



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5856

Introduced 5/24/2024, by Rep. Barbara Hernandez

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Power Agency Act. Authorizes the Illinois Power Agency to (i) conduct competitive solicitations to procure contracted energy storage credits sufficient to achieve certain energy storage standards, and (ii) request, review, and accept proposals, execute contracts, and procure energy storage credits. Requires the Agency to develop a storage procurement plan. Authorizes the Agency to develop and implement a firm energy resource procurement plan. Makes other changes. Amends the Public Utilities Act. Requires each electric utility to demonstrate sufficient resources devoted to interconnection. Requires the Illinois Commerce Commission to perform specified actions regarding interconnection within 90 days after the effective date of the amendatory Act. In a provision regarding virtual power plant programs, requires each electric utility serving more than 300,000 customers as of January 1, 2023 to propose an initial tariff within 60 days after the effective date of the amendatory Act. In a provision regarding peak remediation programs, requires each electric utility serving more than 300,000 retail customers as of January 1, 2023 to propose an initial tariff within 90 days after the effective date of the amendatory Act. Requires the Commission to establish a working group with relevant stakeholders to develop a stand-alone energy storage distribution deployment program. Provides that, beginning on June 1, 2024, the electric utility shall be entitled to recover through tariffed charges all of the costs associated with the purchase of energy storage credits to meet specified energy storage standards. Requires the Agency to prepare an energy storage resources procurement plan for the procurement of energy storage credits. Requires the Commission to establish an Office of Interconnection and Renewable Development, which shall (i) actively seek input from all interested parties and shall develop a thorough understanding and critical analyses of the tools and techniques used to promote development and remove barriers to development of the projects and devices, and (ii) monitor interconnection between electric utilities and applicants for interconnection and interconnection customers. Sets forth reporting requirements for the Office. Makes other changes. Effective immediately.

LRB103 40655 LNS 73376 b

A BILL FOR

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 and by adding  
6 Sections 1-93 and 1-94 as follows:

7 (20 ILCS 3855/1-5)

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

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

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

19 (2) (Blank).

20 (3) (Blank).

21 (4) It is necessary to improve the process of  
22 procuring electricity to serve Illinois residents, to  
23 promote investment in energy efficiency and

1 demand-response measures, and to maintain and support  
2 development of clean coal technologies, generation  
3 resources that operate at all hours of the day and under  
4 all weather conditions, zero emission facilities, and  
5 renewable resources.

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

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

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

24 (8) Developing brownfield solar projects in Illinois  
25 will help return blighted or contaminated land to  
26 productive use while enhancing public health and the

1 well-being of Illinois residents, including those in  
2 environmental justice communities.

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

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

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

1 Illinois; and, enhancing grid reliability and climate  
2 resilience via HVDC facilities that are installed  
3 underground.

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

13 (11) The General Assembly enacted Public Act 96-0795  
14 to reform the State's purchasing processes, recognizing  
15 that government procurement is susceptible to abuse if  
16 structural and procedural safeguards are not in place to  
17 ensure independence, insulation, oversight, and  
18 transparency.

19 (12) The principles that underlie the procurement  
20 reform legislation apply also in the context of power  
21 purchasing.

22 (13) To ensure that the benefits of installing  
23 renewable resources are available to all Illinois  
24 residents and located across the State, subject to  
25 appropriation, it is necessary for the Agency to provide  
26 public information and educational resources on how

1 residents can benefit from the expansion of renewable  
2 energy in Illinois and participate in the Illinois Solar  
3 for All Program established in Section 1-56, the  
4 Adjustable Block program established in Section 1-75, the  
5 job training programs established by paragraph (1) of  
6 subsection (a) of Section 16-108.12 of the Public  
7 Utilities Act, and the programs and resources established  
8 by the Energy Transition Act.

9 (14) The deployment of energy storage systems is  
10 necessary to achieve high levels of renewable energy, to  
11 avoid the use of peaking fossil fuel plants, and to  
12 maintain an efficient, reliable, and resilient electric  
13 grid.

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

18 (A) Develop electricity procurement plans to ensure  
19 adequate, reliable, affordable, efficient, and  
20 environmentally sustainable electric service at the lowest  
21 total cost over time, taking into account any benefits of  
22 price stability, for electric utilities that on December  
23 31, 2005 provided electric service to at least 100,000  
24 customers in Illinois and for small multi-jurisdictional  
25 electric utilities that (i) on December 31, 2005 served  
26 less than 100,000 customers in Illinois and (ii) request a

1 procurement plan for their Illinois jurisdictional load.  
2 The procurement plan shall be updated on an annual basis  
3 and shall include renewable energy resources and,  
4 beginning with the delivery year commencing June 1, 2017,  
5 zero emission credits from zero emission facilities  
6 sufficient to achieve the standards specified in this Act.

7 (B) Conduct the competitive procurement processes  
8 identified in this Act.

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

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

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

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

24 (G) Operate in a structurally insulated, independent,  
25 and transparent fashion so that nothing impedes the  
26 Agency's mission to secure power at the best prices the

1 market will bear, provided that the Agency meets all  
2 applicable legal requirements.

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

9 (I) Implement procurements to cost-effectively deploy  
10 contracted energy storage systems.

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

12 (20 ILCS 3855/1-10)

13 Sec. 1-10. Definitions.

14 "Agency" means the Illinois Power Agency.

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

23 "Authority" means the Illinois Finance Authority.

24 "Brownfield site photovoltaic project" means photovoltaics  
25 that are either:



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

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

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

16                   (C) the Illinois Environmental Protection Agency  
17                   under the Illinois Site Remediation Program; or

18                   (D) the Illinois Environmental Protection Agency  
19                   under the Illinois Solid Waste Program; or

20           (2) located at the site of a coal mine that has  
21           permanently ceased coal production, permanently halted any  
22           re-mining operations, and is no longer accepting any coal  
23           combustion residues; has both completed all clean-up and  
24           remediation obligations under the federal Surface Mining  
25           and Reclamation Act of 1977 and all applicable Illinois  
26           rules and any other clean-up, remediation, or ongoing

1 monitoring to safeguard the health and well-being of the  
2 people of the State of Illinois, as well as demonstrated  
3 compliance with all applicable federal and State  
4 environmental rules and regulations, including, but not  
5 limited, to 35 Ill. Adm. Code Part 845 and any rules for  
6 historic fill of coal combustion residuals, including any  
7 rules finalized in Subdocket A of Illinois Pollution  
8 Control Board docket R2020-019.

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

1 the clean coal facility obtains an approved air permit. All  
2 coal used by a clean coal facility shall have high volatile  
3 bituminous rank and greater than 1.7 pounds of sulfur per  
4 million Btu content, unless the clean coal facility does not  
5 use gasification technology and was operating as a  
6 conventional coal-fired electric generating facility on June  
7 1, 2009 (the effective date of Public Act 95-1027).

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

24 "Clean coal SNG facility" means a facility that uses a  
25 gasification process to produce substitute natural gas, that  
26 sequesters at least 90% of the total carbon dioxide emissions

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

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

13 "Commission" means the Illinois Commerce Commission.

14 "Community renewable generation project" means an electric  
15 generating facility that:

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

20 (2) is interconnected at the distribution system level  
21 of an electric utility as defined in this Section, a  
22 municipal utility as defined in this Section that owns or  
23 operates electric distribution facilities, a public  
24 utility as defined in Section 3-105 of the Public  
25 Utilities Act, or an electric cooperative, as defined in  
26 Section 3-119 of the Public Utilities Act;

1           (3) credits the value of electricity generated by the  
2           facility to the subscribers of the facility; and

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

5           "Costs incurred in connection with the development and  
6           construction of a facility" means:

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

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

14          (3) all origination, commitment, utilization,  
15          facility, placement, underwriting, syndication, credit  
16          enhancement, and rating agency fees;

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

23          (5) the costs of plans, specifications, site study and  
24          investigation, installation, surveys, other Agency costs  
25          and estimates of costs, and other expenses necessary or  
26          incidental to determining the feasibility of any project,

1 together with such other expenses as may be necessary or  
2 incidental to the financing, insuring, acquisition, and  
3 construction of a specific project and starting up,  
4 commissioning, and placing that project in operation.

5 "Daily energy volatility index" means a calculation, for a  
6 contracted energy storage system, of the difference in average  
7 price per megawatt hour between the average of the "X" highest  
8 priced hours and the "X" lowest priced hours for each day,  
9 adjusted for energy storage round trip efficiency, in the  
10 day-ahead energy market of the energy storage duration of the  
11 contracted energy storage system for each day in the day-ahead  
12 energy market of the applicable pricing node of the  
13 independent system operator or regional transmission  
14 organization, where "X" equals the energy storage duration of  
15 the contracted energy storage system.

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

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

21 "Department" means the Department of Commerce and Economic  
22 Opportunity.

23 "Director" means the Director of the Illinois Power  
24 Agency.

25 "Demand-response" means measures that decrease peak  
26 electricity demand or shift demand from peak to off-peak

1 periods.

2 "Distributed renewable energy generation device" means a  
3 device that is:

4 (1) powered by wind, solar thermal energy,  
5 photovoltaic cells or panels, biodiesel, crops and  
6 untreated and unadulterated organic waste biomass, tree  
7 waste, and hydropower that does not involve new  
8 construction of dams, waste heat to power systems, or  
9 qualified combined heat and power systems;

10 (2) interconnected at the distribution system level of  
11 either an electric utility as defined in this Section, a  
12 municipal utility as defined in this Section that owns or  
13 operates electric distribution facilities, or a rural  
14 electric cooperative as defined in Section 3-119 of the  
15 Public Utilities Act;

16 (3) located on the customer side of the customer's  
17 electric meter and is primarily used to offset that  
18 customer's electricity load; and

19 (4) (blank).

20 "Energy efficiency" means measures that reduce the amount  
21 of electricity or natural gas consumed in order to achieve a  
22 given end use. "Energy efficiency" includes voltage  
23 optimization measures that optimize the voltage at points on  
24 the electric distribution voltage system and thereby reduce  
25 electricity consumption by electric customers' end use  
26 devices. "Energy efficiency" also includes measures that

1 reduce the total Btus of electricity, natural gas, and other  
2 fuels needed to meet the end use or uses.

3 "Energy storage capacity" means the nameplate capacity of  
4 a contracted energy storage system, measured in megawatts AC.

5 "Energy storage credit" means a fungible credit that  
6 represents the flexibility value of a contracted energy  
7 storage system. An energy storage credit is produced for each  
8 one megawatt of energy storage capacity multiplied by the  
9 energy storage duration each day that the contracted energy  
10 storage system is interconnected with wholesale electricity  
11 markets.

12 "Energy storage credit counterparty" has the same meaning  
13 as "public utility" as defined in Section 3-105 of the Public  
14 Utilities Act.

15 "Energy storage credit value" means a price, measured in  
16 dollars per credit, calculated for each day for a contracted  
17 energy storage system by subtracting the daily energy  
18 volatility index and the reference capacity price from the  
19 energy storage strike price.

20 "Energy storage duration" means the number of hours over  
21 which an energy storage system is capable of continuously  
22 discharging energy at its full energy storage capacity.

23 "Energy storage round-trip efficiency" means the ratio of  
24 energy discharged from an energy storage system at its energy  
25 capacity divided by the energy used to charge the energy  
26 storage system at its energy capacity.



1       "Energy storage strike price" means a contract price for  
2 energy storage credits from a contracted energy storage  
3 system.

4       "Energy storage system" means commercially available  
5 technology that is capable of absorbing energy and storing it  
6 for use at a later time, including, but not limited to,  
7 electrochemical and electromechanical technologies. "Energy  
8 storage system" does not include technologies that require  
9 combustion.

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

12       "Equity investment eligible community" or "eligible  
13 community" are synonymous and mean the geographic areas  
14 throughout Illinois which would most benefit from equitable  
15 investments by the State designed to combat discrimination.  
16 Specifically, the eligible communities shall be defined as the  
17 following areas:

18           (1) R3 Areas as established pursuant to Section 10-40  
19 of the Cannabis Regulation and Tax Act, where residents  
20 have historically been excluded from economic  
21 opportunities, including opportunities in the energy  
22 sector; and

23           (2) environmental justice communities, as defined by  
24 the Illinois Power Agency pursuant to the Illinois Power  
25 Agency Act, where residents have historically been subject  
26 to disproportionate burdens of pollution, including

1 pollution from the energy sector.

2 "Equity eligible persons" or "eligible persons" means  
3 persons who would most benefit from equitable investments by  
4 the State designed to combat discrimination, specifically:

5 (1) persons who graduate from or are current or former  
6 participants in the Clean Jobs Workforce Network Program,  
7 the Clean Energy Contractor Incubator Program, the  
8 Illinois Climate Works Preapprenticeship Program,  
9 Returning Residents Clean Jobs Training Program, or the  
10 Clean Energy Primes Contractor Accelerator Program, and  
11 the solar training pipeline and multi-cultural jobs  
12 program created in paragraphs (a) (1) and (a) (3) of Section  
13 16-208.12 of the Public Utilities Act;

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

16 (3) persons who were formerly incarcerated;

17 (4) persons whose primary residence is in an equity  
18 investment eligible community.

19 "Equity eligible contractor" means a business that is  
20 majority-owned by eligible persons, ~~or~~ a nonprofit or  
21 cooperative that is majority-governed by eligible persons, or  
22 ~~is~~ a natural person that is an eligible person offering  
23 personal services as an independent contractor.

24 "Facility" means an electric generating unit or a  
25 co-generating unit that produces electricity along with  
26 related equipment necessary to connect the facility to an

1 electric transmission or distribution system.

2 "General contractor" means the entity or organization with  
3 main responsibility for the building of a construction project  
4 and who is the party signing the prime construction contract  
5 for the project.

6 "Governmental aggregator" means one or more units of local  
7 government that individually or collectively procure  
8 electricity to serve residential retail electrical loads  
9 located within its or their jurisdiction.

10 "High voltage direct current converter station" means the  
11 collection of equipment that converts direct current energy  
12 from a high voltage direct current transmission line into  
13 alternating current using Voltage Source Conversion technology  
14 and that is interconnected with transmission or distribution  
15 assets located in Illinois.

16 "High voltage direct current renewable energy credit"  
17 means a renewable energy credit associated with a renewable  
18 energy resource where the renewable energy resource has  
19 entered into a contract to transmit the energy associated with  
20 such renewable energy credit over high voltage direct current  
21 transmission facilities.

22 "High voltage direct current transmission facilities"  
23 means the collection of installed equipment that converts  
24 alternating current energy in one location to direct current  
25 and transmits that direct current energy to a high voltage  
26 direct current converter station using Voltage Source

1 Conversion technology. "High voltage direct current  
2 transmission facilities" includes the high voltage direct  
3 current converter station itself and associated high voltage  
4 direct current transmission lines. Notwithstanding the  
5 preceding, after September 15, 2021 (the effective date of  
6 Public Act 102-662), an otherwise qualifying collection of  
7 equipment does not qualify as high voltage direct current  
8 transmission facilities unless its developer entered into a  
9 project labor agreement, is capable of transmitting  
10 electricity at 525kv with an Illinois converter station  
11 located and interconnected in the region of the PJM  
12 Interconnection, LLC, and the system does not operate as a  
13 public utility, as that term is defined in Section 3-105 of the  
14 Public Utilities Act.

15 "Hydropower" means any method of electricity generation or  
16 storage that results from the flow of water, including  
17 impoundment facilities, diversion facilities, and pumped  
18 storage facilities.

19 "Index price" means the real-time energy settlement price  
20 at the applicable Illinois trading hub, such as PJM-NIHUB or  
21 MISO-IL, for a given settlement period. "Index price" may, if  
22 a utility-scale wind facility or a utility-scale solar  
23 facility interconnected with an electric utility elects to use  
24 an alternative definition, also include the monthly settlement  
25 of the applicable seasonal qualifying facilities rate offered  
26 by the interconnecting electric utility.

1       "Indexed credit" means a credit subject to a contract  
2 described in Section 1-93.

3       "Indexed renewable energy credit" means a tradable credit  
4 that represents the environmental attributes of one megawatt  
5 hour of energy produced from a renewable energy resource, the  
6 price of which shall be calculated by subtracting the strike  
7 price offered by a new utility-scale wind project or a new  
8 utility-scale photovoltaic project from the index price in a  
9 given settlement period.

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

13       "Local government" means a unit of local government as  
14 defined in Section 1 of Article VII of the Illinois  
15 Constitution.

16       "Long-duration energy storage" means an energy storage  
17 system capable of dispatching energy at its full rated  
18 capacity for 10 or more hours.

19       "Long-term energy storage contract" means a contract for  
20 the purchase of energy storage credits generated by an energy  
21 storage system for a period of at least 15 years.

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

25       "Multi-day energy storage" means an energy storage system  
26 capable of dispatching energy at its full rated capacity for

1 greater than 24 hours.

2 "Municipality" means a city, village, or incorporated  
3 town.

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

7 "Nameplate capacity" means the aggregate inverter  
8 nameplate capacity in kilowatts AC. "Nameplate capacity" does  
9 not include the capacity of an energy storage system  
10 associated with a renewable energy resource.

11 "Person" means any natural person, firm, partnership,  
12 corporation, either domestic or foreign, company, association,  
13 limited liability company, joint stock company, or association  
14 and includes any trustee, receiver, assignee, or personal  
15 representative thereof.

16 "Project" means the planning, bidding, and construction of  
17 a facility.

18 "Project labor agreement" means a pre-hire collective  
19 bargaining agreement that covers all terms and conditions of  
20 employment on a specific construction project and must include  
21 the following:

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

24 (2) provisions establishing the benefits and other  
25 compensation for each class of labor organization  
26 employee;

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

3           (4) provisions establishing that no lockout or  
4 disputes will be engaged in by the general contractor  
5 building the project; and

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

12           A labor organization and the general contractor building  
13 the project shall have the authority to include other terms  
14 and conditions as they deem necessary.

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

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

25           "Real property" means any interest in land together with  
26 all structures, fixtures, and improvements thereon, including

1 lands under water and riparian rights, any easements,  
2 covenants, licenses, leases, rights-of-way, uses, and other  
3 interests, together with any liens, judgments, mortgages, or  
4 other claims or security interests related to real property.

5 "Reference capacity price" means a price, measured in  
6 dollars per megawatt hour, representing the revenue available  
7 for a contracted energy storage system through participation  
8 in the MISO Planning Resource Auction or the PJM Base Residual  
9 Auction, or their successor resource adequacy constructs. The  
10 reference capacity price shall be calculated by adjusting the  
11 currently prevailing clearing price in the MISO Planning  
12 Resource Auction or the PJM Base Residual Action, or their  
13 successor resource adequacy constructs, by the accredited  
14 capacity of the contracted energy storage system and  
15 converting the units to megawatt hours.

16 "Renewable energy credit" means a tradable credit that  
17 represents the environmental attributes of one megawatt hour  
18 of energy produced from a renewable energy resource.

19 "Renewable energy resources" includes energy and its  
20 associated renewable energy credit or renewable energy credits  
21 from wind, solar thermal energy, photovoltaic cells and  
22 panels, biodiesel, anaerobic digestion, crops and untreated  
23 and unadulterated organic waste biomass, and hydropower that  
24 does not involve new construction of dams, waste heat to power  
25 systems, or qualified combined heat and power systems. For  
26 purposes of this Act, landfill gas produced in the State is



1 considered a renewable energy resource. "Renewable energy  
2 resources" does not include the incineration or burning of  
3 tires, garbage, general household, institutional, and  
4 commercial waste, industrial lunchroom or office waste,  
5 landscape waste, railroad crossties, utility poles, or  
6 construction or demolition debris, other than untreated and  
7 unadulterated waste wood. "Renewable energy resources" also  
8 includes high voltage direct current renewable energy credits  
9 and the associated energy converted to alternating current by  
10 a high voltage direct current converter station to the extent  
11 that: (1) the generator of such renewable energy resource  
12 contracted with a third party to transmit the energy over the  
13 high voltage direct current transmission facilities, and (2)  
14 the third-party contracting for delivery of renewable energy  
15 resources over the high voltage direct current transmission  
16 facilities have ownership rights over the unretired associated  
17 high voltage direct current renewable energy credit.

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

20 "Revenue bond" means any bond, note, or other evidence of  
21 indebtedness issued by the Authority, the principal and  
22 interest of which is payable solely from revenues or income  
23 derived from any project or activity of the Agency.

24 "Sequester" means permanent storage of carbon dioxide by  
25 injecting it into a saline aquifer, a depleted gas reservoir,  
26 or an oil reservoir, directly or through an enhanced oil

1 recovery process that may involve intermediate storage,  
2 regardless of whether these activities are conducted by a  
3 clean coal facility, a clean coal SNG facility, a clean coal  
4 SNG brownfield facility, or a party with which a clean coal  
5 facility, clean coal SNG facility, or clean coal SNG  
6 brownfield facility has contracted for such purposes.

7 "Service area" has the same definition as found in Section  
8 16-102 of the Public Utilities Act.

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

12 "Sourcing agreement" means (i) in the case of an electric  
13 utility, an agreement between the owner of a clean coal  
14 facility and such electric utility, which agreement shall have  
15 terms and conditions meeting the requirements of paragraph (3)  
16 of subsection (d) of Section 1-75, (ii) in the case of an  
17 alternative retail electric supplier, an agreement between the  
18 owner of a clean coal facility and such alternative retail  
19 electric supplier, which agreement shall have terms and  
20 conditions meeting the requirements of Section 16-115(d)(5) of  
21 the Public Utilities Act, and (iii) in case of a gas utility,  
22 an agreement between the owner of a clean coal SNG brownfield  
23 facility and the gas utility, which agreement shall have the  
24 terms and conditions meeting the requirements of subsection  
25 (h-1) of Section 9-220 of the Public Utilities Act.

26 "Strike price" means a contract price for energy and

1 renewable energy credits from a new utility-scale wind project  
2 or a new utility-scale photovoltaic project.

3 "Subscriber" means a person who (i) takes delivery service  
4 from an electric utility, and (ii) has a subscription of no  
5 less than 200 watts to a community renewable generation  
6 project that is located in the electric utility's service  
7 area. No subscriber's subscriptions may total more than 40% of  
8 the nameplate capacity of an individual community renewable  
9 generation project. Entities that are affiliated by virtue of  
10 a common parent shall not represent multiple subscriptions  
11 that total more than 40% of the nameplate capacity of an  
12 individual community renewable generation project.

13 "Subscription" means an interest in a community renewable  
14 generation project expressed in kilowatts, which is sized  
15 primarily to offset part or all of the subscriber's  
16 electricity usage.

17 "Substitute natural gas" or "SNG" means a gas manufactured  
18 by gasification of hydrocarbon feedstock, which is  
19 substantially interchangeable in use and distribution with  
20 conventional natural gas.

21 "Tolling agreement" means a contract of not less than 15  
22 years between the owner or operator of an energy storage  
23 system and an electric utility where the electric utility  
24 contracts for supply and other services from the energy  
25 storage system.

26 "Total resource cost test" or "TRC test" means a standard

1 that is met if, for an investment in energy efficiency or  
2 demand-response measures, the benefit-cost ratio is greater  
3 than one. The benefit-cost ratio is the ratio of the net  
4 present value of the total benefits of the program to the net  
5 present value of the total costs as calculated over the  
6 lifetime of the measures. A total resource cost test compares  
7 the sum of avoided electric utility costs, representing the  
8 benefits that accrue to the system and the participant in the  
9 delivery of those efficiency measures and including avoided  
10 costs associated with reduced use of natural gas or other  
11 fuels, avoided costs associated with reduced water  
12 consumption, and avoided costs associated with reduced  
13 operation and maintenance costs, as well as other quantifiable  
14 societal benefits, to the sum of all incremental costs of  
15 end-use measures that are implemented due to the program  
16 (including both utility and participant contributions), plus  
17 costs to administer, deliver, and evaluate each demand-side  
18 program, to quantify the net savings obtained by substituting  
19 the demand-side program for supply resources. In calculating  
20 avoided costs of power and energy that an electric utility  
21 would otherwise have had to acquire, reasonable estimates  
22 shall be included of financial costs likely to be imposed by  
23 future regulations and legislation on emissions of greenhouse  
24 gases. In discounting future societal costs and benefits for  
25 the purpose of calculating net present values, a societal  
26 discount rate based on actual, long-term Treasury bond yields

1 should be used. Notwithstanding anything to the contrary, the  
2 TRC test shall not include or take into account a calculation  
3 of market price suppression effects or demand reduction  
4 induced price effects.

5 "Utility-scale solar project" means an electric generating  
6 facility that:

7 (1) generates electricity using photovoltaic cells;

8 and

9 (2) has a nameplate capacity that is greater than  
10 5,000 kilowatts.

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

13 (1) generates electricity using wind; and

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

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

19 "Zero emission credit" means a tradable credit that  
20 represents the environmental attributes of one megawatt hour  
21 of energy produced from a zero emission facility.

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

26 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;

1 103-380, eff. 1-1-24.)

2 (20 ILCS 3855/1-20)

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

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

5 (1) Develop electricity procurement plans to ensure  
6 adequate, reliable, affordable, efficient, and  
7 environmentally sustainable electric service at the lowest  
8 total cost over time, taking into account any benefits of  
9 price stability, for electric utilities that on December  
10 31, 2005 provided electric service to at least 100,000  
11 customers in Illinois and for small multi-jurisdictional  
12 electric utilities that (A) on December 31, 2005 served  
13 less than 100,000 customers in Illinois and (B) request a  
14 procurement plan for their Illinois jurisdictional load.  
15 Except as provided in paragraph (1.5) of this subsection  
16 (a), the electricity procurement plans shall be updated on  
17 an annual basis and shall include electricity generated  
18 from renewable resources sufficient to achieve the  
19 standards specified in this Act. Beginning with the  
20 delivery year commencing June 1, 2017, develop procurement  
21 plans to include zero emission credits generated from zero  
22 emission facilities sufficient to achieve the standards  
23 specified in this Act. Beginning with the delivery year  
24 commencing on June 1, 2022, the Agency is authorized to  
25 develop carbon mitigation credit procurement plans to

1 include carbon mitigation credits generated from  
2 carbon-free energy resources sufficient to achieve the  
3 standards specified in this Act.

4 (1.5) Develop a long-term renewable resources  
5 procurement plan in accordance with subsection (c) of  
6 Section 1-75 of this Act for renewable energy credits in  
7 amounts sufficient to achieve the standards specified in  
8 this Act for delivery years commencing June 1, 2017 and  
9 for the programs and renewable energy credits specified in  
10 Section 1-56 of this Act. Electricity procurement plans  
11 for delivery years commencing after May 31, 2017, shall  
12 not include procurement of renewable energy resources.

13 (2) Conduct competitive procurement processes to  
14 procure the supply resources identified in the electricity  
15 procurement plan, pursuant to Section 16-111.5 of the  
16 Public Utilities Act, and, for the delivery year  
17 commencing June 1, 2017, conduct procurement processes to  
18 procure zero emission credits from zero emission  
19 facilities, under subsection (d-5) of Section 1-75 of this  
20 Act. For the delivery year commencing June 1, 2022, the  
21 Agency is authorized to conduct procurement processes to  
22 procure carbon mitigation credits from carbon-free energy  
23 resources, under subsection (d-10) of Section 1-75 of this  
24 Act.

25 (2.5) Beginning with the procurement for the 2017  
26 delivery year, conduct competitive procurement processes

1 and implement programs to procure renewable energy credits  
2 identified in the long-term renewable resources  
3 procurement plan developed and approved under subsection  
4 (c) of Section 1-75 of this Act and Section 16-111.5 of the  
5 Public Utilities Act.

6 (2.10) Oversee the procurement by electric utilities  
7 that served more than 300,000 customers in this State as  
8 of January 1, 2019 of renewable energy credits from new  
9 renewable energy facilities to be installed, along with  
10 energy storage facilities, at or adjacent to the sites of  
11 electric generating facilities that burned coal as their  
12 primary fuel source as of January 1, 2016 in accordance  
13 with subsection (c-5) of Section 1-75 of this Act.

14 (2.15) Oversee the procurement by electric utilities  
15 of renewable energy credits from newly modernized or  
16 retooled hydropower dams or dams that have been converted  
17 to support hydropower generation.

18 (3) Develop electric generation and co-generation  
19 facilities that use indigenous coal or renewable  
20 resources, or both, financed with bonds issued by the  
21 Illinois Finance Authority.

22 (4) Supply electricity from the Agency's facilities at  
23 cost to one or more of the following: municipal electric  
24 systems, governmental aggregators, or rural electric  
25 cooperatives in Illinois.

26 (5) Conduct competitive solicitations to procure



1       energy storage credits sufficient to achieve, at minimum,  
2       the energy storage standard under Section 1-93.

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

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

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

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

14              (4) To obtain and employ personnel and hire  
15              consultants that are necessary to fulfill the Agency's  
16              purposes, and to make expenditures for that purpose within  
17              the appropriations for that purpose.

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

23              (6) To acquire real or personal property, whether  
24              tangible or intangible, including without limitation  
25              property rights, interests in property, franchises,  
26              obligations, contracts, and debt and equity securities,

1 and to do so by the exercise of the power of eminent domain  
2 in accordance with Section 1-21; except that any real  
3 property acquired by the exercise of the power of eminent  
4 domain must be located within the State.

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

9 (8) To purchase, take, receive, subscribe for, or  
10 otherwise acquire, hold, make a tender offer for, vote,  
11 employ, sell, lend, lease, exchange, transfer, or  
12 otherwise dispose of, mortgage, pledge, or grant a  
13 security interest in, use, and otherwise deal in and with,  
14 bonds and other obligations, shares, or other securities  
15 (or interests therein) issued by others, whether engaged  
16 in a similar or different business or activity.

17 (9) To make and execute agreements, contracts, and  
18 other instruments necessary or convenient in the exercise  
19 of the powers and functions of the Agency under this Act,  
20 including contracts with any person, including personal  
21 service contracts, or with any local government, State  
22 agency, or other entity; and all State agencies and all  
23 local governments are authorized to enter into and do all  
24 things necessary to perform any such agreement, contract,  
25 or other instrument with the Agency. No such agreement,  
26 contract, or other instrument shall exceed 40 years.

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

5           (11) To borrow money at such rate or rates of interest  
6 as the Agency may determine, issue its notes, bonds, or  
7 other obligations to evidence that indebtedness, and  
8 secure any of its obligations by mortgage or pledge of its  
9 real or personal property, machinery, equipment,  
10 structures, fixtures, inventories, revenues, grants, and  
11 other funds as provided or any interest therein, wherever  
12 situated.

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

16           (13) To procure insurance against any loss in  
17 connection with its properties or operations in such  
18 amount or amounts and from such insurers, including the  
19 federal government, as it may deem necessary or desirable,  
20 and to pay any premiums therefor.

21           (14) To negotiate and enter into agreements with  
22 trustees or receivers appointed by United States  
23 bankruptcy courts or federal district courts or in other  
24 proceedings involving adjustment of debts and authorize  
25 proceedings involving adjustment of debts and authorize  
26 legal counsel for the Agency to appear in any such

1 proceedings.

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

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

8 (17) To enter into an agreement to transfer and to  
9 transfer any land, facilities, fixtures, or equipment of  
10 the Agency to one or more municipal electric systems,  
11 governmental aggregators, or rural electric agencies or  
12 cooperatives, for such consideration and upon such terms  
13 as the Agency may determine to be in the best interest of  
14 the residents of Illinois.

15 (18) To enter upon any lands and within any building  
16 whenever in its judgment it may be necessary for the  
17 purpose of making surveys and examinations to accomplish  
18 any purpose authorized by this Act.

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

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

25 (21) To accept and expend appropriations.

26 (22) To engage in any activity or operation that is

1 incidental to and in furtherance of efficient operation to  
2 accomplish the Agency's purposes, including hiring  
3 employees that the Director deems essential for the  
4 operations of the Agency.

5 (23) To adopt, revise, amend, and repeal rules with  
6 respect to its operations, properties, and facilities as  
7 may be necessary or convenient to carry out the purposes  
8 of this Act, subject to the provisions of the Illinois  
9 Administrative Procedure Act and Sections 1-22 and 1-35 of  
10 this Act.

11 (24) To establish and collect charges and fees as  
12 described in this Act.

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

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

22 (27) To request, review and accept proposals, execute  
23 contracts, purchase renewable energy credits and otherwise  
24 dedicate funds from the Illinois Power Agency Renewable  
25 Energy Resources Fund to create and carry out the  
26 objectives of the Illinois Solar for All Program in

1           accordance with Section 1-56 of this Act.

2           (28) To ensure Illinois residents and business benefit  
3           from programs administered by the Agency and are properly  
4           protected from any deceptive or misleading marketing  
5           practices by participants in the Agency's programs and  
6           procurements.

7           (29) To request, review, and accept proposals; execute  
8           contracts; and procure energy storage credits.

9           (c) In conducting the procurement of electricity or other  
10          products, beginning January 1, 2022, the Agency shall not  
11          procure any products or services from persons or organizations  
12          that are in violation of the Displaced Energy Workers Bill of  
13          Rights, as provided under the Energy Community Reinvestment  
14          Act at the time of the procurement event or fail to comply the  
15          labor standards established in subparagraph (Q) of paragraph  
16          (1) of subsection (c) of Section 1-75.

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

18           (20 ILCS 3855/1-75)

19           Sec. 1-75. Planning and Procurement Bureau. The Planning  
20          and Procurement Bureau has the following duties and  
21          responsibilities:

22           (a) The Planning and Procurement Bureau shall each year,  
23          beginning in 2008, develop procurement plans and conduct  
24          competitive procurement processes in accordance with the  
25          requirements of Section 16-111.5 of the Public Utilities Act

1 for the eligible retail customers of electric utilities that  
2 on December 31, 2005 provided electric service to at least  
3 100,000 customers in Illinois. Beginning with the delivery  
4 year commencing on June 1, 2017, the Planning and Procurement  
5 Bureau shall develop plans and processes for the procurement  
6 of zero emission credits from zero emission facilities in  
7 accordance with the requirements of subsection (d-5) of this  
8 Section. Beginning on the effective date of this amendatory  
9 Act of the 102nd General Assembly, the Planning and  
10 Procurement Bureau shall develop plans and processes for the  
11 procurement of carbon mitigation credits from carbon-free  
12 energy resources in accordance with the requirements of  
13 subsection (d-10) of this Section. The Planning and  
14 Procurement Bureau shall also develop procurement plans and  
15 conduct competitive procurement processes in accordance with  
16 the requirements of Section 16-111.5 of the Public Utilities  
17 Act for the eligible retail customers of small  
18 multi-jurisdictional electric utilities that (i) on December  
19 31, 2005 served less than 100,000 customers in Illinois and  
20 (ii) request a procurement plan for their Illinois  
21 jurisdictional load. This Section shall not apply to a small  
22 multi-jurisdictional utility until such time as a small  
23 multi-jurisdictional utility requests the Agency to prepare a  
24 procurement plan for their Illinois jurisdictional load. For  
25 the purposes of this Section, the term "eligible retail  
26 customers" has the same definition as found in Section

1 16-111.5(a) of the Public Utilities Act.

2 Beginning with the plan or plans to be implemented in the  
3 2017 delivery year, the Agency shall no longer include the  
4 procurement of renewable energy resources in the annual  
5 procurement plans required by this subsection (a), except as  
6 provided in subsection (q) of Section 16-111.5 of the Public  
7 Utilities Act, and shall instead develop a long-term renewable  
8 resources procurement plan in accordance with subsection (c)  
9 of this Section and Section 16-111.5 of the Public Utilities  
10 Act.

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

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

26 (A) direct previous experience assembling



1 large-scale power supply plans or portfolios for  
2 end-use customers;

3 (B) an advanced degree in economics, mathematics,  
4 engineering, risk management, or a related area of  
5 study;

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

8 (D) expertise in wholesale electricity market  
9 rules, including those established by the Federal  
10 Energy Regulatory Commission and regional transmission  
11 organizations;

12 (E) expertise in credit protocols and familiarity  
13 with contract protocols;

14 (F) adequate resources to perform and fulfill the  
15 required functions and responsibilities; and

16 (G) the absence of a conflict of interest and  
17 inappropriate bias for or against potential bidders or  
18 the affected electric utilities.

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

25 (A) direct previous experience administering a  
26 large-scale competitive procurement process;

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

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

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

9 (E) expertise in credit and contract protocols;

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

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

15 (3) The Agency shall provide affected utilities and  
16 other interested parties with the lists of qualified  
17 experts or expert consulting firms identified through the  
18 request for qualifications processes that are under  
19 consideration to develop the procurement plans and to  
20 serve as the procurement administrator. The Agency shall  
21 also provide each qualified expert's or expert consulting  
22 firm's response to the request for qualifications. All  
23 information provided under this subparagraph shall also be  
24 provided to the Commission. The Agency may provide by rule  
25 for fees associated with supplying the information to  
26 utilities and other interested parties. These parties

1 shall, within 5 business days, notify the Agency in  
2 writing if they object to any experts or expert consulting  
3 firms on the lists. Objections shall be based on:

4 (A) failure to satisfy qualification criteria;

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

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

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

18 (4) The Agency shall issue requests for proposals to  
19 the qualified experts or expert consulting firms to  
20 develop a procurement plan for the affected utilities and  
21 to serve as procurement administrator.

22 (5) The Agency shall select an expert or expert  
23 consulting firm to develop procurement plans based on the  
24 proposals submitted and shall award contracts of up to 5  
25 years to those selected.

26 (6) The Agency shall select an expert or expert

1 consulting firm, with approval of the Commission, to serve  
2 as procurement administrator based on the proposals  
3 submitted. If the Commission rejects, within 5 days, the  
4 Agency's selection, the Agency shall submit another  
5 recommendation within 3 days based on the proposals  
6 submitted. The Agency shall award a 5-year contract to the  
7 expert or expert consulting firm so selected with  
8 Commission approval.

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

23 (c) Renewable portfolio standard.

24 (1) (A) The Agency shall develop a long-term renewable  
25 resources procurement plan that shall include procurement  
26 programs and competitive procurement events necessary to

1 meet the goals set forth in this subsection (c). The  
2 initial long-term renewable resources procurement plan  
3 shall be released for comment no later than 160 days after  
4 June 1, 2017 (the effective date of Public Act 99-906).  
5 The Agency shall review, and may revise on an expedited  
6 basis, the long-term renewable resources procurement plan  
7 at least every 2 years, which shall be conducted in  
8 conjunction with the procurement plan under Section  
9 16-111.5 of the Public Utilities Act to the extent  
10 practicable to minimize administrative expense. No later  
11 than 120 days after the effective date of this amendatory  
12 Act of the 103rd General Assembly, the Agency shall  
13 release for comment a revision to the long-term renewable  
14 resources procurement plan, updating elements of the most  
15 recently approved plan as needed to comply with this  
16 amendatory Act of the 103rd General Assembly, and any  
17 long-term renewable resources procurement plan update  
18 published by the Agency but not yet approved by the  
19 Illinois Commerce Commission shall be withdrawn. The  
20 long-term renewable resources procurement plans shall be  
21 subject to review and approval by the Commission under  
22 Section 16-111.5 of the Public Utilities Act.

23 (B) Subject to subparagraph (F) of this paragraph (1),  
24 the long-term renewable resources procurement plan shall  
25 attempt to meet the goals for procurement of renewable  
26 energy credits at levels of at least the following overall

1 percentages: 13% by the 2017 delivery year; increasing by  
2 at least 1.5% each delivery year thereafter to at least  
3 25% by the 2025 delivery year; increasing by at least 3%  
4 each delivery year thereafter to at least 40% by the 2030  
5 delivery year, and continuing at no less than 40% for each  
6 delivery year thereafter. The Agency shall attempt to  
7 procure 50% by delivery year 2040. The Agency shall  
8 determine the annual increase between delivery year 2030  
9 and delivery year 2040, if any, taking into account energy  
10 demand, other energy resources, and other public policy  
11 goals. In the event of a conflict between these goals and  
12 the new wind, new photovoltaic, and hydropower procurement  
13 requirements described in items (i) through (iii) of  
14 subparagraph (C) of this paragraph (1), the long-term plan  
15 shall prioritize compliance with the new wind, new  
16 photovoltaic, and hydropower procurement requirements  
17 described in items (i) through (iii) of subparagraph (C)  
18 of this paragraph (1) over the annual percentage targets  
19 described in this subparagraph (B). The Agency shall not  
20 comply with the annual percentage targets described in  
21 this subparagraph (B) by procuring renewable energy  
22 credits that are unlikely to lead to the development of  
23 new renewable resources or new, modernized, or retooled  
24 hydropower facilities.

25 For the delivery year beginning June 1, 2017, the  
26 procurement plan shall attempt to include, subject to the

1 prioritization outlined in this subparagraph (B),  
2 cost-effective renewable energy resources equal to at  
3 least 13% of each utility's load for eligible retail  
4 customers and 13% of the applicable portion of each  
5 utility's load for retail customers who are not eligible  
6 retail customers, which applicable portion shall equal 50%  
7 of the utility's load for retail customers who are not  
8 eligible retail customers on February 28, 2017.

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

19 For the delivery year beginning June 1, 2019, and for  
20 each year thereafter, the procurement plans shall attempt  
21 to include, subject to the prioritization outlined in this  
22 subparagraph (B), cost-effective renewable energy  
23 resources equal to a minimum percentage of each utility's  
24 load for all retail customers as follows: 16% by June 1,  
25 2019; increasing by 1.5% each year thereafter to 25% by  
26 June 1, 2025; and 25% by June 1, 2026; increasing by at

1 least 3% each delivery year thereafter to at least 40% by  
2 the 2030 delivery year, and continuing at no less than 40%  
3 for each delivery year thereafter. The Agency shall  
4 attempt to procure 50% by delivery year 2040. The Agency  
5 shall determine the annual increase between delivery year  
6 2030 and delivery year 2040, if any, taking into account  
7 energy demand, other energy resources, and other public  
8 policy goals.

9 For each delivery year, the Agency shall first  
10 recognize each utility's obligations for that delivery  
11 year under existing contracts. Any renewable energy  
12 credits under existing contracts, including renewable  
13 energy credits as part of renewable energy resources,  
14 shall be used to meet the goals set forth in this  
15 subsection (c) for the delivery year.

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

20 (i) At least 10,000,000 renewable energy credits  
21 delivered annually by the end of the 2021 delivery  
22 year, and increasing ratably to reach 45,000,000  
23 renewable energy credits delivered annually from new  
24 wind and solar projects, from repowered wind projects,  
25 or from retooled hydropower facilities by the end of  
26 delivery year 2030 such that the goals in subparagraph



1 (B) of this paragraph (1) are met entirely by  
2 procurements of renewable energy credits from new wind  
3 and photovoltaic projects. Of that amount, to the  
4 extent possible, the Agency shall endeavor to procure  
5 45% from new and repowered wind and hydropower  
6 projects and shall procure at least 55% from  
7 photovoltaic projects. Of the amount to be procured  
8 from photovoltaic projects, the Agency shall procure:  
9 at least 50% from solar photovoltaic projects using  
10 the program outlined in subparagraph (K) of this  
11 paragraph (1) from distributed renewable energy  
12 generation devices or community renewable generation  
13 projects; at least 47% from utility-scale solar  
14 projects; at least 3% from brownfield site  
15 photovoltaic projects that are not community renewable  
16 generation projects. The Agency may propose  
17 adjustments to these percentages, including  
18 establishing percentage-based goals for the  
19 procurement of renewable energy credits from retooled  
20 hydropower facilities and repowered wind projects  
21 through its long-term renewable resources plan  
22 described in subparagraph (A) of this paragraph (1),  
23 as necessary, based on developer interest, market  
24 conditions, budget considerations, and other material  
25 factors.

26 In developing the long-term renewable resources

1 procurement plan, the Agency shall consider other  
2 approaches, in addition to competitive procurements,  
3 that can be used to procure renewable energy credits  
4 from brownfield site photovoltaic projects and thereby  
5 help return blighted or contaminated land to  
6 productive use while enhancing public health and the  
7 well-being of Illinois residents, including those in  
8 environmental justice communities, as defined using  
9 existing methodologies and findings used by the Agency  
10 and its Administrator in its Illinois Solar for All  
11 Program. The Agency shall also consider other  
12 approaches, in addition to competitive procurements,  
13 to procure renewable energy credits from new and  
14 existing hydropower facilities to support the  
15 development and maintenance of these facilities. The  
16 Agency shall explore options to convert existing dams  
17 but shall not consider approaches to develop new dams  
18 where they do not already exist. To encourage  
19 continued operation of utility-scale wind projects,  
20 the Agency shall consider and may propose other  
21 approaches in addition to competitive procurements to  
22 procure renewable energy credits from repowered wind  
23 projects.

24 (ii) In any given delivery year, if forecasted  
25 expenses are less than the maximum budget available  
26 under subparagraph (E) of this paragraph (1), the

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

4 (iii) For purposes of this Section:

5 "New wind projects" means wind renewable energy  
6 facilities that are energized after June 1, 2017 for  
7 the delivery year commencing June 1, 2017.

