

## 103RD GENERAL ASSEMBLY State of Illinois 2023 and 2024 SB1545

Introduced 2/8/2023, by Sen. Dale Fowler

## SYNOPSIS AS INTRODUCED:

New Act 30 ILCS 105/5.990 new

Creates the Photovoltaic Module Stewardship and Takeback Program Act. Requires the Environmental Protection Agency to develop guidance for photovoltaic module stewardship and takeback programs manufacturers in preparing and implementing a self-directed program to ensure the convenient, safe, and environmentally sound takeback and recycling of photovoltaic modules and their components and materials. Provides that a stewardship organization may be designated to act as an agent on behalf of a manufacturer or manufacturers in operating and implementing the stewardship program. Requires each manufacturer to prepare and submit a stewardship plan with specified requirements to the Agency on or before the later of July 1, 2025 or within 30 days after its first sale of a photovoltaic module in or into the State. Provides that a manufacturer or its designated stewardship organization must provide to the Agency a report that documents implementation of the stewardship plan and assesses the achievement of performance goals. Provides that the Agency may collect a flat fee from participating manufacturers to recover costs associated with the stewardship plan guidance, review, and approval process. Creates the Photovoltaic Module Recycling Fund and makes a conforming change to the State Finance Act. Requires the Department of Commerce and Economic Opportunity to convene a Photovoltaic Module Recovery, Reuse, and Recycling Working Group to review and provide recommendations regarding potential methodologies for the management of end-of-life photovoltaic modules. Provides that the Act is repealed on January 1, 2028. Contains other provisions. Effective immediately.

LRB103 24975 HLH 51309 b

1 AN ACT concerning safety.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 1. Short title. This Act may be cited as the Photovoltaic Module Stewardship and Takeback Program Act.
- Section 5. Findings. The General Assembly finds that a 6 7 convenient, safe, and environmentally sound system for the recycling of photovoltaic modules, minimization of hazardous 8 9 waste, and recovery of commercially valuable materials must be established. The General Assembly further finds that the 10 11 responsibility for this system must be shared among all stakeholders, with manufacturers financing the takeback and 12 13 recycling system.
- 14 Section 10. Definitions. In this Act:
- 15 "Agency" means the Environmental Protection Agency.
- "Consumer electronic device" means any device containing an electronic circuit board that is intended for everyday use by individuals, such as a watch or calculator.
- "Distributor" means a person who markets and sells a photovoltaic module to a retailer in Illinois.
- 21 "Fund" means the Photovoltaic Module Recycling Fund 22 created under Section 50.

1 "Installer" means a person who assembles, installs, and
2 maintains a photovoltaic module system.

"Manufacturer" means any person in business, or who is no longer in business but has a successor in interest, who, irrespective of the selling technique used, including by means of distance or remote sale:

- (1) manufactures or has manufactured a photovoltaic module under its own brand name for use or sale in or into this State;
- (2) assembles or has assembled a photovoltaic module that uses parts manufactured by others for use or sale in or into this State under the assembler's brand name;
- (3) resells or has resold in or into this State, under its own brand name, a photovoltaic module produced by another supplier, including a retail establishment that sells a photovoltaic module under the supplier's own brand name;
- (4) manufactures or has manufactured a co-branded photovoltaic module product for use or sale in or into this State that carries the name of both the manufacturer and a retailer;
- (5) imports or has imported a photovoltaic module into the United States that is used or sold in or into this State; however, if the imported photovoltaic module is manufactured by any person with a presence in the United States meeting the criteria of paragraph (1), (2), (3),

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- 1 (4), or (6), that person is the manufacturer;
- 2 (6) sells at retail a photovoltaic module acquired 3 from an importer that is the manufacturer and elects to 4 register as the manufacturer for that product; or
  - (7) elects to assume the responsibility of, and registers in lieu of, a manufacturer meeting the criteria of paragraph (1), (2), (3), (4), (5), or (6).

"Photovoltaic module" means the smallest, nondivisible, 8 9 environmentally protected assembly of photovoltaic cells or 10 other photovoltaic collector technology, and any ancillary 11 part, intended to generate electrical power under sunlight. 12 "Photovoltaic module" does not include a photovoltaic cell that is part of a consumer electronic device for which it 13 14 provides electricity needed to make the consumer electronic device function. "Photovoltaic module" includes, but is not 15 16 limited to, interconnections, terminals, and protective 17 devices such as diodes that are:

- (1) installed on, connected to, or integral to buildings;
- (2) used as components of freestanding, off-grid power generation systems, such as for powering water pumping stations, electric vehicle charging stations, fencing, street and signage lights, and other commercial or agricultural purposes; or
- (3) part of a system connected to a grid or utility service.

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- "Predecessor" means an entity from which a manufacturer
  purchases a photovoltaic module brand, its warranty
  obligations, and its liabilities. "Predecessor" does not
  include an entity from which a manufacturer purchases only
  manufacturing equipment.
- "Rare earth element" means lanthanum, cerium,
  praseodymium, neodymium, promethium, samarium, europium,
  gadolinium, terbium, dysprosium, holmium, erbium, thulium,
  ytterbium, lutetium, yttrium, or scandium.
- "Retailer" means a person who offers a photovoltaic module for retail sale in the State through any means, including, but not limited to, a remote offering such as a sales outlet, catalog, or internet sale.
- "Reuse" means any operation by which a photovoltaic module or a component of a photovoltaic module changes ownership and is used for the same purpose for which it was originally purchased.
  - "Stewardship plan" means the plan developed by a manufacturer or its designated stewardship organization for a self-directed stewardship program under subsection (a) of Section 25.
  - "Stewardship program" means the activities conducted by a manufacturer or a stewardship organization to fulfill the requirements of this Act and implement the activities described in its stewardship plan.
- 26 "Working Group" means the Photovoltaic Module Recovery,

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1 Reuse, and Recycling Working Group created under Section 65.

