

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Power Agency Act is amended by
5 changing Sections 1-10, 1-20, and 1-75 as follows:

6 (20 ILCS 3855/1-10)

7 Sec. 1-10. Definitions.

8 "Agency" means the Illinois Power Agency.

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

17 "Authority" means the Illinois Finance Authority.

18 "Brownfield site photovoltaic project" means photovoltaics
19 that are either:

20 (1) interconnected to an electric utility as defined
21 in this Section, a municipal utility as defined in this
22 Section, a public utility as defined in Section 3-105 of
23 the Public Utilities Act, or an electric cooperative as

1 defined in Section 3-119 of the Public Utilities Act and
2 located at a site that is regulated by any of the following
3 entities under the following programs:

4 (A) the United States Environmental Protection
5 Agency under the federal Comprehensive Environmental
6 Response, Compensation, and Liability Act of 1980, as
7 amended;

8 (B) the United States Environmental Protection
9 Agency under the Corrective Action Program of the
10 federal Resource Conservation and Recovery Act, as
11 amended;

12 (C) the Illinois Environmental Protection Agency
13 under the Illinois Site Remediation Program; or

14 (D) the Illinois Environmental Protection Agency
15 under the Illinois Solid Waste Program; or

16 (2) located at the site of a coal mine that has
17 permanently ceased coal production, permanently halted any
18 re-mining operations, and is no longer accepting any coal
19 combustion residues; has both completed all clean-up and
20 remediation obligations under the federal Surface Mining
21 and Reclamation Act of 1977 and all applicable Illinois
22 rules and any other clean-up, remediation, or ongoing
23 monitoring to safeguard the health and well-being of the
24 people of the State of Illinois, as well as demonstrated
25 compliance with all applicable federal and State
26 environmental rules and regulations, including, but not

1 limited, to 35 Ill. Adm. Code Part 845 and any rules for
2 historic fill of coal combustion residuals, including any
3 rules finalized in Subdocket A of Illinois Pollution
4 Control Board docket R2020-019.

5 "Clean coal facility" means an electric generating
6 facility that uses primarily coal as a feedstock and that
7 captures and sequesters carbon dioxide emissions at the
8 following levels: at least 50% of the total carbon dioxide
9 emissions that the facility would otherwise emit if, at the
10 time construction commences, the facility is scheduled to
11 commence operation before 2016, at least 70% of the total
12 carbon dioxide emissions that the facility would otherwise
13 emit if, at the time construction commences, the facility is
14 scheduled to commence operation during 2016 or 2017, and at
15 least 90% of the total carbon dioxide emissions that the
16 facility would otherwise emit if, at the time construction
17 commences, the facility is scheduled to commence operation
18 after 2017. The power block of the clean coal facility shall
19 not exceed allowable emission rates for sulfur dioxide,
20 nitrogen oxides, carbon monoxide, particulates and mercury for
21 a natural gas-fired combined-cycle facility the same size as
22 and in the same location as the clean coal facility at the time
23 the clean coal facility obtains an approved air permit. All
24 coal used by a clean coal facility shall have high volatile
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million Btu ~~btu~~ content, unless the clean coal facility does

1 not use gasification technology and was operating as a
2 conventional coal-fired electric generating facility on June
3 1, 2009 (the effective date of Public Act 95-1027).

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

20 "Clean coal SNG facility" means a facility that uses a
21 gasification process to produce substitute natural gas, that
22 sequesters at least 90% of the total carbon dioxide emissions
23 that the facility would otherwise emit, that uses at least 90%
24 coal as a feedstock, with all such coal having a high
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million Btu ~~btu~~ content, and that has a valid and effective

1 permit to construct emission sources and air pollution control
2 equipment and approval with respect to the federal regulations
3 for Prevention of Significant Deterioration of Air Quality
4 (PSD) for the plant pursuant to the federal Clean Air Act;
5 provided, however, a clean coal SNG brownfield facility shall
6 not be a clean coal SNG facility.

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

9 "Commission" means the Illinois Commerce Commission.

10 "Community renewable generation project" means an electric
11 generating facility that:

12 (1) is powered by wind, solar thermal energy,
13 photovoltaic cells or panels, biodiesel, crops and
14 untreated and unadulterated organic waste biomass, and
15 hydropower that does not involve new construction ~~or~~
16 ~~significant expansion of hydropower~~ dams;

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

24 (3) credits the value of electricity generated by the
25 facility to the subscribers of the facility; and

26 (4) is limited in nameplate capacity to less than or

1 equal to 5,000 kilowatts.

2 "Costs incurred in connection with the development and
3 construction of a facility" means:

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

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

11 (3) all origination, commitment, utilization,
12 facility, placement, underwriting, syndication, credit
13 enhancement, and rating agency fees;

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

20 (5) the costs of plans, specifications, site study and
21 investigation, installation, surveys, other Agency costs
22 and estimates of costs, and other expenses necessary or
23 incidental to determining the feasibility of any project,
24 together with such other expenses as may be necessary or
25 incidental to the financing, insuring, acquisition, and
26 construction of a specific project and starting up,

1 commissioning, and placing that project in operation.

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

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

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Director" means the Director of the Illinois Power
10 Agency.

11 "Demand-response" means measures that decrease peak
12 electricity demand or shift demand from peak to off-peak
13 periods.

14 "Distributed renewable energy generation device" means a
15 device that is:

16 (1) powered by wind, solar thermal energy,
17 photovoltaic cells or panels, biodiesel, crops and
18 untreated and unadulterated organic waste biomass, tree
19 waste, and hydropower that does not involve new
20 construction ~~or significant expansion of hydropower~~ dams,
21 waste heat to power systems, or qualified combined heat
22 and power systems;

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

1 electric cooperative as defined in Section 3-119 of the
2 Public Utilities Act;

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

6 (4) (blank).

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

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

18 "Equity investment eligible community" or "eligible
19 community" are synonymous and mean the geographic areas
20 throughout Illinois which would most benefit from equitable
21 investments by the State designed to combat discrimination.
22 Specifically, the eligible communities shall be defined as the
23 following areas:

24 (1) R3 Areas as established pursuant to Section 10-40
25 of the Cannabis Regulation and Tax Act, where residents
26 have historically been excluded from economic

1 opportunities, including opportunities in the energy
2 sector; and

3 (2) environmental ~~Environmental~~ justice communities,
4 as defined by the Illinois Power Agency pursuant to the
5 Illinois Power Agency Act, where residents have
6 historically been subject to disproportionate burdens of
7 pollution, including pollution from the energy sector.