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

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

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

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

1 regional technology costs and expected current and future  
2 regional energy prices. Prior to a procurement, the Agency  
3 shall ensure that the procurement administrator considers  
4 comments from potential bidders regarding inputs,  
5 structure, and methodology of the benchmark for the  
6 procurement, including costs and risks of development,  
7 construction, financing, or other categories as determined  
8 by the Agency. In the request for comments on the  
9 benchmark, the procurement administrator shall provide all  
10 potential bidders with sufficient information about the  
11 structure, methodology, and inputs for previous benchmarks  
12 to allow for informed comment. The benchmarks in this  
13 Section shall not be used to curtail or otherwise reduce  
14 contractual obligations entered into by or through the  
15 Agency prior to June 1, 2017 (the effective date of Public  
16 Act 99-906).

17 (E) For purposes of this subsection (c), the required  
18 procurement of cost-effective renewable energy resources  
19 for a particular year commencing prior to June 1, 2017  
20 shall be measured as a percentage of the actual amount of  
21 electricity (megawatt-hours) supplied by the electric  
22 utility to eligible retail customers in the delivery year  
23 ending immediately prior to the procurement, and, for  
24 delivery years commencing on and after June 1, 2017, the  
25 required procurement of cost-effective renewable energy  
26 resources for a particular year shall be measured as a

1 percentage of the actual amount of electricity  
2 (megawatt-hours) delivered by the electric utility in the  
3 delivery year ending immediately prior to the procurement,  
4 to all retail customers in its service territory. For  
5 purposes of this subsection (c), the amount paid per  
6 kilowatthour means the total amount paid for electric  
7 service expressed on a per kilowatthour basis. For  
8 purposes of this subsection (c), the total amount paid for  
9 electric service includes without limitation amounts paid  
10 for supply, transmission, capacity, distribution,  
11 surcharges, and add-on taxes.

12 Notwithstanding the requirements of this subsection  
13 (c), the total of renewable energy resources procured  
14 under the procurement plan for any single year shall be  
15 subject to the limitations of this subparagraph (E). Such  
16 procurement shall be reduced for all retail customers  
17 based on the amount necessary to limit the annual  
18 estimated average net increase due to the costs of these  
19 resources included in the amounts paid by eligible retail  
20 customers in connection with electric service to no more  
21 than 4.25% of the amount paid per kilowatthour by those  
22 customers during the year ending May 31, 2009. To arrive  
23 at a maximum dollar amount of renewable energy resources  
24 to be procured for the particular delivery year, the  
25 resulting per kilowatthour amount shall be applied to the  
26 actual amount of kilowatthours of electricity delivered,

1 or applicable portion of such amount as specified in  
2 paragraph (1) of this subsection (c), as applicable, by  
3 the electric utility in the delivery year immediately  
4 prior to the procurement to all retail customers in its  
5 service territory. The calculations required by this  
6 subparagraph (E) shall be made only once for each delivery  
7 year at the time that the renewable energy resources are  
8 procured. Once the determination as to the amount of  
9 renewable energy resources to procure is made based on the  
10 calculations set forth in this subparagraph (E) and the  
11 contracts procuring those amounts are executed, no  
12 subsequent rate impact determinations shall be made and no  
13 adjustments to those contract amounts shall be allowed.  
14 All costs incurred under such contracts shall be fully  
15 recoverable by the electric utility as provided in this  
16 Section. If the limitation on the amount of renewable  
17 energy resources procured in this subparagraph (E) would  
18 prevent the Agency from meeting the obligations of  
19 existing contracts, then the Agency shall use additional  
20 funds collected under subsection (k) of Section 16-108 of  
21 the Public Utilities Act if so authorized by the  
22 Commission in approving the Agency's long-term renewable  
23 resources procurement plan. If the Agency notifies the  
24 Commission that its existing contractual obligations are  
25 reasonably expected to exceed the maximum collection  
26 authorized under this subparagraph (E), then the Agency

1       shall suspend or reduce new procurements until a new rate  
2       impact determination is made pursuant to this subparagraph  
3       (E). The utilities shall be entitled to recover the total  
4       cost associated with procuring renewable energy credits  
5       required by this Section regardless of whether the costs  
6       are subject to the limitations described in this  
7       subparagraph (E) through the automatic adjustment clause  
8       tariff under subsection (k) of Section 16-108 of the  
9       Public Utilities Act.

10       (F) If the limitation on the amount of renewable  
11       energy resources procured in subparagraph (E) of this  
12       paragraph (1) prevents the Agency from meeting all of the  
13       goals in this subsection (c), the Agency's long-term plan  
14       shall prioritize compliance with the requirements of this  
15       subsection (c) regarding renewable energy credits in the  
16       following order:

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

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

22               (ii) renewable energy credits necessary to comply  
23       with the new wind and new photovoltaic procurement  
24       requirements described in items (i) through (iii) of  
25       subparagraph (C) of this paragraph (1); and

26               (iii) renewable energy credits necessary to meet



1 the remaining requirements of this subsection (c).

2 (G) The following provisions shall apply to the  
3 Agency's procurement of renewable energy credits under  
4 this subsection (c):

5 (i) Notwithstanding whether a long-term renewable  
6 resources procurement plan has been approved, the  
7 Agency shall conduct an initial forward procurement  
8 for renewable energy credits from new utility-scale  
9 wind projects within 160 days after June 1, 2017 (the  
10 effective date of Public Act 99-906). For the purposes  
11 of this initial forward procurement, the Agency shall  
12 solicit 15-year contracts for delivery of 1,000,000  
13 renewable energy credits delivered annually from new  
14 utility-scale wind projects to begin delivery on June  
15 1, 2019, if available, but not later than June 1, 2021,  
16 unless the project has delays in the establishment of  
17 an operating interconnection with the applicable  
18 transmission or distribution system as a result of the  
19 actions or inactions of the transmission or  
20 distribution provider, or other causes for force  
21 majeure as outlined in the procurement contract, in  
22 which case, not later than June 1, 2022. Payments to  
23 suppliers of renewable energy credits shall commence  
24 upon delivery. Renewable energy credits procured under  
25 this initial procurement shall be included in the  
26 Agency's long-term plan and shall apply to all

1 renewable energy goals in this subsection (c).

2 (ii) Notwithstanding whether a long-term renewable  
3 resources procurement plan has been approved, the  
4 Agency shall conduct an initial forward procurement  
5 for renewable energy credits from new utility-scale  
6 solar projects and brownfield site photovoltaic  
7 projects within one year after June 1, 2017 (the  
8 effective date of Public Act 99-906). For the purposes  
9 of this initial forward procurement, the Agency shall  
10 solicit 15-year contracts for delivery of 1,000,000  
11 renewable energy credits delivered annually from new  
12 utility-scale solar projects and brownfield site  
13 photovoltaic projects to begin delivery on June 1,  
14 2019, if available, but not later than June 1, 2021,  
15 unless the project has delays in the establishment of  
16 an operating interconnection with the applicable  
17 transmission or distribution system as a result of the  
18 actions or inactions of the transmission or  
19 distribution provider, or other causes for force  
20 majeure as outlined in the procurement contract, in  
21 which case, not later than June 1, 2022. The Agency may  
22 structure this initial procurement in one or more  
23 discrete procurement events. Payments to suppliers of  
24 renewable energy credits shall commence upon delivery.  
25 Renewable energy credits procured under this initial  
26 procurement shall be included in the Agency's

1 long-term plan and shall apply to all renewable energy  
2 goals in this subsection (c).

3 (iii) Notwithstanding whether the Commission has  
4 approved the periodic long-term renewable resources  
5 procurement plan revision described in Section  
6 16-111.5 of the Public Utilities Act, the Agency shall  
7 conduct at least one subsequent forward procurement  
8 for renewable energy credits from new utility-scale  
9 wind projects, new utility-scale solar projects, and  
10 new brownfield site photovoltaic projects within 240  
11 days after the effective date of this amendatory Act  
12 of the 102nd General Assembly in quantities necessary  
13 to meet the requirements of subparagraph (C) of this  
14 paragraph (1) through the delivery year beginning June  
15 1, 2021.

16 (iv) Notwithstanding whether the Commission has  
17 approved the periodic long-term renewable resources  
18 procurement plan revision described in Section  
19 16-111.5 of the Public Utilities Act, the Agency shall  
20 open capacity for each category in the Adjustable  
21 Block program within 90 days after the effective date  
22 of this amendatory Act of the 102nd General Assembly  
23 manner:

24 (1) The Agency shall open the first block of  
25 annual capacity for the category described in item  
26 (i) of subparagraph (K) of this paragraph (1). The

1 first block of annual capacity for item (i) shall  
2 be for at least 75 megawatts of total nameplate  
3 capacity. The price of the renewable energy credit  
4 for this block of capacity shall be 4% less than  
5 the price of the last open block in this category.  
6 Projects on a waitlist shall be awarded contracts  
7 first in the order in which they appear on the  
8 waitlist. Notwithstanding anything to the  
9 contrary, for those renewable energy credits that  
10 qualify and are procured under this subitem (1) of  
11 this item (iv), the renewable energy credit  
12 delivery contract value shall be paid in full,  
13 based on the estimated generation during the first  
14 15 years of operation, by the contracting  
15 utilities at the time that the facility producing  
16 the renewable energy credits is interconnected at  
17 the distribution system level of the utility and  
18 verified as energized and in compliance by the  
19 Program Administrator. The electric utility shall  
20 receive and retire all renewable energy credits  
21 generated by the project for the first 15 years of  
22 operation. Renewable energy credits generated by  
23 the project thereafter shall not be transferred  
24 under the renewable energy credit delivery  
25 contract with the counterparty electric utility.

26 (2) The Agency shall open the first block of

1 annual capacity for the category described in item  
2 (ii) of subparagraph (K) of this paragraph (1).  
3 The first block of annual capacity for item (ii)  
4 shall be for at least 75 megawatts of total  
5 nameplate capacity.

6 (A) The price of the renewable energy  
7 credit for any project on a waitlist for this  
8 category before the opening of this block  
9 shall be 4% less than the price of the last  
10 open block in this category. Projects on the  
11 waitlist shall be awarded contracts first in  
12 the order in which they appear on the  
13 waitlist. Any projects that are less than or  
14 equal to 25 kilowatts in size on the waitlist  
15 for this capacity shall be moved to the  
16 waitlist for paragraph (1) of this item (iv).  
17 Notwithstanding anything to the contrary,  
18 projects that were on the waitlist prior to  
19 opening of this block shall not be required to  
20 be in compliance with the requirements of  
21 subparagraph (Q) of this paragraph (1) of this  
22 subsection (c). Notwithstanding anything to  
23 the contrary, for those renewable energy  
24 credits procured from projects that were on  
25 the waitlist for this category before the  
26 opening of this block 20% of the renewable

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

18 (B) The price of renewable energy credits  
19 for any project not on the waitlist for this  
20 category before the opening of the block shall  
21 be determined and published by the Agency.  
22 Projects not on a waitlist as of the opening  
23 of this block shall be subject to the  
24 requirements of subparagraph (Q) of this  
25 paragraph (1), as applicable. Projects not on  
26 a waitlist as of the opening of this block

1 shall be subject to the contract provisions  
2 outlined in item (iii) of subparagraph (L) of  
3 this paragraph (1). The Agency shall strive to  
4 publish updated prices and an updated  
5 renewable energy credit delivery contract as  
6 quickly as possible.

7 (3) For opening the first 2 blocks of annual  
8 capacity for projects participating in item (iii)  
9 of subparagraph (K) of paragraph (1) of subsection  
10 (c), projects shall be selected exclusively from  
11 those projects on the ordinal waitlists of  
12 community renewable generation projects  
13 established by the Agency based on the status of  
14 those ordinal waitlists as of December 31, 2020,  
15 and only those projects previously determined to  
16 be eligible for the Agency's April 2019 community  
17 solar project selection process.

18 The first 2 blocks of annual capacity for item  
19 (iii) shall be for 250 megawatts of total  
20 nameplate capacity, with both blocks opening  
21 simultaneously under the schedule outlined in the  
22 paragraphs below. Projects shall be selected as  
23 follows:

24 (A) The geographic balance of selected  
25 projects shall follow the Group classification  
26 found in the Agency's Revised Long-Term

1 Renewable Resources Procurement Plan, with 70%  
2 of capacity allocated to projects on the Group  
3 B waitlist and 30% of capacity allocated to  
4 projects on the Group A waitlist.

5 (B) Contract awards for waitlisted  
6 projects shall be allocated proportionate to  
7 the total nameplate capacity amount across  
8 both ordinal waitlists associated with that  
9 applicant firm or its affiliates, subject to  
10 the following conditions.

11 (i) Each applicant firm having a  
12 waitlisted project eligible for selection  
13 shall receive no less than 500 kilowatts  
14 in awarded capacity across all groups, and  
15 no approved vendor may receive more than  
16 20% of each Group's waitlist allocation.

17 (ii) Each applicant firm, upon  
18 receiving an award of program capacity  
19 proportionate to its waitlisted capacity,  
20 may then determine which waitlisted  
21 projects it chooses to be selected for a  
22 contract award up to that capacity amount.

23 (iii) Assuming all other program  
24 requirements are met, applicant firms may  
25 adjust the nameplate capacity of applicant  
26 projects without losing waitlist



1 eligibility, so long as no project is  
2 greater than 2,000 kilowatts in size.

3 (iv) Assuming all other program  
4 requirements are met, applicant firms may  
5 adjust the expected production associated  
6 with applicant projects, subject to  
7 verification by the Program Administrator.

8 (C) After a review of affiliate  
9 information and the current ordinal waitlists,  
10 the Agency shall announce the nameplate  
11 capacity award amounts associated with  
12 applicant firms no later than 90 days after  
13 the effective date of this amendatory Act of  
14 the 102nd General Assembly.

15 (D) Applicant firms shall submit their  
16 portfolio of projects used to satisfy those  
17 contract awards no less than 90 days after the  
18 Agency's announcement. The total nameplate  
19 capacity of all projects used to satisfy that  
20 portfolio shall be no greater than the  
21 Agency's nameplate capacity award amount  
22 associated with that applicant firm. An  
23 applicant firm may decline, in whole or in  
24 part, its nameplate capacity award without  
25 penalty, with such unmet capacity rolled over  
26 to the next block opening for project

1 selection under item (iii) of subparagraph (K)  
2 of this subsection (c). Any projects not  
3 included in an applicant firm's portfolio may  
4 reapply without prejudice upon the next block  
5 reopening for project selection under item  
6 (iii) of subparagraph (K) of this subsection  
7 (c).

8 (E) The renewable energy credit delivery  
9 contract shall be subject to the contract and  
10 payment terms outlined in item (iv) of  
11 subparagraph (L) of this subsection (c).  
12 Contract instruments used for this  
13 subparagraph shall contain the following  
14 terms:

15 (i) Renewable energy credit prices  
16 shall be fixed, without further adjustment  
17 under any other provision of this Act or  
18 for any other reason, at 10% lower than  
19 prices applicable to the last open block  
20 for this category, inclusive of any adders  
21 available for achieving a minimum of 50%  
22 of subscribers to the project's nameplate  
23 capacity being residential or small  
24 commercial customers with subscriptions of  
25 below 25 kilowatts in size;

26 (ii) A requirement that a minimum of

1           50% of subscribers to the project's  
2           nameplate capacity be residential or small  
3           commercial customers with subscriptions of  
4           below 25 kilowatts in size;

5           (iii) Permission for the ability of a  
6           contract holder to substitute projects  
7           with other waitlisted projects without  
8           penalty should a project receive a  
9           non-binding estimate of costs to construct  
10          the interconnection facilities and any  
11          required distribution upgrades associated  
12          with that project of greater than 30 cents  
13          per watt AC of that project's nameplate  
14          capacity. In developing the applicable  
15          contract instrument, the Agency may  
16          consider whether other circumstances  
17          outside of the control of the applicant  
18          firm should also warrant project  
19          substitution rights.

20          The Agency shall publish a finalized  
21          updated renewable energy credit delivery  
22          contract developed consistent with these terms  
23          and conditions no less than 30 days before  
24          applicant firms must submit their portfolio of  
25          projects pursuant to item (D).

26          (F) To be eligible for an award, the

1 applicant firm shall certify that not less  
2 than prevailing wage, as determined pursuant  
3 to the Illinois Prevailing Wage Act, was or  
4 will be paid to employees who are engaged in  
5 construction activities associated with a  
6 selected project.

7 (4) The Agency shall open the first block of  
8 annual capacity for the category described in item  
9 (iv) of subparagraph (K) of this paragraph (1).  
10 The first block of annual capacity for item (iv)  
11 shall be for at least 50 megawatts of total  
12 nameplate capacity. Renewable energy credit prices  
13 shall be fixed, without further adjustment under  
14 any other provision of this Act or for any other  
15 reason, at the price in the last open block in the  
16 category described in item (ii) of subparagraph  
17 (K) of this paragraph (1). Pricing for future  
18 blocks of annual capacity for this category may be  
19 adjusted in the Agency's second revision to its  
20 Long-Term Renewable Resources Procurement Plan.  
21 Projects in this category shall be subject to the  
22 contract terms outlined in item (iv) of  
23 subparagraph (L) of this paragraph (1).

24 (5) The Agency shall open the equivalent of 2  
25 years of annual capacity for the category  
26 described in item (v) of subparagraph (K) of this

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

17 (6) The Agency shall open the first blocks of  
18 annual capacity for the category described in item  
19 (vi) of subparagraph (K) of this paragraph (1),  
20 with allocations of capacity within the block  
21 generally matching the historical share of block  
22 capacity allocated between the category described  
23 in items (i) and (ii) of subparagraph (K) of this  
24 paragraph (1). The first two blocks of annual  
25 capacity for item (vi) shall be for at least 75  
26 megawatts of total nameplate capacity. The price

1 of renewable energy credits for the blocks of  
2 capacity shall be 4% less than the price of the  
3 last open blocks in the categories described in  
4 items (i) and (ii) of subparagraph (K) of this  
5 paragraph (1). Pricing for future blocks of annual  
6 capacity for this category may be adjusted in the  
7 Agency's second revision to its Long-Term  
8 Renewable Resources Procurement Plan. Projects in  
9 this category shall be subject to the applicable  
10 contract terms outlined in items (ii) and (iii) of  
11 subparagraph (L) of this paragraph (1).

12 (v) Upon the effective date of this amendatory Act  
13 of the 102nd General Assembly, for all competitive  
14 procurements and any procurements of renewable energy  
15 credit from new utility-scale wind and new  
16 utility-scale photovoltaic projects, the Agency shall  
17 procure indexed renewable energy credits and direct  
18 respondents to offer a strike price.

19 (1) The purchase price of the indexed  
20 renewable energy credit payment shall be  
21 calculated for each settlement period. That  
22 payment, for any settlement period, shall be equal  
23 to the difference resulting from subtracting the  
24 strike price from the index price for that  
25 settlement period. If this difference results in a  
26 negative number, the indexed REC counterparty

1 shall owe the seller the absolute value multiplied  
2 by the quantity of energy produced in the relevant  
3 settlement period. If this difference results in a  
4 positive number, the seller shall owe the indexed  
5 REC counterparty this amount multiplied by the  
6 quantity of energy produced in the relevant  
7 settlement period.

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

11 (3) To ensure funding in the annual budget  
12 established under subparagraph (E) for indexed  
13 renewable energy credit procurements for each year  
14 of the term of such contracts, which must have a  
15 minimum tenure of 20 calendar years, the  
16 procurement administrator, Agency, Commission  
17 staff, and procurement monitor shall quantify the  
18 annual cost of the contract by utilizing an  
19 industry-standard, third-party forward price curve  
20 for energy at the appropriate hub or load zone,  
21 including the estimated magnitude and timing of  
22 the price effects related to federal carbon  
23 controls. Each forward price curve shall contain a  
24 specific value of the forecasted market price of  
25 electricity for each annual delivery year of the  
26 contract. For procurement planning purposes, the

1 impact on the annual budget for the cost of  
2 indexed renewable energy credits for each delivery  
3 year shall be determined as the expected annual  
4 contract expenditure for that year, equaling the  
5 difference between (i) the sum across all relevant  
6 contracts of the applicable strike price  
7 multiplied by contract quantity and (ii) the sum  
8 across all relevant contracts of the forward price  
9 curve for the applicable load zone for that year  
10 multiplied by contract quantity. The contracting  
11 utility shall not assume an obligation in excess  
12 of the estimated annual cost of the contracts for  
13 indexed renewable energy credits. Forward curves  
14 shall be revised on an annual basis as updated  
15 forward price curves are released and filed with  
16 the Commission in the proceeding approving the  
17 Agency's most recent long-term renewable resources  
18 procurement plan. If the expected contract spend  
19 is higher or lower than the total quantity of  
20 contracts multiplied by the forward price curve  
21 value for that year, the forward price curve shall  
22 be updated by the procurement administrator, in  
23 consultation with the Agency, Commission staff,  
24 and procurement monitors, using then-currently  
25 available price forecast data and additional  
26 budget dollars shall be obligated or reobligated



1 as appropriate.

2 (4) To ensure that indexed renewable energy  
3 credit prices remain predictable and affordable,  
4 the Agency may consider the institution of a price  
5 collar on REC prices paid under indexed renewable  
6 energy credit procurements establishing floor and  
7 ceiling REC prices applicable to indexed REC  
8 contract prices. Any price collars applicable to  
9 indexed REC procurements shall be proposed by the  
10 Agency through its long-term renewable resources  
11 procurement plan.

12 (vi) All procurements under this subparagraph (G),  
13 including the procurement of renewable energy credits  
14 from hydropower facilities, shall comply with the  
15 geographic requirements in subparagraph (I) of this  
16 paragraph (1) and shall follow the procurement  
17 processes and procedures described in this Section and  
18 Section 16-111.5 of the Public Utilities Act to the  
19 extent practicable, and these processes and procedures  
20 may be expedited to accommodate the schedule  
21 established by this subparagraph (G). To ensure the  
22 successful development of new utility-scale solar  
23 projects and new utility-scale wind projects for  
24 procurements under items (i), (ii), (iii), and (v) of  
25 this subparagraph (G), a winning bidder or the current  
26 seller under contract countersigned by an electric

1 utility counterparty may petition the Commission to  
2 revise the terms in the contract. Prior to such  
3 petition, upon request by the winning bidder or  
4 seller, the Agency shall negotiate directly with the  
5 winning bidder or seller. If following the direct  
6 negotiations, the Agency and the winning bidder reach  
7 an agreement on amended terms or strike price and the  
8 Agency finds that the amended terms or strike price  
9 reflect a change in circumstances since the date of  
10 the bid based on circumstances unforeseeable at the  
11 time of the bid, upon petition by the winning bidder or  
12 current seller, the Commission shall issue an order  
13 directing the utility counterparty to execute a form  
14 amendment drafted by the Agency with the revised terms  
15 or the new strike price. The Agency shall provide the  
16 amendment to the utility within 15 business days after  
17 the Commission's order and the utility buyer shall  
18 execute the amendment not more than 7 calendar days  
19 after delivery by the Agency. The Agency shall develop  
20 the form amendment following comment by interested  
21 parties.

22 (vii) On and after the effective date of this  
23 amendatory Act of the 103rd General Assembly, for all  
24 procurements of renewable energy credits from  
25 hydropower facilities, the Agency shall establish  
26 contract terms designed to optimize existing

1           hydropower facilities through modernization or  
2           retooling and establish new hydropower facilities at  
3           existing dams. Procurements made under this item (vii)  
4           shall prioritize projects located in designated  
5           environmental justice communities, as defined in  
6           subsection (b) of Section 1-56 of this Act, or in  
7           projects located in units of local government with  
8           median incomes that do not exceed 82% of the median  
9           income of the State.

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

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

1 facility.

2 The informational filing shall identify each  
3 facility that was eligible to satisfy the alternative  
4 retail electric supplier's obligations under Section  
5 16-115D of the Public Utilities Act as described in  
6 this item (i).

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

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

1 limitations:

2 For the delivery year beginning June 1, 2018,  
3 the maximum amount of renewable energy credits to  
4 be supplied by an alternative retail electric  
5 supplier under this subparagraph (H) shall be 68%  
6 multiplied by 25% multiplied by 14.5% multiplied  
7 by the amount of metered electricity  
8 (megawatt-hours) delivered by the alternative  
9 retail electric supplier to Illinois retail  
10 customers during the delivery year ending May 31,  
11 2016.

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

26 For each delivery year, the total amount of

1 renewable energy credits supplied by all alternative  
2 retail electric suppliers under this subparagraph (H)  
3 shall not exceed 9% of the Illinois target renewable  
4 energy credit quantity. The Illinois target renewable  
5 energy credit quantity for the delivery year beginning  
6 June 1, 2018 is 14.5% multiplied by the total amount of  
7 metered electricity (megawatt-hours) delivered in the  
8 delivery year immediately preceding that delivery  
9 year, provided that the 14.5% shall increase by 1.5%  
10 each delivery year thereafter to 25% by the delivery  
11 year beginning June 1, 2025, and thereafter the 25%  
12 value shall apply to each delivery year.

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

1 provided that the 14.5% shall increase by 1.5% each  
2 delivery year thereafter to 25% by the delivery year  
3 beginning June 1, 2025, and thereafter the 25% value  
4 shall apply to each delivery year.

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

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

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



1 energized after June 1, 2023. To ensure that the public  
2 interest criteria are applied to the procurement and given  
3 full effect, the Agency's long-term procurement plan shall  
4 describe in detail how each public interest factor shall  
5 be considered and weighted for facilities located in  
6 states adjacent to Illinois.

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

1 new wind or new photovoltaic resources as defined in this  
2 subsection (c). The long-term plan shall provide that  
3 these renewable energy credits shall be procured in the  
4 next procurement event.

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

20 (K) The long-term renewable resources procurement plan  
21 developed by the Agency in accordance with subparagraph  
22 (A) of this paragraph (1) shall include an Adjustable  
23 Block program for the procurement of renewable energy  
24 credits from new photovoltaic projects that are  
25 distributed renewable energy generation devices or new  
26 photovoltaic community renewable generation projects. The

1 Adjustable Block program shall be generally designed to  
2 provide for the steady, predictable, and sustainable  
3 growth of new solar photovoltaic development in Illinois.  
4 To this end, except as otherwise provided in subparagraph  
5 (viii) of this paragraph (K), the Adjustable Block program  
6 shall provide a transparent annual schedule of prices and  
7 quantities to enable the photovoltaic market to scale up  
8 and for renewable energy credit prices to adjust at a  
9 predictable rate over time. The prices set by the  
10 Adjustable Block program can be reflected as a set value  
11 or as the product of a formula.

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

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

20 The Adjustable Block program shall include the  
21 following categories in at least the following amounts:

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

25 (ii) At least 20% from distributed renewable  
26 energy generation devices with a nameplate capacity of

1 more than 25 kilowatts and no more than 5,000  
2 kilowatts. The Agency may create sub-categories within  
3 this category to account for the differences between  
4 projects for small commercial customers, large  
5 commercial customers, and public or non-profit  
6 customers.

7 (iii) At least 30% from photovoltaic community  
8 renewable generation projects. Capacity for this  
9 category for the first 2 delivery years after the  
10 effective date of this amendatory Act of the 102nd  
11 General Assembly shall be allocated to waitlist  
12 projects as provided in paragraph (3) of item (iv) of  
13 subparagraph (G). Starting in the third delivery year  
14 after the effective date of this amendatory Act of the  
15 102nd General Assembly or earlier if the Agency  
16 determines there is additional capacity needed for to  
17 meet previous delivery year requirements, the  
18 following shall apply:

19 (1) to advance the interests of all ratepayers  
20 in timely development of community renewable  
21 generation projects powered by solar photovoltaics  
22 procured under this Act, the Agency shall select  
23 projects on a first-come, first-serve basis; τ  
24 however, the Agency shall, for applications on or  
25 after the effective date of this amendatory Act of  
26 the 103rd General Assembly, may suggest additional

1 ~~methods to~~ prioritize projects according to this  
2 item (1). Prioritization methods shall be clear  
3 and changes to those methods shall not hinder the  
4 steady, predictable, and sustainable growth of  
5 projects under this subsection. The Agency shall  
6 ensure any project characteristics incentivized by  
7 the prioritization method are aligned with the  
8 findings of this Act and the price of the  
9 associated renewable energy credit adequately  
10 compensates the additional costs that may be  
11 imposed on a project ~~that are submitted at the~~  
12 ~~same time;~~

13 (1.5) all projects submitted under this  
14 category shall, as part of the initial  
15 application, be required to provide, in a form  
16 directed by the Agency, proof of site control,  
17 land use permits, if necessary, and a signed  
18 interconnection agreement;

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

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

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

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

9 (iv) At least 15% from distributed renewable  
10 generation devices or photovoltaic community renewable  
11 generation projects installed or on land adjacent to  
12 public school land. For the purposes of this item  
13 (iv), qualifying projects shall be located on property  
14 owned, leased, or subleased by the school or school  
15 district or on property owned, leased, or subleased by  
16 the school or school district located adjacent to  
17 property owned by the school. The Agency may create  
18 subcategories within this category to account for the  
19 differences between project size or location. Projects  
20 located within environmental justice communities or  
21 within Organizational Units that fall within Tier 1 or  
22 Tier 2 shall be given priority. Each of the Agency's  
23 periodic updates to its long-term renewable resources  
24 procurement plan to incorporate the procurement  
25 described in this subparagraph (iv) shall also include  
26 the proposed quantities or blocks, pricing, and

1 contract terms applicable to the procurement as  
2 indicated herein. In each such update and procurement,  
3 the Agency shall set the renewable energy credit price  
4 and establish payment terms for the renewable energy  
5 credits procured pursuant to this subparagraph (iv)  
6 that make it feasible and affordable for public  
7 schools to install photovoltaic distributed renewable  
8 energy devices on their premises, including, but not  
9 limited to, those public schools subject to the  
10 prioritization provisions of this subparagraph. For  
11 the purposes of this item (iv):

12 "Environmental Justice Community" shall have the  
13 same meaning set forth in the Agency's long-term  
14 renewable resources procurement plan;

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

18 "Public schools" shall have the meaning set forth  
19 in Section 1-3 of the School Code and includes public  
20 institutions of higher education, as defined in the  
21 Board of Higher Education Act.

22 (v) At least 5% from community-driven community  
23 solar projects intended to provide more direct and  
24 tangible connection and benefits to the communities  
25 which they serve or in which they operate and,  
26 additionally, to increase the variety of community



1 solar locations, models, and options in Illinois. As  
2 part of its long-term renewable resources procurement  
3 plan, the Agency shall develop selection criteria for  
4 projects participating in this category. Nothing in  
5 this Section shall preclude the Agency from creating a  
6 selection process that maximizes community ownership  
7 and community benefits in selecting projects to  
8 receive renewable energy credits. Selection criteria  
9 shall include:

10 (1) community ownership or community  
11 wealth-building;

12 (2) additional direct and indirect community  
13 benefit, beyond project participation as a  
14 subscriber, including, but not limited to,  
15 economic, environmental, social, cultural, and  
16 physical benefits;

17 (3) meaningful involvement in project  
18 organization and development by community members  
19 or nonprofit organizations or public entities  
20 located in or serving the community;

21 (4) engagement in project operations and  
22 management by nonprofit organizations, public  
23 entities, or community members; and

24 (5) whether a project is developed in response  
25 to a site-specific RFP developed by community  
26 members or a nonprofit organization or public

1 entity located in or serving the community.

2 Selection criteria may also prioritize projects

3 that:

4 (1) are developed in collaboration with or to  
5 provide complementary opportunities for the Clean  
6 Jobs Workforce Network Program, the Illinois  
7 Climate Works Preapprenticeship Program, the  
8 Returning Residents Clean Jobs Training Program,  
9 the Clean Energy Contractor Incubator Program, or  
10 the Clean Energy Primes Contractor Accelerator  
11 Program;

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

15 (3) are located in Equity Investment Eligible  
16 Communities;

17 (4) are not greenfield projects;

18 (5) serve only local subscribers;

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

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

23 (8) otherwise meaningfully advance the goals  
24 of providing more direct and tangible connection  
25 and benefits to the communities which they serve  
26 or in which they operate and increasing the

1 variety of community solar locations, models, and  
2 options in Illinois.

3 For the purposes of this item (v):

4 "Community" means a social unit in which people  
5 come together regularly to effect change; a social  
6 unit in which participants are marked by a cooperative  
7 spirit, a common purpose, or shared interests or  
8 characteristics; or a space understood by its  
9 residents to be delineated through geographic  
10 boundaries or landmarks.

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

20 "Community ownership" means an arrangement in  
21 which an electric generating facility is, or over time  
22 will be, in significant part, owned collectively by  
23 members of the community to which an electric  
24 generating facility provides benefits; members of that  
25 community participate in decisions regarding the  
26 governance, operation, maintenance, and upgrades of

1 and to that facility; and members of that community  
2 benefit from regular use of that facility.

3 Terms and guidance within these criteria that are  
4 not defined in this item (v) shall be defined by the  
5 Agency, with stakeholder input, during the development  
6 of the Agency's long-term renewable resources  
7 procurement plan. The Agency shall develop regular  
8 opportunities for projects to submit applications for  
9 projects under this category, and develop selection  
10 criteria that gives preference to projects that better  
11 meet individual criteria as well as projects that  
12 address a higher number of criteria.

13 (vi) At least 10% from distributed renewable  
14 energy generation devices, which includes distributed  
15 renewable energy devices with a nameplate capacity  
16 under 5,000 kilowatts or photovoltaic community  
17 renewable generation projects, from applicants that  
18 are both approved vendors and equity eligible  
19 contractors. The Agency shall not limit or impair  
20 assignment of the contract to sell renewable energy  
21 credits authorized by subparagraph (L) to another  
22 approved vendor, except to the extent that in exchange  
23 for price adders or other beneficial terms and  
24 conditions, the applicant agrees to only assign to an  
25 approved vendor that is, at the time of assignment, an  
26 equity eligible contractor. The Agency may create

1 subcategories within this category to account for the  
2 differences between project size and type. The Agency  
3 shall propose to increase the percentage in this item  
4 (vi) over time to 40% based on factors, including, but  
5 not limited to, the number of equity eligible  
6 contractors and capacity used in this item (vi) in  
7 previous delivery years.

8 The Agency shall propose a payment structure for  
9 contracts executed pursuant to this paragraph under  
10 which, upon a demonstration of qualification or need,  
11 applicant firms are advanced capital disbursed after  
12 contract execution but before the contracted project's  
13 energization. The amount or percentage of capital  
14 advanced prior to project energization shall be  
15 sufficient to both cover any increase in development  
16 costs resulting from prevailing wage requirements or  
17 project-labor agreements, and designed to overcome  
18 barriers in access to capital faced by equity eligible  
19 contractors. The amount or percentage of advanced  
20 capital may vary by subcategory within this category  
21 and by an applicant's demonstration of need, with such  
22 levels to be established through the Long-Term  
23 Renewable Resources Procurement Plan authorized under  
24 subparagraph (A) of paragraph (1) of subsection (c) of  
25 this Section.

26 Contracts developed featuring capital advanced

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

20 (vii) The remaining capacity shall be allocated by  
21 the Agency in order to respond to market demand. The  
22 Agency shall allocate any discretionary capacity prior  
23 to the beginning of each delivery year.

24 (viii) Notwithstanding the preceding, not more than 90  
25 days after the effective date of this amendatory Act of  
26 the 103rd General Assembly, the Agency shall petition the

1 Commission to modify its Long-Term Renewable Resources  
2 Procurement Plan as follows:

3 (1) the petition shall include an estimate of  
4 the size of blocks authorized under subparagraph  
5 (i) of this paragraph (K) through the delivery  
6 year beginning in 2030;

7 (2) the petition shall propose that such  
8 capacity be made available on a continuous basis,  
9 subject to inter-block price reductions proposed  
10 by the Agency; and

11 (3) the petition shall propose a methodology  
12 for reallocated capacity under the terms of the  
13 Agency's Long-Term Renewable Resources Procurement  
14 Plan.

15 The Commission shall approve the Agency's petition  
16 within 120 days after receiving the petition, with any  
17 modifications that the Commission finds are necessary  
18 to deploy distributed renewable energy generation  
19 devices to meet customer demand and enable the  
20 photovoltaic market to scale up and for renewable  
21 energy credit prices to adjust at a predictable rate  
22 over time.

23 To the extent there is uncontracted capacity from any  
24 block in any of categories (i) through (vi) at the end of a  
25 delivery year, the Agency shall redistribute that capacity  
26 to one or more other categories giving priority to

1 categories with projects on a waitlist. The redistributed  
2 capacity shall be added to the annual capacity in the  
3 subsequent delivery year, and the price for renewable  
4 energy credits shall be the price for the new delivery  
5 year. Redistributed capacity shall not be considered  
6 redistributed when determining whether the goals in this  
7 subsection (K) have been met.

8 Notwithstanding anything to the contrary, as the  
9 Agency increases the capacity in item (vi) to 40% over  
10 time, the Agency may reduce the capacity of items (i)  
11 through (v) proportionate to the capacity of the  
12 categories of projects in item (vi), to achieve a balance  
13 of project types.

14 The Adjustable Block program shall be designed to  
15 ensure that renewable energy credits are procured from  
16 projects in diverse locations and are not concentrated in  
17 a few regional areas.

18 (L) Notwithstanding provisions for advancing capital  
19 prior to project energization found in item (vi) of  
20 subparagraph (K), the procurement of photovoltaic  
21 renewable energy credits under items (i) through (vi) of  
22 subparagraph (K) of this paragraph (1) shall otherwise be  
23 subject to the following contract and payment terms:

24 (i) (Blank).

25 (i-3) Upon delivery of evidence of an increase of  
26 over 100% of non-binding cost estimates for



1 interconnection from a study or interconnection  
2 agreement issued prior to application of a system to  
3 the program described in subparagraph (K) of this  
4 paragraph (1) to a study or interconnection agreement  
5 issued after such application, the approved vendor  
6 submitting such application shall be entitled to  
7 return of 100% of any performance assurance posted for  
8 such system under a contract described in this  
9 subparagraph (L).

10 (i-5) The Agency or its program administrator  
11 shall complete the review of the materials as the  
12 Agency may require to be submitted to trigger the  
13 initial payment for a participating system under the  
14 renewable energy credit contract no later than 6 weeks  
15 after the completed submission.

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

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

10 (iii) For those renewable energy credits that  
11 qualify and are procured under item (ii) and (v) of  
12 subparagraph (K) of this paragraph (1) and any like  
13 projects similar category that qualify and are  
14 procured under item (vi), the contract length shall be  
15 15 years. 15% of the renewable energy credit delivery  
16 contract value, based on the estimated generation  
17 during the first 15 years of operation, shall be paid  
18 by the contracting utilities at the time that the  
19 facility producing the renewable energy credits is  
20 interconnected at the distribution system level of the  
21 utility and verified as energized and compliant by the  
22 Program Administrator. The remaining portion shall be  
23 paid ratably over the subsequent 6-year period. The  
24 electric utility shall receive and retire all  
25 renewable energy credits generated by the project for  
26 the first 15 years of operation. Renewable energy

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

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

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

25 (v) Each contract shall include provisions to  
26 ensure the delivery of the estimated quantity of

1 renewable energy credits and ongoing collateral  
2 requirements and other provisions deemed appropriate  
3 by the Agency.

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

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

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

1 ~~incorporate this limitation.~~

2 (ix) Notwithstanding other requirements of this  
3 subparagraph (L), no modification shall be required to  
4 Adjustable Block program contracts if they were  
5 already executed prior to the establishment, approval,  
6 and implementation of new contract forms as a result  
7 of this amendatory Act of the 102nd General Assembly.

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

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

1 Procurement Code, under Section 20-10 of that Code. The  
2 Agency shall strive to minimize administrative expenses in  
3 the implementation of the Adjustable Block program.

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

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

1 national leader in renewable energy incentive program  
2 development and administration.

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

22 The Agency and its program administrators for both the  
23 Adjustable Block program and the Illinois Solar for All  
24 Program, consistent with the requirements of this  
25 subsection (c) and subsection (b) of Section 1-56 of this  
26 Act, shall propose the Adjustable Block program terms,



1 conditions, and requirements, including the prices to be  
2 paid for renewable energy credits, where applicable, and  
3 requirements applicable to participating entities and  
4 project applications, through the development, review, and  
5 approval of the Agency's long-term renewable resources  
6 procurement plan described in this subsection (c) and  
7 paragraph (5) of subsection (b) of Section 16-111.5 of the  
8 Public Utilities Act. Terms, conditions, and requirements  
9 for program participation shall include the following:

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

20 (ii) The Agency shall establish program  
21 requirements and minimum contract terms to ensure  
22 projects are properly installed and produce their  
23 expected amounts of energy. Program requirements may  
24 include on-site inspections and photo documentation of  
25 projects under construction. The Agency may require  
26 repairs, alterations, or additions to remedy any

1 material deficiencies discovered. Vendors who have a  
2 disproportionately high number of deficient systems  
3 may lose their eligibility to continue to receive  
4 State-administered incentive funding through Agency  
5 programs and procurements.

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

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

22 (v) Through a filing in the proceeding for the  
23 approval of its long-term renewable energy resources  
24 procurement plan, the Agency shall provide an annual  
25 written report to the Illinois Commerce Commission  
26 documenting the frequency and nature of complaints and

1 any enforcement actions taken in response to those  
2 complaints.

3 (vi) The Agency shall schedule regular meetings  
4 with representatives of the Office of the Attorney  
5 General, the Illinois Commerce Commission, consumer  
6 protection groups, and other interested stakeholders  
7 to share relevant information about consumer  
8 protection, project compliance, and complaints  
9 received.

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

16 (N) The Agency shall establish the terms, conditions,  
17 and program requirements for photovoltaic community  
18 renewable generation projects with a goal to expand access  
19 to a broader group of energy consumers, to ensure robust  
20 participation opportunities for residential and small  
21 commercial customers and those who cannot install  
22 renewable energy on their own properties. Subject to  
23 reasonable limitations, any plan approved by the  
24 Commission shall allow subscriptions to community  
25 renewable generation projects to be portable and  
26 transferable. For purposes of this subparagraph (N),

1 "portable" means that subscriptions may be retained by the  
2 subscriber even if the subscriber relocates or changes its  
3 address within the same utility service territory; and  
4 "transferable" means that a subscriber may assign or sell  
5 subscriptions to another person within the same utility  
6 service territory.

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

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

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

1 output from QFs under Public Utilities Regulatory Policies  
2 Act of 1978.

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

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

1 procurement plan may average the annual budgets over a  
2 3-year period to account for program ramp-up. For the  
3 delivery years beginning June 1, 2021, June 1, 2024, June  
4 1, 2027, and June 1, 2030 and additional \$10,000,000 shall  
5 be provided to the Department of Commerce and Economic  
6 Opportunity to implement the workforce development  
7 programs and reporting as outlined in Section 16-108.12 of  
8 the Public Utilities Act. In making the determinations  
9 required under this subparagraph (O), the Commission shall  
10 consider the experience and performance under the programs  
11 and any evaluation reports. The Commission shall also  
12 provide for an independent evaluation of those programs on  
13 a periodic basis that are funded under this subparagraph  
14 (O).

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

22 The Agency shall develop a method to optimize  
23 procurement of renewable energy credits from proposed  
24 utility-scale projects that are located in communities  
25 eligible to receive Energy Transition Community Grants  
26 pursuant to Section 10-20 of the Energy Community

1 Reinvestment Act. If this requirement conflicts with other  
2 provisions of law or the Agency determines that full  
3 compliance with the requirements of this subparagraph (P)  
4 would be unreasonably costly or administratively  
5 impractical, the Agency is to propose alternative  
6 approaches to achieve development of renewable energy  
7 resources in communities eligible to receive Energy  
8 Transition Community Grants pursuant to Section 10-20 of  
9 the Energy Community Reinvestment Act or seek an exemption  
10 from this requirement from the Commission.

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

18 (1) Each facility shall be subject to the  
19 prevailing wage requirements included in the  
20 Prevailing Wage Act. The Agency shall require  
21 verification that all construction performed on the  
22 facility by the renewable energy credit delivery  
23 contract holder, its contractors, or its  
24 subcontractors relating to construction of the  
25 facility is performed by construction employees  
26 receiving an amount for that work equal to or greater

1 than the general prevailing rate, as that term is  
2 defined in Section 3 of the Prevailing Wage Act. For  
3 purposes of this item (1), "house of worship" means  
4 property that is both (1) used exclusively by a  
5 religious society or body of persons as a place for  
6 religious exercise or religious worship and (2)  
7 recognized as exempt from taxation pursuant to Section  
8 15-40 of the Property Tax Code. This item (1) shall  
9 apply to any the following:

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

11 (ii) all new utility-scale photovoltaic  
12 projects;

13 (iii) all new brownfield photovoltaic  
14 projects;

15 (iv) all new photovoltaic community renewable  
16 energy facilities and any associated energy  
17 storage systems that qualify for item (iii) of  
18 subparagraph (K) of this paragraph (1);

19 (v) all new community driven community  
20 photovoltaic projects and any associated energy  
21 storage systems that qualify for item (v) of  
22 subparagraph (K) of this paragraph (1);

23 (vi) all new photovoltaic projects on public  
24 school land that qualify for item (iv) of  
25 subparagraph (K) of this paragraph (1);

26 (vii) all new photovoltaic distributed



1 renewable energy generation devices and any  
2 associated energy storage systems that (1) qualify  
3 for item (i) of subparagraph (K) of this paragraph  
4 (1); (2) are not projects that serve single-family  
5 or multi-family residential buildings; and (3) are  
6 not houses of worship where the aggregate capacity  
7 including collocated projects would not exceed 100  
8 kilowatts;

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

18 (ix) all new, modernized, or retooled  
19 hydropower facilities.

