
3 monthly capacity, annual capacity, peak load capacity  
4 obligations, capacity purchase plan, and ancillary  
5 services;

6 (v) proposed term structures for each wholesale  
7 product type included in the proposed procurement plan  
8 portfolio of products; and

9 (vi) an assessment of the price risk, load  
10 uncertainty, and other factors that are associated  
11 with the proposed procurement plan; this assessment,  
12 to the extent possible, shall include an analysis of  
13 the following factors: contract terms, time frames for  
14 securing products or services, fuel costs, weather  
15 patterns, transmission costs, market conditions, and  
16 the governmental regulatory environment; the proposed  
17 procurement plan shall also identify alternatives for  
18 those portfolio measures that are identified as having  
19 significant price risk and mitigation in the form of  
20 additional retail customer and ratepayer price,  
21 reliability, and environmental benefits from  
22 standardized energy products delivered from  
23 commercially deployed advanced technologies,  
24 including, but not limited to, high voltage direct  
25 current converter stations, as such term is defined in  
26 Section 1-10 of the Illinois Power Agency Act, whether



1           or not such product is currently available in  
2           wholesale markets.

3           (4) Proposed procedures for balancing loads. The  
4           procurement plan shall include, for load requirements  
5           included in the procurement plan, the process for (i)  
6           hourly balancing of supply and demand and (ii) the  
7           criteria for portfolio re-balancing in the event of  
8           significant shifts in load.

9           (5) Long-Term Renewable Resources Procurement Plan.  
10          The Agency shall prepare a long-term renewable resources  
11          procurement plan for the procurement of renewable energy  
12          credits under Sections 1-56 and 1-75 of the Illinois Power  
13          Agency Act for delivery beginning in the 2017 delivery  
14          year.

15                 (i) The initial long-term renewable resources  
16                 procurement plan and all subsequent revisions shall be  
17                 subject to review and approval by the Commission. For  
18                 the purposes of this Section, "delivery year" has the  
19                 same meaning as in Section 1-10 of the Illinois Power  
20                 Agency Act. For purposes of this Section, "Agency"  
21                 shall mean the Illinois Power Agency.

22                 (ii) The long-term renewable resources planning  
23                 process shall be conducted as follows:

24                         (A) Electric utilities shall provide a range  
25                         of load forecasts to the Illinois Power Agency  
26                         within 45 days of the Agency's request for

1 forecasts, which request shall specify the length  
2 and conditions for the forecasts including, but  
3 not limited to, the quantity of distributed  
4 generation expected to be interconnected for each  
5 year.

6 (B) The Agency shall publish for comment the  
7 initial long-term renewable resources procurement  
8 plan no later than 120 days after the effective  
9 date of this amendatory Act of the 99th General  
10 Assembly and shall review, and may revise, the  
11 plan at least every 2 years thereafter. To the  
12 extent practicable, the Agency shall review and  
13 propose any revisions to the long-term renewable  
14 energy resources procurement plan in conjunction  
15 with the Agency's other planning and approval  
16 processes conducted under this Section. The  
17 initial long-term renewable resources procurement  
18 plan shall:

19 (aa) Identify the procurement programs and  
20 competitive procurement events consistent with  
21 the applicable requirements of the Illinois  
22 Power Agency Act and shall be designed to  
23 achieve the goals set forth in subsection (c)  
24 of Section 1-75 of that Act.

25 (bb) Include a schedule for procurements  
26 for renewable energy credits from

1 utility-scale wind projects, utility-scale  
2 solar projects, and brownfield site  
3 photovoltaic projects consistent with  
4 subparagraph (G) of paragraph (1) of  
5 subsection (c) of Section 1-75 of the Illinois  
6 Power Agency Act.

7 (cc) Identify the process whereby the  
8 Agency will submit to the Commission for  
9 review and approval the proposed contracts to  
10 implement the programs required by such plan.

11 Copies of the initial long-term renewable  
12 resources procurement plan and all subsequent  
13 revisions shall be posted and made publicly  
14 available on the Agency's and Commission's  
15 websites, and copies shall also be provided to  
16 each affected electric utility. An affected  
17 utility and other interested parties shall have 45  
18 days following the date of posting to provide  
19 comment to the Agency on the initial long-term  
20 renewable resources procurement plan and all  
21 subsequent revisions. All comments submitted to  
22 the Agency shall be specific, supported by data or  
23 other detailed analyses, and, if objecting to all  
24 or a portion of the procurement plan, accompanied  
25 by specific alternative wording or proposals. All  
26 comments shall be posted on the Agency's and

1 Commission's websites. During this 45-day comment  
2 period, the Agency shall hold at least one public  
3 hearing within each utility's service area that is  
4 subject to the requirements of this paragraph (5)  
5 for the purpose of receiving public comment.  
6 Within 21 days following the end of the 45-day  
7 review period, the Agency may revise the long-term  
8 renewable resources procurement plan based on the  
9 comments received and shall file the plan with the  
10 Commission for review and approval.