8 "Equity eligible persons" or "eligible persons" means
9 persons who would most benefit from equitable investments by
10 the State designed to combat discrimination, specifically:

11 (1) persons who graduate from or are current or former
12 participants in the Clean Jobs Workforce Network Program,
13 the Clean Energy Contractor Incubator Program, the
14 Illinois Climate Works Preapprenticeship Program,
15 Returning Residents Clean Jobs Training Program, or the
16 Clean Energy Primes Contractor Accelerator Program, and
17 the solar training pipeline and multi-cultural jobs
18 program created in paragraphs (a) (1) and (a) (3) of Section
19 16-208.12 ~~16-108.21~~ of the Public Utilities Act;

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

22 (3) persons who were formerly incarcerated;

23 (4) persons whose primary residence is in an equity
24 investment eligible community.

25 "Equity eligible contractor" means a business that is
26 majority-owned by eligible persons, or a nonprofit or

1 cooperative that is majority-governed by eligible persons, or
2 is a natural person that is an eligible person offering
3 personal services as an independent contractor.

4 "Facility" means an electric generating unit or a
5 co-generating unit that produces electricity along with
6 related equipment necessary to connect the facility to an
7 electric transmission or distribution system.

8 "General contractor ~~Contractor~~" means the entity or
9 organization with main responsibility for the building of a
10 construction project and who is the party signing the prime
11 construction contract for the project.

12 "Governmental aggregator" means one or more units of local
13 government that individually or collectively procure
14 electricity to serve residential retail electrical loads
15 located within its or their jurisdiction.

16 "High voltage direct current converter station" means the
17 collection of equipment that converts direct current energy
18 from a high voltage direct current transmission line into
19 alternating current using Voltage Source Conversion technology
20 and that is interconnected with transmission or distribution
21 assets located in Illinois.

22 "High voltage direct current renewable energy credit"
23 means a renewable energy credit associated with a renewable
24 energy resource where the renewable energy resource has
25 entered into a contract to transmit the energy associated with
26 such renewable energy credit over high voltage direct current

1 transmission facilities.

2 "High voltage direct current transmission facilities"
3 means the collection of installed equipment that converts
4 alternating current energy in one location to direct current
5 and transmits that direct current energy to a high voltage
6 direct current converter station using Voltage Source
7 Conversion technology. "High voltage direct current
8 transmission facilities" includes the high voltage direct
9 current converter station itself and associated high voltage
10 direct current transmission lines. Notwithstanding the
11 preceding, after September 15, 2021 (the effective date of
12 Public Act 102-662) ~~this amendatory Act of the 102nd General~~
13 ~~Assembly~~, an otherwise qualifying collection of equipment does
14 not qualify as high voltage direct current transmission
15 facilities unless its developer entered into a project labor
16 agreement, is capable of transmitting electricity at 525kv
17 with an Illinois converter station located and interconnected
18 in the region of the PJM Interconnection, LLC, and the system
19 does not operate as a public utility, as that term is defined
20 in Section 3-105 of the Public Utilities Act.

21 "Hydropower" means any method of electricity generation or
22 storage that results from the flow of water, including
23 impoundment facilities, diversion facilities, and pumped
24 storage facilities.

25 "Index price" means the real-time energy settlement price
26 at the applicable Illinois trading hub, such as PJM-NIHUB or

1 MISO-IL, for a given settlement period.

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

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

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

15 "Modernized" or "retooled" means the construction, repair,
16 maintenance, or significant expansion of turbines and existing
17 hydropower dams.

18 "Municipality" means a city, village, or incorporated
19 town.

20 "Municipal utility" means a public utility owned and
21 operated by any subdivision or municipal corporation of this
22 State.

23 "Nameplate capacity" means the aggregate inverter
24 nameplate capacity in kilowatts AC.

25 "Person" means any natural person, firm, partnership,
26 corporation, either domestic or foreign, company, association,

1 limited liability company, joint stock company, or association
2 and includes any trustee, receiver, assignee, or personal
3 representative thereof.

4 "Project" means the planning, bidding, and construction of
5 a facility.

6 "Project labor agreement" means a pre-hire collective
7 bargaining agreement that covers all terms and conditions of
8 employment on a specific construction project and must include
9 the following:

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

12 (2) provisions establishing the benefits and other
13 compensation for each class of labor organization
14 employee;

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

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

20 (5) provisions for minorities and women, as defined
21 under the Business Enterprise for Minorities, Women, and
22 Persons with Disabilities Act, setting forth goals for
23 apprenticeship hours to be performed by minorities and
24 women and setting forth goals for total hours to be
25 performed by underrepresented minorities and women.

26 A labor organization and the general contractor building

1 the project shall have the authority to include other terms
2 and conditions as they deem necessary.

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

5 "Qualified combined heat and power systems" means systems
6 that, either simultaneously or sequentially, produce
7 electricity and useful thermal energy from a single fuel
8 source. Such systems are eligible for "renewable energy
9 credits" in an amount equal to its total energy output where a
10 renewable fuel is consumed or in an amount equal to the net
11 reduction in nonrenewable fuel consumed on a total energy
12 output basis.

13 "Real property" means any interest in land together with
14 all structures, fixtures, and improvements thereon, including
15 lands under water and riparian rights, any easements,
16 covenants, licenses, leases, rights-of-way, uses, and other
17 interests, together with any liens, judgments, mortgages, or
18 other claims or security interests related to real property.

19 "Renewable energy credit" means a tradable credit that
20 represents the environmental attributes of one megawatt hour
21 of energy produced from a renewable energy resource.

22 "Renewable energy resources" includes energy and its
23 associated renewable energy credit or renewable energy credits
24 from wind, solar thermal energy, photovoltaic cells and
25 panels, biodiesel, anaerobic digestion, crops and untreated
26 and unadulterated organic waste biomass, and hydropower that

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

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

24 "Revenue bond" means any bond, note, or other evidence of
25 indebtedness issued by the Authority, the principal and
26 interest of which is payable solely from revenues or income

1 derived from any project or activity of the Agency.

2 "Sequester" means permanent storage of carbon dioxide by
3 injecting it into a saline aquifer, a depleted gas reservoir,
4 or an oil reservoir, directly or through an enhanced oil
5 recovery process that may involve intermediate storage,
6 regardless of whether these activities are conducted by a
7 clean coal facility, a clean coal SNG facility, a clean coal
8 SNG brownfield facility, or a party with which a clean coal
9 facility, clean coal SNG facility, or clean coal SNG
10 brownfield facility has contracted for such purposes.

11 "Service area" has the same definition as found in Section
12 16-102 of the Public Utilities Act.

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

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

1 facility and the gas utility, which agreement shall have the
2 terms and conditions meeting the requirements of subsection
3 (h-1) of Section 9-220 of the Public Utilities Act.

4 "Strike price" means a contract price for energy and
5 renewable energy credits from a new utility-scale wind project
6 or a new utility-scale photovoltaic project.