20 (2) Renewable energy credits procured from new  
21 utility-scale wind projects, new utility-scale solar  
22 projects, and new brownfield solar projects pursuant  
23 to Agency procurement events occurring after the  
24 effective date of this amendatory Act of the 102nd  
25 General Assembly must be from facilities built by  
26 general contractors that must enter into a project

1 labor agreement, as defined by this Act, prior to  
2 construction. The project labor agreement shall be  
3 filed with the Director in accordance with procedures  
4 established by the Agency through its long-term  
5 renewable resources procurement plan. Any information  
6 submitted to the Agency in this item (2) shall be  
7 considered commercially sensitive information. At a  
8 minimum, the project labor agreement must provide the  
9 names, addresses, and occupations of the owner of the  
10 plant and the individuals representing the labor  
11 organization employees participating in the project  
12 labor agreement consistent with the Project Labor  
13 Agreements Act. The agreement must also specify the  
14 terms and conditions as defined by this Act.

15 (3) It is the intent of this Section to ensure that  
16 economic development occurs across Illinois  
17 communities, that emerging businesses may grow, and  
18 that there is improved access to the clean energy  
19 economy by persons who have greater economic burdens  
20 to success. The Agency shall take into consideration  
21 the unique cost of compliance of this subparagraph (Q)  
22 that might be borne by equity eligible contractors,  
23 shall include such costs when determining the price of  
24 renewable energy credits in the Adjustable Block  
25 program, and shall take such costs into consideration  
26 in a nondiscriminatory manner when comparing bids for

1 competitive procurements. The Agency shall consider  
2 costs associated with compliance whether in the  
3 development, financing, or construction of projects.  
4 The Agency shall periodically review the assumptions  
5 in these costs and may adjust prices, in compliance  
6 with subparagraph (M) of this paragraph (1).

7 (R) In its long-term renewable resources procurement  
8 plan, the Agency shall establish a self-direct renewable  
9 portfolio standard compliance program for eligible  
10 self-direct customers that purchase renewable energy  
11 credits from utility-scale wind and solar projects through  
12 long-term agreements for purchase of renewable energy  
13 credits as described in this Section. Such long-term  
14 agreements may include the purchase of energy or other  
15 products on a physical or financial basis and may involve  
16 an alternative retail electric supplier as defined in  
17 Section 16-102 of the Public Utilities Act. This program  
18 shall take effect in the delivery year commencing June 1,  
19 2023.

20 (1) For the purposes of this subparagraph:

21 "Eligible self-direct customer" means any retail  
22 customers of an electric utility that serves 3,000,000  
23 or more retail customers in the State and whose total  
24 highest 30-minute demand was more than 10,000  
25 kilowatts, or any retail customers of an electric  
26 utility that serves less than 3,000,000 retail

1 customers but more than 500,000 retail customers in  
2 the State and whose total highest 15-minute demand was  
3 more than 10,000 kilowatts.

4 "Retail customer" has the meaning set forth in  
5 Section 16-102 of the Public Utilities Act and  
6 multiple retail customer accounts under the same  
7 corporate parent may aggregate their account demands  
8 to meet the 10,000 kilowatt threshold. The criteria  
9 for determining whether this subparagraph is  
10 applicable to a retail customer shall be based on the  
11 12 consecutive billing periods prior to the start of  
12 the year in which the application is filed.

13 (2) For renewable energy credits to count toward  
14 the self-direct renewable portfolio standard  
15 compliance program, they must:

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

18 (ii) be sourced from one or more renewable  
19 energy generating facilities that comply with the  
20 geographic requirements as set forth in  
21 subparagraph (I) of paragraph (1) of subsection  
22 (c) as interpreted through the Agency's long-term  
23 renewable resources procurement plan, or, where  
24 applicable, the geographic requirements that  
25 governed utility-scale renewable energy credits at  
26 the time the eligible self-direct customer entered

1 into the applicable renewable energy credit  
2 purchase agreement;

3 (iii) be procured through long-term contracts  
4 with term lengths of at least 10 years either  
5 directly with the renewable energy generating  
6 facility or through a bundled power purchase  
7 agreement, a virtual power purchase agreement, an  
8 agreement between the renewable generating  
9 facility, an alternative retail electric supplier,  
10 and the customer, or such other structure as is  
11 permissible under this subparagraph (R);

12 (iv) be equivalent in volume to at least 40%  
13 of the eligible self-direct customer's usage,  
14 determined annually by the eligible self-direct  
15 customer's usage during the previous delivery  
16 year, measured to the nearest megawatt-hour;

17 (v) be retired by or on behalf of the large  
18 energy customer;

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

21 (vii) if the contracts for renewable energy  
22 credits are entered into after the effective date  
23 of this amendatory Act of the 102nd General  
24 Assembly, the new utility-scale wind projects or  
25 new utility-scale solar projects must comply with  
26 the requirements established in subparagraphs (P)

1           and (Q) of paragraph (1) of this subsection (c)  
2           and subsection (c-10).

3           (3) The self-direct renewable portfolio standard  
4           compliance program shall be designed to allow eligible  
5           self-direct customers to procure new renewable energy  
6           credits from new utility-scale wind projects or new  
7           utility-scale photovoltaic projects. The Agency shall  
8           annually determine the amount of utility-scale  
9           renewable energy credits it will include each year  
10          from the self-direct renewable portfolio standard  
11          compliance program, subject to receiving qualifying  
12          applications. In making this determination, the Agency  
13          shall evaluate publicly available analyses and studies  
14          of the potential market size for utility-scale  
15          renewable energy long-term purchase agreements by  
16          commercial and industrial energy customers and make  
17          that report publicly available. If demand for  
18          participation in the self-direct renewable portfolio  
19          standard compliance program exceeds availability, the  
20          Agency shall ensure participation is evenly split  
21          between commercial and industrial users to the extent  
22          there is sufficient demand from both customer classes.  
23          Each renewable energy credit procured pursuant to this  
24          subparagraph (R) by a self-direct customer shall  
25          reduce the total volume of renewable energy credits  
26          the Agency is otherwise required to procure from new

1 utility-scale projects pursuant to subparagraph (C) of  
2 paragraph (1) of this subsection (c) on behalf of  
3 contracting utilities where the eligible self-direct  
4 customer is located. The self-direct customer shall  
5 file an annual compliance report with the Agency  
6 pursuant to terms established by the Agency through  
7 its long-term renewable resources procurement plan to  
8 be eligible for participation in this program.  
9 Customers must provide the Agency with their most  
10 recent electricity billing statements or other  
11 information deemed necessary by the Agency to  
12 demonstrate they are an eligible self-direct customer.

13 (4) The Commission shall approve a reduction in  
14 the volumetric charges collected pursuant to Section  
15 16-108 of the Public Utilities Act for approved  
16 eligible self-direct customers equivalent to the  
17 anticipated cost of renewable energy credit deliveries  
18 under contracts for new utility-scale wind and new  
19 utility-scale solar entered for each delivery year  
20 after the large energy customer begins retiring  
21 eligible new utility scale renewable energy credits  
22 for self-compliance. The self-direct credit amount  
23 shall be determined annually and is equal to the  
24 estimated portion of the cost authorized by  
25 subparagraph (E) of paragraph (1) of this subsection  
26 (c) that supported the annual procurement of

1 utility-scale renewable energy credits in the prior  
2 delivery year using a methodology described in the  
3 long-term renewable resources procurement plan,  
4 expressed on a per kilowatthour basis, and does not  
5 include (i) costs associated with any contracts  
6 entered into before the delivery year in which the  
7 customer files the initial compliance report to be  
8 eligible for participation in the self-direct program,  
9 and (ii) costs associated with procuring renewable  
10 energy credits through existing and future contracts  
11 through the Adjustable Block Program, subsection (c-5)  
12 of this Section 1-75, and the Solar for All Program.  
13 The Agency shall assist the Commission in determining  
14 the current and future costs. The Agency must  
15 determine the self-direct credit amount for new and  
16 existing eligible self-direct customers and submit  
17 this to the Commission in an annual compliance filing.  
18 The Commission must approve the self-direct credit  
19 amount by June 1, 2023 and June 1 of each delivery year  
20 thereafter.

21 (5) Customers described in this subparagraph (R)  
22 shall apply, on a form developed by the Agency, to the  
23 Agency to be designated as a self-direct eligible  
24 customer. Once the Agency determines that a  
25 self-direct customer is eligible for participation in  
26 the program, the self-direct customer will remain



1 eligible until the end of the term of the contract.  
2 Thereafter, application may be made not less than 12  
3 months before the filing date of the long-term  
4 renewable resources procurement plan described in this  
5 Act. At a minimum, such application shall contain the  
6 following:

7 (i) the customer's certification that, at the  
8 time of the customer's application, the customer  
9 qualifies to be a self-direct eligible customer,  
10 including documents demonstrating that  
11 qualification;

12 (ii) the customer's certification that the  
13 customer has entered into or will enter into by  
14 the beginning of the applicable procurement year,  
15 one or more bilateral contracts for new wind  
16 projects or new photovoltaic projects, including  
17 supporting documentation;

18 (iii) certification that the contract or  
19 contracts for new renewable energy resources are  
20 long-term contracts with term lengths of at least  
21 10 years, including supporting documentation;

22 (iv) certification of the quantities of  
23 renewable energy credits that the customer will  
24 purchase each year under such contract or  
25 contracts, including supporting documentation;

26 (v) proof that the contract is sufficient to

1 produce renewable energy credits to be equivalent  
2 in volume to at least 40% of the large energy  
3 customer's usage from the previous delivery year,  
4 measured to the nearest megawatt-hour; and

5 (vi) certification that the customer intends  
6 to maintain the contract for the duration of the  
7 length of the contract.

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

22 (2) (Blank).

23 (3) (Blank).

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

26 (5) Beginning with the 2010 delivery year and ending

1 June 1, 2017, an electric utility subject to this  
2 subsection (c) shall apply the lesser of the maximum  
3 alternative compliance payment rate or the most recent  
4 estimated alternative compliance payment rate for its  
5 service territory for the corresponding compliance period,  
6 established pursuant to subsection (d) of Section 16-115D  
7 of the Public Utilities Act to its retail customers that  
8 take service pursuant to the electric utility's hourly  
9 pricing tariff or tariffs. The electric utility shall  
10 retain all amounts collected as a result of the  
11 application of the alternative compliance payment rate or  
12 rates to such customers, and, beginning in 2011, the  
13 utility shall include in the information provided under  
14 item (1) of subsection (d) of Section 16-111.5 of the  
15 Public Utilities Act the amounts collected under the  
16 alternative compliance payment rate or rates for the prior  
17 year ending May 31. Notwithstanding any limitation on the  
18 procurement of renewable energy resources imposed by item  
19 (2) of this subsection (c), the Agency shall increase its  
20 spending on the purchase of renewable energy resources to  
21 be procured by the electric utility for the next plan year  
22 by an amount equal to the amounts collected by the utility  
23 under the alternative compliance payment rate or rates in  
24 the prior year ending May 31.

25 (6) The electric utility shall be entitled to recover  
26 all of its costs associated with the procurement of

1 renewable energy credits under plans approved under this  
2 Section and Section 16-111.5 of the Public Utilities Act.  
3 These costs shall include associated reasonable expenses  
4 for implementing the procurement programs, including, but  
5 not limited to, the costs of administering and evaluating  
6 the Adjustable Block program, through an automatic  
7 adjustment clause tariff in accordance with subsection (k)  
8 of Section 16-108 of the Public Utilities Act.

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

17 In meeting the renewable energy requirements of this  
18 subsection (c), to the extent feasible and consistent with  
19 State and federal law, the renewable energy credit  
20 procurements, Adjustable Block solar program, and  
21 community renewable generation program shall provide  
22 employment opportunities for all segments of the  
23 population and workforce, including minority-owned and  
24 female-owned business enterprises, and shall not,  
25 consistent with State and federal law, discriminate based  
26 on race or socioeconomic status.

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

5 (1) In addition to the procurement of renewable energy  
6 credits pursuant to long-term renewable resources  
7 procurement plans in accordance with subsection (c) of  
8 this Section and Section 16-111.5 of the Public Utilities  
9 Act, the Agency shall conduct procurement events in  
10 accordance with this subsection (c-5) for the procurement  
11 by electric utilities that served more than 300,000 retail  
12 customers in this State as of January 1, 2019 of renewable  
13 energy credits from new renewable energy facilities to be  
14 installed at or adjacent to the sites of electric  
15 generating facilities that, as of January 1, 2016, burned  
16 coal as their primary fuel source and meet the other  
17 criteria specified in this subsection (c-5). For purposes  
18 of this subsection (c-5), "new renewable energy facility"  
19 means a new utility-scale solar project as defined in this  
20 Section 1-75. The renewable energy credits procured  
21 pursuant to this subsection (c-5) may be included or  
22 counted for purposes of compliance with the amounts of  
23 renewable energy credits required to be procured pursuant  
24 to subsection (c) of this Section to the extent that there  
25 are otherwise shortfalls in compliance with such  
26 requirements. The procurement of renewable energy credits

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

13 (2) The Agency shall conduct 2 procurement events to  
14 select owners of electric generating facilities meeting  
15 the eligibility criteria specified in this subsection  
16 (c-5) to enter into long-term contracts to sell renewable  
17 energy credits to electric utilities serving more than  
18 300,000 retail customers in this State as of January 1,  
19 2019. The first procurement event shall be conducted no  
20 later than March 31, 2022, unless the Agency elects to  
21 delay it, until no later than May 1, 2022, due to its  
22 overall volume of work, and shall be to select owners of  
23 electric generating facilities located in this State and  
24 south of federal Interstate Highway 80 that meet the  
25 eligibility criteria specified in this subsection (c-5).  
26 The second procurement event shall be conducted no sooner

1 than September 30, 2022 and no later than October 31, 2022  
2 and shall be to select owners of electric generating  
3 facilities located anywhere in this State that meet the  
4 eligibility criteria specified in this subsection (c-5).  
5 The Agency shall establish and announce a time period,  
6 which shall begin no later than 30 days prior to the  
7 scheduled date for the procurement event, during which  
8 applicants may submit applications to be selected as  
9 suppliers of renewable energy credits pursuant to this  
10 subsection (c-5). The eligibility criteria for selection  
11 as a supplier of renewable energy credits pursuant to this  
12 subsection (c-5) shall be as follows:

13 (A) The applicant owns an electric generating  
14 facility located in this State that: (i) as of January  
15 1, 2016, burned coal as its primary fuel to generate  
16 electricity; and (ii) has, or had prior to retirement,  
17 an electric generating capacity of at least 150  
18 megawatts. The electric generating facility can be  
19 either: (i) retired as of the date of the procurement  
20 event; or (ii) still operating as of the date of the  
21 procurement event.

22 (B) The applicant is not (i) an electric  
23 cooperative as defined in Section 3-119 of the Public  
24 Utilities Act, or (ii) an entity described in  
25 subsection (b)(1) of Section 3-105 of the Public  
26 Utilities Act, or an association or consortium of or

1 an entity owned by entities described in (i) or (ii);  
2 and the coal-fueled electric generating facility was  
3 at one time owned, in whole or in part, by a public  
4 utility as defined in Section 3-105 of the Public  
5 Utilities Act.

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



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

7           (E) The applicant agrees that personnel operating  
8 the new renewable energy facility and the energy  
9 storage facility will have the requisite skills,  
10 knowledge, training, experience, and competence, which  
11 may be demonstrated by completion or current  
12 participation and ultimate completion by employees of  
13 an accredited or otherwise recognized apprenticeship  
14 program for the employee's particular craft, trade, or  
15 skill, including through training and education  
16 courses and opportunities offered by the owner to  
17 employees of the coal-fueled electric generating  
18 facility or by previous employment experience  
19 performing the employee's particular work skill or  
20 function.

21           (F) The applicant commits that not less than the  
22 prevailing wage, as determined pursuant to the  
23 Prevailing Wage Act, will be paid to the applicant's  
24 employees engaged in construction activities  
25 associated with the new renewable energy facility and  
26 the new energy storage facility and to the employees

1 of applicant's contractors engaged in construction  
2 activities associated with the new renewable energy  
3 facility and the new energy storage facility, and  
4 that, on or before the commercial operation date of  
5 the new renewable energy facility, the applicant shall  
6 file a report with the Agency certifying that the  
7 requirements of this subparagraph (F) have been met.

8 (G) The applicant commits that if selected, it  
9 will negotiate a project labor agreement for the  
10 construction of the new renewable energy facility and  
11 associated energy storage facility that includes  
12 provisions requiring the parties to the agreement to  
13 work together to establish diversity threshold  
14 requirements and to ensure best efforts to meet  
15 diversity targets, improve diversity at the applicable  
16 job site, create diverse apprenticeship opportunities,  
17 and create opportunities to employ former coal-fired  
18 power plant workers.

19 (H) The applicant commits to enter into a contract  
20 or contracts for the applicable duration to provide  
21 specified numbers of renewable energy credits each  
22 year from the new renewable energy facility to  
23 electric utilities that served more than 300,000  
24 retail customers in this State as of January 1, 2019,  
25 at a price of \$30 per renewable energy credit. The  
26 price per renewable energy credit shall be fixed at

1           \$30 for the applicable duration and the renewable  
2 energy credits shall not be indexed renewable energy  
3 credits as provided for in item (v) of subparagraph  
4 (G) of paragraph (1) of subsection (c) of Section 1-75  
5 of this Act. The applicable duration of each contract  
6 shall be 20 years, unless the applicant is physically  
7 interconnected to the PJM Interconnection, LLC  
8 transmission grid and had a generating capacity of at  
9 least 1,200 megawatts as of January 1, 2021, in which  
10 case the applicable duration of the contract shall be  
11 15 years.

12           (I) The applicant's application is certified by an  
13 officer of the applicant and by an officer of the  
14 applicant's ultimate parent company, if any.

15           (3) An applicant may submit applications to contract  
16 to supply renewable energy credits from more than one new  
17 renewable energy facility to be constructed at or adjacent  
18 to one or more qualifying electric generating facilities  
19 owned by the applicant. The Agency may select new  
20 renewable energy facilities to be located at or adjacent  
21 to the sites of more than one qualifying electric  
22 generation facility owned by an applicant to contract with  
23 electric utilities to supply renewable energy credits from  
24 such facilities.

25           (4) The Agency shall assess fees to each applicant to  
26 recover the Agency's costs incurred in receiving and

1 evaluating applications, conducting the procurement event,  
2 developing contracts for sale, delivery and purchase of  
3 renewable energy credits, and monitoring the  
4 administration of such contracts, as provided for in this  
5 subsection (c-5), including fees paid to a procurement  
6 administrator retained by the Agency for one or more of  
7 these purposes.

8 (5) The Agency shall select the applicants and the new  
9 renewable energy facilities to contract with electric  
10 utilities to supply renewable energy credits in accordance  
11 with this subsection (c-5). In the first procurement  
12 event, the Agency shall select applicants and new  
13 renewable energy facilities to supply renewable energy  
14 credits, at a price of \$30 per renewable energy credit,  
15 aggregating to no less than 400,000 renewable energy  
16 credits per year for the applicable duration, assuming  
17 sufficient qualifying applications to supply, in the  
18 aggregate, at least that amount of renewable energy  
19 credits per year; and not more than 580,000 renewable  
20 energy credits per year for the applicable duration. In  
21 the second procurement event, the Agency shall select  
22 applicants and new renewable energy facilities to supply  
23 renewable energy credits, at a price of \$30 per renewable  
24 energy credit, aggregating to no more than 625,000  
25 renewable energy credits per year less the amount of  
26 renewable energy credits each year contracted for as a

1 result of the first procurement event, for the applicable  
2 durations. The number of renewable energy credits to be  
3 procured as specified in this paragraph (5) shall not be  
4 reduced based on renewable energy credits procured in the  
5 self-direct renewable energy credit compliance program  
6 established pursuant to subparagraph (R) of paragraph (1)  
7 of subsection (c) of Section 1-75.

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

26 (7) The Agency shall submit its proposed selection of

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

14 (8) The Agency, in conjunction with its procurement  
15 administrator if one is retained, the electric utilities,  
16 and potential applicants for contracts to produce and  
17 supply renewable energy credits pursuant to this  
18 subsection (c-5), shall develop a standard form contract  
19 for the sale, delivery and purchase of renewable energy  
20 credits pursuant to this subsection (c-5). Each contract  
21 resulting from the first procurement event shall allow for  
22 a commercial operation date for the new renewable energy  
23 facility of either June 1, 2023 or June 1, 2024, with such  
24 dates subject to adjustment as provided in this paragraph.  
25 Each contract resulting from the second procurement event  
26 shall provide for a commercial operation date on June 1

1 next occurring up to 48 months after execution of the  
2 contract. Each contract shall provide that the owner shall  
3 receive payments for renewable energy credits for the  
4 applicable durations beginning with the commercial  
5 operation date of the new renewable energy facility. The  
6 form contract shall provide for adjustments to the  
7 commercial operation and payment start dates as needed due  
8 to any delays in completing the procurement and  
9 contracting processes, in finalizing interconnection  
10 agreements and installing interconnection facilities, and  
11 in obtaining other necessary governmental permits and  
12 approvals. The form contract shall be, to the maximum  
13 extent possible, consistent with standard electric  
14 industry contracts for sale, delivery, and purchase of  
15 renewable energy credits while taking into account the  
16 specific requirements of this subsection (c-5). The form  
17 contract shall provide for over-delivery and  
18 under-delivery of renewable energy credits within  
19 reasonable ranges during each 12-month period and penalty,  
20 default, and enforcement provisions for failure of the  
21 selling party to deliver renewable energy credits as  
22 specified in the contract and to comply with the  
23 requirements of this subsection (c-5). The standard form  
24 contract shall specify that all renewable energy credits  
25 delivered to the electric utility pursuant to the contract  
26 shall be retired. The Agency shall make the proposed

1 contracts available for a reasonable period for comment by  
2 potential applicants, and shall publish the final form  
3 contract at least 30 days before the date of the first  
4 procurement event.

5 (9) Coal to Solar and Energy Storage Initiative  
6 Charge.

7 (A) By no later than July 1, 2022, each electric  
8 utility that served more than 300,000 retail customers  
9 in this State as of January 1, 2019 shall file a tariff  
10 with the Commission for the billing and collection of  
11 a Coal to Solar and Energy Storage Initiative Charge  
12 in accordance with subsection (i-5) of Section 16-108  
13 of the Public Utilities Act, with such tariff to be  
14 effective, following review and approval or  
15 modification by the Commission, beginning January 1,  
16 2023. The tariff shall provide for the calculation and  
17 setting of the electric utility's Coal to Solar and  
18 Energy Storage Initiative Charge to collect revenues  
19 estimated to be sufficient, in the aggregate, (i) to  
20 enable the electric utility to pay for the renewable  
21 energy credits it has contracted to purchase in the  
22 delivery year beginning June 1, 2023 and each delivery  
23 year thereafter from new renewable energy facilities  
24 located at the sites of qualifying electric generating  
25 facilities, and (ii) to fund the grant payments to be  
26 made in each delivery year by the Department of



1 Commerce and Economic Opportunity, or any successor  
2 department or agency, which shall be referred to in  
3 this subsection (c-5) as the Department, pursuant to  
4 paragraph (10) of this subsection (c-5). The electric  
5 utility's tariff shall provide for the billing and  
6 collection of the Coal to Solar and Energy Storage  
7 Initiative Charge on each kilowatthour of electricity  
8 delivered to its delivery services customers within  
9 its service territory and shall provide for an annual  
10 reconciliation of revenues collected with actual  
11 costs, in accordance with subsection (i-5) of Section  
12 16-108 of the Public Utilities Act.

13 (B) Each electric utility shall remit on a monthly  
14 basis to the State Treasurer, for deposit in the Coal  
15 to Solar and Energy Storage Initiative Fund provided  
16 for in this subsection (c-5), the electric utility's  
17 collections of the Coal to Solar and Energy Storage  
18 Initiative Charge in the amount estimated to be needed  
19 by the Department for grant payments pursuant to grant  
20 contracts entered into by the Department pursuant to  
21 paragraph (10) of this subsection (c-5).

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

23 (A) The Coal to Solar and Energy Storage  
24 Initiative Fund is established as a special fund in  
25 the State treasury. The Coal to Solar and Energy  
26 Storage Initiative Fund is authorized to receive, by

1 statutory deposit, that portion specified in item (B)  
2 of paragraph (9) of this subsection (c-5) of moneys  
3 collected by electric utilities through imposition of  
4 the Coal to Solar and Energy Storage Initiative Charge  
5 required by this subsection (c-5). The Coal to Solar  
6 and Energy Storage Initiative Fund shall be  
7 administered by the Department to provide grants to  
8 support the installation and operation of energy  
9 storage facilities at the sites of qualifying electric  
10 generating facilities meeting the criteria specified  
11 in this paragraph (10).

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

22 (C) The Department shall utilize up to  
23 \$280,500,000 in the Coal to Solar and Energy Storage  
24 Initiative Fund for grants, assuming sufficient  
25 qualifying applicants, to support installation of  
26 energy storage facilities at the sites of up to 3

1           qualifying electric generating facilities located in  
2           the Midcontinent Independent System Operator, Inc.,  
3           region in Illinois and the sites of up to 2 qualifying  
4           electric generating facilities located in the PJM  
5           Interconnection, LLC region in Illinois that meet the  
6           criteria set forth in this subparagraph (C). The  
7           criteria for receipt of a grant pursuant to this  
8           subparagraph (C) are as follows:

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

12                   (2) the electric generating facility burns (or  
13                   burned prior to retirement) coal as its primary  
14                   source of fuel;

15                   (3) if the electric generating facility is  
16                   retired, it was retired subsequent to January 1,  
17                   2016;

18                   (4) the owner of the electric generating  
19                   facility has not been selected by the Agency  
20                   pursuant to this subsection (c-5) of this Section  
21                   to enter into a contract to sell renewable energy  
22                   credits to one or more electric utilities from a  
23                   new renewable energy facility located or to be  
24                   located at or adjacent to the site at which the  
25                   electric generating facility is located;

26                   (5) the electric generating facility located

1 at the site was at one time owned, in whole or in  
2 part, by a public utility as defined in Section  
3 3-105 of the Public Utilities Act;

4 (6) the electric generating facility at the  
5 site is not owned by (i) an electric cooperative  
6 as defined in Section 3-119 of the Public  
7 Utilities Act, or (ii) an entity described in  
8 subsection (b)(1) of Section 3-105 of the Public  
9 Utilities Act, or an association or consortium of  
10 or an entity owned by entities described in items  
11 (i) or (ii);

12 (7) the proposed energy storage facility at  
13 the site will have energy storage capacity of at  
14 least 37 megawatts;

15 (8) the owner commits to place the energy  
16 storage facility into commercial operation on  
17 either June 1, 2023, June 1, 2024, or June 1, 2025,  
18 with such date subject to adjustment as needed due  
19 to any delays in completing the grant contracting  
20 process, in finalizing interconnection agreements  
21 and in installing interconnection facilities, and  
22 in obtaining necessary governmental permits and  
23 approvals;

24 (9) the owner agrees that the new energy  
25 storage facility will be constructed or installed  
26 by a qualified entity or entities consistent with

1 the requirements of subsection (g) of Section  
2 16-128A of the Public Utilities Act and any rules  
3 adopted under that Section;

4 (10) the owner agrees that personnel operating  
5 the energy storage facility will have the  
6 requisite skills, knowledge, training, experience,  
7 and competence, which may be demonstrated by  
8 completion or current participation and ultimate  
9 completion by employees of an accredited or  
10 otherwise recognized apprenticeship program for  
11 the employee's particular craft, trade, or skill,  
12 including through training and education courses  
13 and opportunities offered by the owner to  
14 employees of the coal-fueled electric generating  
15 facility or by previous employment experience  
16 performing the employee's particular work skill or  
17 function;

18 (11) the owner commits that not less than the  
19 prevailing wage, as determined pursuant to the  
20 Prevailing Wage Act, will be paid to the owner's  
21 employees engaged in construction activities  
22 associated with the new energy storage facility  
23 and to the employees of the owner's contractors  
24 engaged in construction activities associated with  
25 the new energy storage facility, and that, on or  
26 before the commercial operation date of the new

1 energy storage facility, the owner shall file a  
2 report with the Department certifying that the  
3 requirements of this subparagraph (11) have been  
4 met; and

5 (12) the owner commits that if selected to  
6 receive a grant, it will negotiate a project labor  
7 agreement for the construction of the new energy  
8 storage facility that includes provisions  
9 requiring the parties to the agreement to work  
10 together to establish diversity threshold  
11 requirements and to ensure best efforts to meet  
12 diversity targets, improve diversity at the  
13 applicable job site, create diverse apprenticeship  
14 opportunities, and create opportunities to employ  
15 former coal-fired power plant workers.

16 The Department shall accept applications for this  
17 grant program until March 31, 2022 and shall announce  
18 the award of grants no later than June 1, 2022. The  
19 Department shall make the grant payments to a  
20 recipient in equal annual amounts for 10 years  
21 following the date the energy storage facility is  
22 placed into commercial operation. The annual grant  
23 payments to a qualifying energy storage facility shall  
24 be \$110,000 per megawatt of energy storage capacity,  
25 with total annual grant payments pursuant to this  
26 subparagraph (C) for qualifying energy storage

1 facilities not to exceed \$28,050,000 in any year.

2 (D) Grants of funding for energy storage  
3 facilities pursuant to subparagraph (C) of this  
4 paragraph (10), from the Coal to Solar and Energy  
5 Storage Initiative Fund, shall be memorialized in  
6 grant contracts between the Department and the  
7 recipient. The grant contracts shall specify the date  
8 or dates in each year on which the annual grant  
9 payments shall be paid.

10 (E) All disbursements from the Coal to Solar and  
11 Energy Storage Initiative Fund shall be made only upon  
12 warrants of the Comptroller drawn upon the Treasurer  
13 as custodian of the Fund upon vouchers signed by the  
14 Director of the Department or by the person or persons  
15 designated by the Director of the Department for that  
16 purpose. The Comptroller is authorized to draw the  
17 warrants upon vouchers so signed. The Treasurer shall  
18 accept all written warrants so signed and shall be  
19 released from liability for all payments made on those  
20 warrants.

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

22 (A) Each applicant selected in a procurement event  
23 to contract to supply renewable energy credits in  
24 accordance with this subsection (c-5) and each owner  
25 selected by the Department to receive a grant or  
26 grants to support the construction and operation of a

1 new energy storage facility or facilities in  
2 accordance with this subsection (c-5) shall, within 60  
3 days following the Commission's approval of the  
4 applicant to contract to supply renewable energy  
5 credits or within 60 days following execution of a  
6 grant contract with the Department, as applicable,  
7 submit to the Commission a diversity, equity, and  
8 inclusion plan setting forth the applicant's or  
9 owner's numeric goals for the diversity composition of  
10 its supplier entities for the new renewable energy  
11 facility or new energy storage facility, as  
12 applicable, which shall be referred to for purposes of  
13 this paragraph (11) as the project, and the  
14 applicant's or owner's action plan and schedule for  
15 achieving those goals.

16 (B) For purposes of this paragraph (11), diversity  
17 composition shall be based on the percentage, which  
18 shall be a minimum of 25%, of eligible expenditures  
19 for contract awards for materials and services (which  
20 shall be defined in the plan) to business enterprises  
21 owned by minority persons, women, or persons with  
22 disabilities as defined in Section 2 of the Business  
23 Enterprise for Minorities, Women, and Persons with  
24 Disabilities Act, to LGBTQ business enterprises, to  
25 veteran-owned business enterprises, and to business  
26 enterprises located in environmental justice



1 communities. The diversity composition goals of the  
2 plan may include eligible expenditures in areas for  
3 vendor or supplier opportunities in addition to  
4 development and construction of the project, and may  
5 exclude from eligible expenditures materials and  
6 services with limited market availability, limited  
7 production and availability from suppliers in the  
8 United States, such as solar panels and storage  
9 batteries, and material and services that are subject  
10 to critical energy infrastructure or cybersecurity  
11 requirements or restrictions. The plan may provide  
12 that the diversity composition goals may be met  
13 through Tier 1 Direct or Tier 2 subcontracting  
14 expenditures or a combination thereof for the project.

15 (C) The plan shall provide for, but not be limited  
16 to: (i) internal initiatives, including multi-tier  
17 initiatives, by the applicant or owner, or by its  
18 engineering, procurement and construction contractor  
19 if one is used for the project, which for purposes of  
20 this paragraph (11) shall be referred to as the EPC  
21 contractor, to enable diverse businesses to be  
22 considered fairly for selection to provide materials  
23 and services; (ii) requirements for the applicant or  
24 owner or its EPC contractor to proactively solicit and  
25 utilize diverse businesses to provide materials and  
26 services; and (iii) requirements for the applicant or

1 owner or its EPC contractor to hire a diverse  
2 workforce for the project. The plan shall include a  
3 description of the applicant's or owner's diversity  
4 recruiting efforts both for the project and for other  
5 areas of the applicant's or owner's business  
6 operations. The plan shall provide for the imposition  
7 of financial penalties on the applicant's or owner's  
8 EPC contractor for failure to exercise best efforts to  
9 comply with and execute the EPC contractor's diversity  
10 obligations under the plan. The plan may provide for  
11 the applicant or owner to set aside a portion of the  
12 work on the project to serve as an incubation program  
13 for qualified businesses, as specified in the plan,  
14 owned by minority persons, women, persons with  
15 disabilities, LGBTQ persons, and veterans, and  
16 businesses located in environmental justice  
17 communities, seeking to enter the renewable energy  
18 industry.

19 (D) The applicant or owner may submit a revised or  
20 updated plan to the Commission from time to time as  
21 circumstances warrant. The applicant or owner shall  
22 file annual reports with the Commission detailing the  
23 applicant's or owner's progress in implementing its  
24 plan and achieving its goals and any modifications the  
25 applicant or owner has made to its plan to better  
26 achieve its diversity, equity and inclusion goals. The

1 applicant or owner shall file a final report on the  
2 fifth June 1 following the commercial operation date  
3 of the new renewable energy resource or new energy  
4 storage facility, but the applicant or owner shall  
5 thereafter continue to be subject to applicable  
6 reporting requirements of Section 5-117 of the Public  
7 Utilities Act.

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

1 outcomes.

2 (1) Minimum equity standards. The Agency shall create  
3 programs with the purpose of increasing access to and  
4 development of equity eligible contractors, who are prime  
5 contractors and subcontractors, across all of the programs  
6 it manages. All applications for renewable energy credit  
7 procurements shall comply with specific minimum equity  
8 commitments. Starting in the delivery year immediately  
9 following the next long-term renewable resources  
10 procurement plan, at least 10% of the project workforce  
11 for each entity participating in a procurement program  
12 outlined in this subsection (c-10) must be done by equity  
13 eligible persons or equity eligible contractors. The  
14 Agency shall increase the minimum percentage each delivery  
15 year thereafter by increments that ensure a statewide  
16 average of 30% of the project workforce for each entity  
17 participating in a procurement program is done by equity  
18 eligible persons or equity eligible contractors by 2030.  
19 The Agency shall propose a schedule of percentage  
20 increases to the minimum equity standards in its draft  
21 revised renewable energy resources procurement plan  
22 submitted to the Commission for approval pursuant to  
23 paragraph (5) of subsection (b) of Section 16-111.5 of the  
24 Public Utilities Act. In determining these annual  
25 increases, the Agency shall have the discretion to  
26 establish different minimum equity standards for different

1 types of procurements and different regions of the State  
2 if the Agency finds that doing so will further the  
3 purposes of this subsection (c-10). The proposed schedule  
4 of annual increases shall be revisited and updated on an  
5 annual basis. Revisions shall be developed with  
6 stakeholder input, including from equity eligible persons,  
7 equity eligible contractors, clean energy industry  
8 representatives, and community-based organizations that  
9 work with such persons and contractors.

10 (A) At the start of each delivery year, the Agency  
11 shall require a compliance plan from each entity  
12 participating in a procurement program of subsection  
13 (c) of this Section that demonstrates how they will  
14 achieve compliance with the minimum equity standard  
15 percentage for work completed in that delivery year.  
16 If an entity applies for its approved vendor or  
17 designee status between delivery years, the Agency  
18 shall require a compliance plan at the time of  
19 application.

20 (B) Halfway through each delivery year, the Agency  
21 shall require each entity participating in a  
22 procurement program to confirm that it will achieve  
23 compliance in that delivery year, when applicable. The  
24 Agency may offer corrective action plans to entities  
25 that are not on track to achieve compliance.

26 (C) At the end of each delivery year, each entity

1 participating and completing work in that delivery  
2 year in a procurement program of subsection (c) shall  
3 submit a report to the Agency that demonstrates how it  
4 achieved compliance with the minimum equity standards  
5 percentage for that delivery year.

6 (D) The Agency shall prohibit participation in  
7 procurement programs by an approved vendor or  
8 designee, as applicable, or entities with which an  
9 approved vendor or designee, as applicable, shares a  
10 common parent company if an approved vendor or  
11 designee, as applicable, failed to meet the minimum  
12 equity standards for the prior delivery year. Waivers  
13 approved for lack of equity eligible persons or equity  
14 eligible contractors in a geographic area of a project  
15 shall not count against the approved vendor or  
16 designee. The Agency shall offer a corrective action  
17 plan for any such entities to assist them in obtaining  
18 compliance and shall allow continued access to  
19 procurement programs upon an approved vendor or  
20 designee demonstrating compliance.

21 (E) The Agency shall pursue efficiencies achieved  
22 by combining with other approved vendor or designee  
23 reporting.

24 (2) Equity accountability system within the Adjustable  
25 Block program. The equity category described in item (vi)  
26 of subparagraph (K) of subsection (c) is only available to

1 applicants that are equity eligible contractors.

2 (3) Equity accountability system within competitive  
3 procurements. Through its long-term renewable resources  
4 procurement plan, the Agency shall develop requirements  
5 for ensuring that competitive procurement processes,  
6 including utility-scale solar, utility-scale wind, and  
7 brownfield site photovoltaic projects, advance the equity  
8 goals of this subsection (c-10). Subject to Commission  
9 approval, the Agency shall develop bid application  
10 requirements and a bid evaluation methodology for ensuring  
11 that utilization of equity eligible contractors, whether  
12 as bidders or as participants on project development, is  
13 optimized, including requiring that winning or successful  
14 applicants for utility-scale projects are or will partner  
15 with equity eligible contractors and giving preference to  
16 bids through which a higher portion of contract value  
17 flows to equity eligible contractors. To the extent  
18 practicable, entities participating in competitive  
19 procurements shall also be required to meet all the equity  
20 accountability requirements for approved vendors and their  
21 designees under this subsection (c-10). In developing  
22 these requirements, the Agency shall also consider whether  
23 equity goals can be further advanced through additional  
24 measures.

25 (4) In the first revision to the long-term renewable  
26 energy resources procurement plan and each revision

1           thereafter, the Agency shall include the following:

2           (A) The current status and number of equity  
3           eligible contractors listed in the Energy Workforce  
4           Equity Database designed in subsection (c-25),  
5           including the number of equity eligible contractors  
6           with current certifications as issued by the Agency.

7           (B) A mechanism for measuring, tracking, and  
8           reporting project workforce at the approved vendor or  
9           designee level, as applicable, which shall include a  
10          measurement methodology and records to be made  
11          available for audit by the Agency or the Program  
12          Administrator.

13          (C) A program for approved vendors, designees,  
14          eligible persons, and equity eligible contractors to  
15          receive trainings, guidance, and other support from  
16          the Agency or its designee regarding the equity  
17          category outlined in item (vi) of subparagraph (K) of  
18          paragraph (1) of subsection (c) and in meeting the  
19          minimum equity standards of this subsection (c-10).

20          (D) A process for certifying equity eligible  
21          contractors and equity eligible persons. The  
22          certification process shall coordinate with the Energy  
23          Workforce Equity Database set forth in subsection  
24          (c-25).

25          (E) An application for waiver of the minimum  
26          equity standards of this subsection, which the Agency



1 shall have the discretion to grant in rare  
2 circumstances. The Agency may grant such a waiver  
3 where the applicant provides evidence of significant  
4 efforts toward meeting the minimum equity commitment,  
5 including: use of the Energy Workforce Equity  
6 Database; efforts to hire or contract with entities  
7 that hire eligible persons; and efforts to establish  
8 contracting relationships with eligible contractors.  
9 The Agency shall support applicants in understanding  
10 the Energy Workforce Equity Database and other  
11 resources for pursuing compliance of the minimum  
12 equity standards. Waivers shall be project-specific,  
13 unless the Agency deems it necessary to grant a waiver  
14 across a portfolio of projects, and in effect for no  
15 longer than one year. Any waiver extension or  
16 subsequent waiver request from an applicant shall be  
17 subject to the requirements of this Section and shall  
18 specify efforts made to reach compliance. When  
19 considering whether to grant a waiver, and to what  
20 extent, the Agency shall consider the degree to which  
21 similarly situated applicants have been able to meet  
22 these minimum equity commitments. For repeated waiver  
23 requests for specific lack of eligible persons or  
24 eligible contractors available, the Agency shall make  
25 recommendations to target recruitment to add such  
26 eligible persons or eligible contractors to the

1 database.

2 (5) The Agency shall collect information about work on  
3 projects or portfolios of projects subject to these  
4 minimum equity standards to ensure compliance with this  
5 subsection (c-10). Reporting in furtherance of this  
6 requirement may be combined with other annual reporting  
7 requirements. Such reporting shall include proof of  
8 certification of each equity eligible contractor or equity  
9 eligible person during the applicable time period.

10 (6) The Agency shall keep confidential all information  
11 and communication that provides private or personal  
12 information.

13 (7) Modifications to the equity accountability system.  
14 As part of the update of the long-term renewable resources  
15 procurement plan to be initiated in 2023, or sooner if the  
16 Agency deems necessary, the Agency shall determine the  
17 extent to which the equity accountability system described  
18 in this subsection (c-10) has advanced the goals of this  
19 amendatory Act of the 102nd General Assembly, including  
20 through the inclusion of equity eligible persons and  
21 equity eligible contractors in renewable energy credit  
22 projects. If the Agency finds that the equity  
23 accountability system has failed to meet those goals to  
24 its fullest potential, the Agency may revise the following  
25 criteria for future Agency procurements: (A) the  
26 percentage of project workforce, or other appropriate

1 workforce measure, certified as equity eligible persons or  
2 equity eligible contractors; (B) definitions for equity  
3 investment eligible persons and equity investment eligible  
4 community; and (C) such other modifications necessary to  
5 advance the goals of this amendatory Act of the 102nd  
6 General Assembly effectively. Such revised criteria may  
7 also establish distinct equity accountability systems for  
8 different types of procurements or different regions of  
9 the State if the Agency finds that doing so will further  
10 the purposes of such programs. Revisions shall be  
11 developed with stakeholder input, including from equity  
12 eligible persons, equity eligible contractors, and  
13 community-based organizations that work with such persons  
14 and contractors.

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

17 (1) Purpose. It is the purpose of this subsection to  
18 empower the Agency and other State actors to remedy racial  
19 discrimination in Illinois' clean energy economy as  
20 effectively and expediently as possible, including through  
21 the use of race-conscious remedies, such as race-conscious  
22 contracting and hiring goals, as consistent with State and  
23 federal law.

24 (2) Racial disparity and discrimination review  
25 process.

26 (A) Within one year after awarding contracts using

1 the equity actions processes established in this  
2 Section, the Agency shall publish a report evaluating  
3 the effectiveness of the equity actions point criteria  
4 of this Section in increasing participation of equity  
5 eligible persons and equity eligible contractors. The  
6 report shall disaggregate participating workers and  
7 contractors by race and ethnicity. The report shall be  
8 forwarded to the Governor, the General Assembly, and  
9 the Illinois Commerce Commission and be made available  
10 to the public.

11 (B) As soon as is practicable thereafter, the  
12 Agency, in consultation with the Department of  
13 Commerce and Economic Opportunity, Department of  
14 Labor, and other agencies that may be relevant, shall  
15 commission and publish a disparity and availability  
16 study that measures the presence and impact of  
17 discrimination on minority businesses and workers in  
18 Illinois' clean energy economy. The Agency may hire  
19 consultants and experts to conduct the disparity and  
20 availability study, with the retention of those  
21 consultants and experts exempt from the requirements  
22 of Section 20-10 of the Illinois Procurement Code. The  
23 Illinois Power Agency shall forward a copy of its  
24 findings and recommendations to the Governor, the  
25 General Assembly, and the Illinois Commerce  
26 Commission. If the disparity and availability study

1 establishes a strong basis in evidence that there is  
2 discrimination in Illinois' clean energy economy, the  
3 Agency, Department of Commerce and Economic  
4 Opportunity, Department of Labor, Department of  
5 Corrections, and other appropriate agencies shall take  
6 appropriate remedial actions, including race-conscious  
7 remedial actions as consistent with State and federal  
8 law, to effectively remedy this discrimination. Such  
9 remedies may include modification of the equity  
10 accountability system as described in subsection  
11 (c-10).

12 (c-20) Program data collection.

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

25 (2) Agency collection of program data. The Agency  
26 shall collect demographic and geographic data for each

1       entity awarded contracts under any Agency-administered  
2       program. The Agency shall collect this data on an annual  
3       basis for all systems energized during the applicable  
4       annual period, but shall allow entities awarded contracts  
5       under any Agency-administered program to elect to report  
6       data exclusively on a project-by-project basis.