11 (C) Within 14 days after the filing of the  
12 initial long-term renewable resources procurement  
13 plan or any subsequent revisions, any person  
14 objecting to the plan may file an objection with  
15 the Commission. Within 21 days after the filing of  
16 the plan, the Commission shall determine whether a  
17 hearing is necessary. The Commission shall enter  
18 its order confirming or modifying the initial  
19 long-term renewable resources procurement plan or  
20 any subsequent revisions within 120 days after the  
21 filing of the plan by the Illinois Power Agency.

22 (D) The Commission shall approve the initial  
23 long-term renewable resources procurement plan and  
24 any subsequent revisions, including expressly the  
25 forecast used in the plan and taking into account  
26 that funding will be limited to the amount of

1 revenues actually collected by the utilities, if  
2 the Commission determines that the plan will  
3 reasonably and prudently accomplish the  
4 requirements of Section 1-56 and subsection (c) of  
5 Section 1-75 of the Illinois Power Agency Act. The  
6 Commission shall also approve the process for the  
7 submission, review, and approval of the proposed  
8 contracts to procure renewable energy credits or  
9 implement the programs authorized by the  
10 Commission pursuant to a long-term renewable  
11 resources procurement plan approved under this  
12 Section.

13 In approving any long-term renewable resources  
14 procurement plan after the effective date of this  
15 amendatory Act of the 102nd General Assembly, the  
16 Commission shall approve or modify the Agency's  
17 proposal for minimum equity standards pursuant to  
18 subsection (c-10) of Section 1-75 of the Illinois  
19 Power Agency Act. The Commission shall consider  
20 any analysis performed by the Agency in developing  
21 its proposal, including past performance,  
22 availability of equity eligible contractors, and  
23 availability of equity eligible persons at the  
24 time the long-term renewable resources procurement  
25 plan is approved.

26 (iii) The Agency or third parties contracted by

1 the Agency shall implement all programs authorized by  
2 the Commission in an approved long-term renewable  
3 resources procurement plan without further review and  
4 approval by the Commission. Third parties shall not  
5 begin implementing any programs or receive any payment  
6 under this Section until the Commission has approved  
7 the contract or contracts under the process authorized  
8 by the Commission in item (D) of subparagraph (ii) of  
9 paragraph (5) of this subsection (b) and the third  
10 party and the Agency or utility, as applicable, have  
11 executed the contract. For those renewable energy  
12 credits subject to procurement through a competitive  
13 bid process under the plan or under the initial  
14 forward procurements for wind and solar resources  
15 described in subparagraph (G) of paragraph (1) of  
16 subsection (c) of Section 1-75 of the Illinois Power  
17 Agency Act, the Agency shall follow the procurement  
18 process specified in the provisions relating to  
19 electricity procurement in subsections (e) through (i)  
20 of this Section.

21 (iv) An electric utility shall recover its costs  
22 associated with the procurement of renewable energy  
23 credits under this Section and pursuant to subsection  
24 (c-5) and (c-7) of Section 1-75 of the Illinois Power  
25 Agency Act through an automatic adjustment clause  
26 tariff under subsection (k) or a tariff pursuant to

1 subsection (i-5) or (i-7), as applicable, of Section  
2 16-108 of this Act. A utility shall not be required to  
3 advance any payment or pay any amounts under this  
4 Section that exceed the actual amount of revenues  
5 collected by the utility under paragraph (6) of  
6 subsection (c) of Section 1-75 of the Illinois Power  
7 Agency Act, subsection (c-5) of Section 1-75 of the  
8 Illinois Power Agency Act, and subsection (k) or  
9 subsection (i-5), as applicable, of Section 16-108 of  
10 this Act, and contracts executed under this Section  
11 shall expressly incorporate this limitation.

12 (v) For the public interest, safety, and welfare,  
13 the Agency and the Commission may adopt rules to carry  
14 out the provisions of this Section on an emergency  
15 basis immediately following the effective date of this  
16 amendatory Act of the 99th General Assembly.