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

17 "Subscription" means an interest in a community renewable
18 generation project expressed in kilowatts, which is sized
19 primarily to offset part or all of the subscriber's
20 electricity usage.

21 "Substitute natural gas" or "SNG" means a gas manufactured
22 by gasification of hydrocarbon feedstock, which is
23 substantially interchangeable in use and distribution with
24 conventional natural gas.

25 "Total resource cost test" or "TRC test" means a standard
26 that is met if, for an investment in energy efficiency or

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

1 TRC test shall not include or take into account a calculation
2 of market price suppression effects or demand reduction
3 induced price effects.

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

6 (1) generates electricity using photovoltaic cells;
7 and

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

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

12 (1) generates electricity using wind; and

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

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

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

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

25 (Source: P.A. 102-662, eff. 9-15-21; revised 6-2-22.)

1 (20 ILCS 3855/1-20)

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

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

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

1 standards specified in this Act.

2 (1.5) Develop a long-term renewable resources
3 procurement plan in accordance with subsection (c) of
4 Section 1-75 of this Act for renewable energy credits in
5 amounts sufficient to achieve the standards specified in
6 this Act for delivery years commencing June 1, 2017 and
7 for the programs and renewable energy credits specified in
8 Section 1-56 of this Act. Electricity procurement plans
9 for delivery years commencing after May 31, 2017, shall
10 not include procurement of renewable energy resources.

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

23 (2.5) Beginning with the procurement for the 2017
24 delivery year, conduct competitive procurement processes
25 and implement programs to procure renewable energy credits
26 identified in the long-term renewable resources

1 procurement plan developed and approved under subsection
2 (c) of Section 1-75 of this Act and Section 16-111.5 of the
3 Public Utilities Act.

4 (2.10) Oversee the procurement by electric utilities
5 that served more than 300,000 customers in this State as
6 of January 1, 2019 of renewable energy credits from new
7 renewable energy facilities to be installed, along with
8 energy storage facilities, at or adjacent to the sites of
9 electric generating facilities that burned coal as their
10 primary fuel source as of January 1, 2016 in accordance
11 with subsection (c-5) of Section 1-75 of this Act.

12 (2.15) Oversee the procurement by electric utilities
13 of renewable energy credits from newly modernized or
14 retooled hydropower dams or dams that have been converted
15 to support hydropower generation.

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

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

24 (b) Except as otherwise limited by this Act, the Agency
25 has all of the powers necessary or convenient to carry out the
26 purposes and provisions of this Act, including without

1 limitation, each of the following:

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

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

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

9 (4) To obtain and employ personnel and hire
10 consultants that are necessary to fulfill the Agency's
11 purposes, and to make expenditures for that purpose within
12 the appropriations for that purpose.

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

18 (6) To acquire real or personal property, whether
19 tangible or intangible, including without limitation
20 property rights, interests in property, franchises,
21 obligations, contracts, and debt and equity securities,
22 and to do so by the exercise of the power of eminent domain
23 in accordance with Section 1-21; except that any real
24 property acquired by the exercise of the power of eminent
25 domain must be located within the State.

26 (7) To sell, convey, lease, exchange, transfer,

1 abandon, or otherwise dispose of, or mortgage, pledge, or
2 create a security interest in, any of its assets,
3 properties, or any interest therein, wherever situated.

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

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

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

26 (11) To borrow money at such rate or rates of interest

1 as the Agency may determine, issue its notes, bonds, or
2 other obligations to evidence that indebtedness, and
3 secure any of its obligations by mortgage or pledge of its
4 real or personal property, machinery, equipment,
5 structures, fixtures, inventories, revenues, grants, and
6 other funds as provided or any interest therein, wherever
7 situated.

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

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

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

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

26 (16) To enter into management agreements for the

1 operation of any of the property or facilities owned by
2 the Agency.

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

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

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

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

20 (21) To accept and expend appropriations.

21 (22) To engage in any activity or operation that is
22 incidental to and in furtherance of efficient operation to
23 accomplish the Agency's purposes, including hiring
24 employees that the Director deems essential for the
25 operations of the Agency.

26 (23) To adopt, revise, amend, and repeal rules with

1 respect to its operations, properties, and facilities as
2 may be necessary or convenient to carry out the purposes
3 of this Act, subject to the provisions of the Illinois
4 Administrative Procedure Act and Sections 1-22 and 1-35 of
5 this Act.

6 (24) To establish and collect charges and fees as
7 described in this Act.

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

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

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

23 (28) To ensure Illinois residents and business benefit
24 from programs administered by the Agency and are properly
25 protected from any deceptive or misleading marketing
26 practices by participants in the Agency's programs and

1 procurements.

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

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

11 (20 ILCS 3855/1-75)

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

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

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

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

1 resources procurement plan in accordance with subsection (c)
2 of this Section and Section 16-111.5 of the Public Utilities
3 Act.

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

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

19 (A) direct previous experience assembling
20 large-scale power supply plans or portfolios for
21 end-use customers;

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

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

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

5 (E) expertise in credit protocols and familiarity
6 with contract protocols;

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

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

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

18 (A) direct previous experience administering a
19 large-scale competitive procurement process;

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

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

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

1 organizations;

2 (E) expertise in credit and contract protocols;

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

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

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

23 (A) failure to satisfy qualification criteria;

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

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

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

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

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

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

1 Commission approval.

2 (b) The experts or expert consulting firms retained by the
3 Agency shall, as appropriate, prepare procurement plans, and
4 conduct a competitive procurement process as prescribed in
5 Section 16-111.5 of the Public Utilities Act, to ensure
6 adequate, 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, for
9 eligible retail customers of electric utilities that on
10 December 31, 2005 provided electric service to at least
11 100,000 customers in the State of Illinois, and for eligible
12 Illinois retail customers of small multi-jurisdictional
13 electric utilities that (i) on December 31, 2005 served less
14 than 100,000 customers in Illinois and (ii) request a
15 procurement plan for their Illinois jurisdictional load.

16 (c) Renewable portfolio standard.

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

1 conjunction with the procurement plan under Section
2 16-111.5 of the Public Utilities Act to the extent
3 practicable to minimize administrative expense. No later
4 than 120 days after the effective date of this amendatory
5 Act of the 103rd ~~102nd~~ General Assembly, the Agency shall
6 release for comment a revision to the long-term renewable
7 resources procurement plan, updating elements of the most
8 recently approved plan as needed to comply with this
9 amendatory Act of the 103rd ~~102nd~~ General Assembly, and
10 any long-term renewable resources procurement plan update
11 published by the Agency but not yet approved by the
12 Illinois Commerce Commission shall be withdrawn. The
13 long-term renewable resources procurement plans shall be
14 subject to review and approval by the Commission under
15 Section 16-111.5 of the Public Utilities Act.