7           (3) Required information to be collected. The Agency  
8       shall collect the following information from applicants  
9       and program participants where applicable:

10           (A) demographic information, including racial or  
11       ethnic identity for real persons employed, contracted,  
12       or subcontracted through the program and owners of  
13       businesses or entities that apply to receive renewable  
14       energy credits from the Agency;

15           (B) geographic location of the residency of real  
16       persons employed, contracted, or subcontracted through  
17       the program and geographic location of the  
18       headquarters of the business or entity that applies to  
19       receive renewable energy credits from the Agency; and

20           (C) any other information the Agency determines is  
21       necessary for the purpose of achieving the purpose of  
22       this subsection.

23           (4) Publication of collected information. The Agency  
24       shall publish, at least annually, information on the  
25       demographics of program participants on an aggregate  
26       basis.

1           (5) Nothing in this subsection shall be interpreted to  
2           limit the authority of the Agency, or other agency or  
3           department of the State, to require or collect demographic  
4           information from applicants of other State programs.

5           (c-25) Energy Workforce Equity Database.

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

16                   (A) publicly accessible;

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

18                   (C) organized by company specialty or field;

19                   (D) region-specific; and

20                   (E) populated with information including, but not  
21          limited to, contacts for suppliers, vendors, or  
22          subcontractors who are minority and women-owned  
23          business enterprise certified or who participate or  
24          have participated in any of the programs described in  
25          this Act.

26          (2) The Agency shall create an easily accessible,

1 public facing online tool using the database information  
2 that includes, at a minimum, the following:

3 (A) a map of environmental justice and equity  
4 investment eligible communities;

5 (B) job postings and recruiting opportunities;

6 (C) a means by which recruiting clean energy  
7 companies can find and interact with current or former  
8 participants of clean energy workforce training  
9 programs;

10 (D) information on workforce training service  
11 providers and training opportunities available to  
12 prospective workers;

13 (E) renewable energy company diversity reporting;

14 (F) a list of equity eligible contractors with  
15 their contact information, types of work performed,  
16 and locations worked in;

17 (G) reporting on outcomes of the programs  
18 described in the workforce programs of the Energy  
19 Transition Act, including information such as, but not  
20 limited to, retention rate, graduation rate, and  
21 placement rates of trainees; and

22 (H) information about the Jobs and Environmental  
23 Justice Grant Program, the Clean Energy Jobs and  
24 Justice Fund, and other sources of capital.

25 (3) The Agency shall ensure the database is regularly  
26 updated to ensure information is current and shall



1 coordinate with the Department of Commerce and Economic  
2 Opportunity to ensure that it includes information on  
3 individuals and entities that are or have participated in  
4 the Clean Jobs Workforce Network Program, Clean Energy  
5 Contractor Incubator Program, Returning Residents Clean  
6 Jobs Training Program, or Clean Energy Primes Contractor  
7 Accelerator Program.

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

23 (d) Clean coal portfolio standard.

24 (1) The procurement plans shall include electricity  
25 generated using clean coal. Each utility shall enter into  
26 one or more sourcing agreements with the initial clean

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

22 A utility party to a sourcing agreement shall  
23 immediately retire any emission credits that it receives  
24 in connection with the electricity covered by such  
25 agreement.

26 Utilities shall maintain adequate records documenting

1 the purchases under the sourcing agreement to comply with  
2 this subsection (d) and shall file an accounting with the  
3 load forecast that must be filed with the Agency by July 15  
4 of each year, in accordance with subsection (d) of Section  
5 16-111.5 of the Public Utilities Act.

6 A utility shall be deemed to have complied with the  
7 clean coal portfolio standard specified in this subsection  
8 (d) if the utility enters into a sourcing agreement as  
9 required by this subsection (d).

10 (2) For purposes of this subsection (d), the required  
11 execution of sourcing agreements with the initial clean  
12 coal facility for a particular year shall be measured as a  
13 percentage of the actual amount of electricity  
14 (megawatt-hours) supplied by the electric utility to  
15 eligible retail customers in the planning year ending  
16 immediately prior to the agreement's execution. For  
17 purposes of this subsection (d), the amount paid per  
18 kilowatthour means the total amount paid for electric  
19 service expressed on a per kilowatthour basis. For  
20 purposes of this subsection (d), the total amount paid for  
21 electric service includes without limitation amounts paid  
22 for supply, transmission, distribution, surcharges and  
23 add-on taxes.

24 Notwithstanding the requirements of this subsection  
25 (d), the total amount paid under sourcing agreements with  
26 clean coal facilities pursuant to the procurement plan for

1 any given year shall be reduced by an amount necessary to  
2 limit the annual estimated average net increase due to the  
3 costs of these resources included in the amounts paid by  
4 eligible retail customers in connection with electric  
5 service to:

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

9 (B) in 2011, the greater of an additional 0.5% of  
10 the amount paid per kilowatthour by those customers  
11 during the year ending May 31, 2010 or 1% of the amount  
12 paid per kilowatthour by those customers during the  
13 year ending May 31, 2009;

14 (C) in 2012, the greater of an additional 0.5% of  
15 the amount paid per kilowatthour by those customers  
16 during the year ending May 31, 2011 or 1.5% of the  
17 amount paid per kilowatthour by those customers during  
18 the year ending May 31, 2009;

19 (D) in 2013, the greater of an additional 0.5% of  
20 the amount paid per kilowatthour by those customers  
21 during the year ending May 31, 2012 or 2% of the amount  
22 paid per kilowatthour by those customers during the  
23 year ending May 31, 2009; and

24 (E) thereafter, the total amount paid under  
25 sourcing agreements with clean coal facilities  
26 pursuant to the procurement plan for any single year

1 shall be reduced by an amount necessary to limit the  
2 estimated average net increase due to the cost of  
3 these resources included in the amounts paid by  
4 eligible retail customers in connection with electric  
5 service to no more than the greater of (i) 2.015% of  
6 the amount paid per kilowatthour by those customers  
7 during the year ending May 31, 2009 or (ii) the  
8 incremental amount per kilowatthour paid for these  
9 resources in 2013. These requirements may be altered  
10 only as provided by statute.

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

19 (3) Initial clean coal facility. In order to promote  
20 development of clean coal facilities in Illinois, each  
21 electric utility subject to this Section shall execute a  
22 sourcing agreement to source electricity from a proposed  
23 clean coal facility in Illinois (the "initial clean coal  
24 facility") that will have a nameplate capacity of at least  
25 500 MW when commercial operation commences, that has a  
26 final Clean Air Act permit on June 1, 2009 (the effective

1 date of Public Act 95-1027), and that will meet the  
2 definition of clean coal facility in Section 1-10 of this  
3 Act when commercial operation commences. The sourcing  
4 agreements with this initial clean coal facility shall be  
5 subject to both approval of the initial clean coal  
6 facility by the General Assembly and satisfaction of the  
7 requirements of paragraph (4) of this subsection (d) and  
8 shall be executed within 90 days after any such approval  
9 by the General Assembly. The Agency and the Commission  
10 shall have authority to inspect all books and records  
11 associated with the initial clean coal facility during the  
12 term of such a sourcing agreement. A utility's sourcing  
13 agreement for electricity produced by the initial clean  
14 coal facility shall include:

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

18 (i) be determined using a cost of service  
19 methodology employing either a level or deferred  
20 capital recovery component, based on a capital  
21 structure consisting of 45% equity and 55% debt,  
22 and a return on equity as may be approved by the  
23 Federal Energy Regulatory Commission, which in any  
24 case may not exceed the lower of 11.5% or the rate  
25 of return approved by the General Assembly  
26 pursuant to paragraph (4) of this subsection (d);

1 and

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

18 (B) power purchase provisions, which shall:

19 (i) provide that the utility party to such  
20 sourcing agreement shall pay the contract price  
21 for electricity delivered under such sourcing  
22 agreement;

23 (ii) require delivery of electricity to the  
24 regional transmission organization market of the  
25 utility that is party to such sourcing agreement;

26 (iii) require the utility party to such

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

21 (iv) be considered pre-existing contracts in  
22 such utility's procurement plans for eligible  
23 retail customers;

24 (C) contract for differences provisions, which  
25 shall:

26 (i) require the utility party to such sourcing



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

22 (ii) provide that the utility's payment  
23 obligation in respect of the quantity of  
24 electricity determined pursuant to the preceding  
25 clause (i) shall be limited to an amount equal to  
26 (1) the difference between the contract price

1 determined pursuant to subparagraph (A) of  
2 paragraph (3) of this subsection (d) and the  
3 day-ahead price for electricity delivered to the  
4 regional transmission organization market of the  
5 utility that is party to such sourcing agreement  
6 (or any successor delivery point at which such  
7 utility's supply obligations are financially  
8 settled on an hourly basis) (the "reference  
9 price") on the day preceding the day on which the  
10 electricity is delivered to the initial clean coal  
11 facility busbar, multiplied by (2) the quantity of  
12 electricity determined pursuant to the preceding  
13 clause (i); and

14 (iii) not require the utility to take physical  
15 delivery of the electricity produced by the  
16 facility;

17 (D) general provisions, which shall:

18 (i) specify a term of no more than 30 years,  
19 commencing on the commercial operation date of the  
20 facility;

21 (ii) provide that utilities shall maintain  
22 adequate records documenting purchases under the  
23 sourcing agreements entered into to comply with  
24 this subsection (d) and shall file an accounting  
25 with the load forecast that must be filed with the  
26 Agency by July 15 of each year, in accordance with

1 subsection (d) of Section 16-111.5 of the Public  
2 Utilities Act;

3 (iii) provide that all costs associated with  
4 the initial clean coal facility will be  
5 periodically reported to the Federal Energy  
6 Regulatory Commission and to purchasers in  
7 accordance with applicable laws governing  
8 cost-based wholesale power contracts;

9 (iv) permit the Illinois Power Agency to  
10 assume ownership of the initial clean coal  
11 facility, without monetary consideration and  
12 otherwise on reasonable terms acceptable to the  
13 Agency, if the Agency so requests no less than 3  
14 years prior to the end of the stated contract  
15 term;

16 (v) require the owner of the initial clean  
17 coal facility to provide documentation to the  
18 Commission each year, starting in the facility's  
19 first year of commercial operation, accurately  
20 reporting the quantity of carbon emissions from  
21 the facility that have been captured and  
22 sequestered and report any quantities of carbon  
23 released from the site or sites at which carbon  
24 emissions were sequestered in prior years, based  
25 on continuous monitoring of such sites. If, in any  
26 year after the first year of commercial operation,

1 the owner of the facility fails to demonstrate  
2 that the initial clean coal facility captured and  
3 sequestered at least 50% of the total carbon  
4 emissions that the facility would otherwise emit  
5 or that sequestration of emissions from prior  
6 years has failed, resulting in the release of  
7 carbon dioxide into the atmosphere, the owner of  
8 the facility must offset excess emissions. Any  
9 such carbon offsets must be permanent, additional,  
10 verifiable, real, located within the State of  
11 Illinois, and legally and practicably enforceable.  
12 The cost of such offsets for the facility that are  
13 not recoverable shall not exceed \$15 million in  
14 any given year. No costs of any such purchases of  
15 carbon offsets may be recovered from a utility or  
16 its customers. All carbon offsets purchased for  
17 this purpose and any carbon emission credits  
18 associated with sequestration of carbon from the  
19 facility must be permanently retired. The initial  
20 clean coal facility shall not forfeit its  
21 designation as a clean coal facility if the  
22 facility fails to fully comply with the applicable  
23 carbon sequestration requirements in any given  
24 year, provided the requisite offsets are  
25 purchased. However, the Attorney General, on  
26 behalf of the People of the State of Illinois, may

1 specifically enforce the facility's sequestration  
2 requirement and the other terms of this contract  
3 provision. Compliance with the sequestration  
4 requirements and offset purchase requirements  
5 specified in paragraph (3) of this subsection (d)  
6 shall be reviewed annually by an independent  
7 expert retained by the owner of the initial clean  
8 coal facility, with the advance written approval  
9 of the Attorney General. The Commission may, in  
10 the course of the review specified in item (vii),  
11 reduce the allowable return on equity for the  
12 facility if the facility willfully fails to comply  
13 with the carbon capture and sequestration  
14 requirements set forth in this item (v);

15 (vi) include limits on, and accordingly  
16 provide for modification of, the amount the  
17 utility is required to source under the sourcing  
18 agreement consistent with paragraph (2) of this  
19 subsection (d);

20 (vii) require Commission review: (1) to  
21 determine the justness, reasonableness, and  
22 prudence of the inputs to the formula referenced  
23 in subparagraphs (A)(i) through (A)(iii) of  
24 paragraph (3) of this subsection (d), prior to an  
25 adjustment in those inputs including, without  
26 limitation, the capital structure and return on

1 equity, fuel costs, and other operations and  
2 maintenance costs and (2) to approve the costs to  
3 be passed through to customers under the sourcing  
4 agreement by which the utility satisfies its  
5 statutory obligations. Commission review shall  
6 occur no less than every 3 years, regardless of  
7 whether any adjustments have been proposed, and  
8 shall be completed within 9 months;

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

16 (ix) limit the utility's or alternative retail  
17 electric supplier's obligation to incur any  
18 liability until such time as the facility is in  
19 commercial operation and generating power and  
20 energy and such power and energy is being  
21 delivered to the facility busbar;

22 (x) provide that the owner or owners of the  
23 initial clean coal facility, which is the  
24 counterparty to such sourcing agreement, shall  
25 have the right from time to time to elect whether  
26 the obligations of the utility party thereto shall

1 be governed by the power purchase provisions or  
2 the contract for differences provisions;

3 (xi) append documentation showing that the  
4 formula rate and contract, insofar as they relate  
5 to the power purchase provisions, have been  
6 approved by the Federal Energy Regulatory  
7 Commission pursuant to Section 205 of the Federal  
8 Power Act;

9 (xii) provide that any changes to the terms of  
10 the contract, insofar as such changes relate to  
11 the power purchase provisions, are subject to  
12 review under the public interest standard applied  
13 by the Federal Energy Regulatory Commission  
14 pursuant to Sections 205 and 206 of the Federal  
15 Power Act; and

16 (xiii) conform with customary lender  
17 requirements in power purchase agreements used as  
18 the basis for financing non-utility generators.

19 (4) Effective date of sourcing agreements with the  
20 initial clean coal facility. Any proposed sourcing  
21 agreement with the initial clean coal facility shall not  
22 become effective unless the following reports are prepared  
23 and submitted and authorizations and approvals obtained:

24 (i) Facility cost report. The owner of the initial  
25 clean coal facility shall submit to the Commission,  
26 the Agency, and the General Assembly a front-end

1 engineering and design study, a facility cost report,  
2 method of financing (including but not limited to  
3 structure and associated costs), and an operating and  
4 maintenance cost quote for the facility (collectively  
5 "facility cost report"), which shall be prepared in  
6 accordance with the requirements of this paragraph (4)  
7 of subsection (d) of this Section, and shall provide  
8 the Commission and the Agency access to the work  
9 papers, relied upon documents, and any other backup  
10 documentation related to the facility cost report.

11 (ii) Commission report. Within 6 months following  
12 receipt of the facility cost report, the Commission,  
13 in consultation with the Agency, shall submit a report  
14 to the General Assembly setting forth its analysis of  
15 the facility cost report. Such report shall include,  
16 but not be limited to, a comparison of the costs  
17 associated with electricity generated by the initial  
18 clean coal facility to the costs associated with  
19 electricity generated by other types of generation  
20 facilities, an analysis of the rate impacts on  
21 residential and small business customers over the life  
22 of the sourcing agreements, and an analysis of the  
23 likelihood that the initial clean coal facility will  
24 commence commercial operation by and be delivering  
25 power to the facility's busbar by 2016. To assist in  
26 the preparation of its report, the Commission, in



1 consultation with the Agency, may hire one or more  
2 experts or consultants, the costs of which shall be  
3 paid for by the owner of the initial clean coal  
4 facility. The Commission and Agency may begin the  
5 process of selecting such experts or consultants prior  
6 to receipt of the facility cost report.

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

18 (iv) Commission review. If the General Assembly  
19 enacts authorizing legislation pursuant to  
20 subparagraph (iii) approving a sourcing agreement, the  
21 Commission shall, within 90 days of such enactment,  
22 complete a review of such sourcing agreement. During  
23 such time period, the Commission shall implement any  
24 directive of the General Assembly, resolve any  
25 disputes between the parties to the sourcing agreement  
26 concerning the terms of such agreement, approve the

1 form of such agreement, and issue an order finding  
2 that the sourcing agreement is prudent and reasonable.  
3 The facility cost report shall be prepared as follows:

4 (A) The facility cost report shall be prepared by  
5 duly licensed engineering and construction firms  
6 detailing the estimated capital costs payable to one  
7 or more contractors or suppliers for the engineering,  
8 procurement and construction of the components  
9 comprising the initial clean coal facility and the  
10 estimated costs of operation and maintenance of the  
11 facility. The facility cost report shall include:

12 (i) an estimate of the capital cost of the  
13 core plant based on one or more front end  
14 engineering and design studies for the  
15 gasification island and related facilities. The  
16 core plant shall include all civil, structural,  
17 mechanical, electrical, control, and safety  
18 systems.

19 (ii) an estimate of the capital cost of the  
20 balance of the plant, including any capital costs  
21 associated with sequestration of carbon dioxide  
22 emissions and all interconnects and interfaces  
23 required to operate the facility, such as  
24 transmission of electricity, construction or  
25 backfeed power supply, pipelines to transport  
26 substitute natural gas or carbon dioxide, potable

1 water supply, natural gas supply, water supply,  
2 water discharge, landfill, access roads, and coal  
3 delivery.

4 The quoted construction costs shall be expressed  
5 in nominal dollars as of the date that the quote is  
6 prepared and shall include capitalized financing costs  
7 during construction, taxes, insurance, and other  
8 owner's costs, and an assumed escalation in materials  
9 and labor beyond the date as of which the construction  
10 cost quote is expressed.

11 (B) The front end engineering and design study for  
12 the gasification island and the cost study for the  
13 balance of plant shall include sufficient design work  
14 to permit quantification of major categories of  
15 materials, commodities and labor hours, and receipt of  
16 quotes from vendors of major equipment required to  
17 construct and operate the clean coal facility.

18 (C) The facility cost report shall also include an  
19 operating and maintenance cost quote that will provide  
20 the estimated cost of delivered fuel, personnel,  
21 maintenance contracts, chemicals, catalysts,  
22 consumables, spares, and other fixed and variable  
23 operations and maintenance costs. The delivered fuel  
24 cost estimate will be provided by a recognized third  
25 party expert or experts in the fuel and transportation  
26 industries. The balance of the operating and

1 maintenance cost quote, excluding delivered fuel  
2 costs, will be developed based on the inputs provided  
3 by duly licensed engineering and construction firms  
4 performing the construction cost quote, potential  
5 vendors under long-term service agreements and plant  
6 operating agreements, or recognized third party plant  
7 operator or operators.

8 The operating and maintenance cost quote  
9 (including the cost of the front end engineering and  
10 design study) shall be expressed in nominal dollars as  
11 of the date that the quote is prepared and shall  
12 include taxes, insurance, and other owner's costs, and  
13 an assumed escalation in materials and labor beyond  
14 the date as of which the operating and maintenance  
15 cost quote is expressed.

16 (D) The facility cost report shall also include an  
17 analysis of the initial clean coal facility's ability  
18 to deliver power and energy into the applicable  
19 regional transmission organization markets and an  
20 analysis of the expected capacity factor for the  
21 initial clean coal facility.

22 (E) Amounts paid to third parties unrelated to the  
23 owner or owners of the initial clean coal facility to  
24 prepare the core plant construction cost quote,  
25 including the front end engineering and design study,  
26 and the operating and maintenance cost quote will be

1           reimbursed through Coal Development Bonds.

2           (5) Re-powering and retrofitting coal-fired power  
3 plants previously owned by Illinois utilities to qualify  
4 as clean coal facilities. During the 2009 procurement  
5 planning process and thereafter, the Agency and the  
6 Commission shall consider sourcing agreements covering  
7 electricity generated by power plants that were previously  
8 owned by Illinois utilities and that have been or will be  
9 converted into clean coal facilities, as defined by  
10 Section 1-10 of this Act. Pursuant to such procurement  
11 planning process, the owners of such facilities may  
12 propose to the Agency sourcing agreements with utilities  
13 and alternative retail electric suppliers required to  
14 comply with subsection (d) of this Section and item (5) of  
15 subsection (d) of Section 16-115 of the Public Utilities  
16 Act, covering electricity generated by such facilities. In  
17 the case of sourcing agreements that are power purchase  
18 agreements, the contract price for electricity sales shall  
19 be established on a cost of service basis. In the case of  
20 sourcing agreements that are contracts for differences,  
21 the contract price from which the reference price is  
22 subtracted shall be established on a cost of service  
23 basis. The Agency and the Commission may approve any such  
24 utility sourcing agreements that do not exceed cost-based  
25 benchmarks developed by the procurement administrator, in  
26 consultation with the Commission staff, Agency staff and

1 the procurement monitor, subject to Commission review and  
2 approval. The Commission shall have authority to inspect  
3 all books and records associated with these clean coal  
4 facilities during the term of any such contract.

5 (6) Costs incurred under this subsection (d) or  
6 pursuant to a contract entered into under this subsection  
7 (d) shall be deemed prudently incurred and reasonable in  
8 amount and the electric utility shall be entitled to full  
9 cost recovery pursuant to the tariffs filed with the  
10 Commission.

11 (d-5) Zero emission standard.

12 (1) Beginning with the delivery year commencing on  
13 June 1, 2017, the Agency shall, for electric utilities  
14 that serve at least 100,000 retail customers in this  
15 State, procure contracts with zero emission facilities  
16 that are reasonably capable of generating cost-effective  
17 zero emission credits in an amount approximately equal to  
18 16% of the actual amount of electricity delivered by each  
19 electric utility to retail customers in the State during  
20 calendar year 2014. For an electric utility serving fewer  
21 than 100,000 retail customers in this State that  
22 requested, under Section 16-111.5 of the Public Utilities  
23 Act, that the Agency procure power and energy for all or a  
24 portion of the utility's Illinois load for the delivery  
25 year commencing June 1, 2016, the Agency shall procure  
26 contracts with zero emission facilities that are

1 reasonably capable of generating cost-effective zero  
2 emission credits in an amount approximately equal to 16%  
3 of the portion of power and energy to be procured by the  
4 Agency for the utility. The duration of the contracts  
5 procured under this subsection (d-5) shall be for a term  
6 of 10 years ending May 31, 2027. The quantity of zero  
7 emission credits to be procured under the contracts shall  
8 be all of the zero emission credits generated by the zero  
9 emission facility in each delivery year; however, if the  
10 zero emission facility is owned by more than one entity,  
11 then the quantity of zero emission credits to be procured  
12 under the contracts shall be the amount of zero emission  
13 credits that are generated from the portion of the zero  
14 emission facility that is owned by the winning supplier.

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

19 The procurement process shall be subject to the  
20 following provisions:

21 (A) Those zero emission facilities that intend to  
22 participate in the procurement shall submit to the  
23 Agency the following eligibility information for each  
24 zero emission facility on or before the date  
25 established by the Agency:

26 (i) the in-service date and remaining useful

1 life of the zero emission facility;

2 (ii) the amount of power generated annually  
3 for each of the years 2005 through 2015, and the  
4 projected zero emission credits to be generated  
5 over the remaining useful life of the zero  
6 emission facility, which shall be used to  
7 determine the capability of each facility;

8 (iii) the annual zero emission facility cost  
9 projections, expressed on a per megawatt hour  
10 ~~megawatt hour~~ basis, over the next 6 delivery  
11 years, which shall include the following:  
12 operation and maintenance expenses; fully  
13 allocated overhead costs, which shall be allocated  
14 using the methodology developed by the Institute  
15 for Nuclear Power Operations; fuel expenditures;  
16 non-fuel capital expenditures; spent fuel  
17 expenditures; a return on working capital; the  
18 cost of operational and market risks that could be  
19 avoided by ceasing operation; and any other costs  
20 necessary for continued operations, provided that  
21 "necessary" means, for purposes of this item  
22 (iii), that the costs could reasonably be avoided  
23 only by ceasing operations of the zero emission  
24 facility; and

25 (iv) a commitment to continue operating, for  
26 the duration of the contract or contracts executed



1           under the procurement held under this subsection  
2           (d-5), the zero emission facility that produces  
3           the zero emission credits to be procured in the  
4           procurement.

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

16          (B) The price for each zero emission credit  
17          procured under this subsection (d-5) for each delivery  
18          year shall be in an amount that equals the Social Cost  
19          of Carbon, expressed on a price per megawatt hour  
20          ~~megawatthour~~ basis. However, to ensure that the  
21          procurement remains affordable to retail customers in  
22          this State if electricity prices increase, the price  
23          in an applicable delivery year shall be reduced below  
24          the Social Cost of Carbon by the amount ("Price  
25          Adjustment") by which the market price index for the  
26          applicable delivery year exceeds the baseline market

1 price index for the consecutive 12-month period ending  
2 May 31, 2016. If the Price Adjustment is greater than  
3 or equal to the Social Cost of Carbon in an applicable  
4 delivery year, then no payments shall be due in that  
5 delivery year. The components of this calculation are  
6 defined as follows:

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

19 (ii) Baseline market price index: The baseline  
20 market price index for the consecutive 12-month  
21 period ending May 31, 2016 is \$31.40 per megawatt  
22 hour ~~megawatthour~~, which is based on the sum of  
23 (aa) the average day-ahead energy price across all  
24 hours of such 12-month period at the PJM  
25 Interconnection LLC Northern Illinois Hub, (bb)  
26 50% multiplied by the Base Residual Auction, or

1 its successor, capacity price for the rest of the  
2 RTO zone group determined by PJM Interconnection  
3 LLC, divided by 24 hours per day, and (cc) 50%  
4 multiplied by the Planning Resource Auction, or  
5 its successor, capacity price for Zone 4  
6 determined by the Midcontinent Independent System  
7 Operator, Inc., divided by 24 hours per day.

8 (iii) Market price index: The market price  
9 index for a delivery year shall be the sum of  
10 projected energy prices and projected capacity  
11 prices determined as follows:

12 (aa) Projected energy prices: the  
13 projected energy prices for the applicable  
14 delivery year shall be calculated once for the  
15 year using the forward market price for the  
16 PJM Interconnection, LLC Northern Illinois  
17 Hub. The forward market price shall be  
18 calculated as follows: the energy forward  
19 prices for each month of the applicable  
20 delivery year averaged for each trade date  
21 during the calendar year immediately preceding  
22 that delivery year to produce a single energy  
23 forward price for the delivery year. The  
24 forward market price calculation shall use  
25 data published by the Intercontinental  
26 Exchange, or its successor.

1 (bb) Projected capacity prices:

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

20 (II) For the delivery year commencing  
21 June 1, 2020, and each year thereafter,  
22 the projected capacity price shall be  
23 equal to the sum of (1) 50% multiplied by  
24 the Base Residual Auction, or its  
25 successor, price for the ComEd zone as  
26 determined by PJM Interconnection LLC,

1 divided by 24 hours per day, and (2) 50%  
2 multiplied by the resource auction price  
3 determined in the resource auction  
4 administered by the Midcontinent  
5 Independent System Operator, Inc., in  
6 which the largest percentage of load  
7 cleared for Local Resource Zone 4, divided  
8 by 24 hours per day, and where such price  
9 is determined by the Midcontinent  
10 Independent System Operator, Inc.

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

12 "Rest of the RTO" and "ComEd Zone" shall have  
13 the meaning ascribed to them by PJM  
14 Interconnection, LLC.

15 "RTO" means regional transmission  
16 organization.

17 (C) No later than 45 days after June 1, 2017 (the  
18 effective date of Public Act 99-906), the Agency shall  
19 publish its proposed zero emission standard  
20 procurement plan. The plan shall be consistent with  
21 the provisions of this paragraph (1) and shall provide  
22 that winning bids shall be selected based on public  
23 interest criteria that include, but are not limited  
24 to, minimizing carbon dioxide emissions that result  
25 from electricity consumed in Illinois and minimizing  
26 sulfur dioxide, nitrogen oxide, and particulate matter

1 emissions that adversely affect the citizens of this  
2 State. In particular, the selection of winning bids  
3 shall take into account the incremental environmental  
4 benefits resulting from the procurement, such as any  
5 existing environmental benefits that are preserved by  
6 the procurements held under Public Act 99-906 and  
7 would cease to exist if the procurements were not  
8 held, including the preservation of zero emission  
9 facilities. The plan shall also describe in detail how  
10 each public interest factor shall be considered and  
11 weighted in the bid selection process to ensure that  
12 the public interest criteria are applied to the  
13 procurement and given full effect.

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

22 Upon publishing of the zero emission standard  
23 procurement plan, copies of the plan shall be posted  
24 and made publicly available on the Agency's website.  
25 All interested parties shall have 10 days following  
26 the date of posting to provide comment to the Agency on

1 the plan. All comments shall be posted to the Agency's  
2 website. Following the end of the comment period, but  
3 no more than 60 days later than June 1, 2017 (the  
4 effective date of Public Act 99-906), the Agency shall  
5 revise the plan as necessary based on the comments  
6 received and file its zero emission standard  
7 procurement plan with the Commission.

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

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

22 (i) identify how the winning bids satisfy the  
23 public interest criteria described in subparagraph  
24 (C) of this paragraph (1) of minimizing carbon  
25 dioxide emissions that result from electricity  
26 consumed in Illinois and minimizing sulfur

1 dioxide, nitrogen oxide, and particulate matter  
2 emissions that adversely affect the citizens of  
3 this State;

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

13 (iii) quantify the environmental benefit of  
14 preserving the resources identified in item (ii)  
15 of this subparagraph (C-5), including the  
16 following:

17 (aa) the value of avoided greenhouse gas  
18 emissions measured as the product of the zero  
19 emission facilities' output over the contract  
20 term multiplied by the U.S. Environmental  
21 Protection Agency eGrid subregion carbon  
22 dioxide emission rate and the U.S. Interagency  
23 Working Group on Social Cost of Carbon's price  
24 in the August 2016 Technical Update using a 3%  
25 discount rate, adjusted for inflation for each  
26 delivery year; and



1 (bb) the costs of replacement with other  
2 zero carbon dioxide resources, including wind  
3 and photovoltaic, based upon the simple  
4 average of the following:

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

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

24 Each utility shall enter into binding contractual  
25 arrangements with the winning suppliers.

26 The procurement described in this subsection

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

18 (D) Following the procurement event described in  
19 this paragraph (1) and consistent with subparagraph  
20 (B) of this paragraph (1), the Agency shall calculate  
21 the payments to be made under each contract for the  
22 next delivery year based on the market price index for  
23 that delivery year. The Agency shall publish the  
24 payment calculations no later than May 25, 2017 and  
25 every May 25 thereafter.

26 (E) Notwithstanding the requirements of this

1 subsection (d-5), the contracts executed under this  
2 subsection (d-5) shall provide that the zero emission  
3 facility may, as applicable, suspend or terminate  
4 performance under the contracts in the following  
5 instances:

6 (i) A zero emission facility shall be excused  
7 from its performance under the contract for any  
8 cause beyond the control of the resource,  
9 including, but not restricted to, acts of God,  
10 flood, drought, earthquake, storm, fire,  
11 lightning, epidemic, war, riot, civil disturbance  
12 or disobedience, labor dispute, labor or material  
13 shortage, sabotage, acts of public enemy,  
14 explosions, orders, regulations or restrictions  
15 imposed by governmental, military, or lawfully  
16 established civilian authorities, which, in any of  
17 the foregoing cases, by exercise of commercially  
18 reasonable efforts the zero emission facility  
19 could not reasonably have been expected to avoid,  
20 and which, by the exercise of commercially  
21 reasonable efforts, it has been unable to  
22 overcome. In such event, the zero emission  
23 facility shall be excused from performance for the  
24 duration of the event, including, but not limited  
25 to, delivery of zero emission credits, and no  
26 payment shall be due to the zero emission facility

1 during the duration of the event.

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

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

22 (iv) A zero emission facility shall be  
23 permitted to terminate the contract in the event  
24 the Nuclear Regulatory Commission terminates the  
25 resource's license.

26 (F) If the zero emission facility elects to

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

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

16 Notwithstanding the requirements of this subsection  
17 (d-5), the contracts executed under this subsection (d-5)  
18 shall provide that the total of zero emission credits  
19 procured under a procurement plan shall be subject to the  
20 limitations of this paragraph (2). For each delivery year,  
21 the contractual volume receiving payments in such year  
22 shall be reduced for all retail customers based on the  
23 amount necessary to limit the net increase that delivery  
24 year to the costs of those credits included in the amounts  
25 paid by eligible retail customers in connection with  
26 electric service to no more than 1.65% of the amount paid

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

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

7           (3) Six years after the execution of a contract under  
8 this subsection (d-5), the Agency shall determine whether  
9 the actual zero emission credit payments received by the  
10 supplier over the 6-year period exceed the Average ZEC  
11 Payment. In addition, at the end of the term of a contract  
12 executed under this subsection (d-5), or at the time, if  
13 any, a zero emission facility's contract is terminated  
14 under subparagraph (E) of paragraph (1) of this subsection  
15 (d-5), then the Agency shall determine whether the actual  
16 zero emission credit payments received by the supplier  
17 over the term of the contract exceed the Average ZEC  
18 Payment, after taking into account any amounts previously  
19 credited back to the utility under this paragraph (3). If  
20 the Agency determines that the actual zero emission credit  
21 payments received by the supplier over the relevant period  
22 exceed the Average ZEC Payment, then the supplier shall  
23 credit the difference back to the utility. The amount of  
24 the credit shall be remitted to the applicable electric  
25 utility no later than 120 days after the Agency's  
26 determination, which the utility shall reflect as a credit

1 on its retail customer bills as soon as practicable;  
2 however, the credit remitted to the utility shall not  
3 exceed the total amount of payments received by the  
4 facility under its contract.

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

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

16 (B) The average of the market price indices, as  
17 defined in subparagraph (B) of paragraph (1) of this  
18 subsection (d-5), during the term of the contract,  
19 minus the baseline market price index, as defined in  
20 subparagraph (B) of paragraph (1) of this subsection  
21 (d-5).

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

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



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

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

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

16           (d-10) Nuclear Plant Assistance; carbon mitigation  
17 credits.

18           (1) The General Assembly finds:

19           (A) The health, welfare, and prosperity of all  
20 Illinois citizens require that the State of Illinois act  
21 to avoid and not increase carbon emissions from electric  
22 generation sources while continuing to ensure affordable,  
23 stable, and reliable electricity to all citizens.

24           (B) Absent immediate action by the State to preserve  
25 existing carbon-free energy resources, those resources may  
26 retire, and the electric generation needs of Illinois'

1 retail customers may be met instead by facilities that  
2 emit significant amounts of carbon pollution and other  
3 harmful air pollutants at a high social and economic cost  
4 until Illinois is able to develop other forms of clean  
5 energy.

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

13 (D) The clean energy attributes of nuclear generation  
14 facilities support the State in its efforts to achieve  
15 100% clean energy.

16 (E) The State currently invests in various forms of  
17 clean energy, including, but not limited to, renewable  
18 energy, energy efficiency, and low-emission vehicles,  
19 among others.

20 (F) The Environmental Protection Agency commissioned  
21 an independent audit which provided a detailed assessment  
22 of the financial condition of the Illinois nuclear fleet  
23 to evaluate its financial viability and whether the  
24 environmental benefits of such resources were at risk. The  
25 report identified the risk of losing the environmental  
26 benefits of several specific nuclear units. The report

1           also identified that the LaSalle County Generating Station  
2           will continue to operate through 2026 and therefore is not  
3           eligible to participate in the carbon mitigation credit  
4           program.

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

8           (H) The procurement of carbon mitigation credits  
9           representing the environmental benefits of carbon-free  
10          generation will further the State's efforts at achieving  
11          100% clean energy and decarbonizing the electricity sector  
12          in a safe, reliable, and affordable manner. Further, the  
13          procurement of carbon emission credits will enhance the  
14          health and welfare of Illinois residents through decreased  
15          reliance on more highly polluting generation.

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

22          (2) As used in this subsection:

23          "Baseline costs" means costs used to establish a customer  
24          protection cap that have been evaluated through an independent  
25          audit of a carbon-free energy resource conducted by the  
26          Environmental Protection Agency that evaluated projected

1 annual costs for operation and maintenance expenses; fully  
2 allocated overhead costs, which shall be allocated using the  
3 methodology developed by the Institute for Nuclear Power  
4 Operations; fuel expenditures; nonfuel capital expenditures;  
5 spent fuel expenditures; a return on working capital; the cost  
6 of operational and market risks that could be avoided by  
7 ceasing operation; and any other costs necessary for continued  
8 operations, provided that "necessary" means, for purposes of  
9 this definition, that the costs could reasonably be avoided  
10 only by ceasing operations of the carbon-free energy resource.

11 "Carbon mitigation credit" means a tradable credit that  
12 represents the carbon emission reduction attributes of one  
13 megawatt-hour of energy produced from a carbon-free energy  
14 resource.

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

18 (3) Procurement.

19 (A) Beginning with the delivery year commencing on  
20 June 1, 2022, the Agency shall, for electric utilities  
21 serving at least 3,000,000 retail customers in the State,  
22 seek to procure contracts for no more than approximately  
23 54,500,000 cost-effective carbon mitigation credits from  
24 carbon-free energy resources because such credits are  
25 necessary to support current levels of carbon-free energy  
26 generation and ensure the State meets its carbon dioxide

1 emissions reduction goals. The Agency shall not make a  
2 partial award of a contract for carbon mitigation credits  
3 covering a fractional amount of a carbon-free energy  
4 resource's projected output.

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

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

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

14 (iii) a commitment to be reflected in any contract  
15 entered into pursuant to this subsection (d-10) to  
16 continue operating the carbon-free energy resource at  
17 a capacity factor of at least 88% annually on average  
18 for the duration of the contract or contracts executed  
19 under the procurement held under this subsection  
20 (d-10), except in an instance described in  
21 subparagraph (E) of paragraph (1) of subsection (d-5)  
22 of this Section or made impracticable as a result of  
23 compliance with law or regulation;

24 (iv) financial need and the risk of loss of the  
25 environmental benefits of such resource, which shall  
26 include the following information:

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

17 (II) the carbon-free energy resource's revenue  
18 projections, including energy, capacity, ancillary  
19 services, any other direct State support, known or  
20 anticipated federal attribute credits, known or  
21 anticipated tax credits, and any other direct  
22 federal support.

23 The information described in this subparagraph (B) may  
24 be submitted on a confidential basis and shall be treated  
25 and maintained by the Agency, the procurement  
26 administrator, and the Commission as confidential and

1           proprietary and exempt from disclosure under subparagraphs  
2           (a) and (g) of paragraph (1) of Section 7 of the Freedom of  
3           Information Act. The Office of the Attorney General shall  
4           have access to, and maintain the confidentiality of, such  
5           information pursuant to Section 6.5 of the Attorney  
6           General Act.

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

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

22                 (ii) Contracts for carbon mitigation credits shall  
23                 commence with the delivery year beginning on June 1,  
24                 2022 and shall be for a term of 5 delivery years  
25                 concluding on May 31, 2027.

26                 (iii) The price per carbon mitigation credit to be

1           paid under a contract for a given delivery year shall  
2           be equal to an accepted bid price less the sum of:

3                   (I) one of the following energy price indices,  
4                   selected by the bidder at the time of the bid for  
5                   the term of the contract:

6                           (aa) the weighted-average hourly day-ahead  
7                           price for the applicable delivery year at the  
8                           busbar of all resources procured pursuant to  
9                           this subsection (d-10), weighted by actual  
10                           production from the resources; or

11                           (bb) the projected energy price for the  
12                           PJM Interconnection, LLC Northern Illinois Hub  
13                           for the applicable delivery year determined  
14                           according to subitem (aa) of item (iii) of  
15                           subparagraph (B) of paragraph (1) of  
16                           subsection (d-5).

17                   (II) the Base Residual Auction Capacity Price  
18                   for the ComEd zone as determined by PJM  
19                   Interconnection, LLC, divided by 24 hours per day,  
20                   for the applicable delivery year for the first 3  
21                   delivery years, and then any subsequent delivery  
22                   years unless the PJM Interconnection, LLC applies  
23                   the Minimum Offer Price Rule to participating  
24                   carbon-free energy resources because they supply  
25                   carbon mitigation credits pursuant to this Section  
26                   at which time, upon notice by the carbon-free



1 energy resource to the Commission and subject to  
2 the Commission's confirmation, the value under  
3 this subitem shall be zero, as further described  
4 in the carbon mitigation credit procurement plan;  
5 and

6 (III) any value of monetized federal tax  
7 credits, direct payments, or similar subsidy  
8 provided to the carbon-free energy resource from  
9 any unit of government that is not already  
10 reflected in energy prices.

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

18 To protect retail customers from retail rate  
19 impacts that may arise upon the initiation of carbon  
20 policy changes, if the price-per-megawatt-hour  
21 calculation performed under item (iii) of this  
22 subparagraph (C) for a given delivery year results in  
23 a net negative value, then the supplier counterparty  
24 to the contract shall multiply such net value by the  
25 applicable contract quantity and remit such amount to  
26 the electric utility counterparty. The electric

1 utility shall reflect such amounts remitted by  
2 suppliers as a credit on its retail customer bills as  
3 soon as practicable.

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

11 The baseline costs for the applicable year shall  
12 be the following:

13 (I) For the delivery year beginning June 1,  
14 2022, the baseline costs shall be an amount equal  
15 to \$30.30 per megawatt-hour.

16 (II) For the delivery year beginning June 1,  
17 2023, the baseline costs shall be an amount equal  
18 to \$32.50 per megawatt-hour.

19 (III) For the delivery year beginning June 1,  
20 2024, the baseline costs shall be an amount equal  
21 to \$33.43 per megawatt-hour.

22 (IV) For the delivery year beginning June 1,  
23 2025, the baseline costs shall be an amount equal  
24 to \$33.50 per megawatt-hour.

25 (V) For the delivery year beginning June 1,  
26 2026, the baseline costs shall be an amount equal

1 to \$34.50 per megawatt-hour.

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

12 Although actual energy and capacity prices may  
13 vary from year-to-year, the General Assembly finds  
14 that this customer protection cap will help ensure  
15 that the cost of carbon mitigation credits will be  
16 less than its value, based upon the social cost of  
17 carbon identified in the Technical Support Document  
18 issued in February 2021 by the U.S. Interagency  
19 Working Group on Social Cost of Greenhouse Gases and  
20 the PJM Interconnection, LLC carbon dioxide marginal  
21 emission rate for 2020, and that a carbon-free energy  
22 resource receiving payment for carbon mitigation  
23 credits receives no more than necessary to keep those  
24 units in operation.

25 (D) No later than 7 days after the effective date of  
26 this amendatory Act of the 102nd General Assembly, the

1 Agency shall publish its proposed carbon mitigation credit  
2 procurement plan. The Plan shall provide that winning bids  
3 shall be selected by taking into consideration which  
4 resources best match public interest criteria that  
5 include, but are not limited to, minimizing carbon dioxide  
6 emissions that result from electricity consumed in  
7 Illinois and minimizing sulfur dioxide, nitrogen oxide,  
8 and particulate matter emissions that adversely affect the  
9 citizens of this State. The selection of winning bids  
10 shall also take into account the incremental environmental  
11 benefits resulting from the procurement or procurements,  
12 such as any existing environmental benefits that are  
13 preserved by a procurement held under this subsection  
14 (d-10) and would cease to exist if the procurement were  
15 not held, including the preservation of carbon-free energy  
16 resources. For those bidders having the same public  
17 interest criteria score, the relative ranking of such  
18 bidders shall be determined by price. The Plan shall  
19 describe in detail how each public interest factor shall  
20 be considered and weighted in the bid selection process to  
21 ensure that the public interest criteria are applied to  
22 the procurement. The Plan shall, to the extent practical  
23 and permissible by federal law, ensure that successful  
24 bidders make commercially reasonable efforts to apply for  
25 federal tax credits, direct payments, or similar subsidy  
26 programs that support carbon-free generation and for which

1 the successful bidder is eligible. Upon publishing of the  
2 carbon mitigation credit procurement plan, copies of the  
3 plan shall be posted and made publicly available on the  
4 Agency's website. All interested parties shall have 7 days  
5 following the date of posting to provide comment to the  
6 Agency on the plan. All comments shall be posted to the  
7 Agency's website. Following the end of the comment period,  
8 but no more than 19 days later than the effective date of  
9 this amendatory Act of the 102nd General Assembly, the  
10 Agency shall revise the plan as necessary based on the  
11 comments received and file its carbon mitigation credit  
12 procurement plan with the Commission.