17 (vi) On or before July 1 of each year, the  
18 Commission shall hold an informal hearing for the  
19 purpose of receiving comments on the prior year's  
20 procurement process and any recommendations for  
21 change.

22 (b-5) An electric utility that as of January 1, 2019  
23 served more than 300,000 retail customers in this State shall  
24 purchase renewable energy credits from new renewable energy  
25 facilities constructed at or adjacent to the sites of  
26 coal-fueled electric generating facilities in this State in

1 accordance with subsection (c-5) of Section 1-75 of the  
2 Illinois Power Agency Act. Except as expressly provided in  
3 this Section, the plans and procedures for such procurements  
4 shall not be included in the procurement plans provided for in  
5 this Section, but rather shall be conducted and implemented  
6 solely in accordance with subsection (c-5) of Section 1-75 of  
7 the Illinois Power Agency Act.

8 (b-7) An electric utility that as of January 1, 2019  
9 served more than 300,000 retail customers in this State shall  
10 purchase high voltage direct current renewable energy credits  
11 in accordance with subsection (c-7) of Section 1-75 of the  
12 Illinois Power Agency Act. Except as expressly provided in  
13 this Section, the plans and procedures for such procurements  
14 shall not be included in the procurement plans provided for in  
15 this Section, but rather shall be conducted and implemented  
16 solely in accordance with subsection (c-7) of Section 1-75 of  
17 the Illinois Power Agency Act.

18 (c) The provisions of this subsection (c) shall not apply  
19 to procurements conducted pursuant to subsection (c-5) or  
20 (c-7) of Section 1-75 of the Illinois Power Agency Act.  
21 However, the Agency may retain a procurement administrator to  
22 assist the Agency in planning and carrying out the procurement  
23 events and implementing the other requirements specified in  
24 such subsection (c-5) of Section 1-75 of the Illinois Power  
25 Agency Act, with the costs incurred by the Agency for the  
26 procurement administrator to be recovered through fees charged



1 to applicants for selection to sell and deliver renewable  
2 energy credits to electric utilities pursuant to subsection  
3 (c-5) or (c-7) of Section 1-75 of the Illinois Power Agency  
4 Act. The procurement process set forth in Section 1-75 of the  
5 Illinois Power Agency Act and subsection (e) of this Section  
6 shall be administered by a procurement administrator and  
7 monitored by a procurement monitor.

8 (1) The procurement administrator shall:

9 (i) design the final procurement process in  
10 accordance with Section 1-75 of the Illinois Power  
11 Agency Act and subsection (e) of this Section  
12 following Commission approval of the procurement plan;

13 (ii) develop benchmarks in accordance with  
14 subsection (e)(3) to be used to evaluate bids; these  
15 benchmarks shall be submitted to the Commission for  
16 review and approval on a confidential basis prior to  
17 the procurement event;

18 (iii) serve as the interface between the electric  
19 utility and suppliers;

20 (iv) manage the bidder pre-qualification and  
21 registration process;

22 (v) obtain the electric utilities' agreement to  
23 the final form of all supply contracts and credit  
24 collateral agreements;

25 (vi) administer the request for proposals process;

26 (vii) have the discretion to negotiate to

1 determine whether bidders are willing to lower the  
2 price of bids that meet the benchmarks approved by the  
3 Commission; any post-bid negotiations with bidders  
4 shall be limited to price only and shall be completed  
5 within 24 hours after opening the sealed bids and  
6 shall be conducted in a fair and unbiased manner; in  
7 conducting the negotiations, there shall be no  
8 disclosure of any information derived from proposals  
9 submitted by competing bidders; if information is  
10 disclosed to any bidder, it shall be provided to all  
11 competing bidders;

12 (viii) maintain confidentiality of supplier and  
13 bidding information in a manner consistent with all  
14 applicable laws, rules, regulations, and tariffs;

15 (ix) submit a confidential report to the  
16 Commission recommending acceptance or rejection of  
17 bids;

18 (x) notify the utility of contract counterparties  
19 and contract specifics; and

20 (xi) administer related contingency procurement  
21 events.

22 (2) The procurement monitor, who shall be retained by  
23 the Commission, shall:

24 (i) monitor interactions among the procurement  
25 administrator, suppliers, and utility;

26 (ii) monitor and report to the Commission on the

1 progress of the procurement process;

2 (iii) provide an independent confidential report  
3 to the Commission regarding the results of the  
4 procurement event;

5 (iv) assess compliance with the procurement plans  
6 approved by the Commission for each utility that on  
7 December 31, 2005 provided electric service to at  
8 least 100,000 customers in Illinois and for each small  
9 multi-jurisdictional utility that on December 31, 2005  
10 served less than 100,000 customers in Illinois;

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

14 (vi) provide expert advice to the Commission and  
15 consult with the procurement administrator regarding  
16 issues related to procurement process design, rules,  
17 protocols, and policy-related matters; and

18 (vii) consult with the procurement administrator  
19 regarding the development and use of benchmark  
20 criteria, standard form contracts, credit policies,  
21 and bid documents.