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

1 determine the annual increase between delivery year 2030
2 and delivery year 2040, if any, taking into account energy
3 demand, other energy resources, and other public policy
4 goals. In the event of a conflict between these goals and
5 the new wind, ~~and~~ new photovoltaic, and hydropower
6 procurement requirements described in items (i) through
7 (iii) of subparagraph (C) of this paragraph (1), the
8 long-term plan shall prioritize compliance with the new
9 wind, ~~and~~ new photovoltaic, and hydropower procurement
10 requirements described in items (i) through (iii) of
11 subparagraph (C) of this paragraph (1) over the annual
12 percentage targets described in this subparagraph (B). The
13 Agency shall not comply with the annual percentage targets
14 described in this subparagraph (B) by procuring renewable
15 energy credits that are unlikely to lead to the
16 development of new renewable resources or new, modernized,
17 or retooled hydropower facilities.

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

1 eligible retail customers on February 28, 2017.

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

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

1 policy goals.

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

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

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

1 least 50% from solar photovoltaic projects using the
2 program outlined in subparagraph (K) of this paragraph
3 (1) from distributed renewable energy generation
4 devices or community renewable generation projects; at
5 least 47% from utility-scale solar projects; at least
6 3% from brownfield site photovoltaic projects that are
7 not community renewable generation projects.

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

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

7 (iii) For purposes of this Section:

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

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

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

1 contracts described in this subparagraph (C) for
2 delivery year 2021 and thereafter.

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

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

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

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

5 Notwithstanding the requirements of this subsection
6 (c), the total of renewable energy resources procured
7 under the procurement plan for any single year shall be
8 subject to the limitations of this subparagraph (E). Such
9 procurement shall be reduced for all retail customers
10 based on the amount necessary to limit the annual
11 estimated average net increase due to the costs of these
12 resources included in the amounts paid by eligible retail
13 customers in connection with electric service to no more
14 than 4.25% of the amount paid per kilowatthour by those
15 customers during the year ending May 31, 2009. To arrive
16 at a maximum dollar amount of renewable energy resources
17 to be procured for the particular delivery year, the
18 resulting per kilowatthour amount shall be applied to the
19 actual amount of kilowatthours of electricity delivered,
20 or applicable portion of such amount as specified in
21 paragraph (1) of this subsection (c), as applicable, by
22 the electric utility in the delivery year immediately
23 prior to the procurement to all retail customers in its
24 service territory. The calculations required by this
25 subparagraph (E) shall be made only once for each delivery
26 year at the time that the renewable energy resources are

1 procured. Once the determination as to the amount of
2 renewable energy resources to procure is made based on the
3 calculations set forth in this subparagraph (E) and the
4 contracts procuring those amounts are executed, no
5 subsequent rate impact determinations shall be made and no
6 adjustments to those contract amounts shall be allowed.
7 All costs incurred under such contracts shall be fully
8 recoverable by the electric utility as provided in this
9 Section.

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).

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
26 megawatthour of energy produced from the facility.

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

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

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

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

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

25 For each delivery year, the total amount of
26 renewable energy credits supplied by all alternative

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

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

1 delivery year thereafter to 25% by the delivery year
2 beginning June 1, 2025, and thereafter the 25% value
3 shall apply to each delivery year.

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

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

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

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

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

1 subsection (c). The long-term plan shall provide that
2 these renewable energy credits shall be procured in the
3 next procurement event.

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

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

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

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

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

18 The Adjustable Block program shall include the
19 following categories in at least the following amounts:

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

23 (ii) At least 20% from distributed renewable
24 energy generation devices with a nameplate capacity of
25 more than 25 kilowatts and no more than 5,000
26 kilowatts. The Agency may create sub-categories within

1 this category to account for the differences between
2 projects for small commercial customers, large
3 commercial customers, and public or non-profit
4 customers.

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

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

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

25 (3) projects shall not be colocated with one
26 or more other community renewable generation

1 projects, as defined in the Agency's first revised
2 long-term renewable resources procurement plan
3 approved by the Commission on February 18, 2020,
4 such that the aggregate nameplate capacity exceeds
5 5,000 kilowatts; and

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

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

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

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

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

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

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

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

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

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

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

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

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

23 Selection criteria may also prioritize projects
24 that:

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

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

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

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

12 (4) are not greenfield projects;

13 (5) serve only local subscribers;

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

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

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

24 For the purposes of this item (v):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of project types.

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

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

12 (i) (Blank).

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

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

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

1 utility.

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

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

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

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

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

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

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

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

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

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

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

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

26 The Agency and its consultant or consultants shall

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

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

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

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

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

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

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

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

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

26 (vi) The Agency shall schedule regular meetings

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

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

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

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

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

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

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

26 The owners of and any subscribers to a community

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

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

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

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

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

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

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

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

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

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

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

10 (iii) all new brownfield photovoltaic
11 projects;

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

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

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

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

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

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

12 (ix) all new, modernized, or retooled
13 hydropower facilities.

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

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

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

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

14 (1) For the purposes of this subparagraph:

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

24 "Retail customer" has the meaning set forth in
25 Section 16-102 of the Public Utilities Act and
26 multiple retail customer accounts under the same

1 corporate parent may aggregate their account demands
2 to meet the 10,000 kilowatt threshold. The criteria
3 for determining whether this subparagraph is
4 applicable to a retail customer shall be based on the
5 12 consecutive billing periods prior to the start of
6 the year in which the application is filed.

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

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

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

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

1 agreement, a virtual power purchase agreement, an
2 agreement between the renewable generating
3 facility, an alternative retail electric supplier,
4 and the customer, or such other structure as is
5 permissible under this subparagraph (R);

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

11 (v) be retired by or on behalf of the large
12 energy customer;

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

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

23 (3) The self-direct renewable portfolio standard
24 compliance program shall be designed to allow eligible
25 self-direct customers to procure new renewable energy
26 credits from new utility-scale wind projects or new

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

1 its long-term renewable resources procurement plan to
2 be eligible for participation in this program.
3 Customers must provide the Agency with their most
4 recent electricity billing statements or other
5 information deemed necessary by the Agency to
6 demonstrate they are an eligible self-direct customer.

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

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

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

1 (i) the customer's certification that, at the
2 time of the customer's application, the customer
3 qualifies to be a self-direct eligible customer,
4 including documents demonstrating that
5 qualification;

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

12 (iii) certification that the contract or
13 contracts for new renewable energy resources are
14 long-term contracts with term lengths of at least
15 10 years, including supporting documentation;

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

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

25 (vi) certification that the customer intends
26 to maintain the contract for the duration of the

1 length of the contract.