13 (E) If the Commission determines that the plan is  
14 likely to result in the procurement of cost-effective  
15 carbon mitigation credits, then the Commission shall,  
16 after notice and hearing and opportunity for comment, but  
17 no later than 42 days after the Agency filed the plan,  
18 approve the plan or approve it with modification. For  
19 purposes of this subsection (d-10), "cost-effective" means  
20 carbon mitigation credits that are procured from  
21 carbon-free energy resources at prices that are within the  
22 limits specified in this paragraph (3). As part of the  
23 Commission's review and acceptance or rejection of the  
24 procurement results, the Commission shall, in its public  
25 notice of successful bidders:

26 (i) identify how the selected carbon-free energy

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

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

16 (iii) quantify the environmental benefit of  
17 preserving the carbon-free energy resources procured  
18 pursuant to this subsection (d-10), including the  
19 following:

20 (I) an assessment value of avoided greenhouse  
21 gas emissions measured as the product of the  
22 carbon-free energy resources' output over the  
23 contract term, using generally accepted  
24 methodologies for the valuation of avoided  
25 emissions; and

26 (II) an assessment of costs of replacement

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

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

26 (F-1) Costs incurred by the electric utility pursuant

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

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

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

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

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

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

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

25 (h) The Agency shall assess fees to each bidder to recover  
26 the costs incurred in connection with a competitive



1 procurement process.

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

15 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;  
16 103-580, eff. 12-8-23.)

17 (20 ILCS 3855/1-93 new)

18 Sec. 1-93. Energy storage credit targets.

19 (a) The Agency shall develop a storage procurement plan  
20 that results in electric utilities contracting for energy  
21 storage credits from contracted energy storage systems in the  
22 following amounts:

23 (1) at least 1,000 megawatts of cumulative energy  
24 storage capacity by the end of delivery year 2024, of  
25 which 200 megawatts are to be procured using indexed

1 credits, 200 megawatts are to be procured using tolling  
2 agreements, and 600 megawatts are to be procured using  
3 either indexed credits or tolling agreements in the  
4 discretion of the Agency;

5 (2) at least 3,000 megawatts of cumulative energy  
6 storage capacity by delivery year 2026, with the  
7 additional 2,000 megawatts split as follows: 400 megawatts  
8 are to be procured using indexed credits, 400 megawatts  
9 are to be procured using tolling agreements, and 1,200  
10 megawatts are to be procured using either indexed credits  
11 or tolling agreements as approved in the long-term  
12 procurement plan;

13 (3) at least 5,000 megawatts of cumulative energy  
14 storage capacity by delivery year 2028 with the additional  
15 2,000 megawatts split as follows: 400 megawatts are to be  
16 procured using indexed credits, 400 megawatts are to be  
17 procured using tolling agreements, and 1,200 megawatts are  
18 to be procured using either indexed credits or tolling  
19 agreements as approved in the long-term procurement plan;

20 and

21 (4) at least 7,500 megawatts of cumulative energy  
22 storage capacity by delivery year 2030 with the additional  
23 2,500 megawatts split as follows: 500 megawatts are to be  
24 procured using indexed credits, 500 megawatts are to be  
25 procured using tolling agreements, and 1,200 megawatts are  
26 to be procured using either indexed credits or tolling

1 agreements as approved in the long-term procurement plan.

2 (b) Within 180 days after the effective date of this  
3 amendatory Act of the 103rd General Assembly, the Agency shall  
4 develop an energy storage procurement plan in accordance with  
5 this Section and Section 16-111.5 of the Public Utilities Act.

6 (c) For procurements of energy storage credits, the Agency  
7 shall procure energy storage credits using methodologies  
8 including, but not limited to, tolling agreements and indexed  
9 energy storage credits. The Agency shall select bids based on  
10 the bid price when compared with equal energy storage duration  
11 and interconnected to the same independent system operator or  
12 regional transmission organization, and may give consideration  
13 to project viability and developer experience. The  
14 procurements of energy storage credits under this subsection  
15 shall be made as follows:

16 (1) For indexed energy storage credit procurements,  
17 the purchase price of the indexed energy storage credit  
18 payment shall be calculated for each day. The payment per  
19 energy storage credit shall be equal to the difference  
20 resulting from subtracting from the energy storage strike  
21 price the sum of the daily energy volatility index and the  
22 reference capacity price for that day. If this difference  
23 results in a positive number, the electric utility shall  
24 owe the seller this amount multiplied by the number of  
25 indexed energy storage credits produced on the relevant  
26 day. If this difference results in a negative number, the

1 settlement shall be zero. The parties shall cash settle  
2 every month, summing up all settlements for the prior  
3 month.

4 (2) For tolling agreements, the purchase price shall  
5 be the tolling rate as bid by the winning bidder.

6 (3) For pricing structures that are neither indexed  
7 credits nor tolling agreements, the Agency, after  
8 consideration of feedback from potential bidders and in  
9 consideration of financiability, shall develop  
10 methodologies for pricing structure and bidding  
11 procedures.

12 For the purposes of this subsection:

13 "Developer experience" means the experience of a bidder or  
14 its affiliates assessed by the Agency, including based on  
15 quantity of energy projects brought to commercial operation,  
16 quantity of energy projects under ownership, and awards of  
17 incentive contracts.

18 "Project viability" means an assessment by the Agency, for  
19 the purposes of bid evaluation, of the project's potential to  
20 reach commercial operation as assessed by standards developed  
21 by the Agency regarding permitting milestones, interconnection  
22 milestones, and site control milestones.

23 (d) All procurements under this Section shall comply with  
24 the geographic requirements in subparagraph (I) of paragraph  
25 (1) of subsection (c) of Section 1-75 and shall follow the  
26 procurement processes and procedures described in this Section

1 and Section 16-111.5 of the Public Utilities Act, to the  
2 extent practicable, and these processes and procedures may be  
3 expedited to accommodate the schedule established by this  
4 Section. The Agency shall require all bidders to pay to the  
5 Agency a nonrefundable deposit of \$10,000 per bid. Bidders  
6 shall also demonstrate experience developing commercial  
7 readiness. The winning bidders shall comply with the  
8 prevailing wage requirements in subparagraph (Q) of paragraph  
9 (1) of subsection (c) of Section 1-75 and the equity  
10 accountability system requirements in subsection (c-10) of  
11 Section 1-75. As used in this subsection (d), "developing to  
12 commercial readiness" means having notice to proceed, owning,  
13 or operating energy facilities with a combined nameplate  
14 capacity of at least 100 megawatts.

15 (e) No later than December 31, 2026, and every 2 years  
16 thereafter, the Agency shall conduct an analysis to determine  
17 whether the contracted quantity of energy storage in energy  
18 storage capacity and energy storage duration is sufficient to  
19 support the State's renewable energy standards and carbon  
20 emission standards. To conduct the analysis, the Agency shall  
21 retain an independent consultant with experience in wholesale  
22 electric system modeling in PJM and MISO and may seek the  
23 support of the United States Department of Energy and National  
24 Labs to conduct its analysis. The independent consultant shall  
25 use a production cost model, capacity expansion model, or  
26 similar comprehensive analysis of the electricity systems and

1 shall provide opportunities for stakeholders to provide  
2 feedback on the scope, inputs, and assumptions used in the  
3 analysis. The Agency is authorized to collect costs for  
4 conducting the analysis from electric utilities. The electric  
5 utilities are authorized to recover the cost of the analysis  
6 as part of the recovery of the cost of energy storage credits,  
7 as authorized in this Section and Section 16-108 of the Public  
8 Utilities Act. If the Agency determines that the need for  
9 energy storage capacity or energy storage duration is greater  
10 than the energy storage credit target in this Section, the  
11 Agency shall establish, and the Commission shall approve, new  
12 energy storage credit targets to meet the identified need. If  
13 the Agency determines that deployment of energy storage beyond  
14 2030 will not be achieved through wholesale market prices and  
15 other energy storage programs established by the State, the  
16 Agency shall establish additional targets for years beyond  
17 2030.

18 (f) The Agency shall include in the long-term procurement  
19 plan the energy storage duration of energy storage systems  
20 from which the Agency shall procure energy storage credits.  
21 Informed by the analysis described in subsection (e), when  
22 available, the Agency shall designate the energy storage  
23 duration or durations and the amount of energy storage  
24 capacity at each duration from which the Agency intends to  
25 procure energy storage credits. The long-term procurement plan  
26 shall further propose allocation of procurements between

1 indexed credits and tolling agreements, taking into  
2 consideration factors including timely commercial operation of  
3 storage resources.

4 (g) The Agency shall identify in the long-term procurement  
5 plan the regional transmission organization or independent  
6 system operator to which energy storage systems shall be  
7 interconnected in order to be eligible to offer a strike price  
8 for energy storage credits. For all solicitations prior to the  
9 delivery year 2028, the Agency shall strive to procure at  
10 least 70% of energy storage credits from energy storage  
11 systems interconnected to MISO, and at least 10% of energy  
12 storage credits from energy storage systems located within a  
13 city with population of more than 1,000,000 people and  
14 interconnected to PJM Interconnection, LLC. For solicitations  
15 in the delivery year 2028 and thereafter, and informed by the  
16 analysis described in subsection (e), the Agency shall  
17 designate the regional transmission organization or  
18 independent system operator to which energy storage systems  
19 shall be interconnected in order to be eligible to offer a  
20 strike price for energy storage credits. Following  
21 solicitation and receipt of feedback from stakeholders  
22 including potential bidders, the Agency shall propose in the  
23 long-term procurement plan key terms and conditions of the  
24 standard contracts for indexed credit and tolling agreements.  
25 The key terms shall be designed to ensure the agreements are  
26 financeable and to incentivize development.

1       (h) The Agency shall procure cost-effective energy storage  
2 credits in at least the amounts identified in subsection (a).  
3 The procurement administrator shall establish confidential  
4 price benchmarks based on publicly available data on regional  
5 technology costs. Confidential benchmarks shall be developed  
6 by the procurement administrator, in consultation with  
7 Commission staff, Agency staff, and the procurement monitor,  
8 and shall be subject to Commission review and approval.  
9 Benchmarks shall reflect development, financing, and related  
10 costs resulting from requirements imposed through other  
11 provisions of State law. As used in this subsection (h), "cost  
12 effective" means that the energy storage credit strike price  
13 does not exceed confidential benchmarks.

14       (i) When developing each storage procurement plan, upon  
15 solicitation from stakeholders, the Agency shall consider  
16 additional procurement approaches that would result in the  
17 electric utilities contracting for energy storage to achieve  
18 the requirements in subsection (a).

19       (j) Storage energy credits procured under this Section  
20 must be from energy storage systems built by general  
21 contractors that enter into a project labor agreement prior to  
22 construction. The project labor agreement shall be filed with  
23 the Director in accordance with procedures established by the  
24 Agency through its storage procurement plan. Any information  
25 submitted to the Agency under this subsection shall be  
26 considered commercially sensitive information. At a minimum,



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

7 (k) In order to promote the competitive development of  
8 energy storage system in furtherance of the State's interest  
9 in the health, safety, and welfare of its residents, storage  
10 credits shall not be eligible to be selected under this  
11 Section if they are sourced from an energy storage system  
12 whose costs were being recovered through rates regulated by  
13 this State or any other state or states on or after January 1,  
14 2017. Each contract executed to purchase storage credits under  
15 this Section shall provide for the contract's termination if  
16 the costs of the energy storage system supplying the storage  
17 credits subsequently begin to be recovered through rates  
18 regulated by this State or any other state or states. Each  
19 contract shall provide that, in the event the costs of the  
20 energy storage system supplying the storage credits  
21 subsequently begin to be recovered through rates regulated by  
22 this State or any other state or states, the supplier of the  
23 credits must return 110% of all payments received under the  
24 contract. Amounts returned under the requirements of this  
25 subsection shall be refunded to ratepayers. No entity shall be  
26 permitted to bid unless it certifies to the Agency that it is

1 not an electric utility, as defined in Section 16-102 of the  
2 Public Utilities Act, serving more than 10,000 customers in  
3 the State.

4 (l) The Agency shall require that as a prerequisite to  
5 payment for any storage credits that the winning bidder  
6 provide the Agency or its designee a copy of the  
7 interconnection agreement under which the applicable energy  
8 storage system is connected to the transmission or  
9 distribution system.

10 (m) To ensure the successful development of new energy  
11 storage systems for procurements under this Section, a winning  
12 bidder or the current seller under contract countersigned by  
13 an electric utility counterparty may petition the Commission  
14 to revise the terms in the contract. Prior to such petition,  
15 upon request by the winning bidder or seller, the Agency shall  
16 negotiate directly with the winning bidder or seller. If  
17 following the direct negotiations, the Agency and the winning  
18 bidder reach an agreement on amended terms or a strike price  
19 and the Agency finds that the amended terms or strike price  
20 reflect a change in circumstances since the date of the bid  
21 based on circumstances unforeseeable at the time of the bid,  
22 upon petition by the winning bidder or current seller, then  
23 the Commission shall issue an order directing the utility  
24 counterparty to execute a form amendment drafted by the Agency  
25 with the revised terms or the strike price. The Agency shall  
26 provide the amendment to the utility within 15 business days

1 after the Commission's order and the utility buyer shall  
2 execute the amendment not more than 7 calendar days after  
3 delivery by the Agency. The Agency shall develop the form  
4 amendment following comment by interested parties.

5 (20 ILCS 3855/1-94 new)

6 Sec. 1-94. Firm energy resource procurement plan. The  
7 Agency is authorized to develop and implement a firm energy  
8 resource procurement plan for new resources, including  
9 initiating proceedings and conducting competitive  
10 solicitations to deploy new long-duration and multi-day energy  
11 storage. The procurement plan shall ensure regular procurement  
12 opportunities to deploy new long-duration and multi-day energy  
13 storage resources by 2030 and shall ensure stable, competitive  
14 resource development at a pace needed to ensure grid  
15 reliability and resilience during atypical or extreme grid  
16 conditions that may occur at least once in 20 years while  
17 meeting the emissions requirements of Section 9.15 of the  
18 Environmental Protection Act. The Agency's plan shall ensure  
19 that a minimum of 4 new long-duration or multi-day energy  
20 storage resources, each with a rated capacity greater than 20  
21 megawatts, shall be deployed or contracted by the end of  
22 delivery year 2026. Within one year after the effective date  
23 of this amendatory Act of the 103rd General Assembly, the  
24 Agency shall develop a firm energy resource procurement plan  
25 in accordance with this Section and Section 16-111.5 of the

1 Public Utilities Act.

2 Section 10. The Public Utilities Act is amended by  
3 changing Sections 16-107.5, 16-107.6, 16-108, and 16-111.5 and  
4 by adding Sections 8-513, 16-107.9, 16-107.10, and 16-107.11  
5 and Article XXIII as follows:

6 (220 ILCS 5/8-513 new)

7 Sec. 8-513. Staffing adequacy.

8 (a) The General Assembly finds and declares that devotion  
9 of adequate resources, including human resources and technical  
10 resources, to interconnection of electric generation to the  
11 electric distribution grid and transmission grid are necessary  
12 to meeting the State's renewable energy goals, including the  
13 goals set out in Section 1-75 of the Illinois Power Agency Act.  
14 The General Assembly further finds that insufficient human  
15 resources or inadequate systems, recordkeeping, or technical  
16 ability to interconnection by electric utilities risks delays,  
17 mistakes, and disputes under applicable interconnection  
18 procedures.

19 (b) Each electric utility, as defined in Section 16-102,  
20 shall demonstrate sufficient resources devoted to  
21 interconnection.

22 (c) The Commission shall review in a contested proceeding  
23 the compliance of each electric utility with the electric  
24 utility's individual compliance with obligations under

1 subsection (b). If the Commission, after notice and hearing,  
2 finds that an electric utility did not meet its obligations  
3 under subsection (b), or is at risk of not meeting such  
4 obligations in the future, the Commission may require the  
5 electric utility to submit a compliance plan to meet such  
6 obligations. The Commission shall approve or approve with  
7 modifications a compliance plan if the Commission finds that  
8 the compliance plan is likely to ensure compliance with the  
9 electric utility's obligations under subsection (b), or likely  
10 with modifications to ensure compliance.

11 (d) As used in this Section:

12 "Interconnection" means the steps to interconnect  
13 electric generation fueled by renewable resources, energy  
14 storage, or a combination of generation fueled by  
15 renewable resources and storage under procedures set out  
16 in this Act, rules adopted by the Commission, PJM  
17 Interconnection, Inc. or its successor, or Midcontinent  
18 Independent System Operator or its successor.

19 "Resources" means the combination of employees,  
20 independent contractors, vendors, and systems and software  
21 that directly support interconnection but shall not  
22 include the transformers, reclosers, line, and similar  
23 physical assets used to connect or upgrade the  
24 distribution or transmission grids.

25 (220 ILCS 5/16-107.5)

1           Sec. 16-107.5. Net electricity metering.

2           (a) The General Assembly finds and declares that a program  
3 to provide net electricity metering, as defined in this  
4 Section, for eligible customers can encourage private  
5 investment in renewable energy resources, stimulate economic  
6 growth, enhance the continued diversification of Illinois'  
7 energy resource mix, and protect the Illinois environment.  
8 Further, to achieve the goals of this Act that robust options  
9 for customer-site distributed generation continue to thrive in  
10 Illinois, the General Assembly finds that a predictable  
11 transition must be ensured for customers between full net  
12 metering at the retail electricity rate to the distribution  
13 generation rebate described in Section 16-107.6.

14           (b) As used in this Section, (i) "community renewable  
15 generation project" shall have the meaning set forth in  
16 Section 1-10 of the Illinois Power Agency Act; (ii) "eligible  
17 customer" means a retail customer that owns, hosts, or  
18 operates, including any third-party owned systems, a solar,  
19 wind, or other eligible renewable electrical generating  
20 facility that is located on the customer's premises or  
21 customer's side of the billing meter and is intended primarily  
22 to offset the customer's own current or future electrical  
23 requirements; (iii) "electricity provider" means an electric  
24 utility or alternative retail electric supplier; (iv)  
25 "eligible renewable electrical generating facility" means a  
26 generator, which may include the co-location of an energy

1 storage system, that is interconnected under rules adopted by  
2 the Commission and is powered by solar electric energy, wind,  
3 dedicated crops grown for electricity generation, agricultural  
4 residues, untreated and unadulterated wood waste, livestock  
5 manure, anaerobic digestion of livestock or food processing  
6 waste, fuel cells or microturbines powered by renewable fuels,  
7 or hydroelectric energy; (v) "net electricity metering" (or  
8 "net metering") means the measurement, during the billing  
9 period applicable to an eligible customer, of the net amount  
10 of electricity supplied by an electricity provider to the  
11 customer or provided to the electricity provider by the  
12 customer or subscriber; (vi) "subscriber" shall have the  
13 meaning as set forth in Section 1-10 of the Illinois Power  
14 Agency Act; (vii) "subscription" shall have the meaning set  
15 forth in Section 1-10 of the Illinois Power Agency Act; (viii)  
16 "energy storage system" means commercially available  
17 technology that is capable of absorbing energy and storing it  
18 for a period of time for use at a later time, including, but  
19 not limited to, electrochemical, thermal, and  
20 electromechanical technologies, and may be interconnected  
21 behind the customer's meter or interconnected behind its own  
22 meter; and (ix) "future electrical requirements" means modeled  
23 electrical requirements upon occupation of a new or vacant  
24 property, and other reasonable expectations of future  
25 electrical use, as well as, for occupied properties, a  
26 reasonable approximation of the annual load of 2 electric

1 vehicles and, for non-electric heating customers, a reasonable  
2 approximation of the incremental electric load associated with  
3 fuel switching. The approximations shall be applied to the  
4 appropriate net metering tariff and do not need to be unique to  
5 each individual eligible customer. The utility shall submit  
6 these approximations to the Commission for review,  
7 modification, and approval.

8 (c) A net metering facility shall be equipped with  
9 metering equipment that can measure the flow of electricity in  
10 both directions at the same rate.

11 (1) For eligible customers whose electric service has  
12 not been declared competitive pursuant to Section 16-113  
13 of this Act as of July 1, 2011 and whose electric delivery  
14 service is provided and measured on a kilowatt-hour basis  
15 and electric supply service is not provided based on  
16 hourly pricing, this shall typically be accomplished  
17 through use of a single, bi-directional meter. If the  
18 eligible customer's existing electric revenue meter does  
19 not meet this requirement, the electricity provider shall  
20 arrange for the local electric utility or a meter service  
21 provider to install and maintain a new revenue meter at  
22 the electricity provider's expense, which may be the smart  
23 meter described by subsection (b) of Section 16-108.5 of  
24 this Act.

25 (2) For eligible customers whose electric service has  
26 not been declared competitive pursuant to Section 16-113



1 of this Act as of July 1, 2011 and whose electric delivery  
2 service is provided and measured on a kilowatt demand  
3 basis and electric supply service is not provided based on  
4 hourly pricing, this shall typically be accomplished  
5 through use of a dual channel meter capable of measuring  
6 the flow of electricity both into and out of the  
7 customer's facility at the same rate and ratio. If such  
8 customer's existing electric revenue meter does not meet  
9 this requirement, then the electricity provider shall  
10 arrange for the local electric utility or a meter service  
11 provider to install and maintain a new revenue meter at  
12 the electricity provider's expense, which may be the smart  
13 meter described by subsection (b) of Section 16-108.5 of  
14 this Act.

15 (3) For all other eligible customers, until such time  
16 as the local electric utility installs a smart meter, as  
17 described by subsection (b) of Section 16-108.5 of this  
18 Act, the electricity provider may arrange for the local  
19 electric utility or a meter service provider to install  
20 and maintain metering equipment capable of measuring the  
21 flow of electricity both into and out of the customer's  
22 facility at the same rate and ratio, typically through the  
23 use of a dual channel meter. If the eligible customer's  
24 existing electric revenue meter does not meet this  
25 requirement, then the costs of installing such equipment  
26 shall be paid for by the customer.

1           (d) An electricity provider shall measure and charge or  
2 credit for the net electricity supplied to eligible customers  
3 or provided by eligible customers whose electric service has  
4 not been declared competitive pursuant to Section 16-113 of  
5 this Act as of July 1, 2011 and whose electric delivery service  
6 is provided and measured on a kilowatt-hour basis and electric  
7 supply service is not provided based on hourly pricing in the  
8 following manner:

9           (1) If the amount of electricity used by the customer  
10 during the billing period exceeds the amount of  
11 electricity produced by the customer, the electricity  
12 provider shall charge the customer for the net electricity  
13 supplied to and used by the customer as provided in  
14 subsection (e-5) of this Section.

15           (2) If the amount of electricity produced by a  
16 customer during the billing period exceeds the amount of  
17 electricity used by the customer during that billing  
18 period, the electricity provider supplying that customer  
19 shall apply a 1:1 kilowatt-hour credit to a subsequent  
20 bill for service to the customer for the net electricity  
21 supplied to the electricity provider. The electricity  
22 provider shall continue to carry over any excess  
23 kilowatt-hour credits earned and apply those credits to  
24 subsequent billing periods to offset any  
25 customer-generator consumption in those billing periods  
26 until all credits are used or until the end of the

1 annualized period.

2 (3) At the end of the year or annualized over the  
3 period that service is supplied by means of net metering,  
4 or in the event that the retail customer terminates  
5 service with the electricity provider prior to the end of  
6 the year or the annualized period, any remaining credits  
7 in the customer's account shall expire.

8 (d-5) An electricity provider shall measure and charge or  
9 credit for the net electricity supplied to eligible customers  
10 or provided by eligible customers whose electric service has  
11 not been declared competitive pursuant to Section 16-113 of  
12 this Act as of July 1, 2011 and whose electric delivery service  
13 is provided and measured on a kilowatt-hour basis and electric  
14 supply service is provided based on hourly pricing or  
15 time-of-use rates in the following manner:

16 (1) If the amount of electricity used by the customer  
17 during any hourly period or time-of-use period exceeds the  
18 amount of electricity produced by the customer, the  
19 electricity provider shall charge the customer for the net  
20 electricity supplied to and used by the customer according  
21 to the terms of the contract or tariff to which the same  
22 customer would be assigned to or be eligible for if the  
23 customer was not a net metering customer.

24 (2) If the amount of electricity produced by a  
25 customer during any hourly period or time-of-use period  
26 exceeds the amount of electricity used by the customer

1 during that hourly period or time-of-use period, the  
2 energy provider shall apply a credit for the net  
3 kilowatt-hours produced in such period. The credit shall  
4 consist of an energy credit and a delivery service credit.  
5 The energy credit shall be valued at the same price per  
6 kilowatt-hour as the electric service provider would  
7 charge for kilowatt-hour energy sales during that same  
8 hourly period or time-of-use period. The delivery credit  
9 shall be equal to the net kilowatt-hours produced in such  
10 hourly period or time-of-use period times a credit that  
11 reflects all kilowatt-hour based charges in the customer's  
12 electric service rate, excluding energy charges.

13 (e) An electricity provider shall measure and charge or  
14 credit for the net electricity supplied to eligible customers  
15 whose electric service has not been declared competitive  
16 pursuant to Section 16-113 of this Act as of July 1, 2011 and  
17 whose electric delivery service is provided and measured on a  
18 kilowatt demand basis and electric supply service is not  
19 provided based on hourly pricing in the following manner:

20 (1) If the amount of electricity used by the customer  
21 during the billing period exceeds the amount of  
22 electricity produced by the customer, then the electricity  
23 provider shall charge the customer for the net electricity  
24 supplied to and used by the customer as provided in  
25 subsection (e-5) of this Section. The customer shall  
26 remain responsible for all taxes, fees, and utility

1 delivery charges that would otherwise be applicable to the  
2 net amount of electricity used by the customer.

3 (2) If the amount of electricity produced by a  
4 customer during the billing period exceeds the amount of  
5 electricity used by the customer during that billing  
6 period, then the electricity provider supplying that  
7 customer shall apply a 1:1 kilowatt-hour credit that  
8 reflects the kilowatt-hour based charges in the customer's  
9 electric service rate to a subsequent bill for service to  
10 the customer for the net electricity supplied to the  
11 electricity provider. The electricity provider shall  
12 continue to carry over any excess kilowatt-hour credits  
13 earned and apply those credits to subsequent billing  
14 periods to offset any customer-generator consumption in  
15 those billing periods until all credits are used or until  
16 the end of the annualized period.

17 (3) At the end of the year or annualized over the  
18 period that service is supplied by means of net metering,  
19 or in the event that the retail customer terminates  
20 service with the electricity provider prior to the end of  
21 the year or the annualized period, any remaining credits  
22 in the customer's account shall expire.

23 (e-5) An electricity provider shall provide electric  
24 service to eligible customers who utilize net metering at  
25 non-discriminatory rates that are identical, with respect to  
26 rate structure, retail rate components, and any monthly

1 charges, to the rates that the customer would be charged if not  
2 a net metering customer. An electricity provider shall not  
3 charge net metering customers any fee or charge or require  
4 additional equipment, insurance, or any other requirements not  
5 specifically authorized by interconnection standards  
6 authorized by the Commission, unless the fee, charge, or other  
7 requirement would apply to other similarly situated customers  
8 who are not net metering customers. The customer will remain  
9 responsible for all taxes, fees, and utility delivery charges  
10 that would otherwise be applicable to the net amount of  
11 electricity used by the customer. Subsections (c) through (e)  
12 of this Section shall not be construed to prevent an  
13 arms-length agreement between an electricity provider and an  
14 eligible customer that sets forth different prices, terms, and  
15 conditions for the provision of net metering service,  
16 including, but not limited to, the provision of the  
17 appropriate metering equipment for non-residential customers.

18 (f) Notwithstanding the requirements of subsections (c)  
19 through (e-5) of this Section, an electricity provider must  
20 require dual-channel metering for customers operating eligible  
21 renewable electrical generating facilities to whom the  
22 provisions of neither subsection (d), (d-5), nor (e) of this  
23 Section apply. In such cases, electricity charges and credits  
24 shall be determined as follows:

25 (1) The electricity provider shall assess and the  
26 customer remains responsible for all taxes, fees, and

1 utility delivery charges that would otherwise be  
2 applicable to the gross amount of kilowatt-hours supplied  
3 to the eligible customer by the electricity provider.

4 (2) Each month that service is supplied by means of  
5 dual-channel metering, the electricity provider shall  
6 compensate the eligible customer for any excess  
7 kilowatt-hour credits at the electricity provider's  
8 avoided cost of electricity supply over the monthly period  
9 or as otherwise specified by the terms of a power-purchase  
10 agreement negotiated between the customer and electricity  
11 provider.

12 (3) For all eligible net metering customers taking  
13 service from an electricity provider under contracts or  
14 tariffs employing hourly or time-of-use rates, any monthly  
15 consumption of electricity shall be calculated according  
16 to the terms of the contract or tariff to which the same  
17 customer would be assigned to or be eligible for if the  
18 customer was not a net metering customer. When those same  
19 customer-generators are net generators during any discrete  
20 hourly or time-of-use period, the net kilowatt-hours  
21 produced shall be valued at the same price per  
22 kilowatt-hour as the electric service provider would  
23 charge for retail kilowatt-hour sales during that same  
24 time-of-use period.

25 (g) For purposes of federal and State laws providing  
26 renewable energy credits or greenhouse gas credits, the

1 eligible customer shall be treated as owning and having title  
2 to the renewable energy attributes, renewable energy credits,  
3 and greenhouse gas emission credits related to any electricity  
4 produced by the qualified generating unit. The electricity  
5 provider may not condition participation in a net metering  
6 program on the signing over of a customer's renewable energy  
7 credits; provided, however, this subsection (g) shall not be  
8 construed to prevent an arms-length agreement between an  
9 electricity provider and an eligible customer that sets forth  
10 the ownership or title of the credits.

11 (h) Within 120 days after the effective date of this  
12 amendatory Act of the 95th General Assembly, the Commission  
13 shall establish standards for net metering and, if the  
14 Commission has not already acted on its own initiative,  
15 standards for the interconnection of eligible renewable  
16 generating equipment to the utility system. The  
17 interconnection standards shall address any procedural  
18 barriers, delays, and administrative costs associated with the  
19 interconnection of customer-generation while ensuring the  
20 safety and reliability of the units and the electric utility  
21 system. The Commission shall consider the Institute of  
22 Electrical and Electronics Engineers (IEEE) Standard 1547 and  
23 the issues of (i) reasonable and fair fees and costs, (ii)  
24 clear timelines for major milestones in the interconnection  
25 process, (iii) nondiscriminatory terms of agreement, and (iv)  
26 any best practices for interconnection of distributed



1 generation.

2 (h-5) Within 90 days after the effective date of this  
3 amendatory Act of the 103rd General Assembly ~~amendatory Act of~~  
4 ~~the 102nd General Assembly~~, the Commission shall:

5 (1) establish an Interconnection Working Group. The  
6 working group shall include representatives from electric  
7 utilities, developers of renewable electric generating  
8 facilities, other industries that regularly apply for  
9 interconnection with the electric utilities,  
10 representatives of distributed generation customers, the  
11 Commission Staff, and such other stakeholders with a  
12 substantial interest in the topics addressed by the  
13 Interconnection Working Group. The Interconnection Working  
14 Group shall address at least the following issues:

15 (A) cost and best available technology for  
16 interconnection and metering, including the  
17 standardization and publication of standard costs;

18 (B) transparency, accuracy and use of the  
19 distribution interconnection queue and hosting  
20 capacity maps;

21 (C) distribution system upgrade cost avoidance  
22 through use of advanced inverter functions;

23 (D) predictability of the queue management process  
24 and enforcement of timelines;

25 (E) benefits and challenges associated with group  
26 studies and cost sharing;

1 (F) minimum requirements for application to the  
2 interconnection process and throughout the  
3 interconnection process to avoid queue clogging  
4 behavior;

5 (G) process and customer service for  
6 interconnecting customers adopting distributed energy  
7 resources, including energy storage;

8 (H) options for metering distributed energy  
9 resources, including energy storage;

10 (I) interconnection of new technologies, including  
11 smart inverters and energy storage;

12 (J) collect, share, and examine data on Level 1  
13 interconnection costs, including cost and type of  
14 upgrades required for interconnection, and use this  
15 data to inform the final standardized cost of Level 1  
16 interconnection; and

17 (K) such other technical, policy, and tariff  
18 issues related to and affecting interconnection  
19 performance and customer service as determined by the  
20 Interconnection Working Group.

21 The Commission may create subcommittees of the  
22 Interconnection Working Group to focus on specific issues  
23 of importance, as appropriate. The Ombudsman, on behalf of  
24 the Interconnection Working Group, shall report to the  
25 Commission on recommended improvements to interconnection  
26 rules and tariffs and policies as determined by the

1 Interconnection Working Group at least every 6 months.  
2 Such reports shall include consensus recommendations of  
3 the Interconnection Working Group and, if applicable,  
4 additional recommendations for which consensus was not  
5 reached. The Commission shall use the report from the  
6 Interconnection Working Group to determine whether  
7 processes should be commenced to formally codify or  
8 implement the recommendations;

9 (2) designate the Ombudsperson described in Section  
10 23-110, or his or her designee within the Office of  
11 Interconnection and Renewable Development, to act as the  
12 facilitator for the Interconnection Working Group for the  
13 purpose of resolving ~~create or contract for an Ombudsman~~  
14 ~~to resolve~~ interconnection disputes through mediation or  
15 non-binding arbitration, to the extent mediation or  
16 non-binding arbitration is available under rules adopted  
17 by the Commission. As the facilitator for the  
18 Interconnection Working Group, the Ombudsperson shall  
19 convene stakeholders to set agendas for discussions, lead  
20 meetings, ensure notes are distributed to members, and  
21 perform other tasks necessary to support the good-faith  
22 advancement of discussions. The Ombudsperson ~~Ombudsman~~ may  
23 be paid in full or in part through fees levied on the  
24 initiators of the dispute; ~~and~~

25 (3) determine a single standardized cost for Level 1  
26 interconnections, which shall not exceed \$200;~~;~~

1           (4) require all electric utilities to perform a system  
2           impact and facilities study to provide a detailed  
3           breakdown of the non-binding costs of operation and an  
4           estimate that individually itemizes operational costs,  
5           including equipment by type or model, labor, operation and  
6           maintenance, engineering and design, permitting, easements  
7           and rights-of-way, direct overhead, and indirect overhead;

8           (5) prohibit electric utilities from recovering from  
9           an interconnection customer more than 125% of the  
10           non-binding cost estimate in the system impact and  
11           facilities study described in paragraph (4). An electric  
12           utility with a Multi-Year Rate Plan may recover prudent  
13           and reasonable costs of interconnection that are not  
14           recoverable from the interconnection customer under this  
15           paragraph from all customers through its Multi-Year Rate  
16           Plan;

17           (6) open a proceeding, not to exceed 240 days in  
18           duration, to create a uniform standard for cost-sharing of  
19           interconnections. As used in this paragraph, "cost-sharing  
20           of interconnections" means a system under which an  
21           electric utility assigns the costs of upgrades to a  
22           distribution-voltage substation that exceeds \$5,000,000  
23           between the interconnection customer that initially causes  
24           the upgrade and interconnection customers subsequent in  
25           the interconnection queue, not to exceed 10 customers,  
26           that directly benefit from the increased hosting capacity

1 from the upgrade, including applicants that subsequently  
2 enter the queue;

3 (7) adopt rules, in addition to dispute resolution  
4 provisions under the Commission's rules authorized by  
5 subsection (h), as long as, upon complaint by an electric  
6 utility, an interconnection customer, or an  
7 interconnection applicant, the Ombudsperson, or his or her  
8 designee, provides a recommended resolution of any dispute  
9 within 5 business days after receiving the complaint. The  
10 electric utility, the interconnection customer, the  
11 interconnection applicant, or any other party authorized  
12 to initiate dispute resolution under the Commission's  
13 rules authorized by subsection (h) may include the  
14 Ombudsperson's recommendation in any dispute resolution.  
15 Nothing in this paragraph prohibits the Ombudsperson from  
16 taking part in a dispute as required by this Section or the  
17 Commission's rules;

18 (8) require each electric utility to offer flexible  
19 interconnection. An interconnection applicant may propose  
20 flexible interconnection options and an electric utility  
21 shall not unreasonably deny the proposal. If curtailment  
22 is expected under the flexible interconnection option, the  
23 electric utility shall provide an analysis of the expected  
24 rate of curtailment, inclusive of calculations, as well as  
25 load, generation, contingency, and system limit  
26 assumptions used. Each study of interconnection costs with

1 a cost exceeding \$0.30 per watt shall include an  
2 evaluation of flexible interconnection options. As used in  
3 this paragraph, "flexible interconnection" means active or  
4 passive hardware, software, or other controls allowing  
5 curtailment of distributed energy resources during grid  
6 conditions that might otherwise impact safety or  
7 reliability of the distribution system;

8 (9) prohibit any electric utility from requiring a  
9 deposit for construction of interconnection facilities or  
10 distribution upgrades of greater than \$1,000,000 and  
11 making a payment of more than 25% of the amount before 20  
12 business days before the engineering, procurement, and  
13 construction of the interconnection facilities or  
14 distribution upgrades;

15 (10) require all electric utilities, in studying  
16 potential interconnection of distributed energy resources,  
17 to present a proposed scope of upgrades and non-binding  
18 cost estimate for the native feeder as well as the  
19 non-binding cost estimate and scope of upgrades for any  
20 other feeders proposed by the utility if different. The  
21 interconnection customer shall be entitled to choose  
22 between the 2 or more options presented by the electric  
23 utility. In addition, the electric utility shall present a  
24 separate proposed scope and non-binding cost estimate for  
25 exceeding any distributed energy resource capacity limits  
26 imposed by the electric utility;

1           (11) prohibit the electric utility from conditioning  
2           study of an interconnection application on study, deposit,  
3           or approval of any other distributed energy resource ahead  
4           in queue, however nothing prohibits an electric utility  
5           from identifying contingent upgrades for applicants lower  
6           in queue. In such case, the electric utility shall  
7           identify the projects ahead of the applicant in the queue  
8           to the applicant or interconnection customer;

9           (12) require facilities study, as defined under the  
10          Commission's rules adopted pursuant to subsection (h), to  
11          include analysis of required easements, including the pin  
12          number of each parcel on which customer-acquired easements  
13          are needed. The electric utility shall allow use of the  
14          electric utility's easements for interconnection  
15          facilities and distribution upgrades, including  
16          interconnection facilities and distribution upgrades  
17          constructed by the applicant, interconnection customer, or  
18          a third party on their behalf;

19          (13) require each electric utility to provide guidance  
20          to applicants lower in queue on how contingent upgrade  
21          costs will flow through the interconnection queue,  
22          inclusive of the order of projects on which those upgrades  
23          will fall, the allowable timelines for the electric  
24          distribution utilities to notify the next project  
25          following the withdrawal of the responsible project, and  
26          establishing timelines for projects on which these

1 contingent upgrades fall to either pay the additional  
2 deposit amount or withdraw their project;

3 (14) require each utility to maintain a public queue  
4 with project-specific information including nameplate  
5 capacity, energy storage nameplate capacity, if any,  
6 contingent upgrades, if any, and estimated non-binding  
7 interconnection cost provided by the electric utility to  
8 the applicant or interconnection customer. The Commission  
9 may require additional information be provided under this  
10 paragraph; and

11 (15) require each electric utility serving more than  
12 100,000 customers on January 1, 2023, to the extent not  
13 provided in its multi-year grid plan, to submit to the  
14 Commission a plan to implement public dynamic hosting  
15 capacity maps not later than January 1, 2026. For the  
16 purposes of this paragraph, "dynamic hosting capacity  
17 maps" means publicly-facing hosting capacity maps that are  
18 updated in real time or not less frequently than daily,  
19 based on information received or provided by the electric  
20 utility.

21 (i) All electricity providers shall begin to offer net  
22 metering no later than April 1, 2008.

23 (j) An electricity provider shall provide net metering to  
24 eligible customers according to subsections (d), (d-5), and  
25 (e). Eligible renewable electrical generating facilities for  
26 which eligible customers registered for net metering before



1 January 1, 2025 shall continue to receive net metering  
2 services according to subsections (d), (d-5), and (e) of this  
3 Section for the lifetime of the system, regardless of whether  
4 those retail customers change electricity providers or whether  
5 the retail customer benefiting from the system changes. On and  
6 after January 1, 2025, any eligible customer that applies for  
7 net metering and previously would have qualified under  
8 subsections (d), (d-5), or (e) shall only be eligible for net  
9 metering as described in subsection (n).

10 (k) Each electricity provider shall maintain records and  
11 report annually to the Commission the total number of net  
12 metering customers served by the provider, as well as the  
13 type, capacity, and energy sources of the generating systems  
14 used by the net metering customers. Nothing in this Section  
15 shall limit the ability of an electricity provider to request  
16 the redaction of information deemed by the Commission to be  
17 confidential business information.

18 (l)(1) Notwithstanding the definition of "eligible  
19 customer" in item (ii) of subsection (b) of this Section, each  
20 electricity provider shall allow net metering as set forth in  
21 this subsection (l) and for the following projects, provided  
22 that only electric utilities serving more than 200,000  
23 customers as of January 1, 2021 shall provide net metering for  
24 projects that are eligible for subparagraph (C) of this  
25 paragraph (1) and have energized after the effective date of  
26 this amendatory Act of the 102nd General Assembly:

1 (A) properties owned or leased by multiple customers  
2 that contribute to the operation of an eligible renewable  
3 electrical generating facility through an ownership or  
4 leasehold interest of at least 200 watts in such facility,  
5 such as a community-owned wind project, a community-owned  
6 biomass project, a community-owned solar project, or a  
7 community methane digester processing livestock waste from  
8 multiple sources, provided that the facility is also  
9 located within the utility's service territory;

10 (B) individual units, apartments, or properties  
11 located in a single building that are owned or leased by  
12 multiple customers and collectively served by a common  
13 eligible renewable electrical generating facility, such as  
14 an office or apartment building, a shopping center or  
15 strip mall served by photovoltaic panels on the roof; and

16 (C) subscriptions to community renewable generation  
17 projects, including community renewable generation  
18 projects on the customer's side of the billing meter of a  
19 host facility and partially used for the customer's own  
20 load.

21 In addition, the nameplate capacity of the eligible  
22 renewable electric generating facility that serves the demand  
23 of the properties, units, or apartments identified in  
24 paragraphs (1) and (2) of this subsection (1) shall not exceed  
25 5,000 kilowatts in nameplate capacity in total. Any eligible  
26 renewable electrical generating facility or community

1 renewable generation project that is powered by photovoltaic  
2 electric energy and installed after the effective date of this  
3 amendatory Act of the 99th General Assembly must be installed  
4 by a qualified person in compliance with the requirements of  
5 Section 16-128A of the Public Utilities Act and any rules or  
6 regulations adopted thereunder.

7 (2) Notwithstanding anything to the contrary, an  
8 electricity provider shall provide credits for the electricity  
9 produced by the projects described in paragraph (1) of this  
10 subsection (1). The electricity provider shall provide credits  
11 that include at least energy supply, capacity, transmission,  
12 and, if applicable, the purchased energy adjustment on the  
13 subscriber's monthly bill equal to the subscriber's share of  
14 the production of electricity from the project, as determined  
15 by paragraph (3) of this subsection (1). For customers with  
16 transmission or capacity charges not charged on a  
17 kilowatt-hour basis, the electricity provider shall prepare a  
18 reasonable approximation of the kilowatt-hour equivalent value  
19 and provide that value as a monetary credit. The electricity  
20 provider shall submit these approximation methodologies to the  
21 Commission for review, modification, and approval.  
22 Notwithstanding anything to the contrary, customers on payment  
23 plans or participating in budget billing programs shall have  
24 credits applied on a monthly basis.

25 (3) Notwithstanding anything to the contrary and  
26 regardless of whether a subscriber to an eligible community

1 renewable generation project receives power and energy service  
2 from the electric utility or an alternative retail electric  
3 supplier, for projects eligible under paragraph (C) of  
4 subparagraph (1) of this subsection (1), electric utilities  
5 serving more than 200,000 customers as of January 1, 2021  
6 shall provide the monetary credits to a subscriber's  
7 subsequent bill for the electricity produced by community  
8 renewable generation projects. The electric utility shall  
9 provide monetary credits to a subscriber's subsequent bill at  
10 the utility's total price to compare equal to the subscriber's  
11 share of the production of electricity from the project, as  
12 determined by paragraph (5) of this subsection (1). For the  
13 purposes of this subsection, "total price to compare" means  
14 the rate or rates published by the Illinois Commerce  
15 Commission for energy supply for eligible customers receiving  
16 supply service from the electric utility, and shall include  
17 energy, capacity, transmission, and the purchased energy  
18 adjustment. Notwithstanding anything to the contrary,  
19 customers on payment plans or participating in budget billing  
20 programs shall have credits applied on a monthly basis. Any  
21 applicable credit or reduction in load obligation from the  
22 production of the community renewable generating projects  
23 receiving a credit under this subsection shall be credited to  
24 the electric utility to offset the cost of providing the  
25 credit. To the extent that the credit or load obligation  
26 reduction does not completely offset the cost of providing the

1 credit to subscribers of community renewable generation  
2 projects as described in this subsection, the electric utility  
3 may recover the remaining costs through its Multi-Year Rate  
4 Plan. All electric utilities serving 200,000 or fewer  
5 customers as of January 1, 2021 shall only provide the  
6 monetary credits to a subscriber's subsequent bill for the  
7 electricity produced by community renewable generation  
8 projects if the subscriber receives power and energy service  
9 from the electric utility. Alternative retail electric  
10 suppliers providing power and energy service to a subscriber  
11 located within the service territory of an electric utility  
12 not subject to Sections 16-108.18 and 16-118 shall provide the  
13 monetary credits to the subscriber's subsequent bill for the  
14 electricity produced by community renewable generation  
15 projects.