22 (d) Except as provided in subsection (j), the planning  
23 process shall be conducted as follows:

24 (1) Beginning in 2008, each Illinois utility procuring  
25 power pursuant to this Section shall annually provide a  
26 range of load forecasts to the Illinois Power Agency by

1 July 15 of each year, or such other date as may be required  
2 by the Commission or Agency. The load forecasts shall  
3 cover the 5-year procurement planning period for the next  
4 procurement plan and shall include hourly data  
5 representing a high-load, low-load, and expected-load  
6 scenario for the load of those retail customers included  
7 in the plan's electric supply service requirements. The  
8 utility shall provide supporting data and assumptions for  
9 each of the scenarios.

10 (2) Beginning in 2008, the Illinois Power Agency shall  
11 prepare a procurement plan by August 15th of each year, or  
12 such other date as may be required by the Commission. The  
13 procurement plan shall identify the portfolio of  
14 demand-response and power and energy products to be  
15 procured. Cost-effective demand-response measures shall be  
16 procured as set forth in item (iii) of subsection (b) of  
17 this Section. Copies of the procurement plan shall be  
18 posted and made publicly available on the Agency's and  
19 Commission's websites, and copies shall also be provided  
20 to each affected electric utility. An affected utility  
21 shall have 30 days following the date of posting to  
22 provide comment to the Agency on the procurement plan.  
23 Other interested entities also may comment on the  
24 procurement plan. All comments submitted to the Agency  
25 shall be specific, supported by data or other detailed  
26 analyses, and, if objecting to all or a portion of the

1 procurement plan, accompanied by specific alternative  
2 wording or proposals. All comments shall be posted on the  
3 Agency's and Commission's websites. During this 30-day  
4 comment period, the Agency shall hold at least one public  
5 hearing within each utility's service area for the purpose  
6 of receiving public comment on the procurement plan.  
7 Within 14 days following the end of the 30-day review  
8 period, the Agency shall revise the procurement plan as  
9 necessary based on the comments received and file the  
10 procurement plan with the Commission and post the  
11 procurement plan on the websites.

12 (3) Within 5 days after the filing of the procurement  
13 plan, any person objecting to the procurement plan shall  
14 file an objection with the Commission. Within 10 days  
15 after the filing, the Commission shall determine whether a  
16 hearing is necessary. The Commission shall enter its order  
17 confirming or modifying the procurement plan within 90  
18 days after the filing of the procurement plan by the  
19 Illinois Power Agency.

20 (4) The Commission shall approve the procurement plan,  
21 including expressly the forecast used in the procurement  
22 plan, if the Commission determines that it will ensure  
23 adequate, reliable, affordable, efficient, and  
24 environmentally sustainable electric service at the lowest  
25 total cost over time, taking into account any benefits of  
26 price stability.

1           (4.5) The Commission shall review the Agency's  
2 recommendations for the selection of applicants to enter  
3 into long-term contracts for the sale and delivery of  
4 renewable energy credits from new renewable energy  
5 facilities to be constructed at or adjacent to the sites  
6 of coal-fueled electric generating facilities in this  
7 State in accordance with the provisions of subsection  
8 (c-5) of Section 1-75 of the Illinois Power Agency Act,  
9 and shall approve the Agency's recommendations if the  
10 Commission determines that the applicants recommended by  
11 the Agency for selection, the proposed new renewable  
12 energy facilities to be constructed, the amounts of  
13 renewable energy credits to be delivered pursuant to the  
14 contracts, and the other terms of the contracts, are  
15 consistent with the requirements of subsection (c-5) of  
16 Section 1-75 of the Illinois Power Agency Act.