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

16 (2) (Blank).

17 (3) (Blank).

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

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

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

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

1 adjustment clause tariff in accordance with subsection (k)
2 of Section 16-108 of the Public Utilities Act.

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

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

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

25 (1) In addition to the procurement of renewable energy
26 credits pursuant to long-term renewable resources

1 procurement plans in accordance with subsection (c) of
2 this Section and Section 16-111.5 of the Public Utilities
3 Act, the Agency shall conduct procurement events in
4 accordance with this subsection (c-5) for the procurement
5 by electric utilities that served more than 300,000 retail
6 customers in this State as of January 1, 2019 of renewable
7 energy credits from new renewable energy facilities to be
8 installed at or adjacent to the sites of electric
9 generating facilities that, as of January 1, 2016, burned
10 coal as their primary fuel source and meet the other
11 criteria specified in this subsection (c-5). For purposes
12 of this subsection (c-5), "new renewable energy facility"
13 means a new utility-scale solar project as defined in this
14 Section 1-75. The renewable energy credits procured
15 pursuant to this subsection (c-5) may be included or
16 counted for purposes of compliance with the amounts of
17 renewable energy credits required to be procured pursuant
18 to subsection (c) of this Section to the extent that there
19 are otherwise shortfalls in compliance with such
20 requirements. The procurement of renewable energy credits
21 by electric utilities pursuant to this subsection (c-5)
22 shall be funded solely by revenues collected from the Coal
23 to Solar and Energy Storage Initiative Charge provided for
24 in this subsection (c-5) and subsection (i-5) of Section
25 16-108 of the Public Utilities Act, shall not be funded by
26 revenues collected through any of the other funding

1 mechanisms provided for in subsection (c) of this Section,
2 and shall not be subject to the limitation imposed by
3 subsection (c) on charges to retail customers for costs to
4 procure renewable energy resources pursuant to subsection
5 (c), and shall not be subject to any other requirements or
6 limitations of subsection (c).

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

1 scheduled date for the procurement event, during which
2 applicants may submit applications to be selected as
3 suppliers of renewable energy credits pursuant to this
4 subsection (c-5). The eligibility criteria for selection
5 as a supplier of renewable energy credits pursuant to this
6 subsection (c-5) shall be as follows:

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

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

26 (C) If participating in the first procurement

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

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

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

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

1 requirements of this subparagraph (F) have been met.

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

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

1 interconnected to the PJM Interconnection, LLC
2 transmission grid and had a generating capacity of at
3 least 1,200 megawatts as of January 1, 2021, in which
4 case the applicable duration of the contract shall be
5 15 years.

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

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

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

1 these purposes.

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

1 of subsection (c) of Section 1-75.

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

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

1 new renewable energy facilities to be constructed meet the
2 selection criteria set forth in this subsection (c-5) and
3 that the Agency seeks approval for contracts of applicable
4 durations aggregating to no more than the maximum amount
5 of renewable energy credits per year authorized by this
6 subsection (c-5) for the procurement event, at a price of
7 \$30 per renewable energy credit.

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

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

25 (9) Coal to Solar and Energy Storage Initiative
26 Charge.

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

1 Initiative Charge on each kilowatthour of electricity
2 delivered to its delivery services customers within
3 its service territory and shall provide for an annual
4 reconciliation of revenues collected with actual
5 costs, in accordance with subsection (i-5) of Section
6 16-108 of the Public Utilities Act.

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

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

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

1 administered by the Department to provide grants to
2 support the installation and operation of energy
3 storage facilities at the sites of qualifying electric
4 generating facilities meeting the criteria specified
5 in this paragraph (10).

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

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

1 criteria for receipt of a grant pursuant to this
2 subparagraph (C) are as follows:

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

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

9 (3) if the electric generating facility is
10 retired, it was retired subsequent to January 1,
11 2016;

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

20 (5) the electric generating facility located
21 at the site was at one time owned, in whole or in
22 part, by a public utility as defined in Section
23 3-105 of the Public Utilities Act;

24 (6) the electric generating facility at the
25 site is not owned by (i) an electric cooperative
26 as defined in Section 3-119 of the Public

1 Utilities Act, or (ii) an entity described in
2 subsection (b)(1) of Section 3-105 of the Public
3 Utilities Act, or an association or consortium of
4 or an entity owned by entities described in items
5 (i) or (ii);

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

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

18 (9) the owner agrees that the new energy
19 storage facility will be constructed or installed
20 by a qualified entity or entities consistent with
21 the requirements of subsection (g) of Section
22 16-128A of the Public Utilities Act and any rules
23 adopted under that Section;

24 (10) the owner agrees that personnel operating
25 the energy storage facility will have the
26 requisite skills, knowledge, training, experience,

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

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

25 (12) the owner commits that if selected to
26 receive a grant, it will negotiate a project labor

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

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

22 (D) Grants of funding for energy storage
23 facilities pursuant to subparagraph (C) of this
24 paragraph (10), from the Coal to Solar and Energy
25 Storage Initiative Fund, shall be memorialized in
26 grant contracts between the Department and the

1 recipient. The grant contracts shall specify the date
2 or dates in each year on which the annual grant
3 payments shall be paid.

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

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

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

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

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

1 production and availability from suppliers in the
2 United States, such as solar panels and storage
3 batteries, and material and services that are subject
4 to critical energy infrastructure or cybersecurity
5 requirements or restrictions. The plan may provide
6 that the diversity composition goals may be met
7 through Tier 1 Direct or Tier 2 subcontracting
8 expenditures or a combination thereof for the project.

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

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

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

1 Utilities Act.

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

22 (1) Minimum equity standards. The Agency shall create
23 programs with the purpose of increasing access to and
24 development of equity eligible contractors, who are prime
25 contractors and subcontractors, across all of the programs
26 it manages. All applications for renewable energy credit

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

1 equity eligible contractors, clean energy industry
2 representatives, and community-based organizations that
3 work with such persons and contractors.

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

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

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

26 (D) The Agency shall prohibit participation in

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

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

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

22 (3) Equity accountability system within competitive
23 procurements. Through its long-term renewable resources
24 procurement plan, the Agency shall develop requirements
25 for ensuring that competitive procurement processes,
26 including utility-scale solar, utility-scale wind, and

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

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

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

1 (B) A mechanism for measuring, tracking, and
2 reporting project workforce at the approved vendor or
3 designee level, as applicable, which shall include a
4 measurement methodology and records to be made
5 available for audit by the Agency or the Program
6 Administrator.

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

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

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

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

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

1 requirements. Such reporting shall include proof of
2 certification of each equity eligible contractor or equity
3 eligible person during the applicable time period.