16 (4) If requested by the owner or operator of a community  
17 renewable generating project, an electric utility serving more  
18 than 200,000 customers as of January 1, 2021 shall enter into a  
19 net crediting agreement with the owner or operator to include  
20 a subscriber's subscription fee on the subscriber's monthly  
21 electric bill and provide the subscriber with a net credit  
22 equivalent to the total bill credit value for that generation  
23 period minus the subscription fee, provided the subscription  
24 fee is structured as a fixed percentage of bill credit value.  
25 The net crediting agreement shall set forth payment terms from  
26 the electric utility to the owner or operator of the community

1 renewable generating project, and the electric utility may  
2 charge a net crediting fee to the owner or operator of a  
3 community renewable generating project that may not exceed 1%  
4 ~~2%~~ of the subscription fee bill credit value. Notwithstanding  
5 anything to the contrary, an electric utility serving 200,000  
6 customers or fewer as of January 1, 2021 shall not be obligated  
7 to enter into a net crediting agreement with the owner or  
8 operator of a community renewable generating project. For the  
9 purposes of this paragraph (4), "net crediting" means a  
10 program offered by an electric utility under which the  
11 electric utility, upon authorization by or on behalf of a  
12 subscriber, remits the cash value of the subscription fee to  
13 the owner or operator of the community renewable generation  
14 facility, without regard to whether or not the subscriber has  
15 paid the subscriber's monthly electric bill, and places the  
16 cash value of the remaining bill credit on the subscriber's  
17 bill. The utility shall use the same net crediting format for  
18 subscribers on payment plans or participating in budget  
19 billing programs.

20 (5) For the purposes of facilitating net metering, the  
21 owner or operator of the eligible renewable electrical  
22 generating facility or community renewable generation project  
23 shall be responsible for determining the amount of the credit  
24 that each customer or subscriber participating in a project  
25 under this subsection (1) is to receive in the following  
26 manner:

1           (A) The owner or operator shall, on a monthly basis,  
2 provide to the electric utility the kilowatthours of  
3 generation attributable to each of the utility's retail  
4 customers and subscribers participating in projects under  
5 this subsection (1) in accordance with the customer's or  
6 subscriber's share of the eligible renewable electric  
7 generating facility's or community renewable generation  
8 project's output of power and energy for such month. The  
9 owner or operator shall electronically transmit such  
10 calculations and associated documentation to the electric  
11 utility, in a format or method set forth in the applicable  
12 tariff, on a monthly basis so that the electric utility  
13 can reflect the monetary credits on customers' and  
14 subscribers' electric utility bills. The electric utility  
15 shall be permitted to revise its tariffs to implement the  
16 provisions of this amendatory Act of the 102nd General  
17 Assembly. The owner or operator shall separately provide  
18 the electric utility with the documentation detailing the  
19 calculations supporting the credit in the manner set forth  
20 in the applicable tariff.

21           (B) For those participating customers and subscribers  
22 who receive their energy supply from an alternative retail  
23 electric supplier, the electric utility shall remit to the  
24 applicable alternative retail electric supplier the  
25 information provided under subparagraph (A) of this  
26 paragraph (3) for such customers and subscribers in a

1 manner set forth in such alternative retail electric  
2 supplier's net metering program, or as otherwise agreed  
3 between the utility and the alternative retail electric  
4 supplier. The alternative retail electric supplier shall  
5 then submit to the utility the amount of the charges for  
6 power and energy to be applied to such customers and  
7 subscribers, including the amount of the credit associated  
8 with net metering.

9 (C) A participating customer or subscriber may provide  
10 authorization as required by applicable law that directs  
11 the electric utility to submit information to the owner or  
12 operator of the eligible renewable electrical generating  
13 facility or community renewable generation project to  
14 which the customer or subscriber has an ownership or  
15 leasehold interest or a subscription. Such information  
16 shall be limited to the components of the net metering  
17 credit calculated under this subsection (1), including the  
18 bill credit rate, total kilowatthours, and total monetary  
19 credit value applied to the customer's or subscriber's  
20 bill for the monthly billing period.

21 (1-5) Within 90 days after the effective date of this  
22 amendatory Act of the 102nd General Assembly, each electric  
23 utility subject to this Section shall file a tariff or tariffs  
24 to implement the provisions of subsection (1) of this Section,  
25 which shall, consistent with the provisions of subsection (1),  
26 describe the terms and conditions under which owners or



1 operators of qualifying properties, units, or apartments may  
2 participate in net metering. The Commission shall approve, or  
3 approve with modification, the tariff within 120 days after  
4 the effective date of this amendatory Act of the 102nd General  
5 Assembly.

6 (m) Nothing in this Section shall affect the right of an  
7 electricity provider to continue to provide, or the right of a  
8 retail customer to continue to receive service pursuant to a  
9 contract for electric service between the electricity provider  
10 and the retail customer in accordance with the prices, terms,  
11 and conditions provided for in that contract. Either the  
12 electricity provider or the customer may require compliance  
13 with the prices, terms, and conditions of the contract.

14 (n) On and after January 1, 2025, the net metering  
15 services described in subsections (d), (d-5), and (e) of this  
16 Section shall no longer be offered, except as to those  
17 eligible renewable electrical generating facilities for which  
18 retail customers are receiving net metering service under  
19 these subsections at the time the net metering services under  
20 those subsections are no longer offered; those systems shall  
21 continue to receive net metering services described in  
22 subsections (d), (d-5), and (e) of this Section for the  
23 lifetime of the system, regardless of if those retail  
24 customers change electricity providers or whether the retail  
25 customer benefiting from the system changes. The electric  
26 utility serving more than 200,000 customers as of January 1,

1 2021 is responsible for ensuring the billing credits continue  
2 without lapse for the lifetime of systems, as required in  
3 subsection (o). Those retail customers that begin taking net  
4 metering service after the date that net metering services are  
5 no longer offered under such subsections shall be subject to  
6 the provisions set forth in the following paragraphs (1)  
7 through (3) of this subsection (n):

8 (1) An electricity provider shall charge or credit for  
9 the net electricity supplied to eligible customers or  
10 provided by eligible customers whose electric supply  
11 service is not provided based on hourly pricing in the  
12 following manner:

13 (A) If the amount of electricity used by the  
14 customer during the monthly billing period exceeds the  
15 amount of electricity produced by the customer, then  
16 the electricity provider shall charge the customer for  
17 the net kilowatt-hour based electricity charges  
18 reflected in the customer's electric service rate  
19 supplied to and used by the customer as provided in  
20 paragraph (3) of this subsection (n).

21 (B) If the amount of electricity produced by a  
22 customer during the monthly billing period exceeds the  
23 amount of electricity used by the customer during that  
24 billing period, then the electricity provider  
25 supplying that customer shall apply a 1:1  
26 kilowatt-hour energy or monetary credit kilowatt-hour

1 supply charges to the customer's subsequent bill. The  
2 customer shall choose between 1:1 kilowatt-hour or  
3 monetary credit at the time of application. For the  
4 purposes of this subsection, "kilowatt-hour supply  
5 charges" means the kilowatt-hour equivalent values for  
6 energy, capacity, transmission, and the purchased  
7 energy adjustment, if applicable. Notwithstanding  
8 anything to the contrary, customers on payment plans  
9 or participating in budget billing programs shall have  
10 credits applied on a monthly basis. The electricity  
11 provider shall continue to carry over any excess  
12 kilowatt-hour or monetary energy credits earned and  
13 apply those credits to subsequent billing periods. For  
14 customers with transmission or capacity charges not  
15 charged on a kilowatt-hour basis, the electricity  
16 provider shall prepare a reasonable approximation of  
17 the kilowatt-hour equivalent value and provide that  
18 value as a monetary credit. The electricity provider  
19 shall submit these approximation methodologies to the  
20 Commission for review, modification, and approval.

21 (C) (Blank).

22 (2) An electricity provider shall charge or credit for  
23 the net electricity supplied to eligible customers or  
24 provided by eligible customers whose electric supply  
25 service is provided based on hourly pricing in the  
26 following manner:

1           (A) If the amount of electricity used by the  
2 customer during any hourly period exceeds the amount  
3 of electricity produced by the customer, then the  
4 electricity provider shall charge the customer for the  
5 net electricity supplied to and used by the customer  
6 as provided in paragraph (3) of this subsection (n).

7           (B) If the amount of electricity produced by a  
8 customer during any hourly period exceeds the amount  
9 of electricity used by the customer during that hourly  
10 period, the energy provider shall calculate an energy  
11 credit for the net kilowatt-hours produced in such  
12 period, and shall apply that credit as a monetary  
13 credit to the customer's subsequent bill. The value of  
14 the energy credit shall be calculated using the same  
15 price per kilowatt-hour as the electric service  
16 provider would charge for kilowatt-hour energy sales  
17 during that same hourly period and shall also include  
18 values for capacity and transmission. For customers  
19 with transmission or capacity charges not charged on a  
20 kilowatt-hour basis, the electricity provider shall  
21 prepare a reasonable approximation of the  
22 kilowatt-hour equivalent value and provide that value  
23 as a monetary credit. The electricity provider shall  
24 submit these approximation methodologies to the  
25 Commission for review, modification, and approval.  
26 Notwithstanding anything to the contrary, customers on

1 payment plans or participating in budget billing  
2 programs shall have credits applied on a monthly  
3 basis.

4 (3) An electricity provider shall provide electric  
5 service to eligible customers who utilize net metering at  
6 non-discriminatory rates that are identical, with respect  
7 to rate structure, retail rate components, and any monthly  
8 charges, to the rates that the customer would be charged  
9 if not a net metering customer. An electricity provider  
10 shall charge the customer for the net electricity supplied  
11 to and used by the customer according to the terms of the  
12 contract or tariff to which the same customer would be  
13 assigned or be eligible for if the customer was not a net  
14 metering customer. An electricity provider shall not  
15 charge net metering customers any fee or charge or require  
16 additional equipment, insurance, or any other requirements  
17 not specifically authorized by interconnection standards  
18 authorized by the Commission, unless the fee, charge, or  
19 other requirement would apply to other similarly situated  
20 customers who are not net metering customers. The customer  
21 remains responsible for the gross amount of delivery  
22 services charges, supply-related charges that are kilowatt  
23 based, and all taxes and fees related to such charges. The  
24 customer also remains responsible for all taxes and fees  
25 that would otherwise be applicable to the net amount of  
26 electricity used by the customer. Paragraphs (1) and (2)

1 of this subsection (n) shall not be construed to prevent  
2 an arms-length agreement between an electricity provider  
3 and an eligible customer that sets forth different prices,  
4 terms, and conditions for the provision of net metering  
5 service, including, but not limited to, the provision of  
6 the appropriate metering equipment for non-residential  
7 customers. Nothing in this paragraph (3) shall be  
8 interpreted to mandate that a utility that is only  
9 required to provide delivery services to a given customer  
10 must also sell electricity to such customer.

11 (o) Within 90 days after the effective date of this  
12 amendatory Act of the 102nd General Assembly, each electric  
13 utility subject to this Section shall file a tariff, which  
14 shall, consistent with the provisions of this Section, propose  
15 the terms and conditions under which a customer may  
16 participate in net metering. The tariff for electric utilities  
17 serving more than 200,000 customers as of January 1, 2021  
18 shall also provide a streamlined and transparent bill  
19 crediting system for net metering to be managed by the  
20 electric utilities. The terms and conditions shall include,  
21 but are not limited to, that an electric utility shall manage  
22 and maintain billing of net metering credits and charges  
23 regardless of if the eligible customer takes net metering  
24 under an electric utility or alternative retail electric  
25 supplier. The electric utility serving more than 200,000  
26 customers as of January 1, 2021 shall process and approve all

1 net metering applications, even if an eligible customer is  
2 served by an alternative retail electric supplier; and the  
3 utility shall forward application approval to the appropriate  
4 alternative retail electric supplier. Eligibility for net  
5 metering shall remain with the owner of the utility billing  
6 address such that, if an eligible renewable electrical  
7 generating facility changes ownership, the net metering  
8 eligibility transfers to the new owner. The electric utility  
9 serving more than 200,000 customers as of January 1, 2021  
10 shall manage net metering billing for eligible customers to  
11 ensure full crediting occurs on electricity bills, including,  
12 but not limited to, ensuring net metering crediting begins  
13 upon commercial operation date, net metering billing transfers  
14 immediately if an eligible customer switches from an electric  
15 utility to alternative retail electric supplier or vice versa,  
16 and net metering billing transfers between ownership of a  
17 valid billing address. All transfers referenced in the  
18 preceding sentence shall include transfer of all banked  
19 credits. All electric utilities serving 200,000 or fewer  
20 customers as of January 1, 2021 shall manage net metering  
21 billing for eligible customers receiving power and energy  
22 service from the electric utility to ensure full crediting  
23 occurs on electricity bills, ensuring net metering crediting  
24 begins upon commercial operation date, net metering billing  
25 transfers immediately if an eligible customer switches from an  
26 electric utility to alternative retail electric supplier or

1 vice versa, and net metering billing transfers between  
2 ownership of a valid billing address. Alternative retail  
3 electric suppliers providing power and energy service to  
4 eligible customers located within the service territory of an  
5 electric utility serving 200,000 or fewer customers as of  
6 January 1, 2021 shall manage net metering billing for eligible  
7 customers to ensure full crediting occurs on electricity  
8 bills, including, but not limited to, ensuring net metering  
9 crediting begins upon commercial operation date, net metering  
10 billing transfers immediately if an eligible customer switches  
11 from an electric utility to alternative retail electric  
12 supplier or vice versa, and net metering billing transfers  
13 between ownership of a valid billing address.

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

15 (220 ILCS 5/16-107.6)

16 Sec. 16-107.6. Distributed generation rebate.

17 (a) In this Section:

18 "Additive services" means the services that distributed  
19 energy resources provide to the energy system and society that  
20 are not (1) already included in the base rebates for  
21 system-wide grid services; or (2) otherwise already  
22 compensated. Additive services may reflect, but shall not be  
23 limited to, any geographic, time-based, performance-based, and  
24 other benefits of distributed energy resources, as well as the  
25 present and future technological capabilities of distributed



1 energy resources and present and future grid needs.

2 "Distributed energy resource" means a wide range of  
3 technologies that are located on the customer side of the  
4 customer's electric meter, including, but not limited to,  
5 distributed generation, energy storage, electric vehicles, and  
6 demand response technologies.

7 "Energy storage system" means commercially available  
8 technology that is capable of absorbing energy and storing it  
9 for a period of time for use at a later time, including, but  
10 not limited to, electrochemical, thermal, and  
11 electromechanical technologies, and may be interconnected  
12 behind the customer's meter or interconnected behind its own  
13 meter.

14 "Smart inverter" means a device that converts direct  
15 current into alternating current and meets the IEEE 1547-2018  
16 equipment standards. Until devices that meet the IEEE  
17 1547-2018 standard are available, devices that meet the UL  
18 1741 SA standard are acceptable.

19 "Subscriber" has the meaning set forth in Section 1-10 of  
20 the Illinois Power Agency Act.

21 "Subscription" has the meaning set forth in Section 1-10  
22 of the Illinois Power Agency Act.

23 "System-wide grid services" means the benefits that a  
24 distributed energy resource provides to the distribution grid  
25 for a period of no less than 25 years. System-wide grid  
26 services do not vary by location, time, or the performance

1 characteristics of the distributed energy resource.  
2 System-wide grid services include, but are not limited to,  
3 avoided or deferred distribution capacity costs, resilience  
4 and reliability benefits, avoided or deferred distribution  
5 operation and maintenance costs, distribution voltage and  
6 power quality benefits, and line loss reductions.

7 "Threshold date" means December 31, 2024 or the date on  
8 which the utility's tariff or tariffs setting the new  
9 compensation values established under subsection (e) take  
10 effect, whichever is later.

11 (b) An electric utility that serves more than 200,000  
12 customers in the State shall file a petition with the  
13 Commission requesting approval of the utility's tariff to  
14 provide a rebate to the owner or operator of distributed  
15 generation, including third-party owned systems, that meets  
16 the following criteria:

17 (1) has a nameplate generating capacity no greater  
18 than 5,000 kilowatts and is primarily used to offset a  
19 customer's electricity load;

20 (2) is located on the customer's side of the billing  
21 meter and for the customer's own use;

22 (3) is interconnected to electric distribution  
23 facilities owned by the electric utility under rules  
24 adopted by the Commission by means of the inverter or  
25 smart inverter required by this Section, as applicable.

26 For purposes of this Section, "distributed generation"

1 shall satisfy the definition of distributed renewable energy  
2 generation device set forth in Section 1-10 of the Illinois  
3 Power Agency Act to the extent such definition is consistent  
4 with the requirements of this Section.

5 In addition, any new photovoltaic distributed generation  
6 that is installed after June 1, 2017 (the effective date of  
7 Public Act 99-906) must be installed by a qualified person, as  
8 defined by subsection (i) of Section 1-56 of the Illinois  
9 Power Agency Act.

10 The tariff shall include a base rebate that compensates  
11 distributed generation for the system-wide grid services  
12 associated with distributed generation and, after the  
13 proceeding described in subsection (e) of this Section, an  
14 additional payment or payments for the additive services. The  
15 tariff shall provide that the smart inverter associated with  
16 the distributed generation shall provide autonomous response  
17 to grid conditions through its default settings as approved by  
18 the Commission. Default settings may not be changed after the  
19 execution of the interconnection agreement except by mutual  
20 agreement between the utility and the owner or operator of the  
21 distributed generation. Nothing in this Section shall negate  
22 or supersede Institute of Electrical and Electronics Engineers  
23 equipment standards or other similar standards or  
24 requirements. The tariff shall not limit the ability of the  
25 smart inverter or other distributed energy resource to provide  
26 wholesale market products such as regulation, demand response,

1 or other services, or limit the ability of the owner of the  
2 smart inverter or the other distributed energy resource to  
3 receive compensation for providing those wholesale market  
4 products or services.

5 (b-5) Within 30 days after the effective date of this  
6 amendatory Act of the 102nd General Assembly, each electric  
7 public utility with 3,000,000 or more retail customers shall  
8 file a tariff with the Commission that further compensates any  
9 retail customer that installs or has installed photovoltaic  
10 facilities paired with energy storage facilities on or  
11 adjacent to its premises for the benefits the facilities  
12 provide to the distribution grid. The tariff shall provide  
13 that, in addition to the other rebates identified in this  
14 Section, the electric utility shall rebate to such retail  
15 customer (i) the previously incurred and future costs of  
16 installing interconnection facilities and related  
17 infrastructure to enable full participation in the PJM  
18 Interconnection, LLC or its successor organization frequency  
19 regulation market; and (ii) all wholesale demand charges  
20 incurred after the effective date of this amendatory Act of  
21 the 102nd General Assembly. The Commission shall approve, or  
22 approve with modification, the tariff within 120 days after  
23 the utility's filing.

24 (c) The proposed tariff authorized by subsection (b) of  
25 this Section shall include the following participation terms  
26 for rebates to be applied under this Section for distributed

1 generation that satisfies the criteria set forth in subsection  
2 (b) of this Section:

3 (1) The owner or operator of distributed generation  
4 that services customers not eligible for net metering  
5 under subsection (d), (d-5), or (e) of Section 16-107.5 of  
6 this Act may apply for a rebate as provided for in this  
7 Section. Until the threshold date, the value of the rebate  
8 shall be \$250 per kilowatt of nameplate generating  
9 capacity, measured as nominal DC power output, of that  
10 customer's distributed generation. To the extent the  
11 distributed generation also has an associated energy  
12 storage, then the energy storage system shall be  
13 separately compensated with a base rebate of \$250 per  
14 kilowatt-hour of nameplate capacity. Any distributed  
15 generation device that is compensated for storage in this  
16 subsection (1) before the threshold date shall participate  
17 in one or more programs determined through the Multi-Year  
18 Integrated Grid Planning process that are designed to meet  
19 peak reduction and flexibility, the virtual power plant  
20 program described in Section 16-107.9, or the peak  
21 remediation program described in Section 16-107.10. After  
22 the threshold date, the value of the base rebate and  
23 additional compensation for any additive services shall be  
24 as determined by the Commission in the proceeding  
25 described in subsection (e) of this Section, provided that  
26 the value of the base rebate for system-wide grid services

1 shall not be lower than \$250 per kilowatt of nameplate  
2 generating capacity of distributed generation or community  
3 renewable generation project.

4 (2) The owner or operator of distributed generation  
5 that, before the threshold date, would have been eligible  
6 for net metering under subsection (d), (d-5), or (e) of  
7 Section 16-107.5 of this Act and that has not previously  
8 received a distributed generation rebate, may apply for a  
9 rebate as provided for in this Section. Until the  
10 threshold date, the value of the base rebate shall be \$300  
11 per kilowatt of nameplate generating capacity, measured as  
12 nominal DC power output, of the distributed generation.  
13 The owner or operator of distributed generation that,  
14 before the threshold date, is eligible for net metering  
15 under subsection (d), (d-5), or (e) of Section 16-107.5 of  
16 this Act may apply for a base rebate for an energy storage  
17 device that uses the same smart inverter as the  
18 distributed generation, regardless of whether the  
19 distributed generation applies for a rebate for the  
20 distributed generation device. The energy storage system  
21 shall be separately compensated at a base payment of \$300  
22 per kilowatt-hour of nameplate capacity. Any distributed  
23 generation device that is compensated for storage in this  
24 subsection (2) before the threshold date shall participate  
25 in the virtual power plant program described in Section  
26 16-107.9, or at least one demand response a peak time

1 ~~rebate~~ program, hourly pricing program, or time-of-use  
2 ~~rate~~ program that is offered by the applicable electric  
3 utility, an alternative retail electric supplier, or an  
4 entity qualified to offer demand response that is not an  
5 alternative retail electric supplier. After the threshold  
6 date, the value of the base rebate and additional  
7 compensation for any additive services shall be as  
8 determined by the Commission in the proceeding described  
9 in subsection (e) of this Section, provided that, prior to  
10 December 31, 2029, the value of the base rebate for  
11 system-wide services shall not be lower than \$300 per  
12 kilowatt of nameplate generating capacity of distributed  
13 generation, after which it shall not be lower than \$250  
14 per kilowatt of nameplate capacity.

15 (3) Upon approval of a rebate application submitted  
16 under this subsection (c), the retail customer shall no  
17 longer be entitled to receive any delivery service credits  
18 for the excess electricity generated by its facility and  
19 shall be subject to the provisions of subsection (n) of  
20 Section 16-107.5 of this Act unless the owner or operator  
21 receives a rebate only for an energy storage device and  
22 not for the distributed generation device.

23 (4) To be eligible for a rebate described in this  
24 subsection (c), the owner or operator of the distributed  
25 generation must have a smart inverter installed and in  
26 operation on the distributed generation.

1 (d) The Commission shall review the proposed tariff  
2 authorized by subsection (b) of this Section and may make  
3 changes to the tariff that are consistent with this Section  
4 and with the Commission's authority under Article IX of this  
5 Act, subject to notice and hearing. Following notice and  
6 hearing, the Commission shall issue an order approving, or  
7 approving with modification, such tariff no later than 240  
8 days after the utility files its tariff. Upon the effective  
9 date of this amendatory Act of the 102nd General Assembly, an  
10 electric utility shall file a petition with the Commission to  
11 amend and update any existing tariffs to comply with  
12 subsections (b) and (c).

13 (e) By no later than June 30, 2023, the Commission shall  
14 open an independent, statewide investigation into the value  
15 of, and compensation for, distributed energy resources. The  
16 Commission shall conduct the investigation, but may arrange  
17 for experts or consultants independent of the utilities and  
18 selected by the Commission to assist with the investigation.  
19 The cost of the investigation shall be shared by the utilities  
20 filing tariffs under subsection (b) of this Section but may be  
21 recovered as an expense through normal ratemaking procedures.

22 (1) The Commission shall ensure that the investigation  
23 includes, at minimum, diverse sets of stakeholders; a  
24 review of best practices in calculating the value of  
25 distributed energy resource benefits; a review of the full  
26 value of the distributed energy resources and the manner



1 in which each component of that value is or is not  
2 otherwise compensated; and assessments of how the value of  
3 distributed energy resources may evolve based on the  
4 present and future technological capabilities of  
5 distributed energy resources and based on present and  
6 future grid needs.

7 (2) The Commission's final order concluding this  
8 investigation shall establish an annual process and  
9 formula for the compensation of distributed generation and  
10 energy storage systems, and an initial set of inputs for  
11 that formula. The Commission's final order concluding this  
12 investigation shall establish base rebates that compensate  
13 distributed generation, community renewable generation  
14 projects and energy storage systems for the system-wide  
15 grid services that they provide. Those base rebate values  
16 shall be consistent across the state, and shall not vary  
17 by customer, customer class, customer location, or any  
18 other variable. With respect to rebates for distributed  
19 generation or community renewable generation projects,  
20 that rebate shall not be lower than \$250 per kilowatt of  
21 nameplate generating capacity of the distributed  
22 generation or community renewable generation project. The  
23 Commission's final order concluding this proceeding shall  
24 also direct the utilities to update the formula, on an  
25 annual basis, with inputs derived from their integrated  
26 grid plans developed pursuant to Section 16-105.17. The

1 base rebate shall be updated annually based on the annual  
2 updates to the formula inputs, but, with respect to  
3 rebates for distributed generation or community renewable  
4 generation projects, shall be no lower than \$250 per  
5 kilowatt of nameplate generating capacity of the  
6 distributed generation or community renewable generation  
7 project.

8 (3) The Commission shall also determine, as a part of  
9 its investigation under this subsection, whether  
10 distributed energy resources can provide any additive  
11 services. Those additive services may include services  
12 that are provided through utility-controlled responses to  
13 grid conditions. If the Commission determines that  
14 distributed energy resources can provide additive grid  
15 services, the Commission shall determine the terms and  
16 conditions for the operation and compensation of those  
17 services. That compensation shall be above and beyond the  
18 base rebate that the distributed energy generation,  
19 community renewable generation project and energy storage  
20 system receives. Compensation for additive services may  
21 vary by location, time, performance characteristics,  
22 technology types, or other variables.

23 (4) The Commission shall ensure that compensation for  
24 distributed energy resources, including base rebates and  
25 any payments for additive services, shall reflect all  
26 reasonably known and measurable values of the distributed

1 generation over its full expected useful life.  
2 Compensation for additive services shall reflect, but  
3 shall not be limited to, any geographic, time-based,  
4 performance-based, and other benefits of distributed  
5 generation, as well as the present and future  
6 technological capabilities of distributed energy resources  
7 and present and future grid needs.

8 (5) The Commission shall consider the electric  
9 utility's integrated grid plan developed pursuant to  
10 Section 16-105.17 of this Act to help identify the value  
11 of distributed energy resources for the purpose of  
12 calculating the compensation described in this subsection.

13 (6) The Commission shall determine additional  
14 compensation for distributed energy resources that creates  
15 savings and value on the distribution system by being  
16 co-located or in close proximity to electric vehicle  
17 charging infrastructure in use by medium-duty and  
18 heavy-duty vehicles, primarily serving environmental  
19 justice communities, as outlined in the utility integrated  
20 grid planning process under Section 16-105.17 of this Act.

21 No later than 60 days after the Commission enters its  
22 final order under this subsection (e), each utility shall file  
23 its updated tariff or tariffs in compliance with the order,  
24 including new tariffs for the recovery of costs incurred under  
25 this subsection (e) that shall provide for volumetric-based  
26 cost recovery, and the Commission shall approve, or approve

1 with modification, the tariff or tariffs within 240 days after  
2 the utility's filing.

3 (f) Notwithstanding any provision of this Act to the  
4 contrary, the owner or operator of a community renewable  
5 generation project as defined in Section 1-10 of the Illinois  
6 Power Agency Act shall also be eligible to apply for the rebate  
7 described in this Section. The owner or operator of the  
8 community renewable generation project may apply for a rebate  
9 only if the owner or operator, or previous owner or operator,  
10 of the community renewable generation project has not already  
11 submitted an application, and, regardless of whether the  
12 subscriber is a residential or non-residential customer, may  
13 be allowed the amount identified in paragraph (1) of  
14 subsection (c) applicable on the date that the application is  
15 submitted.

16 (g) The owner of the distributed generation or community  
17 renewable generation project may apply for the rebate or  
18 rebates approved under this Section at the time of execution  
19 of an interconnection agreement with the distribution utility  
20 and shall receive the value available at that time of  
21 execution of the interconnection agreement, provided the  
22 project reaches mechanical completion within 24 months after  
23 execution of the interconnection agreement. If the project has  
24 not reached mechanical completion within 24 months after  
25 execution, the owner may reapply for the rebate or rebates  
26 approved under this Section available at the time of

1 application and shall receive the value available at the time  
2 of application. The utility shall issue the rebate no later  
3 than 60 days after the project is energized. In the event the  
4 application is incomplete or the utility is otherwise unable  
5 to calculate the payment based on the information provided by  
6 the owner, the utility shall issue the payment no later than 60  
7 days after the application is complete or all requested  
8 information is received.

9 (h) An electric utility shall recover from its retail  
10 customers all of the costs of the rebates made under a tariff  
11 or tariffs approved under subsection (d) of this Section,  
12 including, but not limited to, the value of the rebates and all  
13 costs incurred by the utility to comply with and implement  
14 subsections (b) and (c) of this Section, but not including  
15 costs incurred by the utility to comply with and implement  
16 subsection (e) of this Section, consistent with the following  
17 provisions:

18 (1) The utility shall defer the full amount of its  
19 costs as a regulatory asset. The total costs deferred as a  
20 regulatory asset shall be amortized over a 15-year period.  
21 The unamortized balance shall be recognized as of December  
22 31 for a given year. The utility shall also earn a return  
23 on the total of the unamortized balance of the regulatory  
24 assets, less any deferred taxes related to the unamortized  
25 balance, at an annual rate equal to the utility's weighted  
26 average cost of capital that includes, based on a year-end

1 capital structure, the utility's actual cost of debt for  
2 the applicable calendar year and a cost of equity, which  
3 shall be calculated as the sum of (i) the average for the  
4 applicable calendar year of the monthly average yields of  
5 30-year U.S. Treasury bonds published by the Board of  
6 Governors of the Federal Reserve System in its weekly H.15  
7 Statistical Release or successor publication; and (ii) 580  
8 basis points, including a revenue conversion factor  
9 calculated to recover or refund all additional income  
10 taxes that may be payable or receivable as a result of that  
11 return.

12 When an electric utility creates a regulatory asset  
13 under the provisions of this paragraph (1) of subsection  
14 (h), the costs are recovered over a period during which  
15 customers also receive a benefit, which is in the public  
16 interest. Accordingly, it is the intent of the General  
17 Assembly that an electric utility that elects to create a  
18 regulatory asset under the provisions of this paragraph  
19 (1) shall recover all of the associated costs, including,  
20 but not limited to, its cost of capital as set forth in  
21 this paragraph (1). After the Commission has approved the  
22 prudence and reasonableness of the costs that comprise the  
23 regulatory asset, the electric utility shall be permitted  
24 to recover all such costs, and the value and  
25 recoverability through rates of the associated regulatory  
26 asset shall not be limited, altered, impaired, or reduced.

1 To enable the financing of the incremental capital  
2 expenditures, including regulatory assets, for electric  
3 utilities that serve less than 3,000,000 retail customers  
4 but more than 500,000 retail customers in the State, the  
5 utility's actual year-end capital structure that includes  
6 a common equity ratio, excluding goodwill, of up to and  
7 including 50% of the total capital structure shall be  
8 deemed reasonable and used to set rates.

9 (2) The utility, at its election, may recover all of  
10 the costs as part of a filing for a general increase in  
11 rates under Article IX of this Act, as part of an annual  
12 filing to update a performance-based formula rate under  
13 subsection (d) of Section 16-108.5 of this Act, or through  
14 an automatic adjustment clause tariff, provided that  
15 nothing in this paragraph (2) permits the double recovery  
16 of such costs from customers. If the utility elects to  
17 recover the costs it incurs under subsections (b) and (c)  
18 through an automatic adjustment clause tariff, the utility  
19 may file its proposed tariff together with the tariff it  
20 files under subsection (b) of this Section or at a later  
21 time. The proposed tariff shall provide for an annual  
22 reconciliation, less any deferred taxes related to the  
23 reconciliation, with interest at an annual rate of return  
24 equal to the utility's weighted average cost of capital as  
25 calculated under paragraph (1) of this subsection (h),  
26 including a revenue conversion factor calculated to

1 recover or refund all additional income taxes that may be  
2 payable or receivable as a result of that return, of the  
3 revenue requirement reflected in rates for each calendar  
4 year, beginning with the calendar year in which the  
5 utility files its automatic adjustment clause tariff under  
6 this subsection (h), with what the revenue requirement  
7 would have been had the actual cost information for the  
8 applicable calendar year been available at the filing  
9 date. The Commission shall review the proposed tariff and  
10 may make changes to the tariff that are consistent with  
11 this Section and with the Commission's authority under  
12 Article IX of this Act, subject to notice and hearing.  
13 Following notice and hearing, the Commission shall issue  
14 an order approving, or approving with modification, such  
15 tariff no later than 240 days after the utility files its  
16 tariff.

17 (i) An electric utility shall recover from its retail  
18 customers, on a volumetric basis, all of the costs of the  
19 rebates made under a tariff or tariffs placed into effect  
20 under subsection (e) of this Section, including, but not  
21 limited to, the value of the rebates and all costs incurred by  
22 the utility to comply with and implement subsection (e) of  
23 this Section, consistent with the following provisions:

24 (1) The utility may defer a portion of its costs as a  
25 regulatory asset. The Commission shall determine the  
26 portion that may be appropriately deferred as a regulatory



1       asset. Factors that the Commission shall consider in  
2       determining the portion of costs that shall be deferred as  
3       a regulatory asset include, but are not limited to: (i)  
4       whether and the extent to which a cost effectively  
5       deferred or avoided other distribution system operating  
6       costs or capital expenditures; (ii) the extent to which a  
7       cost provides environmental benefits; (iii) the extent to  
8       which a cost improves system reliability or resilience;  
9       (iv) the electric utility's distribution system plan  
10      developed pursuant to Section 16-105.17 of this Act; (v)  
11      the extent to which a cost advances equity principles; and  
12      (vi) such other factors as the Commission deems  
13      appropriate. The remainder of costs shall be deemed an  
14      operating expense and shall be recoverable if found  
15      prudent and reasonable by the Commission.

16             The total costs deferred as a regulatory asset shall  
17      be amortized over a 15-year period. The unamortized  
18      balance shall be recognized as of December 31 for a given  
19      year. The utility shall also earn a return on the total of  
20      the unamortized balance of the regulatory assets, less any  
21      deferred taxes related to the unamortized balance, at an  
22      annual rate equal to the utility's weighted average cost  
23      of capital that includes, based on a year-end capital  
24      structure, the utility's actual cost of debt for the  
25      applicable calendar year and a cost of equity, which shall  
26      be calculated as the sum of: (I) the average for the

1 applicable calendar year of the monthly average yields of  
2 30-year U.S. Treasury bonds published by the Board of  
3 Governors of the Federal Reserve System in its weekly H.15  
4 Statistical Release or successor publication; and (II) 580  
5 basis points, including a revenue conversion factor  
6 calculated to recover or refund all additional income  
7 taxes that may be payable or receivable as a result of that  
8 return.

9 (2) The utility may recover all of the costs through  
10 an automatic adjustment clause tariff, on a volumetric  
11 basis. The utility may file its proposed cost-recovery  
12 tariff together with the tariff it files under subsection  
13 (e) of this Section or at a later time. The proposed tariff  
14 shall provide for an annual reconciliation, less any  
15 deferred taxes related to the reconciliation, with  
16 interest at an annual rate of return equal to the  
17 utility's weighted average cost of capital as calculated  
18 under paragraph (1) of this subsection (i), including a  
19 revenue conversion factor calculated to recover or refund  
20 all additional income taxes that may be payable or  
21 receivable as a result of that return, of the revenue  
22 requirement reflected in rates for each calendar year,  
23 beginning with the calendar year in which the utility  
24 files its automatic adjustment clause tariff under this  
25 subsection (i), with what the revenue requirement would  
26 have been had the actual cost information for the

1 applicable calendar year been available at the filing  
2 date. The Commission shall review the proposed tariff and  
3 may make changes to the tariff that are consistent with  
4 this Section and with the Commission's authority under  
5 Article IX of this Act, subject to notice and hearing.  
6 Following notice and hearing, the Commission shall issue  
7 an order approving, or approving with modification, such  
8 tariff no later than 240 days after the utility files its  
9 tariff.

10 (j) No later than 90 days after the Commission enters an  
11 order, or order on rehearing, whichever is later, approving an  
12 electric utility's proposed tariff under this Section, the  
13 electric utility shall provide notice of the availability of  
14 rebates under this Section.

15 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

16 (220 ILCS 5/16-107.9 new)

17 Sec. 16-107.9. Virtual power plant program.

18 (a) In this Section:

19 "Aggregator" means a party, other than the electric  
20 utility or its affiliate, that (i) represents and aggregates  
21 the load of participating customers who collectively have the  
22 ability to deploy 100 kilowatts or more of deployment of  
23 eligible devices and (ii) is responsible for performance of  
24 the aggregation in the program.

25 "Distributed energy resources management system" or

1 "DERMS" means a platform that may be used by distribution  
2 system operators or utilities to integrate grid resources such  
3 as distributed energy resources into system operations.

4 "Distributed renewable energy generation device" has the  
5 meaning set forth in Section 1-10 of the Illinois Power Agency  
6 Act.

7 "Eligible devices" means a distributed renewable energy  
8 device paired with one or more energy storage systems.

9 "Energy storage system" has the meaning set forth in  
10 subsection (a) of Section 16-107.6.

11 "Participating customer" means a retail customer as  
12 defined in Section 16-102 with one or more eligible devices,  
13 including a community renewable generation project.

14 "Smart inverter" has the meaning set forth in subsection  
15 (a) of Section 16-107.6.

16 (b) The General Assembly finds that when eligible devices  
17 commit to deployment at times of stress on the grid and in  
18 wholesale energy markets, the actual deployment benefits all  
19 customers of the utility with enhanced reliability and  
20 protection from wholesale price increases and that those  
21 socialized goods should be encouraged and compensated.

22 (c) Within 60 days after the effective date of this  
23 amendatory Act of the 103rd General Assembly, each electric  
24 utility serving more than 300,000 customers as of January 1,  
25 2023, shall propose an initial tariff. The initial tariff  
26 shall be consistent with the following:

1           (1) Each request by the utility for an aggregator or  
2           participating customer to deploy eligible devices to the  
3           level identified in advance by the aggregator or  
4           participating customer shall be an event.

5           (2) In exchange for an aggregator facilitating the  
6           dispatch of eligible systems during hours identified by  
7           the utility under this tariff or a participating customer  
8           not using an aggregator dispatching, with each time period  
9           being an event, not to exceed 60 hours in a calendar year  
10           and not to exceed 2 consecutive hours, the utility shall,  
11           at the end of each delivery year during which an  
12           aggregator participates, compensate the aggregator in an  
13           amount per kilowatt multiplied by the average number of  
14           kilowatts discharged during events in a delivery year by  
15           those eligible systems enrolled with the aggregator, with  
16           the amount per kilowatt to be determined by the  
17           Commission. Discharge shall be measured by the total power  
18           and energy measured by the inverter of the eligible device  
19           and shall not distinguish between power and energy from  
20           the distributed renewable energy generation device or the  
21           energy storage system. In determining the value of the  
22           performance payment, the Commission shall, at minimum,  
23           consider the benefits to the utility and ratepayers of  
24           peak remediation, reduced capacity and transmission  
25           allocations to the applicable regional transmission  
26           organization zone, and a reasonable estimation of the

1 value of reduced transmission investment and other grid  
2 services not compensated by tariffs authorized under  
3 Section 16-107.6. The value shall be set to encourage  
4 robust participation and shall be for a term of no less  
5 than 5 years. At no time shall the compensation per  
6 average kilowatt of demand reduction delivered be less  
7 than \$250.

8 (3) An aggregator or participating customer applying  
9 individually must represent that it has identified for  
10 participation one or more eligible devices with an  
11 aggregate export capacity of at least 100 kilowatts or any  
12 greater amount. Nothing in the tariff shall require a  
13 particular participating customer using an aggregator  
14 deploy at any particular time.

15 (4) The utility shall not send or receive signals  
16 directly to or from any participating customer represented  
17 by an aggregator for an event under the virtual power  
18 plant program described in this Section.

19 (5) The aggregator may have capabilities to receive  
20 dispatch signals from utilities or utility-contracted  
21 DERMS providers through communication protocols, such as  
22 IEEE 2030.5 or OpenADR, or through other protocol as the  
23 Commission may approve. To facilitate adoption and  
24 participation, the utility must also provide dispatch  
25 signals in the form of an email or mutually agreeable  
26 implementation.

1           (6) Notwithstanding anything to the contrary, nothing  
2           prohibits a participating customer from simultaneously  
3           being a participating customer and taking service under  
4           tariffs authorized by Section 16-107.5 or 16-107.6.

5           (7) A participating customer may enroll in the virtual  
6           power plant program directly if eligible or through an  
7           aggregator for one or more years, and the electric utility  
8           shall not set a minimum or maximum length of participation  
9           for an eligible system represented by an aggregator. The  
10           utility shall not limit the number of participating  
11           customers nor shall any customer be prohibited from  
12           participating due to its rate class.

13           (8) The electric utility may include reasonable  
14           requirements for participation consistent with this  
15           subsection except that the utility may not require  
16           collateral from a participating customer or an aggregator  
17           and neither the utility nor entities with which the  
18           utility shares a common parent may be an aggregator. In no  
19           event may the electric utility call an event with less  
20           than 24 hours' prior notice and in no event may one or more  
21           events on a single calendar day total more than 2 hours.  
22           The electric utility shall not penalize a participating  
23           customer or aggregator for a participating customer  
24           exporting during an event, and the electric utility shall  
25           not require preapproval for customer export during an  
26           event.

1           (9) The utility shall recover the costs of the virtual  
2           power plant program through delivery rates, including  
3           delivery rates authorized by the Multi-Year Rate Plan.

4           (d) The Commission shall approve or approve with  
5           modifications the tariff filed by each utility pursuant to  
6           subsection (c) within 240 days after its filing by the  
7           utility. At any time, the utility may propose revisions to the  
8           initial tariff or any revisions to those revisions, and the  
9           Commission shall approve such revisions if, in addition to  
10           requirements under Article IX, such revisions are consistent  
11           with the requirements of this Section.

12           (e) Not more than 6 months after 2 full delivery years of  
13           operation of the tariffs authorized in this Section, the  
14           Commission shall issue a report to the General Assembly  
15           assessing the value and efficacy of the virtual power plant  
16           program, including proposals for expansions or modifications.

17           (f) Nothing in the virtual power plant program shall  
18           either prevent the participating customer from participating,  
19           directly or through a third-party aggregator, in any other  
20           program, including any program required or authorized by  
21           Section 16-107.5 or 16-107.6, or impair the entitlement of any  
22           participating customer to benefits authorized to the  
23           participating customer by Section 16-107.5.

24           (g) The Commission may consider providing compensation to  
25           aggregators or participating customers not using an aggregator  
26           to the extent that the aggregators' participating customers or



1 participating customers not using an aggregator are located in  
2 equity investment eligible communities, as that term is  
3 defined in Section 1-10 of the Illinois Power Agency Act.

4 (h) The tariffs approved by the Commission shall not  
5 reflect any additional charges, fees, or insurance  
6 requirements imposed on those owning or operating distributed  
7 renewable energy generation devices, distributed energy  
8 resources, or energy storage systems beyond those imposed on  
9 similarly situated customers that do not own or operate these  
10 resources.

11 (i) If a utility issuing a tariff under this Section  
12 conducts measurement and verification prescribed by the  
13 Commission, notwithstanding anything to the contrary all  
14 discharge from distributed renewable generation devices taking  
15 service under the tariff shall be counted towards the  
16 utility's peak load reduction performance metric authorized by  
17 item (ii) of subparagraph (A) of paragraph (2) of subsection  
18 (e) of Section 16-108.18. The Commission shall not require an  
19 eligible system to participate in any capacity or demand  
20 response markets or programs as a condition of the load  
21 reduction attributable to participating systems to count  
22 toward the utility's peak load reduction performance metric.

23 (220 ILCS 5/16-107.10 new)

24 Sec. 16-107.10. Peak remediation program.

25 (a) In this Section:

1       "Community renewable generation project" has the meaning  
2 set forth in Section 1-10 of the Illinois Power Agency Act.

3       "Defined discharge hours" means the defined hours in the  
4 initial tariff or subsequent tariffs that an eligible device  
5 is eligible to receive a peak discharge payment per  
6 kilowatt-hour of energy discharged.

7       "Eligible device" means a community renewable generation  
8 project paired with one or more energy storage systems.

9       "Energy storage system" has the meaning set forth in  
10 subsection (a) of Section 16-107.6.

11       "Nameplate capacity" has the meaning set forth in Section  
12 1-10 of the Illinois Power Agency Act.

13       "Peak discharge payment" means a price per kilowatt hour  
14 paid for energy discharged from an eligible device during the  
15 defined discharge hours.

16       "Threshold date" has the meaning set forth in subsection  
17 (a) of Section 16-107.6.