17           (e) The procurement process shall include each of the  
18 following components:

19           (1) Solicitation, pre-qualification, and registration  
20 of bidders. The procurement administrator shall  
21 disseminate information to potential bidders to promote a  
22 procurement event, notify potential bidders that the  
23 procurement administrator may enter into a post-bid price  
24 negotiation with bidders that meet the applicable  
25 benchmarks, provide supply requirements, and otherwise  
26 explain the competitive procurement process. In addition

1 to such other publication as the procurement administrator  
2 determines is appropriate, this information shall be  
3 posted on the Illinois Power Agency's and the Commission's  
4 websites. The procurement administrator shall also  
5 administer the prequalification process, including  
6 evaluation of credit worthiness, compliance with  
7 procurement rules, and agreement to the standard form  
8 contract developed pursuant to paragraph (2) of this  
9 subsection (e). The procurement administrator shall then  
10 identify and register bidders to participate in the  
11 procurement event.

12 (2) Standard contract forms and credit terms and  
13 instruments. The procurement administrator, in  
14 consultation with the utilities, the Commission, and other  
15 interested parties and subject to Commission oversight,  
16 shall develop and provide standard contract forms for the  
17 supplier contracts that meet generally accepted industry  
18 practices. Standard credit terms and instruments that meet  
19 generally accepted industry practices shall be similarly  
20 developed. The procurement administrator shall make  
21 available to the Commission all written comments it  
22 receives on the contract forms, credit terms, or  
23 instruments. If the procurement administrator cannot reach  
24 agreement with the applicable electric utility as to the  
25 contract terms and conditions, the procurement  
26 administrator must notify the Commission of any disputed

1 terms and the Commission shall resolve the dispute. The  
2 terms of the contracts shall not be subject to negotiation  
3 by winning bidders, and the bidders must agree to the  
4 terms of the contract in advance so that winning bids are  
5 selected solely on the basis of price.

6 (3) Establishment of a market-based price benchmark.  
7 As part of the development of the procurement process, the  
8 procurement administrator, in consultation with the  
9 Commission staff, Agency staff, and the procurement  
10 monitor, shall establish benchmarks for evaluating the  
11 final prices in the contracts for each of the products  
12 that will be procured through the procurement process. The  
13 benchmarks shall be based on price data for similar  
14 products for the same delivery period and same delivery  
15 hub, or other delivery hubs after adjusting for that  
16 difference. The price benchmarks may also be adjusted to  
17 take into account differences between the information  
18 reflected in the underlying data sources and the specific  
19 products and procurement process being used to procure  
20 power for the Illinois utilities. The benchmarks shall be  
21 confidential but shall be provided to, and will be subject  
22 to Commission review and approval, prior to a procurement  
23 event.

24 (4) Request for proposals competitive procurement  
25 process. The procurement administrator shall design and  
26 issue a request for proposals to supply electricity in



1           accordance with each utility's procurement plan, as  
2           approved by the Commission. The request for proposals  
3           shall set forth a procedure for sealed, binding commitment  
4           bidding with pay-as-bid settlement, and provision for  
5           selection of bids on the basis of price.

6           (5) A plan for implementing contingencies in the event  
7           of supplier default or failure of the procurement process  
8           to fully meet the expected load requirement due to  
9           insufficient supplier participation, Commission rejection  
10          of results, or any other cause.

11           (i) Event of supplier default: In the event of  
12          supplier default, the utility shall review the  
13          contract of the defaulting supplier to determine if  
14          the amount of supply is 200 megawatts or greater, and  
15          if there are more than 60 days remaining of the  
16          contract term. If both of these conditions are met,  
17          and the default results in termination of the  
18          contract, the utility shall immediately notify the  
19          Illinois Power Agency that a request for proposals  
20          must be issued to procure replacement power, and the  
21          procurement administrator shall run an additional  
22          procurement event. If the contracted supply of the  
23          defaulting supplier is less than 200 megawatts or  
24          there are less than 60 days remaining of the contract  
25          term, the utility shall procure power and energy from  
26          the applicable regional transmission organization

1 market, including ancillary services, capacity, and  
2 day-ahead or real time energy, or both, for the  
3 duration of the contract term to replace the  
4 contracted supply; provided, however, that if a needed  
5 product is not available through the regional  
6 transmission organization market it shall be purchased  
7 from the wholesale market.

8 (ii) Failure of the procurement process to fully  
9 meet the expected load requirement: If the procurement  
10 process fails to fully meet the expected load  
11 requirement due to insufficient supplier participation  
12 or due to a Commission rejection of the procurement  
13 results, the procurement administrator, the  
14 procurement monitor, and the Commission staff shall  
15 meet within 10 days to analyze potential causes of low  
16 supplier interest or causes for the Commission  
17 decision. If changes are identified that would likely  
18 result in increased supplier participation, or that  
19 would address concerns causing the Commission to  
20 reject the results of the prior procurement event, the  
21 procurement administrator may implement those changes  
22 and rerun the request for proposals process according  
23 to a schedule determined by those parties and  
24 consistent with Section 1-75 of the Illinois Power  
25 Agency Act and this subsection. In any event, a new  
26 request for proposals process shall be implemented by

1 the procurement administrator within 90 days after the  
2 determination that the procurement process has failed  
3 to fully meet the expected load requirement.