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

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

1 also establish distinct equity accountability systems for
2 different types of procurements or different regions of
3 the State if the Agency finds that doing so will further
4 the purposes of such programs. Revisions shall be
5 developed with stakeholder input, including from equity
6 eligible persons, equity eligible contractors, and
7 community-based organizations that work with such persons
8 and contractors.

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

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

18 (2) Racial disparity and discrimination review
19 process.

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

1 contractors by race and ethnicity. The report shall be
2 forwarded to the Governor, the General Assembly, and
3 the Illinois Commerce Commission and be made available
4 to the public.

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

1 remedial actions as consistent with State and federal
2 law, to effectively remedy this discrimination. Such
3 remedies may include modification of the equity
4 accountability system as described in subsection
5 (c-10).

6 (c-20) Program data collection.

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

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

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

26 (A) demographic information, including racial or

1 ethnic identity for real persons employed, contracted,
2 or subcontracted through the program and owners of
3 businesses or entities that apply to receive renewable
4 energy credits from the Agency;

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

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

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

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

21 (c-25) Energy Workforce Equity Database.

22 (1) The Agency, in consultation with the Department of
23 Commerce and Economic Opportunity, shall create an Energy
24 Workforce Equity Database, and may contract with a third
25 party to do so ("database program administrator"). If the
26 Department decides to contract with a third party, that

1 third party shall be exempt from the requirements of
2 Section 20-10 of the Illinois Procurement Code. The Energy
3 Workforce Equity Database shall be a searchable database
4 of suppliers, vendors, and subcontractors for clean energy
5 industries that is:

6 (A) publicly accessible;

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

8 (C) organized by company specialty or field;

9 (D) region-specific; and

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

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

19 (A) a map of environmental justice and equity
20 investment eligible communities;

21 (B) job postings and recruiting opportunities;

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

26 (D) information on workforce training service

1 providers and training opportunities available to
2 prospective workers;

3 (E) renewable energy company diversity reporting;

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

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

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

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

24 (c-30) Enforcement of minimum equity standards. All
25 entities seeking renewable energy credits must submit an
26 annual report to demonstrate compliance with each of the

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

13 (d) Clean coal portfolio standard.

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

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

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

16 Utilities shall maintain adequate records documenting
17 the purchases under the sourcing agreement to comply with
18 this subsection (d) and shall file an accounting with the
19 load forecast that must be filed with the Agency by July 15
20 of each year, in accordance with subsection (d) of Section
21 16-111.5 of the Public Utilities Act.

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

26 (2) For purposes of this subsection (d), the required

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

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

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

25 (B) in 2011, the greater of an additional 0.5% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2010 or 1% of the amount
2 paid per kilowatthour by those customers during the
3 year ending May 31, 2009;

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

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

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

1 No later than June 30, 2015, the Commission shall
2 review the limitation on the total amount paid under
3 sourcing agreements, if any, with clean coal facilities
4 pursuant to this subsection (d) and report to the General
5 Assembly its findings as to whether that limitation unduly
6 constrains the amount of electricity generated by
7 cost-effective clean coal facilities that is covered by
8 sourcing agreements.

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

1 associated with the initial clean coal facility during the
2 term of such a sourcing agreement. A utility's sourcing
3 agreement for electricity produced by the initial clean
4 coal facility shall include:

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

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

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

1 pursuant to paragraph (3) of this subsection (d)
2 or item (5) of subsection (d) of Section 16-115 of
3 the Public Utilities Act, whether generated from
4 the synthesis gas derived from coal, from SNG, or
5 from natural gas, shall be credited against the
6 revenue requirement for this initial clean coal
7 facility;

8 (B) power purchase provisions, which shall:

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

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

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

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

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

14 (C) contract for differences provisions, which
15 shall:

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

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

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

1 facility busbar, multiplied by (2) the quantity of
2 electricity determined pursuant to the preceding
3 clause (i); and

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

7 (D) general provisions, which shall:

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

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

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

25 (iv) permit the Illinois Power Agency to
26 assume ownership of the initial clean coal

1 facility, without monetary consideration and
2 otherwise on reasonable terms acceptable to the
3 Agency, if the Agency so requests no less than 3
4 years prior to the end of the stated contract
5 term;

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

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

1 reduce the allowable return on equity for the
2 facility if the facility willfully fails to comply
3 with the carbon capture and sequestration
4 requirements set forth in this item (v);

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

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

25 (viii) limit the utility's obligation to such
26 amount as the utility is allowed to recover

1 through tariffs filed with the Commission,
2 provided that neither the clean coal facility nor
3 the utility waives any right to assert federal
4 pre-emption or any other argument in response to a
5 purported disallowance of recovery costs;

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

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

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

25 (xii) provide that any changes to the terms of
26 the contract, insofar as such changes relate to

1 the power purchase provisions, are subject to
2 review under the public interest standard applied
3 by the Federal Energy Regulatory Commission
4 pursuant to Sections 205 and 206 of the Federal
5 Power Act; and

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

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

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

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

23 (iii) General Assembly approval. The proposed
24 sourcing agreements shall not take effect unless,
25 based on the facility cost report and the Commission's
26 report, the General Assembly enacts authorizing

1 legislation approving (A) the projected price, stated
2 in cents per kilowatthour, to be charged for
3 electricity generated by the initial clean coal
4 facility, (B) the projected impact on residential and
5 small business customers' bills over the life of the
6 sourcing agreements, and (C) the maximum allowable
7 return on equity for the project; and

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

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

1 facility. The facility cost report shall include:

2 (i) an estimate of the capital cost of the
3 core plant based on one or more front end
4 engineering and design studies for the
5 gasification island and related facilities. The
6 core plant shall include all civil, structural,
7 mechanical, electrical, control, and safety
8 systems.

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

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

1 (B) The front end engineering and design study for
2 the gasification island and the cost study for the
3 balance of plant shall include sufficient design work
4 to permit quantification of major categories of
5 materials, commodities and labor hours, and receipt of
6 quotes from vendors of major equipment required to
7 construct and operate the clean coal facility.

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

24 The operating and maintenance cost quote
25 (including the cost of the front end engineering and
26 design study) shall be expressed in nominal dollars as

1 of the date that the quote is prepared and shall
2 include taxes, insurance, and other owner's costs, and
3 an assumed escalation in materials and labor beyond
4 the date as of which the operating and maintenance
5 cost quote is expressed.

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

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

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

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

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

1 (d-5) Zero emission standard.

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

1 then the quantity of zero emission credits to be procured
2 under the contracts shall be the amount of zero emission
3 credits that are generated from the portion of the zero
4 emission facility that is owned by the winning supplier.