18       (b) The General Assembly finds that the electric grid sees  
19 high demand for electricity but fewer renewable resources  
20 available to meet that high demand. The General Assembly  
21 further finds that all ratepayers benefit from deployment of  
22 energy storage in a way that alleviates stress on the grid and  
23 reduces the costs for ratepayers frequently allocated during  
24 those peak hours.

25       (c) Within 90 days after the effective date of this  
26 amendatory Act of the 103rd General Assembly, each electric

1 utility serving more than 300,000 retail customers as of  
2 January 1, 2023 shall propose an initial tariff. The initial  
3 tariff shall be consistent with the following:

4 (1) The utility shall compensate eligible devices with  
5 a nameplate capacity of at least 100 kilowatts but no more  
6 than 5,000 kilowatts for discharging into the grid during  
7 defined discharge hours.

8 (2) The defined discharge hours shall be the hours of  
9 4 p.m. through 8 p.m. on days during the months of June,  
10 July, August, and September.

11 (3) In exchange for generating and providing through  
12 its meter to the utility's distribution system at least 50  
13 kilowatts during defined discharge hours, the utility  
14 shall compensate the owner or operator of the eligible  
15 device or a third party designated by the owner or  
16 operator of the eligible device a peak discharge payment  
17 in an amount to be determined by the Commission in  
18 proportion to the average discharge during the hours  
19 according to a pre-defined per kilowatt average discharge  
20 payment. Discharge shall be measured by the total power  
21 and energy measured by the inverter of the eligible device  
22 and shall not distinguish between power and energy from  
23 the distributed renewable energy generation device or the  
24 energy storage system.

25 (4) In determining the value of the peak discharge  
26 payment for each participating utility, the Commission

1 shall, at minimum, consider the benefits to the utility  
2 and ratepayers of peak remediation, reduced capacity, and  
3 transmission allocations to the applicable regional  
4 transmission organization zone, and a reasonable  
5 estimation of the value of reduced transmission investment  
6 and other grid services not compensated by tariffs  
7 authorized under Section 16-107.6. The value shall be set  
8 to encourage robust participation and shall be for a term  
9 of no less than 15 years. The utility shall not limit the  
10 number or capacity of participating devices.

11 (5) The electric utility may include reasonable  
12 requirements for participation consistent with this  
13 subsection except that the utility may not require  
14 collateral from the owner or operator of a participating  
15 eligible device.

16 (6) Nothing in the tariff or this Section shall  
17 separately or independently authorize the utility to  
18 control deployment of the storage device.

19 (7) The utility shall recover the costs incurred under  
20 the tariff through delivery rates, including delivery  
21 rates authorized by the Multi-Year Rate Plan.

22 (d) The Commission shall approve or approve with  
23 modifications the initial tariff filed by each utility  
24 pursuant to subsection (c) within 240 days after filing by the  
25 utility. At any time, the utility may propose revisions to the  
26 initial tariff or any revisions to those revisions, and the

1 Commission shall approve such revisions if, in addition to  
2 requirements under Article IX, such revisions are consistent  
3 with the requirements of this Section.

4 (e) After the threshold date, the utility shall file an  
5 annual petition to update the initial tariff for eligible  
6 systems that begin to take service under the tariff during the  
7 annual period. The utility shall be allowed to update the peak  
8 discharge payment and defined discharge hours, which shall not  
9 begin earlier than 4 p.m., but must otherwise meet all the  
10 requirements under subsection (c). The Commission shall  
11 approve the petition to update the initial tariff within 90  
12 days after the petition is filed.

13 (f) Nothing in this Section, including any rule,  
14 regulation, or tariff authorized by this Section, shall  
15 prevent the eligible device or any component of the eligible  
16 device from participating in any program required or  
17 authorized by Section 16-107.6, nor shall it impair the  
18 entitlement of any participating customer to benefits  
19 authorized by Section 16-107.5.

20 (g) The tariffs approved by the Commission shall not  
21 reflect any additional charges, fees, or insurance  
22 requirements imposed on those owning or operating distributed  
23 renewable energy generation device, distributed energy  
24 resources, or energy storage system beyond those imposed on  
25 similarly situated customers that do not own or operate these  
26 resources.

1       (h) If a utility issuing a tariff under this Section  
2       conducts measurement and verification prescribed by the  
3       Commission, notwithstanding anything to the contrary, all  
4       discharge from community renewable generation projects taking  
5       service under the tariff shall be counted toward the utility's  
6       peak load reduction performance metric authorized by item (ii)  
7       of subparagraph (A) of paragraph (2) of subsection (e) of  
8       Section 16-108.18. The Commission shall not require an  
9       eligible system to participate in any capacity or demand  
10       response markets or programs as a condition of the load  
11       reduction attributable to participating systems to count  
12       toward the utility's peak load reduction performance metric.

13       (220 ILCS 5/16-107.11 new)

14       Sec. 16-107.11. Stand-alone energy storage distribution  
15       deployment program.

16       (a) In this Section:

17       "Eligible device" means a stand-alone energy storage  
18       system.

19       "Paired" means an energy storage system is charged with  
20       electricity generated by a distribution generation device or  
21       community renewable generation project.

22       "Program" means the stand-alone energy storage  
23       distribution deployment program.

24       "Stand-alone energy storage system" means an energy  
25       storage system that is not paired with a distributed

1 generation device or a community renewable generation project  
2 and may be interconnected on the customer's side or the  
3 utility's side of a customer's meter, but shall be  
4 interconnected under subsection (h) of Section 16-107.5.

5 (b) The General Assembly finds that energy storage devices  
6 interconnected to the distribution grid, including behind  
7 customer meters, can provide unique values and benefits to  
8 electric ratepayers in Illinois. Energy storage does not need  
9 to be paired with a renewable generation device to provide  
10 values and benefits. Vulnerable urban areas may be less able  
11 to support renewable generation deployments due to land, roof,  
12 or other constraints. A well-designed stand-alone energy  
13 storage deployment program can benefit electric customers by  
14 alleviating stress on distribution grid infrastructure,  
15 deferring or avoiding costly distribution grid investments,  
16 increasing the resilience and reliability of the electric  
17 distribution grid, reducing outages, avoiding health and  
18 welfare risks to vulnerable populations, and providing energy  
19 and capacity during times of high demand, resulting in lower  
20 costs overall.

21 (c) Within 60 days after the effective date of this  
22 amendatory Act of the 103rd General Assembly, the Commission  
23 shall establish a working group with relevant stakeholders to  
24 develop a stand-alone energy storage distribution deployment  
25 program. The program shall be designed to compensate  
26 front-of-meter and back-of-meter energy storage devices

1 deployed on the distribution grid for the value the storage  
2 devices provide for Illinois ratepayers.

3 (d) Each utility serving more than 100,000 retail  
4 customers on January 1, 2023 shall file with the Commission,  
5 no more than 210 days after the effective date of this  
6 amendatory Act of the 103rd General Assembly, a tariff  
7 implementing the requirements of this subsection. The  
8 Commission shall consider the final report of the working  
9 group and modify the tariffs so that they comply with this  
10 Section and the working group's report. A tariff for  
11 compensation of stand-alone energy storage systems shall be  
12 made available for no less than 20 years and shall allow for  
13 stacked revenues to reflect the spectrum of values provided by  
14 participating devices. The resulting revenue model shall be  
15 financeable and provide for robust deployment in locations  
16 that improve reliability in vulnerable urban, suburban, and  
17 rural communities throughout the State. The compensation  
18 structure for deploying stand-alone energy storage systems  
19 shall include, but shall not be limited to, capacity and  
20 transmission value, energy value, system-wide resilience and  
21 reliability benefits, and distribution value, including the  
22 value equivalent to the location's marginal cost of  
23 distribution service, that shall include avoided future  
24 distribution grid capital investments and operation and  
25 maintenance costs and shall be updated at least annually. The  
26 compensation structure shall consider additional benefits to



1 the distribution grid in specific locations where the grid and  
2 communities are particularly vulnerable to disruptions,  
3 including location-specific reliability and resilience  
4 benefits, distribution voltage, and power quality benefits.  
5 The values shall be examined on a substation and feeder level.  
6 For purposes of this subsection, "vulnerable communities"  
7 means communities that suffer from lower-than-average electric  
8 reliability indicators, including, but not limited to, SAFI,  
9 CADI, CEMI, as identified by the Commission, in consultation  
10 with the utilities.

11 (e) Each tariff applies to stand-alone energy storage  
12 systems interconnected to the distribution grid and purchasing  
13 certain services from the utility.

14 (f) The tariffs shall account for operational parameters  
15 of participating systems and advantage off-peak charging  
16 through dynamic pricing. Distribution rates shall be  
17 non-discriminatory and designed to recoup the distribution  
18 company's net costs in a manner similar to how they are  
19 incurred by the distribution company, in consideration of  
20 project sponsor-funded interconnection upgrades and without  
21 unduly impeding the participation of energy storage systems.

22 (g) To the extent required, each utility filing a tariff  
23 under this Section shall provide the Commission with notice of  
24 its intent to promptly file with the Federal Energy Regulatory  
25 Commission a wholesale distribution service rate schedule to  
26 apply to standalone energy storage systems that are

1 interconnected to their distribution network but are  
2 transacting in PJM or MISO's wholesale electricity markets, as  
3 applicable.

4 (h) Participation in the program shall not prohibit an  
5 energy storage system from selling non-duplicative products  
6 and services in a wholesale market.

7 (220 ILCS 5/16-108)

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

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

1 (i) the objective of just and reasonable rates, (ii) electric  
2 utility employees, and (iii) the development of competitive  
3 markets for electric energy services in Illinois.

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

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

1 absorption of reactive power in order that retail customers  
2 located in the electric utility's service area can receive  
3 electric power and energy from suppliers other than the  
4 electric utility, and (ii) the costs associated with the use  
5 and redispatch of generation facilities to mitigate  
6 constraints on the transmission or distribution system in  
7 order that retail customers located in the electric utility's  
8 service area can receive electric power and energy from  
9 suppliers other than the electric utility. Nothing in this  
10 subsection shall be construed as directing the Commission to  
11 allocate any of the costs described in (i) or (ii) that are  
12 found to be appropriately included in the electric utility's  
13 delivery services rates to any particular customer group or  
14 geographic area in setting delivery services rates.

15 (d) The Commission shall establish charges, terms and  
16 conditions for delivery services that are just and reasonable  
17 and shall take into account customer impacts when establishing  
18 such charges. In establishing charges, terms and conditions  
19 for delivery services, the Commission shall take into account  
20 voltage level differences. A retail customer shall have the  
21 option to request to purchase electric service at any delivery  
22 service voltage reasonably and technically feasible from the  
23 electric facilities serving that customer's premises provided  
24 that there are no significant adverse impacts upon system  
25 reliability or system efficiency. A retail customer shall also  
26 have the option to request to purchase electric service at any

1 point of delivery that is reasonably and technically feasible  
2 provided that there are no significant adverse impacts on  
3 system reliability or efficiency. Such requests shall not be  
4 unreasonably denied.

5 (e) Electric utilities shall recover the costs of  
6 installing, operating or maintaining facilities for the  
7 particular benefit of one or more delivery services customers,  
8 including without limitation any costs incurred in complying  
9 with a customer's request to be served at a different voltage  
10 level, directly from the retail customer or customers for  
11 whose benefit the costs were incurred, to the extent such  
12 costs are not recovered through the charges referred to in  
13 subsections (c) and (d) of this Section.

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

24 (i) the cogeneration or self-generation facilities  
25 serve a single retail customer and are located on that  
26 retail customer's premises (for purposes of this

1           subparagraph and subparagraph (ii), an industrial or  
2           manufacturing retail customer and a third party contractor  
3           that is served by such industrial or manufacturing  
4           customer through such retail customer's own electrical  
5           distribution facilities under the circumstances described  
6           in subsection (vi) of the definition of "alternative  
7           retail electric supplier" set forth in Section 16-102,  
8           shall be considered a single retail customer);

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

25          (iii) the retail customer on whose premises the  
26          facilities are located either has an exclusive right to

1 receive, and corresponding obligation to pay for, all of  
2 the electrical capacity of the facility, or in the case of  
3 a cogeneration facility that has been designed to meet the  
4 retail customer's thermal energy requirements at that  
5 premises, an identified amount of the electrical capacity  
6 of the facility, over a minimum 5-year period; and

7 (iv) if the cogeneration facility is sized for the  
8 retail customer's thermal load at that premises but  
9 exceeds the electrical load, any sales of excess power or  
10 energy are made only at wholesale, are subject to the  
11 jurisdiction of the Federal Energy Regulatory Commission,  
12 and are not for the purpose of circumventing the  
13 provisions of this subsection (f).

14 If a generation facility located at a retail customer's  
15 premises does not meet the above criteria, an electric utility  
16 implementing transition charges shall implement a transition  
17 charge until December 31, 2006 for any power and energy taken  
18 by such retail customer from such facility as if such power and  
19 energy had been delivered by the electric utility. Provided,  
20 however, that an industrial retail customer that is taking  
21 power from a generation facility that does not meet the above  
22 criteria but that is located on such customer's premises will  
23 not be subject to a transition charge for the power and energy  
24 taken by such retail customer from such generation facility if  
25 the facility does not serve any other retail customer and  
26 either was installed on behalf of the customer and for its own

1 use prior to January 1, 1997, or is both predominantly fueled  
2 by byproducts of such customer's manufacturing process at such  
3 premises and sells or offers an average of 300 megawatts or  
4 more of electricity produced from such generation facility  
5 into the wholesale market. Such charges shall be calculated as  
6 provided in Section 16-102, and shall be collected on each  
7 kilowatt-hour delivered under a delivery services tariff to a  
8 retail customer from the date the customer first takes  
9 delivery services until December 31, 2006 except as provided  
10 in subsection (h) of this Section. Provided, however, that an  
11 electric utility, other than an electric utility providing  
12 service to at least 1,000,000 customers in this State on  
13 January 1, 1999, shall be entitled to petition for entry of an  
14 order by the Commission authorizing the electric utility to  
15 implement transition charges for an additional period ending  
16 no later than December 31, 2008. The electric utility shall  
17 file its petition with supporting evidence no earlier than 16  
18 months, and no later than 12 months, prior to December 31,  
19 2006. The Commission shall hold a hearing on the electric  
20 utility's petition and shall enter its order no later than 8  
21 months after the petition is filed. The Commission shall  
22 determine whether and to what extent the electric utility  
23 shall be authorized to implement transition charges for an  
24 additional period. The Commission may authorize the electric  
25 utility to implement transition charges for some or all of the  
26 additional period, and shall determine the mitigation factors



1 to be used in implementing such transition charges; provided,  
2 that the Commission shall not authorize mitigation factors  
3 less than 110% of those in effect during the 12 months ended  
4 December 31, 2006. In making its determination, the Commission  
5 shall consider the following factors: the necessity to  
6 implement transition charges for an additional period in order  
7 to maintain the financial integrity of the electric utility;  
8 the prudence of the electric utility's actions in reducing its  
9 costs since the effective date of this amendatory Act of 1997;  
10 the ability of the electric utility to provide safe, adequate  
11 and reliable service to retail customers in its service area;  
12 and the impact on competition of allowing the electric utility  
13 to implement transition charges for the additional period.

14 (g) The electric utility shall file tariffs that establish  
15 the transition charges to be paid by each class of customers to  
16 the electric utility in conjunction with the provision of  
17 delivery services. The electric utility's tariffs shall define  
18 the classes of its customers for purposes of calculating  
19 transition charges. The electric utility's tariffs shall  
20 provide for the calculation of transition charges on a  
21 customer-specific basis for any retail customer whose average  
22 monthly maximum electrical demand on the electric utility's  
23 system during the 6 months with the customer's highest monthly  
24 maximum electrical demands equals or exceeds 3.0 megawatts for  
25 electric utilities having more than 1,000,000 customers, and  
26 for other electric utilities for any customer that has an

1 average monthly maximum electrical demand on the electric  
2 utility's system of one megawatt or more, and (A) for which  
3 there exists data on the customer's usage during the 3 years  
4 preceding the date that the customer became eligible to take  
5 delivery services, or (B) for which there does not exist data  
6 on the customer's usage during the 3 years preceding the date  
7 that the customer became eligible to take delivery services,  
8 if in the electric utility's reasonable judgment there exists  
9 comparable usage information or a sufficient basis to develop  
10 such information, and further provided that the electric  
11 utility can require customers for which an individual  
12 calculation is made to sign contracts that set forth the  
13 transition charges to be paid by the customer to the electric  
14 utility pursuant to the tariff.

15 (h) An electric utility shall also be entitled to file  
16 tariffs that allow it to collect transition charges from  
17 retail customers in the electric utility's service area that  
18 do not take delivery services but that take electric power or  
19 energy from an alternative retail electric supplier or from an  
20 electric utility other than the electric utility in whose  
21 service area the customer is located. Such charges shall be  
22 calculated, in accordance with the definition of transition  
23 charges in Section 16-102, for the period of time that the  
24 customer would be obligated to pay transition charges if it  
25 were taking delivery services, except that no deduction for  
26 delivery services revenues shall be made in such calculation,

1 and usage data from the customer's class shall be used where  
2 historical usage data is not available for the individual  
3 customer. The customer shall be obligated to pay such charges  
4 on a lump sum basis on or before the date on which the customer  
5 commences to take service from the alternative retail electric  
6 supplier or other electric utility, provided, that the  
7 electric utility in whose service area the customer is located  
8 shall offer the customer the option of signing a contract  
9 pursuant to which the customer pays such charges ratably over  
10 the period in which the charges would otherwise have applied.

11 (i) An electric utility shall be entitled to add to the  
12 bills of delivery services customers charges pursuant to  
13 Sections 9-221, 9-222 (except as provided in Section 9-222.1),  
14 and Section 16-114 of this Act, Section 5-5 of the Electricity  
15 Infrastructure Maintenance Fee Law, Section 6-5 of the  
16 Renewable Energy, Energy Efficiency, and Coal Resources  
17 Development Law of 1997, and Section 13 of the Energy  
18 Assistance Act.

19 (i-5) An electric utility required to impose the Coal to  
20 Solar and Energy Storage Initiative Charge provided for in  
21 subsection (c-5) of Section 1-75 of the Illinois Power Agency  
22 Act shall add such charge to the bills of its delivery services  
23 customers pursuant to the terms of a tariff conforming to the  
24 requirements of subsection (c-5) of Section 1-75 of the  
25 Illinois Power Agency Act and this subsection (i-5) and filed  
26 with and approved by the Commission. The electric utility

1 shall file its proposed tariff with the Commission on or  
2 before July 1, 2022 to be effective, after review and approval  
3 or modification by the Commission, beginning January 1, 2023.  
4 On or before December 1, 2022, the Commission shall review the  
5 electric utility's proposed tariff, including by conducting a  
6 docketed proceeding if deemed necessary by the Commission, and  
7 shall approve the proposed tariff or direct the electric  
8 utility to make modifications the Commission finds necessary  
9 for the tariff to conform to the requirements of subsection  
10 (c-5) of Section 1-75 of the Illinois Power Agency Act and this  
11 subsection (i-5). The electric utility's tariff shall provide  
12 for imposition of the Coal to Solar and Energy Storage  
13 Initiative Charge on a per-kilowatthour basis to all  
14 kilowatthours delivered by the electric utility to its  
15 delivery services customers. The tariff shall provide for the  
16 calculation of the Coal to Solar and Energy Storage Initiative  
17 Charge to be in effect for the year beginning January 1, 2023  
18 and each year beginning January 1 thereafter, sufficient to  
19 collect the electric utility's estimated payment obligations  
20 for the delivery year beginning the following June 1 under  
21 contracts for purchase of renewable energy credits entered  
22 into pursuant to subsection (c-5) of Section 1-75 of the  
23 Illinois Power Agency Act and the obligations of the  
24 Department of Commerce and Economic Opportunity, or any  
25 successor department or agency, which for purposes of this  
26 subsection (i-5) shall be referred to as the Department, to

1 make grant payments during such delivery year from the Coal to  
2 Solar and Energy Storage Initiative Fund pursuant to grant  
3 contracts entered into pursuant to subsection (c-5) of Section  
4 1-75 of the Illinois Power Agency Act, and using the electric  
5 utility's kilowatthour deliveries to its delivery services  
6 customers during the delivery year ended May 31 of the  
7 preceding calendar year. On or before November 1 of each year  
8 beginning November 1, 2022, the Department shall notify the  
9 electric utilities of the amount of the Department's estimated  
10 obligations for grant payments during the delivery year  
11 beginning the following June 1 pursuant to grant contracts  
12 entered into pursuant to subsection (c-5) of Section 1-75 of  
13 the Illinois Power Agency Act; and each electric utility shall  
14 incorporate in the calculation of its Coal to Solar and Energy  
15 Storage Initiative Charge the fractional portion of the  
16 Department's estimated obligations equal to the electric  
17 utility's kilowatthour deliveries to its delivery services  
18 customers in the delivery year ended the preceding May 31  
19 divided by the aggregate deliveries of both electric utilities  
20 to delivery services customers in such delivery year. The  
21 electric utility shall remit on a monthly basis to the State  
22 Treasurer, for deposit in the Coal to Solar and Energy Storage  
23 Initiative Fund provided for in subsection (c-5) of Section  
24 1-75 of the Illinois Power Agency Act, the electric utility's  
25 collections of the Coal to Solar and Energy Storage Initiative  
26 Charge estimated to be needed by the Department for grant

1 payments pursuant to grant contracts entered into pursuant to  
2 subsection (c-5) of Section 1-75 of the Illinois Power Agency  
3 Act. The initial charge under the electric utility's tariff  
4 shall be effective for kilowatthours delivered beginning  
5 January 1, 2023, and thereafter shall be revised to be  
6 effective January 1, 2024 and each January 1 thereafter, based  
7 on the payment obligations for the delivery year beginning the  
8 following June 1. The tariff shall provide for the electric  
9 utility to make an annual filing with the Commission on or  
10 before November 15 of each year, beginning in 2023, setting  
11 forth the Coal to Solar and Energy Storage Initiative Charge  
12 to be in effect for the year beginning the following January 1.  
13 The electric utility's tariff shall also provide that the  
14 electric utility shall make a filing with the Commission on or  
15 before August 1 of each year beginning in 2024 setting forth a  
16 reconciliation, for the delivery year ended the preceding May  
17 31, of the electric utility's collections of the Coal to Solar  
18 and Energy Storage Initiative Charge against actual payments  
19 for renewable energy credits pursuant to contracts entered  
20 into, and the actual grant payments by the Department pursuant  
21 to grant contracts entered into, pursuant to subsection (c-5)  
22 of Section 1-75 of the Illinois Power Agency Act. The tariff  
23 shall provide that any excess or shortfall of collections to  
24 payments shall be deducted from or added to, on a  
25 per-kilowatthour basis, the Coal to Solar and Energy Storage  
26 Initiative Charge, over the 6-month period beginning October 1

1 of that calendar year.

2 (j) If a retail customer that obtains electric power and  
3 energy from cogeneration or self-generation facilities  
4 installed for its own use on or before January 1, 1997,  
5 subsequently takes service from an alternative retail electric  
6 supplier or an electric utility other than the electric  
7 utility in whose service area the customer is located for any  
8 portion of the customer's electric power and energy  
9 requirements formerly obtained from those facilities  
10 (including that amount purchased from the utility in lieu of  
11 such generation and not as standby power purchases, under a  
12 cogeneration displacement tariff in effect as of the effective  
13 date of this amendatory Act of 1997), the transition charges  
14 otherwise applicable pursuant to subsections (f), (g), or (h)  
15 of this Section shall not be applicable in any year to that  
16 portion of the customer's electric power and energy  
17 requirements formerly obtained from those facilities,  
18 provided, that for purposes of this subsection (j), such  
19 portion shall not exceed the average number of kilowatt-hours  
20 per year obtained from the cogeneration or self-generation  
21 facilities during the 3 years prior to the date on which the  
22 customer became eligible for delivery services, except as  
23 provided in subsection (f) of Section 16-110.

24 (k) The electric utility shall be entitled to recover  
25 through tariffed charges all of the costs associated with the  
26 purchase of zero emission credits from zero emission

1 facilities to meet the requirements of subsection (d-5) of  
2 Section 1-75 of the Illinois Power Agency Act and all of the  
3 costs associated with the purchase of carbon mitigation  
4 credits from carbon-free energy resources to meet the  
5 requirements of subsection (d-10) of Section 1-75 of the  
6 Illinois Power Agency Act. Such costs shall include the costs  
7 of procuring the zero emission credits and carbon mitigation  
8 credits from carbon-free energy resources, as well as the  
9 reasonable costs that the utility incurs as part of the  
10 procurement processes and to implement and comply with plans  
11 and processes approved by the Commission under subsections  
12 (d-5) and (d-10). The costs shall be allocated across all  
13 retail customers through a single, uniform cents per  
14 kilowatt-hour charge applicable to all retail customers, which  
15 shall appear as a separate line item on each customer's bill.  
16 Beginning June 1, 2017, the electric utility shall be entitled  
17 to recover through tariffed charges all of the costs  
18 associated with the purchase of renewable energy resources to  
19 meet the renewable energy resource standards of subsection (c)  
20 of Section 1-75 of the Illinois Power Agency Act, under  
21 procurement plans as approved in accordance with that Section  
22 and Section 16-111.5 of this Act. Such costs shall include the  
23 costs of procuring the renewable energy resources, as well as  
24 the reasonable costs that the utility incurs as part of the  
25 procurement processes and to implement and comply with plans  
26 and processes approved by the Commission under such Sections.



1 The costs associated with the purchase of renewable energy  
2 resources shall be allocated across all retail customers in  
3 proportion to the amount of renewable energy resources the  
4 utility procures for such customers through a single, uniform  
5 cents per kilowatt-hour charge applicable to such retail  
6 customers, which shall appear as a separate line item on each  
7 such customer's bill. The credits, costs, and penalties  
8 associated with the self-direct renewable portfolio standard  
9 compliance program described in subparagraph (R) of paragraph  
10 (1) of subsection (c) of Section 1-75 of the Illinois Power  
11 Agency Act shall be allocated to approved eligible self-direct  
12 customers by the utility in a cents per kilowatt-hour credit,  
13 cost, or penalty, which shall appear as a separate line item on  
14 each such customer's bill.

15 Beginning on June 1, 2024, the electric utility shall be  
16 entitled to recover through tariffed charges all of the costs  
17 associated with the purchase of energy storage credits to meet  
18 the energy storage standards of Section 1-93 of the Illinois  
19 Power Agency Act under procurement plans approved in  
20 accordance with that Section and Section 16-111.5. The costs  
21 shall include the costs of procuring the energy storage  
22 credits and the reasonable costs that the utility incurs as  
23 part of the procurement processes and implementing and  
24 complying with plans and processes approved by the Commission.  
25 The costs associated with the purchase of energy storage  
26 credits shall be allocated across all retail customers in

1 proportion to the amount of energy storage credits the  
2 electric utility procures for the customers through a single,  
3 uniform cents per kilowatt-hour charge applicable to the  
4 retail customers, that shall appear as a separate line item on  
5 each customer's bill.

6 Notwithstanding whether the Commission has approved the  
7 initial long-term renewable resources procurement plan as of  
8 June 1, 2017, an electric utility shall place new tariffed  
9 charges into effect beginning with the June 2017 monthly  
10 billing period, to the extent practicable, to begin recovering  
11 the costs of procuring renewable energy resources, as those  
12 charges are calculated under the limitations described in  
13 subparagraph (E) of paragraph (1) of subsection (c) of Section  
14 1-75 of the Illinois Power Agency Act. Notwithstanding the  
15 date on which the utility places such new tariffed charges  
16 into effect, the utility shall be permitted to collect the  
17 charges under such tariff as if the tariff had been in effect  
18 beginning with the first day of the June 2017 monthly billing  
19 period. For the delivery years commencing June 1, 2017, June  
20 1, 2018, June 1, 2019, and each delivery year thereafter, the  
21 electric utility shall deposit into a separate interest  
22 bearing account of a financial institution the monies  
23 collected under the tariffed charges. Money collected from  
24 customers for the procurement of renewable energy resources in  
25 a given delivery year may be spent by the utility for the  
26 procurement of renewable resources over any of the following 5

1 delivery years, after which unspent money shall be credited  
2 back to retail customers. The electric utility shall spend all  
3 money collected in earlier delivery years that has not yet  
4 been returned to customers, first, before spending money  
5 collected in later delivery years. Any interest earned shall  
6 be credited back to retail customers under the reconciliation  
7 proceeding provided for in this subsection (k), provided that  
8 the electric utility shall first be reimbursed from the  
9 interest for the administrative costs that it incurs to  
10 administer and manage the account. Any taxes due on the funds  
11 in the account, or interest earned on it, will be paid from the  
12 account or, if insufficient monies are available in the  
13 account, from the monies collected under the tariffed charges  
14 to recover the costs of procuring renewable energy resources.  
15 Monies deposited in the account shall be subject to the  
16 review, reconciliation, and true-up process described in this  
17 subsection (k) that is applicable to the funds collected and  
18 costs incurred for the procurement of renewable energy  
19 resources.

20 The electric utility shall be entitled to recover all of  
21 the costs identified in this subsection (k) through automatic  
22 adjustment clause tariffs applicable to all of the utility's  
23 retail customers that allow the electric utility to adjust its  
24 tariffed charges consistent with this subsection (k). The  
25 determination as to whether any excess funds were collected  
26 during a given delivery year for the purchase of renewable

1 energy resources, and the crediting of any excess funds back  
2 to retail customers, shall not be made until after the close of  
3 the delivery year, which will ensure that the maximum amount  
4 of funds is available to implement the approved long-term  
5 renewable resources procurement plan during a given delivery  
6 year. The amount of excess funds eligible to be credited back  
7 to retail customers shall be reduced by an amount equal to the  
8 payment obligations required by any contracts entered into by  
9 an electric utility under contracts described in subsection  
10 (b) of Section 1-56 and subsection (c) of Section 1-75 of the  
11 Illinois Power Agency Act, even if such payments have not yet  
12 been made and regardless of the delivery year in which those  
13 payment obligations were incurred. Notwithstanding anything to  
14 the contrary, including in tariffs authorized by this  
15 subsection (k) in effect before the effective date of this  
16 amendatory Act of the 102nd General Assembly, all unspent  
17 funds as of May 31, 2021, excluding any funds credited to  
18 customers during any utility billing cycle that commences  
19 prior to the effective date of this amendatory Act of the 102nd  
20 General Assembly, shall remain in the utility account and  
21 shall on a first in, first out basis be used toward utility  
22 payment obligations under contracts described in subsection  
23 (b) of Section 1-56 and subsection (c) of Section 1-75 of the  
24 Illinois Power Agency Act. The electric utility's collections  
25 under such automatic adjustment clause tariffs to recover the  
26 costs of renewable energy resources, zero emission credits

1 from zero emission facilities, and carbon mitigation credits  
2 from carbon-free energy resources shall be subject to separate  
3 annual review, reconciliation, and true-up against actual  
4 costs by the Commission under a procedure that shall be  
5 specified in the electric utility's automatic adjustment  
6 clause tariffs and that shall be approved by the Commission in  
7 connection with its approval of such tariffs. The procedure  
8 shall provide that any difference between the electric  
9 utility's collections for zero emission credits and carbon  
10 mitigation credits under the automatic adjustment charges for  
11 an annual period and the electric utility's actual costs of  
12 zero emission credits from zero emission facilities and carbon  
13 mitigation credits from carbon-free energy resources for that  
14 same annual period shall be refunded to or collected from, as  
15 applicable, the electric utility's retail customers in  
16 subsequent periods.

17 Nothing in this subsection (k) is intended to affect,  
18 limit, or change the right of the electric utility to recover  
19 the costs associated with the procurement of renewable energy  
20 resources for periods commencing before, on, or after June 1,  
21 2017, as otherwise provided in the Illinois Power Agency Act.

22 The funding available under this subsection (k), if any,  
23 for the programs described under subsection (b) of Section  
24 1-56 of the Illinois Power Agency Act shall not reduce the  
25 amount of funding for the programs described in subparagraph  
26 (O) of paragraph (1) of subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act. If funding is available under this  
2 subsection (k) for programs described under subsection (b) of  
3 Section 1-56 of the Illinois Power Agency Act, then the  
4 long-term renewable resources plan shall provide for the  
5 Agency to procure contracts in an amount that does not exceed  
6 the funding, and the contracts approved by the Commission  
7 shall be executed by the applicable utility or utilities.

8 (l) A utility that has terminated any contract executed  
9 under subsection (d-5) or (d-10) of Section 1-75 of the  
10 Illinois Power Agency Act shall be entitled to recover any  
11 remaining balance associated with the purchase of zero  
12 emission credits prior to such termination, and such utility  
13 shall also apply a credit to its retail customer bills in the  
14 event of any over-collection.

15 (m)(1) An electric utility that recovers its costs of  
16 procuring zero emission credits from zero emission facilities  
17 through a cents-per-kilowatthour charge under subsection (k)  
18 of this Section shall be subject to the requirements of this  
19 subsection (m). Notwithstanding anything to the contrary, such  
20 electric utility shall, beginning on April 30, 2018, and each  
21 April 30 thereafter until April 30, 2026, calculate whether  
22 any reduction must be applied to such cents-per-kilowatthour  
23 charge that is paid by retail customers of the electric  
24 utility that have opted out of subsections (a) through (j) of  
25 Section 8-103B of this Act under subsection (1) of Section  
26 8-103B. Such charge shall be reduced for such customers for

1 the next delivery year commencing on June 1 based on the amount  
2 necessary, if any, to limit the annual estimated average net  
3 increase for the prior calendar year due to the future energy  
4 investment costs to no more than 1.3% of 5.98 cents per  
5 kilowatt-hour, which is the average amount paid per  
6 kilowatthour for electric service during the year ending  
7 December 31, 2015 by Illinois industrial retail customers, as  
8 reported to the Edison Electric Institute.

9 The calculations required by this subsection (m) shall be  
10 made only once for each year, and no subsequent rate impact  
11 determinations shall be made.

12 (2) For purposes of this Section, "future energy  
13 investment costs" shall be calculated by subtracting the  
14 cents-per-kilowatthour charge identified in subparagraph (A)  
15 of this paragraph (2) from the sum of the  
16 cents-per-kilowatthour charges identified in subparagraph (B)  
17 of this paragraph (2):

18 (A) The cents-per-kilowatthour charge identified in  
19 the electric utility's tariff placed into effect under  
20 Section 8-103 of the Public Utilities Act that, on  
21 December 1, 2016, was applicable to those retail customers  
22 that have opted out of subsections (a) through (j) of  
23 Section 8-103B of this Act under subsection (1) of Section  
24 8-103B.

25 (B) The sum of the following cents-per-kilowatthour  
26 charges applicable to those retail customers that have

1       opted out of subsections (a) through (j) of Section 8-103B  
2       of this Act under subsection (l) of Section 8-103B,  
3       provided that if one or more of the following charges has  
4       been in effect and applied to such customers for more than  
5       one calendar year, then each charge shall be equal to the  
6       average of the charges applied over a period that  
7       commences with the calendar year ending December 31, 2017  
8       and ends with the most recently completed calendar year  
9       prior to the calculation required by this subsection (m):

10               (i) the cents-per-kilowatthour charge to recover  
11               the costs incurred by the utility under subsection  
12               (d-5) of Section 1-75 of the Illinois Power Agency  
13               Act, adjusted for any reductions required under this  
14               subsection (m); and

15               (ii) the cents-per-kilowatthour charge to recover  
16               the costs incurred by the utility under Section  
17               16-107.6 of the Public Utilities Act.

18       If no charge was applied for a given calendar year  
19       under item (i) or (ii) of this subparagraph (B), then the  
20       value of the charge for that year shall be zero.

21       (3) If a reduction is required by the calculation  
22       performed under this subsection (m), then the amount of the  
23       reduction shall be multiplied by the number of years reflected  
24       in the averages calculated under subparagraph (B) of paragraph  
25       (2) of this subsection (m). Such reduction shall be applied to  
26       the cents-per-kilowatthour charge that is applicable to those



1 retail customers that have opted out of subsections (a)  
2 through (j) of Section 8-103B of this Act under subsection (l)  
3 of Section 8-103B beginning with the next delivery year  
4 commencing after the date of the calculation required by this  
5 subsection (m).

6 (4) The electric utility shall file a notice with the  
7 Commission on May 1 of 2018 and each May 1 thereafter until May  
8 1, 2026 containing the reduction, if any, which must be  
9 applied for the delivery year which begins in the year of the  
10 filing. The notice shall contain the calculations made  
11 pursuant to this Section. By October 1 of each year beginning  
12 in 2018, each electric utility shall notify the Commission if  
13 it appears, based on an estimate of the calculation required  
14 in this subsection (m), that a reduction will be required in  
15 the next year.

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

17 (220 ILCS 5/16-111.5)

18 Sec. 16-111.5. Provisions relating to procurement.

19 (a) An electric utility that on December 31, 2005 served  
20 at least 100,000 customers in Illinois shall procure power and  
21 energy for its eligible retail customers in accordance with  
22 the applicable provisions set forth in Section 1-75 of the  
23 Illinois Power Agency Act and this Section. Beginning with the  
24 delivery year commencing on June 1, 2024, an electric utility  
25 serving over 100,000 customers in Illinois shall also procure

1 energy storage credits in accordance with the applicable  
2 provisions of Sections 1-75 and 1-93 of the Illinois Power  
3 Agency Act and this Section. Beginning with the delivery year  
4 commencing on June 1, 2017, such electric utility shall also  
5 procure zero emission credits from zero emission facilities in  
6 accordance with the applicable provisions set forth in Section  
7 1-75 of the Illinois Power Agency Act, and, for years  
8 beginning on or after June 1, 2017, the utility shall procure  
9 renewable energy resources in accordance with the applicable  
10 provisions set forth in Section 1-75 of the Illinois Power  
11 Agency Act and this Section. Beginning with the delivery year  
12 commencing on June 1, 2022, an electric utility serving over  
13 3,000,000 customers shall also procure carbon mitigation  
14 credits from carbon-free energy resources in accordance with  
15 the applicable provisions set forth in Section 1-75 of the  
16 Illinois Power Agency Act and this Section. A small  
17 multi-jurisdictional electric utility that on December 31,  
18 2005 served less than 100,000 customers in Illinois may elect  
19 to procure power and energy for all or a portion of its  
20 eligible Illinois retail customers in accordance with the  
21 applicable provisions set forth in this Section and Section  
22 1-75 of the Illinois Power Agency Act. This Section shall not  
23 apply to a small multi-jurisdictional utility until such time  
24 as a small multi-jurisdictional utility requests the Illinois  
25 Power Agency to prepare a procurement plan for its eligible  
26 retail customers. "Eligible retail customers" for the purposes

1 of this Section means those retail customers that purchase  
2 power and energy from the electric utility under fixed-price  
3 bundled service tariffs, other than those retail customers  
4 whose service is declared or deemed competitive under Section  
5 16-113 and those other customer groups specified in this  
6 Section, including self-generating customers, customers  
7 electing hourly pricing, or those customers who are otherwise  
8 ineligible for fixed-price bundled tariff service. For those  
9 customers that are excluded from the procurement plan's  
10 electric supply service requirements, and the utility shall  
11 procure any supply requirements, including capacity, ancillary  
12 services, and hourly priced energy, in the applicable markets  
13 as needed to serve those customers, provided that the utility  
14 may include in its procurement plan load requirements for the  
15 load that is associated with those retail customers whose  
16 service has been declared or deemed competitive pursuant to  
17 Section 16-113 of this Act to the extent that those customers  
18 are purchasing power and energy during one of the transition  
19 periods identified in subsection (b) of Section 16-113 of this  
20 Act.

21 (b) A procurement plan shall be prepared for each electric  
22 utility consistent with the applicable requirements of the  
23 Illinois Power Agency Act and this Section. For purposes of  
24 this Section, Illinois electric utilities that are affiliated  
25 by virtue of a common parent company are considered to be a  
26 single electric utility. Small multi-jurisdictional utilities

1 may request a procurement plan for a portion of or all of its  
2 Illinois load. Each procurement plan shall analyze the  
3 projected balance of supply and demand for those retail  
4 customers to be included in the plan's electric supply service  
5 requirements over a 5-year period, with the first planning  
6 year beginning on June 1 of the year following the year in  
7 which the plan is filed. The plan shall specifically identify  
8 the wholesale products to be procured following plan approval,  
9 and shall follow all the requirements set forth in the Public  
10 Utilities Act and all applicable State and federal laws,  
11 statutes, rules, or regulations, as well as Commission orders.  
12 Nothing in this Section precludes consideration of contracts  
13 longer than 5 years and related forecast data. Unless  
14 specified otherwise in this Section, in the procurement plan  
15 or in the implementing tariff, any procurement occurring in  
16 accordance with this plan shall be competitively bid through a  
17 request for proposals process. Approval and implementation of  
18 the procurement plan shall be subject to review and approval  
19 by the Commission according to the provisions set forth in  
20 this Section. A procurement plan shall include each of the  
21 following components:

22 (1) Hourly load analysis. This analysis shall include:

23 (i) multi-year historical analysis of hourly  
24 loads;

25 (ii) switching trends and competitive retail  
26 market analysis;

1 (iii) known or projected changes to future loads;

2 ~~and~~

3 (iv) growth forecasts by customer class; ~~and~~

4 (v) the impact of load reduction and peak load  
5 reduction through programs authorized by Sections  
6 16-107.9, 16-107.10, and 16-107.11.

7 (2) Analysis of the impact of any demand side and  
8 renewable energy initiatives. This analysis shall include:

9 (i) the impact of demand response programs and  
10 energy efficiency programs, both current and  
11 projected; for small multi-jurisdictional utilities,  
12 the impact of demand response and energy efficiency  
13 programs approved pursuant to Section 8-408 of this  
14 Act, both current and projected; and

15 (ii) supply side needs that are projected to be  
16 offset by purchases of renewable energy resources, if  
17 any.

18 (3) A plan for meeting the expected load requirements  
19 that will not be met through preexisting contracts. This  
20 plan shall include:

21 (i) definitions of the different Illinois retail  
22 customer classes for which supply is being purchased;

23 (ii) the proposed mix of demand-response products  
24 for which contracts will be executed during the next  
25 year. For small multi-jurisdictional electric  
26 utilities that on December 31, 2005 served fewer than

1 100,000 customers in Illinois, these shall be defined  
2 as demand-response products offered in an energy  
3 efficiency plan approved pursuant to Section 8-408 of  
4 this Act. The cost-effective demand-response measures  
5 shall be procured whenever the cost is lower than  
6 procuring comparable capacity products, provided that  
7 such products shall:

8 (A) be procured by a demand-response provider  
9 from those retail customers included in the plan's  
10 electric supply service requirements;

11 (B) at least satisfy the demand-response  
12 requirements of the regional transmission  
13 organization market in which the utility's service  
14 territory is located, including, but not limited  
15 to, any applicable capacity or dispatch  
16 requirements;

17 (C) provide for customers' participation in  
18 the stream of benefits produced by the  
19 demand-response products;

20 (D) provide for reimbursement by the  
21 demand-response provider of the utility for any  
22 costs incurred as a result of the failure of the  
23 supplier of such products to perform its  
24 obligations thereunder; and

25 (E) meet the same credit requirements as apply  
26 to suppliers of capacity, in the applicable

1 regional transmission organization market;

2 (iii) monthly forecasted system supply  
3 requirements, including expected minimum, maximum, and  
4 average values for the planning period;

5 (iv) the proposed mix and selection of standard  
6 wholesale products for which contracts will be  
7 executed during the next year, separately or in  
8 combination, to meet that portion of its load  
9 requirements not met through pre-existing contracts,  
10 including but not limited to monthly 5 x 16 peak period  
11 block energy, monthly off-peak wrap energy, monthly 7  
12 x 24 energy, annual 5 x 16 energy, other standardized  
13 energy or capacity products designed to provide  
14 eligible retail customer benefits from commercially  
15 deployed advanced technologies including but not  
16 limited to high voltage direct current converter  
17 stations, as such term is defined in Section 1-10 of  
18 the Illinois Power Agency Act, whether or not such  
19 product is currently available in wholesale markets,  
20 annual off-peak wrap energy, annual 7 x 24 energy,  
21 monthly capacity, annual capacity, peak load capacity  
22 obligations, capacity purchase plan, and ancillary  
23 services;

24 (v) proposed term structures for each wholesale  
25 product type included in the proposed procurement plan  
26 portfolio of products; and

1           (vi) an assessment of the price risk, load  
2           uncertainty, and other factors that are associated  
3           with the proposed procurement plan; this assessment,  
4           to the extent possible, shall include an analysis of  
5           the following factors: contract terms, time frames for  
6           securing products or services, fuel costs, weather  
7           patterns, transmission costs, market conditions, and  
8           the governmental regulatory environment; the proposed  
9           procurement plan shall also identify alternatives for  
10          those portfolio measures that are identified as having  
11          significant price risk and mitigation in the form of  
12          additional retail customer and ratepayer price,  
13          reliability, and environmental benefits from  
14          standardized energy products delivered from  
15          commercially deployed advanced technologies,  
16          including, but not limited to, high voltage direct  
17          current converter stations, as such term is defined in  
18          Section 1-10 of the Illinois Power Agency Act, whether  
19          or not such product is currently available in  
20          wholesale markets.