4 (iii) In all cases where there is insufficient  
5 supply provided under contracts awarded through the  
6 procurement process to fully meet the electric  
7 utility's load requirement, the utility shall meet the  
8 load requirement by procuring power and energy from  
9 the applicable regional transmission organization  
10 market, including ancillary services, capacity, and  
11 day-ahead or real time energy, or both; provided,  
12 however, that if a needed product is not available  
13 through the regional transmission organization market  
14 it shall be purchased from the wholesale market.

15 (6) The procurement processes described in this  
16 subsection and in subsection (c-5) and (c-7) of Section  
17 1-75 of the Illinois Power Agency Act are exempt from the  
18 requirements of the Illinois Procurement Code, pursuant to  
19 Section 20-10 of that Code.

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

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

11 (g) Within 3 business days after the Commission decision  
12 approving the results of a procurement event, the utility  
13 shall enter into binding contractual arrangements with the  
14 winning suppliers using the standard form contracts; except  
15 that the utility shall not be required either directly or  
16 indirectly to execute the contracts if a tariff that is  
17 consistent with subsection (l) of this Section has not been  
18 approved and placed into effect for that utility.

19 (h) For the procurement of standard wholesale products,  
20 the names of the successful bidders and the load weighted  
21 average of the winning bid prices for each contract type and  
22 for each contract term shall be made available to the public at  
23 the time of Commission approval of a procurement event. For  
24 procurements conducted to meet the requirements of subsection  
25 (b) of Section 1-56 or subsection (c) of Section 1-75 of the  
26 Illinois Power Agency Act governed by the provisions of this

1 Section, the address and nameplate capacity of the new  
2 renewable energy generating facility proposed by a winning  
3 bidder shall also be made available to the public at the time  
4 of Commission approval of a procurement event, along with the  
5 business address and contact information for any winning  
6 bidder. An estimate or approximation of the nameplate capacity  
7 of the new renewable energy generating facility may be  
8 disclosed if necessary to protect the confidentiality of  
9 individual bid prices.

10 The Commission, the procurement monitor, the procurement  
11 administrator, the Illinois Power Agency, and all participants  
12 in the procurement process shall maintain the confidentiality  
13 of all other supplier and bidding information in a manner  
14 consistent with all applicable laws, rules, regulations, and  
15 tariffs. Confidential information, including the confidential  
16 reports submitted by the procurement administrator and  
17 procurement monitor pursuant to subsection (f) of this  
18 Section, shall not be made publicly available and shall not be  
19 discoverable by any party in any proceeding, absent a  
20 compelling demonstration of need, nor shall those reports be  
21 admissible in any proceeding other than one for law  
22 enforcement purposes.

23 (i) Within 2 business days after a Commission decision  
24 approving the results of a procurement event or such other  
25 date as may be required by the Commission from time to time,  
26 the utility shall file for informational purposes with the

1 Commission its actual or estimated retail supply charges, as  
2 applicable, by customer supply group reflecting the costs  
3 associated with the procurement and computed in accordance  
4 with the tariffs filed pursuant to subsection (l) of this  
5 Section and approved by the Commission.

6 (j) Within 60 days following August 28, 2007 (the  
7 effective date of Public Act 95-481), each electric utility  
8 that on December 31, 2005 provided electric service to at  
9 least 100,000 customers in Illinois shall prepare and file  
10 with the Commission an initial procurement plan, which shall  
11 conform in all material respects to the requirements of the  
12 procurement plan set forth in subsection (b); provided,  
13 however, that the Illinois Power Agency Act shall not apply to  
14 the initial procurement plan prepared pursuant to this  
15 subsection. The initial procurement plan shall identify the  
16 portfolio of power and energy products to be procured and  
17 delivered for the period June 2008 through May 2009, and shall  
18 identify the proposed procurement administrator, who shall  
19 have the same experience and expertise as is required of a  
20 procurement administrator hired pursuant to Section 1-75 of  
21 the Illinois Power Agency Act. Copies of the procurement plan  
22 shall be posted and made publicly available on the  
23 Commission's website. The initial procurement plan may include  
24 contracts for renewable resources that extend beyond May 2009.