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

9 The procurement process shall be subject to the
10 following provisions:

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

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

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

24 (iii) the annual zero emission facility cost
25 projections, expressed on a per megawatthour
26 basis, over the next 6 delivery years, which shall

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

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

20 The information described in item (iii) of this
21 subparagraph (A) may be submitted on a confidential
22 basis and shall be treated and maintained by the
23 Agency, the procurement administrator, and the
24 Commission as confidential and proprietary and exempt
25 from disclosure under subparagraphs (a) and (g) of
26 paragraph (1) of Section 7 of the Freedom of

1 Information Act. The Office of Attorney General shall
2 have access to, and maintain the confidentiality of,
3 such information pursuant to Section 6.5 of the
4 Attorney General Act.

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

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

1 adjusted for inflation for each year of the
2 program. Beginning with the delivery year
3 commencing June 1, 2023, the price per
4 megawatthour shall increase by \$1 per
5 megawatthour, and continue to increase by an
6 additional \$1 per megawatthour each delivery year
7 thereafter.

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

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

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

16 (bb) Projected capacity prices:

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

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

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

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

1 "Rest of the RTO" and "ComEd Zone" shall have
2 the meaning ascribed to them by PJM
3 Interconnection, LLC.

4 "RTO" means regional transmission
5 organization.

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

1 the public interest criteria are applied to the
2 procurement and given full effect.

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

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

23 If the Commission determines that the plan will
24 result in the procurement of cost-effective zero
25 emission credits, then the Commission shall, after
26 notice and hearing, but no later than 45 days after the

1 Agency filed the plan, approve the plan or approve
2 with modification. For purposes of this subsection
3 (d-5), "cost effective" means the projected costs of
4 procuring zero emission credits from zero emission
5 facilities do not cause the limit stated in paragraph
6 (2) of this subsection to be exceeded.

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

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

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

1 facilities;

2 (iii) quantify the environmental benefit of
3 preserving the resources identified in item (ii)
4 of this subparagraph (C-5), including the
5 following:

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

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

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

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

13 Each utility shall enter into binding contractual
14 arrangements with the winning suppliers.

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

1 Utilities Act, to the extent practicable.
2 Notwithstanding whether a procurement event is
3 conducted under Section 16-111.5 of the Public
4 Utilities Act, the Agency shall immediately initiate a
5 procurement process on June 1, 2017 (the effective
6 date of Public Act 99-906).

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

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

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

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

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

1 apply to any generally applicable tax, special
2 assessment or fee, or requirements imposed by
3 federal law.

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

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

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

24 (2) For purposes of this subsection (d-5), the amount
25 paid per kilowatthour means the total amount paid for
26 electric service expressed on a per kilowatthour basis.

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

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

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

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

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

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

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

1 as follows:

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

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

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

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

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

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

1 under subsection (m) of Section 16-108 of the Public
2 Utilities Act.

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

5 (d-10) Nuclear Plant Assistance; carbon mitigation
6 credits.

7 (1) The General Assembly finds:

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

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

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

1 generation fleet.

2 (D) The clean energy attributes of nuclear generation
3 facilities support the State in its efforts to achieve
4 100% clean energy.

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

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

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

23 (H) The procurement of carbon mitigation credits
24 representing the environmental benefits of carbon-free
25 generation will further the State's efforts at achieving
26 100% clean energy and decarbonizing the electricity sector

1 in a safe, reliable, and affordable manner. Further, the
2 procurement of carbon emission credits will enhance the
3 health and welfare of Illinois residents through decreased
4 reliance on more highly polluting generation.

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

11 (2) As used in this subsection:

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

26 "Carbon mitigation credit" means a tradable credit that

1 represents the carbon emission reduction attributes of one
2 megawatt-hour of energy produced from a carbon-free energy
3 resource.

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

7 (3) Procurement.

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

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

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

26 (ii) the amount of power generated annually for

1 each of the past 10 years, which shall be used to
2 determine the capability of each facility;

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

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

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

1 any other costs necessary for continued
2 operations, provided that "necessary" means, for
3 purposes of this subitem (I), that the costs could
4 reasonably be avoided only by ceasing operations
5 of the carbon-free energy resource; and

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

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

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

1 and be subject to, the following terms, requirements, and
2 limitations:

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

11 (ii) Contracts for carbon mitigation credits shall
12 commence with the delivery year beginning on June 1,
13 2022 and shall be for a term of 5 delivery years
14 concluding on May 31, 2027.

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

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

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

26 (bb) the projected energy price for the

1 PJM Interconnection, LLC Northern Illinois Hub
2 for the applicable delivery year determined
3 according to subitem (aa) of item (iii) of
4 subparagraph (B) of paragraph (1) of
5 subsection (d-5).

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

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

26 If the price-per-megawatt-hour calculation

1 performed under item (iii) of this subparagraph (C)
2 for a given delivery year results in a net positive
3 value, then the electric utility counterparty to the
4 contract shall multiply such net value by the
5 applicable contract quantity and remit the amount to
6 the supplier.

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

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

26 The baseline costs for the applicable year shall

1 be the following:

2 (I) For the delivery year beginning June 1,
3 2022, the baseline costs shall be an amount equal
4 to \$30.30 per megawatt-hour.

5 (II) For the delivery year beginning June 1,
6 2023, the baseline costs shall be an amount equal
7 to \$32.50 per megawatt-hour.

8 (III) For the delivery year beginning June 1,
9 2024, the baseline costs shall be an amount equal
10 to \$33.43 per megawatt-hour.

11 (IV) For the delivery year beginning June 1,
12 2025, the baseline costs shall be an amount equal
13 to \$33.50 per megawatt-hour.

14 (V) For the delivery year beginning June 1,
15 2026, the baseline costs shall be an amount equal
16 to \$34.50 per megawatt-hour.

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

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

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

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

1 procurement plan with the Commission.

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

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

22 (ii) specifically address how the selection of
23 carbon-free energy resources takes into account the
24 incremental environmental benefits resulting from the
25 procurement, including any existing environmental
26 benefits that are preserved by the procurements held

1 under this amendatory Act of the 102nd General
2 Assembly and would have ceased to exist if the
3 procurements had not been held, such as the
4 preservation of carbon-free energy resources;

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

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

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

25 (F) The procurements described in this paragraph (3),
26 including, but not limited to, the execution of all

1 contracts procured, shall be completed no later than
2 December 3, 2021. The procurement and plan approval
3 processes required by this paragraph (3) shall be
4 conducted in conjunction with the procurement and plan
5 approval processes required by Section 16-111.5 of the
6 Public Utilities Act, to the extent practicable. However,
7 the Agency and Commission may, as appropriate, modify the
8 various dates and timelines under this subparagraph and
9 subparagraphs (D) and (E) of this paragraph (3) to meet
10 the December 3, 2021 contract execution deadline.
11 Following the completion of such procurements, and
12 consistent with this paragraph (3), the Agency shall
13 calculate the payments to be made under each contract in a
14 timely fashion.