21          (4) Proposed procedures for balancing loads. The  
22          procurement plan shall include, for load requirements  
23          included in the procurement plan, the process for (i)  
24          hourly balancing of supply and demand and (ii) the  
25          criteria for portfolio re-balancing in the event of  
26          significant shifts in load.



1           (5) Long-Term Renewable Resources Procurement Plan.  
2           The Agency shall prepare a long-term renewable resources  
3           procurement plan for the procurement of renewable energy  
4           credits under Sections 1-56 and 1-75 of the Illinois Power  
5           Agency Act for delivery beginning in the 2017 delivery  
6           year.

7                   (i) The initial long-term renewable resources  
8           procurement plan and all subsequent revisions shall be  
9           subject to review and approval by the Commission. For  
10          the purposes of this Section, "delivery year" has the  
11          same meaning as in Section 1-10 of the Illinois Power  
12          Agency Act. For purposes of this Section, "Agency"  
13          shall mean the Illinois Power Agency.

14                   (ii) The long-term renewable resources planning  
15          process shall be conducted as follows:

16                           (A) Electric utilities shall provide a range  
17          of load forecasts to the Illinois Power Agency  
18          within 45 days of the Agency's request for  
19          forecasts, which request shall specify the length  
20          and conditions for the forecasts including, but  
21          not limited to, the quantity of distributed  
22          generation expected to be interconnected for each  
23          year.

24                           (B) The Agency shall publish for comment the  
25          initial long-term renewable resources procurement  
26          plan no later than 120 days after the effective

1 date of this amendatory Act of the 99th General  
2 Assembly and shall review, and may revise, the  
3 plan at least every 2 years thereafter. To the  
4 extent practicable, the Agency shall review and  
5 propose any revisions to the long-term renewable  
6 energy resources procurement plan in conjunction  
7 with the Agency's other planning and approval  
8 processes conducted under this Section. The  
9 initial long-term renewable resources procurement  
10 plan shall:

11 (aa) Identify the procurement programs and  
12 competitive procurement events consistent with  
13 the applicable requirements of the Illinois  
14 Power Agency Act and shall be designed to  
15 achieve the goals set forth in subsection (c)  
16 of Section 1-75 of that Act.

17 (bb) Include a schedule for procurements  
18 for renewable energy credits from  
19 utility-scale wind projects, utility-scale  
20 solar projects, and brownfield site  
21 photovoltaic projects consistent with  
22 subparagraph (G) of paragraph (1) of  
23 subsection (c) of Section 1-75 of the Illinois  
24 Power Agency Act.

25 (cc) Identify the process whereby the  
26 Agency will submit to the Commission for

1 review and approval the proposed contracts to  
2 implement the programs required by such plan.

3 Copies of the initial long-term renewable  
4 resources procurement plan and all subsequent  
5 revisions shall be posted and made publicly  
6 available on the Agency's and Commission's  
7 websites, and copies shall also be provided to  
8 each affected electric utility. An affected  
9 utility and other interested parties shall have 45  
10 days following the date of posting to provide  
11 comment to the Agency on the initial long-term  
12 renewable resources procurement plan and all  
13 subsequent revisions. All comments submitted to  
14 the Agency shall be specific, supported by data or  
15 other detailed analyses, and, if objecting to all  
16 or a portion of the procurement plan, accompanied  
17 by specific alternative wording or proposals. All  
18 comments shall be posted on the Agency's and  
19 Commission's websites. During this 45-day comment  
20 period, the Agency shall hold at least one public  
21 hearing within each utility's service area that is  
22 subject to the requirements of this paragraph (5)  
23 for the purpose of receiving public comment.  
24 Within 21 days following the end of the 45-day  
25 review period, the Agency may revise the long-term  
26 renewable resources procurement plan based on the

1 comments received and shall file the plan with the  
2 Commission for review and approval.

3 (C) Within 14 days after the filing of the  
4 initial long-term renewable resources procurement  
5 plan or any subsequent revisions, any person  
6 objecting to the plan may file an objection with  
7 the Commission. Within 21 days after the filing of  
8 the plan, the Commission shall determine whether a  
9 hearing is necessary. The Commission shall enter  
10 its order confirming or modifying the initial  
11 long-term renewable resources procurement plan or  
12 any subsequent revisions within 120 days after the  
13 filing of the plan by the Illinois Power Agency.

14 (D) The Commission shall approve the initial  
15 long-term renewable resources procurement plan and  
16 any subsequent revisions, including expressly the  
17 forecast used in the plan and taking into account  
18 that funding will be limited to the amount of  
19 revenues actually collected by the utilities, if  
20 the Commission determines that the plan will  
21 reasonably and prudently accomplish the  
22 requirements of Section 1-56 and subsection (c) of  
23 Section 1-75 of the Illinois Power Agency Act. The  
24 Commission shall also approve the process for the  
25 submission, review, and approval of the proposed  
26 contracts to procure renewable energy credits or

1           implement the programs authorized by the  
2           Commission pursuant to a long-term renewable  
3           resources procurement plan approved under this  
4           Section.

5           In approving any long-term renewable resources  
6           procurement plan after the effective date of this  
7           amendatory Act of the 102nd General Assembly, the  
8           Commission shall approve or modify the Agency's  
9           proposal for minimum equity standards pursuant to  
10          subsection (c-10) of Section 1-75 of the Illinois  
11          Power Agency Act. The Commission shall consider  
12          any analysis performed by the Agency in developing  
13          its proposal, including past performance,  
14          availability of equity eligible contractors, and  
15          availability of equity eligible persons at the  
16          time the long-term renewable resources procurement  
17          plan is approved.

18          (iii) The Agency or third parties contracted by  
19          the Agency shall implement all programs authorized by  
20          the Commission in an approved long-term renewable  
21          resources procurement plan without further review and  
22          approval by the Commission. Third parties shall not  
23          begin implementing any programs or receive any payment  
24          under this Section until the Commission has approved  
25          the contract or contracts under the process authorized  
26          by the Commission in item (D) of subparagraph (ii) of

1 paragraph (5) of this subsection (b) and the third  
2 party and the Agency or utility, as applicable, have  
3 executed the contract. For those renewable energy  
4 credits subject to procurement through a competitive  
5 bid process under the plan or under the initial  
6 forward procurements for wind and solar resources  
7 described in subparagraph (G) of paragraph (1) of  
8 subsection (c) of Section 1-75 of the Illinois Power  
9 Agency Act, the Agency shall follow the procurement  
10 process specified in the provisions relating to  
11 electricity procurement in subsections (e) through (i)  
12 of this Section.

13 (iv) An electric utility shall recover its costs  
14 associated with the procurement of renewable energy  
15 credits under this Section and pursuant to subsection  
16 (c-5) of Section 1-75 of the Illinois Power Agency Act  
17 through an automatic adjustment clause tariff under  
18 subsection (k) or a tariff pursuant to subsection  
19 (i-5), as applicable, of Section 16-108 of this Act. A  
20 utility shall not be required to advance any payment  
21 or pay any amounts under this Section that exceed the  
22 actual amount of revenues collected by the utility  
23 under paragraph (6) of subsection (c) of Section 1-75  
24 of the Illinois Power Agency Act, subsection (c-5) of  
25 Section 1-75 of the Illinois Power Agency Act, and  
26 subsection (k) or subsection (i-5), as applicable, of

1 Section 16-108 of this Act, and contracts executed  
2 under this Section shall expressly incorporate this  
3 limitation.

4 (v) For the public interest, safety, and welfare,  
5 the Agency and the Commission may adopt rules to carry  
6 out the provisions of this Section on an emergency  
7 basis immediately following the effective date of this  
8 amendatory Act of the 99th General Assembly.

9 (vi) On or before July 1 of each year, the  
10 Commission shall hold an informal hearing for the  
11 purpose of receiving comments on the prior year's  
12 procurement process and any recommendations for  
13 change.

14 (6) Long-term energy storage resources procurement  
15 plan. The Agency shall prepare an energy storage resources  
16 procurement plan for the procurement of energy storage  
17 credits in compliance with this Section and Section 1-93  
18 of the Illinois Power Agency Act.

19 (i) The initial energy storage resources  
20 procurement plan and all subsequent revisions shall be  
21 subject to review and approval by the Commission. For  
22 purposes of this Section, "delivery year" has the same  
23 meaning as used in Section 1-10 of the Illinois Power  
24 Agency Act. In this paragraph, "Agency" means the  
25 Illinois Power Agency.

26 (ii) The energy storage resources planning process

1 shall be conducted as follows:

2 (A) The Agency shall publish for comment the  
3 initial energy storage resources procurement plan  
4 no later than 180 days after the effective date of  
5 this amendatory Act of the 103rd General Assembly  
6 and shall review and may revise the plan at least  
7 every 2 years thereafter. To the extent  
8 practicable, the Agency shall review and propose  
9 any revisions to the energy storage resources  
10 procurement plan in conjunction with the Agency's  
11 other planning and approval processes conducted  
12 under this Section. The initial energy storage  
13 resources procurement plan shall:

14 (aa) include a schedule for procurements  
15 for energy storage credits from qualified  
16 energy storage systems consistent with Section  
17 1-93 of the Illinois Power Agency Act,  
18 including proposals for allocation between  
19 indexed credits and tolling agreements;

20 (bb) identify the process whereby the  
21 Agency will submit to the Commission for  
22 review and approval the proposed contracts to  
23 implement the programs required by the plan.  
24 Copies of the initial energy storage resources  
25 procurement plan and all subsequent revisions  
26 shall be posted and made publicly available on



1 the Agency's and Commission's websites, and  
2 copies shall also be provided to each affected  
3 electric utility. An affected utility and  
4 other interested parties shall have 45 days  
5 following the date of posting to provide  
6 comment to the Agency on the initial energy  
7 storage resources procurement plan and all  
8 subsequent revisions. All comments shall be  
9 posted on the Agency's and Commission's  
10 websites; and

11 (cc) upon solicitation from stakeholders,  
12 consider additional procurement approaches  
13 that would result in the electric utilities  
14 contracting for energy storage to achieve the  
15 requirements described in subsection (a); and

16 (B) The Commission shall approve the initial  
17 energy storage resources procurement plan and any  
18 subsequent revisions if the Commission determines  
19 that the plan will reasonably and prudently  
20 accomplish the requirements of Section 1-93 of the  
21 Illinois Power Agency Act. The Commission shall  
22 also approve the process for the submission,  
23 review, and approval of the proposed contracts to  
24 procure energy storage credits or implement the  
25 programs authorized by the Commission pursuant to  
26 a long-term energy storage resources procurement

1 plan approved under this Section.

2 In approving any long-term energy storage  
3 procurement plan after the effective date of this  
4 amendatory Act of the 103rd General Assembly, the  
5 Commission shall approve or modify the Agency's  
6 proposal for minimum equity standards under  
7 subsection (c-10) of Section 1-75 of the Illinois  
8 Power Agency Act. The Commission shall consider  
9 any analysis performed by the Agency in developing  
10 its proposal, including past performance,  
11 availability of equity eligible contractors, and  
12 availability of equity eligible persons at the  
13 time the long-term renewable resources procurement  
14 plan is approved.

15 (iii) The Agency or third parties contracted by  
16 the Agency shall implement all programs authorized by  
17 the Commission in an approved long-term energy storage  
18 procurement plan without further review and approval  
19 by the Commission. Third parties shall not begin  
20 implementing any programs or receive any payment under  
21 this Section until the Commission has approved the  
22 long-term storage contract.

23 (iv) An electric utility shall recover its costs  
24 associated with the procurement of energy storage  
25 credits under this Section and pursuant to Section  
26 1-93 of the Illinois Power Agency Act through an

1           automatic adjustment clause tariff under subsection  
2           (k) or a tariff under subsection (i-5), as applicable,  
3           of Section 16-108.

4           (b-5) An electric utility that as of January 1, 2019  
5 served more than 300,000 retail customers in this State shall  
6 purchase renewable energy credits from new renewable energy  
7 facilities constructed at or adjacent to the sites of  
8 coal-fueled electric generating facilities in this State in  
9 accordance with subsection (c-5) of Section 1-75 of the  
10 Illinois Power Agency Act. Except as expressly provided in  
11 this Section, the plans and procedures for such procurements  
12 shall not be included in the procurement plans provided for in  
13 this Section, but rather shall be conducted and implemented  
14 solely in accordance with subsection (c-5) of Section 1-75 of  
15 the Illinois Power Agency Act.

16           (c) The provisions of this subsection (c) shall not apply  
17 to procurements conducted pursuant to subsection (c-5) of  
18 Section 1-75 of the Illinois Power Agency Act. However, the  
19 Agency may retain a procurement administrator to assist the  
20 Agency in planning and carrying out the procurement events and  
21 implementing the other requirements specified in such  
22 subsection (c-5) of Section 1-75 of the Illinois Power Agency  
23 Act, with the costs incurred by the Agency for the procurement  
24 administrator to be recovered through fees charged to  
25 applicants for selection to sell and deliver renewable energy  
26 credits to electric utilities pursuant to subsection (c-5) of

1 Section 1-75 of the Illinois Power Agency Act. The procurement  
2 process set forth in Section 1-75 of the Illinois Power Agency  
3 Act and subsection (e) of this Section shall be administered  
4 by a procurement administrator and monitored by a procurement  
5 monitor.

6 (1) The procurement administrator shall:

7 (i) design the final procurement process in  
8 accordance with Section 1-75 of the Illinois Power  
9 Agency Act and subsection (e) of this Section  
10 following Commission approval of the procurement plan;

11 (ii) develop benchmarks in accordance with  
12 subsection (e)(3) to be used to evaluate bids; these  
13 benchmarks shall be submitted to the Commission for  
14 review and approval on a confidential basis prior to  
15 the procurement event;

16 (iii) serve as the interface between the electric  
17 utility and suppliers;

18 (iv) manage the bidder pre-qualification and  
19 registration process;

20 (v) obtain the electric utilities' agreement to  
21 the final form of all supply contracts and credit  
22 collateral agreements;

23 (vi) administer the request for proposals process;

24 (vii) have the discretion to negotiate to  
25 determine whether bidders are willing to lower the  
26 price of bids that meet the benchmarks approved by the

1 Commission; any post-bid negotiations with bidders  
2 shall be limited to price only and shall be completed  
3 within 24 hours after opening the sealed bids and  
4 shall be conducted in a fair and unbiased manner; in  
5 conducting the negotiations, there shall be no  
6 disclosure of any information derived from proposals  
7 submitted by competing bidders; if information is  
8 disclosed to any bidder, it shall be provided to all  
9 competing bidders;

10 (viii) maintain confidentiality of supplier and  
11 bidding information in a manner consistent with all  
12 applicable laws, rules, regulations, and tariffs;

13 (ix) submit a confidential report to the  
14 Commission recommending acceptance or rejection of  
15 bids;

16 (x) notify the utility of contract counterparties  
17 and contract specifics; and

18 (xi) administer related contingency procurement  
19 events.

20 (2) The procurement monitor, who shall be retained by  
21 the Commission, shall:

22 (i) monitor interactions among the procurement  
23 administrator, suppliers, and utility;

24 (ii) monitor and report to the Commission on the  
25 progress of the procurement process;

26 (iii) provide an independent confidential report

1 to the Commission regarding the results of the  
2 procurement event;

3 (iv) assess compliance with the procurement plans  
4 approved by the Commission for each utility that on  
5 December 31, 2005 provided electric service to at  
6 least 100,000 customers in Illinois and for each small  
7 multi-jurisdictional utility that on December 31, 2005  
8 served less than 100,000 customers in Illinois;

9 (v) preserve the confidentiality of supplier and  
10 bidding information in a manner consistent with all  
11 applicable laws, rules, regulations, and tariffs;

12 (vi) provide expert advice to the Commission and  
13 consult with the procurement administrator regarding  
14 issues related to procurement process design, rules,  
15 protocols, and policy-related matters; and

16 (vii) consult with the procurement administrator  
17 regarding the development and use of benchmark  
18 criteria, standard form contracts, credit policies,  
19 and bid documents.

20 (d) Except as provided in subsection (j), the planning  
21 process shall be conducted as follows:

22 (1) Beginning in 2008, each Illinois utility procuring  
23 power pursuant to this Section shall annually provide a  
24 range of load forecasts to the Illinois Power Agency by  
25 July 15 of each year, or such other date as may be required  
26 by the Commission or Agency. The load forecasts shall

1 cover the 5-year procurement planning period for the next  
2 procurement plan and shall include hourly data  
3 representing a high-load, low-load, and expected-load  
4 scenario for the load of those retail customers included  
5 in the plan's electric supply service requirements. The  
6 utility shall provide supporting data and assumptions for  
7 each of the scenarios.

8 (2) Beginning in 2008, the Illinois Power Agency shall  
9 prepare a procurement plan by August 15th of each year, or  
10 such other date as may be required by the Commission. The  
11 procurement plan shall identify the portfolio of  
12 demand-response and power and energy products to be  
13 procured. Cost-effective demand-response measures shall be  
14 procured as set forth in item (iii) of subsection (b) of  
15 this Section. Copies of the procurement plan shall be  
16 posted and made publicly available on the Agency's and  
17 Commission's websites, and copies shall also be provided  
18 to each affected electric utility. An affected utility  
19 shall have 30 days following the date of posting to  
20 provide comment to the Agency on the procurement plan.  
21 Other interested entities also may comment on the  
22 procurement plan. All comments submitted to the Agency  
23 shall be specific, supported by data or other detailed  
24 analyses, and, if objecting to all or a portion of the  
25 procurement plan, accompanied by specific alternative  
26 wording or proposals. All comments shall be posted on the

1 Agency's and Commission's websites. During this 30-day  
2 comment period, the Agency shall hold at least one public  
3 hearing within each utility's service area for the purpose  
4 of receiving public comment on the procurement plan.  
5 Within 14 days following the end of the 30-day review  
6 period, the Agency shall revise the procurement plan as  
7 necessary based on the comments received and file the  
8 procurement plan with the Commission and post the  
9 procurement plan on the websites.

10 (3) Within 5 days after the filing of the procurement  
11 plan, any person objecting to the procurement plan shall  
12 file an objection with the Commission. Within 10 days  
13 after the filing, the Commission shall determine whether a  
14 hearing is necessary. The Commission shall enter its order  
15 confirming or modifying the procurement plan within 90  
16 days after the filing of the procurement plan by the  
17 Illinois Power Agency.

18 (4) The Commission shall approve the procurement plan,  
19 including expressly the forecast used in the procurement  
20 plan, if the Commission determines that it will ensure  
21 adequate, reliable, affordable, efficient, and  
22 environmentally sustainable electric service at the lowest  
23 total cost over time, taking into account any benefits of  
24 price stability.

25 (4.5) The Commission shall review the Agency's  
26 recommendations for the selection of applicants to enter



1 into long-term contracts for the sale and delivery of  
2 renewable energy credits from new renewable energy  
3 facilities to be constructed at or adjacent to the sites  
4 of coal-fueled electric generating facilities in this  
5 State in accordance with the provisions of subsection  
6 (c-5) of Section 1-75 of the Illinois Power Agency Act,  
7 and shall approve the Agency's recommendations if the  
8 Commission determines that the applicants recommended by  
9 the Agency for selection, the proposed new renewable  
10 energy facilities to be constructed, the amounts of  
11 renewable energy credits to be delivered pursuant to the  
12 contracts, and the other terms of the contracts, are  
13 consistent with the requirements of subsection (c-5) of  
14 Section 1-75 of the Illinois Power Agency Act.

15 (e) The procurement process shall include each of the  
16 following components:

17 (1) Solicitation, pre-qualification, and registration  
18 of bidders. The procurement administrator shall  
19 disseminate information to potential bidders to promote a  
20 procurement event, notify potential bidders that the  
21 procurement administrator may enter into a post-bid price  
22 negotiation with bidders that meet the applicable  
23 benchmarks, provide supply requirements, and otherwise  
24 explain the competitive procurement process. In addition  
25 to such other publication as the procurement administrator  
26 determines is appropriate, this information shall be

1 posted on the Illinois Power Agency's and the Commission's  
2 websites. The procurement administrator shall also  
3 administer the prequalification process, including  
4 evaluation of credit worthiness, compliance with  
5 procurement rules, and agreement to the standard form  
6 contract developed pursuant to paragraph (2) of this  
7 subsection (e). The procurement administrator shall then  
8 identify and register bidders to participate in the  
9 procurement event.

10 (2) Standard contract forms and credit terms and  
11 instruments. The procurement administrator, in  
12 consultation with the utilities, the Commission, and other  
13 interested parties and subject to Commission oversight,  
14 shall develop and provide standard contract forms for the  
15 supplier contracts that meet generally accepted industry  
16 practices. Standard credit terms and instruments that meet  
17 generally accepted industry practices shall be similarly  
18 developed. The procurement administrator shall make  
19 available to the Commission all written comments it  
20 receives on the contract forms, credit terms, or  
21 instruments. If the procurement administrator cannot reach  
22 agreement with the applicable electric utility as to the  
23 contract terms and conditions, the procurement  
24 administrator must notify the Commission of any disputed  
25 terms and the Commission shall resolve the dispute. Except  
26 as provided under item (vi) of subparagraph (G) of

1 paragraph (1) of subsection (c) of Section 1-75 of the  
2 Illinois Power Agency Act, the ~~The~~ terms of the contracts  
3 shall not be subject to negotiation by winning bidders,  
4 and the bidders must agree to the terms of the contract in  
5 advance so that winning bids are selected solely on the  
6 basis of price.

7 (3) Establishment of a market-based price benchmark.  
8 As part of the development of the procurement process, the  
9 procurement administrator, in consultation with the  
10 Commission staff, Agency staff, and the procurement  
11 monitor, shall establish benchmarks for evaluating the  
12 final prices in the contracts for each of the products  
13 that will be procured through the procurement process. The  
14 benchmarks shall be based on price data for similar  
15 products for the same delivery period and same delivery  
16 hub, or other delivery hubs after adjusting for that  
17 difference. The price benchmarks may also be adjusted to  
18 take into account differences between the information  
19 reflected in the underlying data sources and the specific  
20 products and procurement process being used to procure  
21 power for the Illinois utilities. The benchmarks shall be  
22 confidential but shall be provided to, and will be subject  
23 to Commission review and approval, prior to a procurement  
24 event.

25 (4) Request for proposals competitive procurement  
26 process. The procurement administrator shall design and

1 issue a request for proposals to supply electricity in  
2 accordance with each utility's procurement plan, as  
3 approved by the Commission. The request for proposals  
4 shall set forth a procedure for sealed, binding commitment  
5 bidding with pay-as-bid settlement, and provision for  
6 selection of bids on the basis of price.

7 (5) A plan for implementing contingencies in the event  
8 of supplier default or failure of the procurement process  
9 to fully meet the expected load requirement due to  
10 insufficient supplier participation, Commission rejection  
11 of results, or any other cause.

12 (i) Event of supplier default: In the event of  
13 supplier default, the utility shall review the  
14 contract of the defaulting supplier to determine if  
15 the amount of supply is 200 megawatts or greater, and  
16 if there are more than 60 days remaining of the  
17 contract term. If both of these conditions are met,  
18 and the default results in termination of the  
19 contract, the utility shall immediately notify the  
20 Illinois Power Agency that a request for proposals  
21 must be issued to procure replacement power, and the  
22 procurement administrator shall run an additional  
23 procurement event. If the contracted supply of the  
24 defaulting supplier is less than 200 megawatts or  
25 there are less than 60 days remaining of the contract  
26 term, the utility shall procure power and energy from

1 the applicable regional transmission organization  
2 market, including ancillary services, capacity, and  
3 day-ahead or real time energy, or both, for the  
4 duration of the contract term to replace the  
5 contracted supply; provided, however, that if a needed  
6 product is not available through the regional  
7 transmission organization market it shall be purchased  
8 from the wholesale market.

9 (ii) Failure of the procurement process to fully  
10 meet the expected load requirement: If the procurement  
11 process fails to fully meet the expected load  
12 requirement due to insufficient supplier participation  
13 or due to a Commission rejection of the procurement  
14 results, the procurement administrator, the  
15 procurement monitor, and the Commission staff shall  
16 meet within 10 days to analyze potential causes of low  
17 supplier interest or causes for the Commission  
18 decision. If changes are identified that would likely  
19 result in increased supplier participation, or that  
20 would address concerns causing the Commission to  
21 reject the results of the prior procurement event, the  
22 procurement administrator may implement those changes  
23 and rerun the request for proposals process according  
24 to a schedule determined by those parties and  
25 consistent with Section 1-75 of the Illinois Power  
26 Agency Act and this subsection. In any event, a new

1 request for proposals process shall be implemented by  
2 the procurement administrator within 90 days after the  
3 determination that the procurement process has failed  
4 to fully meet the expected load requirement.

5 (iii) In all cases where there is insufficient  
6 supply provided under contracts awarded through the  
7 procurement process to fully meet the electric  
8 utility's load requirement, the utility shall meet the  
9 load requirement by procuring power and energy from  
10 the applicable regional transmission organization  
11 market, including ancillary services, capacity, and  
12 day-ahead or real time energy, or both; provided,  
13 however, that if a needed product is not available  
14 through the regional transmission organization market  
15 it shall be purchased from the wholesale market.

16 (6) The procurement processes described in this  
17 subsection and in subsection (c-5) of Section 1-75 of the  
18 Illinois Power Agency Act are exempt from the requirements  
19 of the Illinois Procurement Code, pursuant to Section  
20 20-10 of that Code.

21 (f) Within 2 business days after opening the sealed bids,  
22 the procurement administrator shall submit a confidential  
23 report to the Commission. The report shall contain the results  
24 of the bidding for each of the products along with the  
25 procurement administrator's recommendation for the acceptance  
26 and rejection of bids based on the price benchmark criteria

1 and other factors observed in the process. The procurement  
2 monitor also shall submit a confidential report to the  
3 Commission within 2 business days after opening the sealed  
4 bids. The report shall contain the procurement monitor's  
5 assessment of bidder behavior in the process as well as an  
6 assessment of the procurement administrator's compliance with  
7 the procurement process and rules. The Commission shall review  
8 the confidential reports submitted by the procurement  
9 administrator and procurement monitor, and shall accept or  
10 reject the recommendations of the procurement administrator  
11 within 2 business days after receipt of the reports.

12 (g) Within 3 business days after the Commission decision  
13 approving the results of a procurement event, the utility  
14 shall enter into binding contractual arrangements with the  
15 winning suppliers using the standard form contracts; except  
16 that the utility shall not be required either directly or  
17 indirectly to execute the contracts if a tariff that is  
18 consistent with subsection (l) of this Section has not been  
19 approved and placed into effect for that utility.

20 (h) For the procurement of standard wholesale products,  
21 the names of the successful bidders and the load weighted  
22 average of the winning bid prices for each contract type and  
23 for each contract term shall be made available to the public at  
24 the time of Commission approval of a procurement event. For  
25 procurements conducted to meet the requirements of subsection  
26 (b) of Section 1-56 or subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act governed by the provisions of this  
2 Section, the address and nameplate capacity of the new  
3 renewable energy generating facility proposed by a winning  
4 bidder shall also be made available to the public at the time  
5 of Commission approval of a procurement event, along with the  
6 business address and contact information for any winning  
7 bidder. An estimate or approximation of the nameplate capacity  
8 of the new renewable energy generating facility may be  
9 disclosed if necessary to protect the confidentiality of  
10 individual bid prices.

11 The Commission, the procurement monitor, the procurement  
12 administrator, the Illinois Power Agency, and all participants  
13 in the procurement process shall maintain the confidentiality  
14 of all other supplier and bidding information in a manner  
15 consistent with all applicable laws, rules, regulations, and  
16 tariffs. Confidential information, including the confidential  
17 reports submitted by the procurement administrator and  
18 procurement monitor pursuant to subsection (f) of this  
19 Section, shall not be made publicly available and shall not be  
20 discoverable by any party in any proceeding, absent a  
21 compelling demonstration of need, nor shall those reports be  
22 admissible in any proceeding other than one for law  
23 enforcement purposes.

24 (h-5) For procurements conducted to meet the requirements  
25 of subsection (b) of Section 1-56 or subsection (c) of Section  
26 1-75 of the Illinois Power Agency Act, the Illinois Power



1 Agency shall release aggregated information related to  
2 participation levels across product types and the basis of  
3 rejection for non-accepted bids if the Commission, the  
4 procurement monitor, the procurement administrator, and the  
5 Illinois Power Agency determine that the release of this  
6 information would not result in the disclosure of confidential  
7 bid information or negatively impact the competitiveness of  
8 future renewable energy credit procurements.

9 (i) Within 2 business days after a Commission decision  
10 approving the results of a procurement event or such other  
11 date as may be required by the Commission from time to time,  
12 the utility shall file for informational purposes with the  
13 Commission its actual or estimated retail supply charges, as  
14 applicable, by customer supply group reflecting the costs  
15 associated with the procurement and computed in accordance  
16 with the tariffs filed pursuant to subsection (l) of this  
17 Section and approved by the Commission.

18 (j) Within 60 days following August 28, 2007 (the  
19 effective date of Public Act 95-481), each electric utility  
20 that on December 31, 2005 provided electric service to at  
21 least 100,000 customers in Illinois shall prepare and file  
22 with the Commission an initial procurement plan, which shall  
23 conform in all material respects to the requirements of the  
24 procurement plan set forth in subsection (b); provided,  
25 however, that the Illinois Power Agency Act shall not apply to  
26 the initial procurement plan prepared pursuant to this

1 subsection. The initial procurement plan shall identify the  
2 portfolio of power and energy products to be procured and  
3 delivered for the period June 2008 through May 2009, and shall  
4 identify the proposed procurement administrator, who shall  
5 have the same experience and expertise as is required of a  
6 procurement administrator hired pursuant to Section 1-75 of  
7 the Illinois Power Agency Act. Copies of the procurement plan  
8 shall be posted and made publicly available on the  
9 Commission's website. The initial procurement plan may include  
10 contracts for renewable resources that extend beyond May 2009.

11 (i) Within 14 days following filing of the initial  
12 procurement plan, any person may file a detailed objection  
13 with the Commission contesting the procurement plan  
14 submitted by the electric utility. All objections to the  
15 electric utility's plan shall be specific, supported by  
16 data or other detailed analyses. The electric utility may  
17 file a response to any objections to its procurement plan  
18 within 7 days after the date objections are due to be  
19 filed. Within 7 days after the date the utility's response  
20 is due, the Commission shall determine whether a hearing  
21 is necessary. If it determines that a hearing is  
22 necessary, it shall require the hearing to be completed  
23 and issue an order on the procurement plan within 60 days  
24 after the filing of the procurement plan by the electric  
25 utility.

26 (ii) The order shall approve or modify the procurement

1 plan, approve an independent procurement administrator,  
2 and approve or modify the electric utility's tariffs that  
3 are proposed with the initial procurement plan. The  
4 Commission shall approve the procurement plan if the  
5 Commission determines that it will ensure adequate,  
6 reliable, affordable, efficient, and environmentally  
7 sustainable electric service at the lowest total cost over  
8 time, taking into account any benefits of price stability.

9 (k) (Blank).

10 (k-5) (Blank).

11 (l) An electric utility shall recover its costs incurred  
12 under this Section and subsection (c-5) of Section 1-75 of the  
13 Illinois Power Agency Act, including, but not limited to, the  
14 costs of procuring power and energy demand-response resources  
15 under this Section and its costs for purchasing renewable  
16 energy credits pursuant to subsection (c-5) of Section 1-75 of  
17 the Illinois Power Agency Act. The utility shall file with the  
18 initial procurement plan its proposed tariffs through which  
19 its costs of procuring power that are incurred pursuant to a  
20 Commission-approved procurement plan and those other costs  
21 identified in this subsection (l), will be recovered. The  
22 tariffs shall include a formula rate or charge designed to  
23 pass through both the costs incurred by the utility in  
24 procuring a supply of electric power and energy for the  
25 applicable customer classes with no mark-up or return on the  
26 price paid by the utility for that supply, plus any just and

1 reasonable costs that the utility incurs in arranging and  
2 providing for the supply of electric power and energy. The  
3 formula rate or charge shall also contain provisions that  
4 ensure that its application does not result in over or under  
5 recovery due to changes in customer usage and demand patterns,  
6 and that provide for the correction, on at least an annual  
7 basis, of any accounting errors that may occur. A utility  
8 shall recover through the tariff all reasonable costs incurred  
9 to implement or comply with any procurement plan that is  
10 developed and put into effect pursuant to Section 1-75 of the  
11 Illinois Power Agency Act and this Section, and for the  
12 procurement of renewable energy credits pursuant to subsection  
13 (c-5) of Section 1-75 of the Illinois Power Agency Act,  
14 including any fees assessed by the Illinois Power Agency,  
15 costs associated with load balancing, and contingency plan  
16 costs. The electric utility shall also recover its full costs  
17 of procuring electric supply for which it contracted before  
18 the effective date of this Section in conjunction with the  
19 provision of full requirements service under fixed-price  
20 bundled service tariffs subsequent to December 31, 2006. All  
21 such costs shall be deemed to have been prudently incurred.  
22 The pass-through tariffs that are filed and approved pursuant  
23 to this Section shall not be subject to review under, or in any  
24 way limited by, Section 16-111(i) of this Act. All of the costs  
25 incurred by the electric utility associated with the purchase  
26 of zero emission credits in accordance with subsection (d-5)

1 of Section 1-75 of the Illinois Power Agency Act, all costs  
2 incurred by the electric utility associated with the purchase  
3 of carbon mitigation credits in accordance with subsection  
4 (d-10) of Section 1-75 of the Illinois Power Agency Act, and,  
5 beginning June 1, 2017, all of the costs incurred by the  
6 electric utility associated with the purchase of renewable  
7 energy resources in accordance with Sections 1-56 and 1-75 of  
8 the Illinois Power Agency Act, ~~and~~ all of the costs incurred by  
9 the electric utility in purchasing renewable energy credits in  
10 accordance with subsection (c-5) of Section 1-75 of the  
11 Illinois Power Agency Act, and all costs incurred by the  
12 electric utility in purchasing energy storage credits in  
13 accordance with Section 1-93 of the Illinois Power Agency Act  
14 shall be recovered through the electric utility's tariffed  
15 charges applicable to all of its retail customers, as  
16 specified in subsection (k) or subsection (i-5), as  
17 applicable, of Section 16-108 of this Act, and shall not be  
18 recovered through the electric utility's tariffed charges for  
19 electric power and energy supply to its eligible retail  
20 customers.

21 (m) The Commission has the authority to adopt rules to  
22 carry out the provisions of this Section. For the public  
23 interest, safety, and welfare, the Commission also has  
24 authority to adopt rules to carry out the provisions of this  
25 Section on an emergency basis immediately following August 28,  
26 2007 (the effective date of Public Act 95-481).

1           (n) Notwithstanding any other provision of this Act, any  
2 affiliated electric utilities that submit a single procurement  
3 plan covering their combined needs may procure for those  
4 combined needs in conjunction with that plan, and may enter  
5 jointly into power supply contracts, purchases, and other  
6 procurement arrangements, and allocate capacity and energy and  
7 cost responsibility therefor among themselves in proportion to  
8 their requirements.

9           (o) On or before June 1 of each year, the Commission shall  
10 hold an informal hearing for the purpose of receiving comments  
11 on the prior year's procurement process and any  
12 recommendations for change.

13           (p) An electric utility subject to this Section may  
14 propose to invest, lease, own, or operate an electric  
15 generation facility as part of its procurement plan, provided  
16 the utility demonstrates that such facility is the least-cost  
17 option to provide electric service to those retail customers  
18 included in the plan's electric supply service requirements.  
19 If the facility is shown to be the least-cost option and is  
20 included in a procurement plan prepared in accordance with  
21 Section 1-75 of the Illinois Power Agency Act and this  
22 Section, then the electric utility shall make a filing  
23 pursuant to Section 8-406 of this Act, and may request of the  
24 Commission any statutory relief required thereunder. If the  
25 Commission grants all of the necessary approvals for the  
26 proposed facility, such supply shall thereafter be considered

1 as a pre-existing contract under subsection (b) of this  
2 Section. The Commission shall in any order approving a  
3 proposal under this subsection specify how the utility will  
4 recover the prudently incurred costs of investing in, leasing,  
5 owning, or operating such generation facility through just and  
6 reasonable rates charged to those retail customers included in  
7 the plan's electric supply service requirements. Cost recovery  
8 for facilities included in the utility's procurement plan  
9 pursuant to this subsection shall not be subject to review  
10 under or in any way limited by the provisions of Section  
11 16-111(i) of this Act. Nothing in this Section is intended to  
12 prohibit a utility from filing for a fuel adjustment clause as  
13 is otherwise permitted under Section 9-220 of this Act.

14 (q) If the Illinois Power Agency filed with the  
15 Commission, under Section 16-111.5 of this Act, its proposed  
16 procurement plan for the period commencing June 1, 2017, and  
17 the Commission has not yet entered its final order approving  
18 the plan on or before the effective date of this amendatory Act  
19 of the 99th General Assembly, then the Illinois Power Agency  
20 shall file a notice of withdrawal with the Commission, after  
21 the effective date of this amendatory Act of the 99th General  
22 Assembly, to withdraw the proposed procurement of renewable  
23 energy resources to be approved under the plan, other than the  
24 procurement of renewable energy credits from distributed  
25 renewable energy generation devices using funds previously  
26 collected from electric utilities' retail customers that take

1 service pursuant to electric utilities' hourly pricing tariff  
2 or tariffs and, for an electric utility that serves less than  
3 100,000 retail customers in the State, other than the  
4 procurement of renewable energy credits from distributed  
5 renewable energy generation devices. Upon receipt of the  
6 notice, the Commission shall enter an order that approves the  
7 withdrawal of the proposed procurement of renewable energy  
8 resources from the plan. The initially proposed procurement of  
9 renewable energy resources shall not be approved or be the  
10 subject of any further hearing, investigation, proceeding, or  
11 order of any kind.

12 This amendatory Act of the 99th General Assembly preempts  
13 and supersedes any order entered by the Commission that  
14 approved the Illinois Power Agency's procurement plan for the  
15 period commencing June 1, 2017, to the extent it is  
16 inconsistent with the provisions of this amendatory Act of the  
17 99th General Assembly. To the extent any previously entered  
18 order approved the procurement of renewable energy resources,  
19 the portion of that order approving the procurement shall be  
20 void, other than the procurement of renewable energy credits  
21 from distributed renewable energy generation devices using  
22 funds previously collected from electric utilities' retail  
23 customers that take service under electric utilities' hourly  
24 pricing tariff or tariffs and, for an electric utility that  
25 serves less than 100,000 retail customers in the State, other  
26 than the procurement of renewable energy credits for



1 distributed renewable energy generation devices.

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

3 (220 ILCS 5/Art. XXIII heading new)

4 ARTICLE XXIII. OFFICE OF INTERCONNECTION AND RENEWABLE  
5 DEVELOPMENT

6 (220 ILCS 5/23-101 new)

7 Sec. 23-101. Findings and intent. The General Assembly  
8 finds and declares:

9 (1) The ability of the Commission and the Illinois  
10 Power Agency to ensure long-term benefits from community  
11 renewable generation projects and distributed renewable  
12 energy generation devices is limited. For Illinois  
13 consumers to continue to receive the substantial financial  
14 and environmental benefits of deployment of distributed  
15 renewable generation resources, including devices paired  
16 with energy storage, the Commission must gather additional  
17 data and proactively identify barriers.

18 (2) To date, as a result of the Future Energy Jobs Act  
19 and the Climate and Equitable Jobs Act, tens of thousands  
20 of Illinois retail customers of all sizes have experienced  
21 the benefits of new renewable generation.

22 (3) However, as renewable generation deployment  
23 increases, but remains short of the goals set by the  
24 Climate and Equitable Jobs Act, it is critical that the

1 Commission proactively identify and address barriers to  
2 achieving those goals.

3 (4) The Commission should promote the efficient  
4 deployment of distributed renewable generation resources.

5 (220 ILCS 5/23-105 new)

6 Sec. 23-105. Definitions. In this Article:

7 "Director" means the Director of the Office of  
8 Interconnection and Renewable Development.

9 "Distributed renewable energy resources" means a community  
10 renewable generation device or a distributed renewable energy  
11 generation device as those terms are defined in Section 1-10  
12 of the Illinois Power Agency Act. "Distributed renewable  
13 energy resource" includes storage paired with a community  
14 renewable generation device or a distributed renewable energy  
15 generation device.

16 "Energy storage system" has the meaning given to that term  
17 in Section 1-10 of the Illinois Power Agency Act.

18 "Office" means the Office of Interconnection and Renewable  
19 Development.

20 "Utility-scale solar project" and "utility-scale wind  
21 project" have the meanings given to those terms in Section  
22 1-10 of the Illinois Power Agency Act.

23 (220 ILCS 5/23-110 new)

24 Sec. 23-110. Office of Interconnection and Renewable

1 Development.

2 (a) Within 90 days after the effective date of this  
3 amendatory Act of the 103rd General Assembly, subject to  
4 appropriation, the Commission shall establish an Office of  
5 Interconnection and Renewable Development and employ a  
6 Director of Interconnection and Renewable Development to  
7 oversee the Office. The Director shall have authority to  
8 employ or otherwise retain at least 3 professionals dedicated  
9 to the task of actively seeking out ways to identify barriers  
10 to deployment of distributed renewable energy resources.

11 (b) The Office shall actively seek input from all  
12 interested parties and shall develop a thorough understanding  
13 and critical analyses of the tools and techniques used to  
14 promote development and remove barriers to development of the  
15 projects and devices. The Office shall take these steps for  
16 interconnections involving distributed renewable energy  
17 resources, energy storage systems, utility-scale wind  
18 projects, and utility-scale solar projects, including  
19 interconnections to a distribution system or a transmission  
20 system.

21 (c) The Office shall monitor interconnection between  
22 electric utilities and applicants for interconnection and  
23 interconnection customers. The Office shall request, and  
24 electric utilities shall promptly provide, information and  
25 records related to pending, successful, and terminated  
26 interconnections. The Office shall include at least one

1 employee with a background in engineering of distribution  
2 interconnections. The Office shall take these steps for  
3 interconnections involving distributed renewable energy  
4 resources, energy storage systems, utility-scale wind  
5 projects, and utility-scale solar projects, including  
6 interconnections to a distribution system or a transmission  
7 system.

8 (d) The Office shall employ an Ombudsperson who, in  
9 addition to the roles described in paragraph (2) of subsection  
10 (h-5) of Section 16-107.5, is responsible for oversight of all  
11 utility's compliance with the rules adopted under subsection  
12 (h) of Section 16-107.5 and any utility interconnection  
13 policies or procedures. The Ombudsperson may request, and each  
14 electric utility shall timely provide, records and information  
15 as the Ombudsperson may request from time to time to carry out  
16 his or her duties under this subsection or subsection (m) of  
17 Section 1-93 of the Illinois Power Agency Act. At any time, the  
18 Ombudsperson may issue a report to the Commission detailing  
19 any suspected violations of this Act or rules adopted by the  
20 Commission under this Act concerning interconnection processes  
21 or a particular interconnection.

22 (220 ILCS 5/23-115 new)

23 Sec. 23-115. Annual report. The Office shall collect and  
24 annually report to the Commission information about net  
25 metering under Section 16-107.5. The Office shall quantify the

1 totality of retail customer benefits from net metering,  
2 including an assessment of customer value from net metering  
3 and net metering offered under subsection (l) of Section  
4 16-107.5. The Office shall include information about  
5 distributed renewable energy resources outside of Illinois  
6 Power Agency programs and procurements identified in Sections  
7 1-56 and 1-75 of the Illinois Power Agency Act.

8 (220 ILCS 5/23-120 new)

9 Sec. 23-120. Interconnection Working Group.

10 (a) The Ombudsperson shall provide to the Commission with  
11 a biennial update on consensus and non-consensus items  
12 addressed in the Interconnection Working Group. The  
13 Ombudsperson shall provide recommendation for Commission  
14 actions and the proposed timing of the actions based on the  
15 findings of the Interconnection Working Group.

16 (b) In collaboration with the Ethics Officer of the  
17 Commission, the Office shall develop policies and procedures  
18 to facilitate employees of the Office in leading the  
19 Interconnection Working Group described in subsection (h-5) of  
20 Section 16-107.5 without interference with docketed  
21 proceedings. The policies and procedures developed under this  
22 subsection shall be designed to allow the Interconnection  
23 Working Group to work without interruption.

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.

1 INDEX

2 Statutes amended in order of appearance

- 3 20 ILCS 3855/1-5
- 4 20 ILCS 3855/1-10
- 5 20 ILCS 3855/1-20
- 6 20 ILCS 3855/1-75
- 7 20 ILCS 3855/1-93 new
- 8 20 ILCS 3855/1-94 new
- 9 220 ILCS 5/8-513 new
- 10 220 ILCS 5/16-107.5
- 11 220 ILCS 5/16-107.6
- 12 220 ILCS 5/16-107.9 new
- 13 220 ILCS 5/16-107.10 new
- 14 220 ILCS 5/16-107.11 new
- 15 220 ILCS 5/16-108
- 16 220 ILCS 5/16-111.5
- 17 220 ILCS 5/Art. XXIII
- 18 heading new
- 19 220 ILCS 5/23-101 new
- 20 220 ILCS 5/23-105 new
- 21 220 ILCS 5/23-110 new
- 22 220 ILCS 5/23-115 new
- 23 220 ILCS 5/23-120 new