25 (i) Within 14 days following filing of the initial  
26 procurement plan, any person may file a detailed objection

1 with the Commission contesting the procurement plan  
2 submitted by the electric utility. All objections to the  
3 electric utility's plan shall be specific, supported by  
4 data or other detailed analyses. The electric utility may  
5 file a response to any objections to its procurement plan  
6 within 7 days after the date objections are due to be  
7 filed. Within 7 days after the date the utility's response  
8 is due, the Commission shall determine whether a hearing  
9 is necessary. If it determines that a hearing is  
10 necessary, it shall require the hearing to be completed  
11 and issue an order on the procurement plan within 60 days  
12 after the filing of the procurement plan by the electric  
13 utility.

14 (ii) The order shall approve or modify the procurement  
15 plan, approve an independent procurement administrator,  
16 and approve or modify the electric utility's tariffs that  
17 are proposed with the initial procurement plan. The  
18 Commission shall approve the procurement plan if the  
19 Commission determines that it will ensure adequate,  
20 reliable, affordable, efficient, and environmentally  
21 sustainable electric service at the lowest total cost over  
22 time, taking into account any benefits of price stability.

23 (k) (Blank).

24 (k-5) (Blank).

25 (l) An electric utility shall recover its costs incurred  
26 under this Section and subsection (c-5) of Section 1-75 of the

1 Illinois Power Agency Act, including, but not limited to, the  
2 costs of procuring power and energy demand-response resources  
3 under this Section and its costs for purchasing renewable  
4 energy credits pursuant to subsection (c-5) of Section 1-75 of  
5 the Illinois Power Agency Act and (c-7). The utility shall  
6 file with the initial procurement plan its proposed tariffs  
7 through which its costs of procuring power that are incurred  
8 pursuant to a Commission-approved procurement plan and those  
9 other costs identified in this subsection (1), will be  
10 recovered. The tariffs shall include a formula rate or charge  
11 designed to pass through both the costs incurred by the  
12 utility in procuring a supply of electric power and energy for  
13 the applicable customer classes with no mark-up or return on  
14 the price paid by the utility for that supply, plus any just  
15 and reasonable costs that the utility incurs in arranging and  
16 providing for the supply of electric power and energy. The  
17 formula rate or charge shall also contain provisions that  
18 ensure that its application does not result in over or under  
19 recovery due to changes in customer usage and demand patterns,  
20 and that provide for the correction, on at least an annual  
21 basis, of any accounting errors that may occur. A utility  
22 shall recover through the tariff all reasonable costs incurred  
23 to implement or comply with any procurement plan that is  
24 developed and put into effect pursuant to Section 1-75 of the  
25 Illinois Power Agency Act and this Section, and for the  
26 procurement of renewable energy credits pursuant to subsection



1 (c-5) or (c-7) of Section 1-75 of the Illinois Power Agency  
2 Act, including any fees assessed by the Illinois Power Agency,  
3 costs associated with load balancing, and contingency plan  
4 costs. The electric utility shall also recover its full costs  
5 of procuring electric supply for which it contracted before  
6 the effective date of this Section in conjunction with the  
7 provision of full requirements service under fixed-price  
8 bundled service tariffs subsequent to December 31, 2006. All  
9 such costs shall be deemed to have been prudently incurred.  
10 The pass-through tariffs that are filed and approved pursuant  
11 to this Section shall not be subject to review under, or in any  
12 way limited by, Section 16-111(i) of this Act. All of the costs  
13 incurred by the electric utility associated with the purchase  
14 of zero emission credits in accordance with subsection (d-5)  
15 of Section 1-75 of the Illinois Power Agency Act, all costs  
16 incurred by the electric utility associated with the purchase  
17 of carbon mitigation credits in accordance with subsection  
18 (d-10) of Section 1-75 of the Illinois Power Agency Act, and,  
19 beginning June 1, 2017, all of the costs incurred by the  
20 electric utility associated with the purchase of renewable  
21 energy resources in accordance with Sections 1-56 and 1-75 of  
22 the Illinois Power Agency Act, and all of the costs incurred by  
23 the electric utility in purchasing renewable energy credits in  
24 accordance with subsection (c-5) of Section 1-75 of the  
25 Illinois Power Agency Act, shall be recovered through the  
26 electric utility's tariffed charges applicable to all of its

1 retail customers, as specified in subsection (k), ~~or~~  
2 subsection (i-5), or (i-7) as applicable, of Section 16-108 of  
3 this Act, and shall not be recovered through the electric  
4 utility's tariffed charges for electric power and energy  
5 supply to its eligible retail customers.