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

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

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

1 subsequent owner.

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

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

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

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

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

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

1 standard. After such use, the credit must be retired together
2 with any other credits issued for the same megawatt hour of
3 energy.

4 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;
5 102-662, eff. 9-15-21.)

6 Section 10. The Public Utilities Act is amended by
7 changing Section 8-512 as follows:

8 (220 ILCS 5/8-512)

9 Sec. 8-512. Renewable energy access plan.

10 (a) It is the policy of this State to promote
11 cost-effective transmission system development that ensures
12 reliability of the electric transmission system, lowers carbon
13 emissions, minimizes long-term costs for consumers, and
14 supports the electric policy goals of this State. The General
15 Assembly finds that:

16 (1) Transmission planning, primarily for reliability
17 purposes, but also for economic and public policy reasons
18 is conducted by regional transmission organizations in
19 which transmission-owning Illinois utilities and other
20 stakeholders are members.

21 (2) Order No. 1000 of the Federal Energy Regulatory
22 Commission requires regional transmission organizations to
23 plan for transmission system needs in light of State
24 public policies and to accept input from states during the

1 transmission system planning processes.

2 (3) The State of Illinois does not currently have a
3 comprehensive power and environmental policy planning
4 process to identify transmission infrastructure needs that
5 can serve as a vital input into the regional and
6 interregional transmission organization planning
7 processes conducted under Order No. 1000 and other laws
8 and regulations.

9 (4) This State is an electricity generation and power
10 transmission hub, and can leverage that position to invest
11 in infrastructure that enables new and existing Illinois
12 generators to meet the public policy goals of the State of
13 Illinois and of interconnected states while
14 cost-effectively supporting tens of thousands of jobs in
15 the renewable energy sector in this State.

16 (5) The nation has a need to readily access this
17 State's low-cost, clean electric power, and this State
18 also desires access to clean energy resources in other
19 states to develop and support its low-carbon economy and
20 keep electricity prices low in Illinois and interconnected
21 States.

22 (6) Existing transmission infrastructure may constrain
23 the State's achievement of 100% renewable energy by 2050,
24 the accelerated adoption of electric vehicles in a just
25 and equitable way, and electrification of additional
26 sectors of the Illinois economy.

1 (7) Transmission system congestion within this State
2 and the regional transmission organizations serving this
3 State limits the ability of this State's existing and new
4 electric generation facilities that do not emit carbon
5 dioxide, including renewable energy resources and zero
6 emission facilities, to serve the public policy goals of
7 this State and other states, which constrains investment
8 in this State.

9 (8) Investment in infrastructure to support existing
10 and new electric generation facilities that do not emit
11 carbon dioxide, including renewable energy resources and
12 zero emission facilities, stimulates significant economic
13 development and job growth in this State, as well as
14 creates environmental and public health benefits in this
15 State.

16 (9) Creating a forward-looking plan for this State's
17 electric transmission infrastructure, as opposed to
18 relying on case-by-case development and repeated marginal
19 upgrades, will achieve a lower-cost system for Illinois'
20 electricity customers. A forward-looking plan can also
21 help integrate and achieve a comprehensive set of
22 objectives and multiple state, regional, and national
23 policy goals.

24 (10) Alternatives to overhead electric transmission
25 lines can achieve cost-effective resolution of system
26 impacts and warrant investigation of the circumstances

1 under which those alternatives should be considered and
2 approved. The alternatives are likely to be beneficial as
3 investment in electric transmission infrastructure moves
4 forward.

5 (11) Because transmission planning is conducted
6 primarily by the regional transmission organizations, the
7 Commission should be advocating for the State's interests
8 at the regional transmission organizations to ensure that
9 such planning facilitates the State's policies and goals,
10 including overall consumer savings, power system
11 reliability, economic development, environmental
12 improvement, and carbon reduction.

13 (b) Consistent with the findings identified in subsection
14 (a), the Commission shall open an investigation to develop and
15 adopt a renewable energy access plan no later than December
16 31, 2022. To assist and support the Commission in the
17 development of the plan, the Commission shall retain the
18 services of technical and policy experts with relevant fields
19 of expertise, solicit technical and policy analysis from the
20 public, and provide for a 120-day open public comment period
21 after publication of a draft report, which shall be published
22 no later than 90 days after the comment period ends. The plan
23 shall, at a minimum, do the following:

24 (1) designate renewable energy access plan zones
25 throughout this State in areas in which renewable energy
26 resources and suitable land areas are sufficient for

1 developing generating capacity from renewable energy
2 technologies;

3 (2) develop a plan to achieve transmission capacity
4 necessary to deliver the electric output from renewable
5 energy technologies in the renewable energy access plan
6 zones to customers in Illinois and other states in a
7 manner that is most beneficial and cost-effective to
8 customers;

9 (3) use this State's position as an electricity
10 generation and power transmission hub to create new
11 investment in this State's renewable energy resources;

12 (4) consider programs, policies, and electric
13 transmission projects that can be adopted within this
14 State that promote the cost-effective delivery of power
15 from renewable energy resources interconnected to the bulk
16 electric system to meet the renewable portfolio standard
17 targets under subsection (c) of Section 1-75 of the
18 Illinois Power Agency Act;

19 (5) consider proposals to improve regional
20 transmission organizations' regional and interregional
21 system planning processes, especially proposals that
22 reduce costs and emissions, create jobs, and increase
23 State and regional power system reliability to prevent
24 high-cost outages that can endanger lives, and analyze of
25 how those proposals would improve reliability and
26 cost-effective delivery of electricity in Illinois and the

1 region;

2 (6) make findings and policy recommendations based on
3 technical and policy analysis regarding locations of
4 renewable energy access plan zones and the transmission
5 system developments needed to cost-effectively achieve the
6 public policy goals identified herein; ~~and~~

7 (6.5) make findings and policy recommendations based
8 on analysis regarding the impact of converting non-powered
9 dams to hydropower dams relative to the alternative
10 renewable energy resources; and

11 (7) present the Commission's conclusions and proposed
12 recommendations based on its analysis and use the findings
13 and policy recommendations to determine actions that the
14 Commission should take.

15 (c) No later than December 31, 2025, and every other year
16 thereafter, the Commission shall open an investigation to
17 develop and adopt an updated renewable energy access plan
18 that, at a minimum, evaluates the implementation and
19 effectiveness of the renewable energy access plan, recommends
20 improvements to the renewable energy access plan, and provides
21 changes to transmission capacity necessary to deliver electric
22 output from the renewable energy access plan zones.

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