6 (m) The Commission has the authority to adopt rules to  
7 carry out the provisions of this Section. For the public  
8 interest, safety, and welfare, the Commission also has  
9 authority to adopt rules to carry out the provisions of this  
10 Section on an emergency basis immediately following August 28,  
11 2007 (the effective date of Public Act 95-481).

12 (n) Notwithstanding any other provision of this Act, any  
13 affiliated electric utilities that submit a single procurement  
14 plan covering their combined needs may procure for those  
15 combined needs in conjunction with that plan, and may enter  
16 jointly into power supply contracts, purchases, and other  
17 procurement arrangements, and allocate capacity and energy and  
18 cost responsibility therefor among themselves in proportion to  
19 their requirements.

20 (o) On or before June 1 of each year, the Commission shall  
21 hold an informal hearing for the purpose of receiving comments  
22 on the prior year's procurement process and any  
23 recommendations for change.

24 (p) An electric utility subject to this Section may  
25 propose to invest, lease, own, or operate an electric  
26 generation facility or high voltage direct current

1 transmission line as part of its procurement plan, provided  
2 the utility demonstrates that such facility is the least-cost  
3 option to provide electric service to those retail customers  
4 included in the plan's electric supply service requirements.  
5 If the facility is shown to be the least-cost option and is  
6 included in a procurement plan prepared in accordance with  
7 Section 1-75 of the Illinois Power Agency Act and this  
8 Section, then the electric utility shall make a filing  
9 pursuant to Section 8-406 of this Act, and may request of the  
10 Commission any statutory relief required thereunder. If the  
11 Commission grants all of the necessary approvals for the  
12 proposed facility, such supply shall thereafter be considered  
13 as a pre-existing contract under subsection (b) of this  
14 Section. The Commission shall in any order approving a  
15 proposal under this subsection specify how the utility will  
16 recover the prudently incurred costs of investing in, leasing,  
17 owning, or operating such generation facility through just and  
18 reasonable rates charged to those retail customers included in  
19 the plan's electric supply service requirements. Cost recovery  
20 for facilities included in the utility's procurement plan  
21 pursuant to this subsection shall not be subject to review  
22 under or in any way limited by the provisions of Section  
23 16-111(i) of this Act. Nothing in this Section is intended to  
24 prohibit a utility from filing for a fuel adjustment clause as  
25 is otherwise permitted under Section 9-220 of this Act.

26 (q) If the Illinois Power Agency filed with the

1 Commission, under Section 16-111.5 of this Act, its proposed  
2 procurement plan for the period commencing June 1, 2017, and  
3 the Commission has not yet entered its final order approving  
4 the plan on or before the effective date of this amendatory Act  
5 of the 99th General Assembly, then the Illinois Power Agency  
6 shall file a notice of withdrawal with the Commission, after  
7 the effective date of this amendatory Act of the 99th General  
8 Assembly, to withdraw the proposed procurement of renewable  
9 energy resources to be approved under the plan, other than the  
10 procurement of renewable energy credits from distributed  
11 renewable energy generation devices using funds previously  
12 collected from electric utilities' retail customers that take  
13 service pursuant to electric utilities' hourly pricing tariff  
14 or tariffs and, for an electric utility that serves less than  
15 100,000 retail customers in the State, other than the  
16 procurement of renewable energy credits from distributed  
17 renewable energy generation devices. Upon receipt of the  
18 notice, the Commission shall enter an order that approves the  
19 withdrawal of the proposed procurement of renewable energy  
20 resources from the plan. The initially proposed procurement of  
21 renewable energy resources shall not be approved or be the  
22 subject of any further hearing, investigation, proceeding, or  
23 order of any kind.

24 This amendatory Act of the 99th General Assembly preempts  
25 and supersedes any order entered by the Commission that  
26 approved the Illinois Power Agency's procurement plan for the

1 period commencing June 1, 2017, to the extent it is  
2 inconsistent with the provisions of this amendatory Act of the  
3 99th General Assembly. To the extent any previously entered  
4 order approved the procurement of renewable energy resources,  
5 the portion of that order approving the procurement shall be  
6 void, other than the procurement of renewable energy credits  
7 from distributed renewable energy generation devices using  
8 funds previously collected from electric utilities' retail  
9 customers that take service under electric utilities' hourly  
10 pricing tariff or tariffs and, for an electric utility that  
11 serves less than 100,000 retail customers in the State, other  
12 than the procurement of renewable energy credits for  
13 distributed renewable energy generation devices.

14 (Source: P.A. 102-662, eff. 9-15-21.)