Section 15. Program guidance, review, and approval. The Agency must develop guidance for photovoltaic module stewardship and takeback programs to guide manufacturers in preparing and implementing a self-directed program to ensure the convenient, safe, and environmentally sound takeback and recycling of photovoltaic modules and their components and materials. On or before January 1, 2024, the Agency must establish a process to develop guidance for photovoltaic module stewardship plans by working with manufacturers, stewardship organizations, and other stakeholders on the content, review, and approval of stewardship plans. The Agency's process must be fully implemented and stewardship plan guidance completed on or before July 1, 2024.

Section 20. Stewardship organization as an agent of a manufacturer. A stewardship organization may be designated to act as an agent on behalf of a manufacturer or manufacturers in operating and implementing the stewardship program required subsection under (a) of Section 25. Any stewardship organization that has obtained such a designation must provide to the Agency a list of the manufacturers and brand names that the stewardship organization represents within 60 days after its designation by a manufacturer as its agent and within 60 days after the removal of such a designation.

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- 1 Section 25. Stewardship plan; requirements.
  - (a) A manufacturer must prepare and submit a stewardship plan to the Agency on or before the later of July 1, 2025 or within 30 days after its first sale of a photovoltaic module in or into the State.
    - (b) A stewardship plan must, at minimum:
    - (1) describe how the manufacturer will finance the takeback and recycling system and include an adequate funding mechanism to finance the costs of collection, management, and recycling of photovoltaic modules and residuals sold in or into the State by the manufacturer, with a mechanism ensuring that photovoltaic modules can be delivered to takeback locations without cost to the last owner or holder;
    - (2) require the manufacturer's stewardship program to accept all of the manufacturer's photovoltaic modules sold in or into the State on and after July 1, 2025;
    - (3) describe how the stewardship program will minimize the release of hazardous substances into the environment and maximize the recovery of other components, including rare earth elements and commercially valuable materials;
    - (4) provide for the takeback of photovoltaic modules at locations that are within the region of the State in which the manufacturer's photovoltaic modules are used and are as convenient as reasonably practicable, and if no

- such location within the region of the State exists, include an explanation for the lack of the location;
  - (5) identify how relevant stakeholders, including consumers, installers, building demolition firms, and recycling and treatment facilities, will receive information required in order for them to properly dismantle, transport, and treat end-of-life photovoltaic modules in a manner consistent with the objectives described in paragraph (3); and
  - (6) establish performance goals, including a goal for the rate of combined reuse and recycling of collected photovoltaic modules as a percentage of the total weight of photovoltaic modules collected, which rate must be no less than 85%.
  - (c) A manufacturer must implement the stewardship plan submitted under subsection (a).
  - (d) A manufacturer may periodically amend its stewardship plan. The Agency must approve the amendment if it meets the requirements for plan approval outlined in the Agency's guidance created under Section 15. When submitting a proposed amendment under this subsection, a manufacturer must include an explanation of why the amendment is necessary.
  - Section 30. Plan approval. The Agency must approve a stewardship plan if it determines that the stewardship plan addresses each element outlined in the Agency's guidance

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- 1 created under Section 15.
- 2 Section 35. Annual report.
  - (a) On or before April 1, 2026, and on or before April 1 of each subsequent year, a manufacturer or its designated stewardship organization must provide to the Agency a report for the previous calendar year that documents the implementation of the stewardship plan submitted under subsection (a) of Section 25 and assesses the achievement of the performance goals established under paragraph (6) of subsection (b) of Section 25.
    - (b) The report submitted under subsection (a) may include any recommendation to the Agency or the General Assembly regarding modifications to the stewardship program that would enhance the effectiveness of the stewardship program, including management of stewardship program costs and mitigation of environmental impacts of photovoltaic modules.
- 17 (c) A manufacturer or stewardship organization must post
  18 the report submitted under subsection (a) on a publicly
  19 accessible website.
- 20 Section 40. Enforcement.
- 21 (a) On and after July 1, 2026, no manufacturer, 22 distributor, retailer, or installer may sell or offer for sale 23 a photovoltaic module in or into the State unless the 24 manufacturer of the photovoltaic module has submitted to the

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- Agency a stewardship plan and received plan approval from the Agency.
  - The Agency must send a written warning (b) manufacturer that is not participating in a stewardship plan. The written warning must inform the manufacturer that it must submit a stewardship plan or participate in a stewardship plan within 30 days after receiving the notice. The Agency may assess a civil penalty of up to \$10,000 upon a manufacturer for each sale after the initial written warning that occurs in or into the State of a photovoltaic module for which a stewardship plan has not been submitted by the manufacturer and approved by the Agency. A manufacturer may appeal a penalty issued under this Section to the circuit court of the county in which the alleged violation occurred within 180 days after receipt of the written warning.
  - (c) The Agency must send a written warning to a distributor, retailer, or installer that sells or installs a photovoltaic module made by a manufacturer that is not participating in a stewardship plan. The written warning must inform the distributor, retailer, or installer that the distributor, retailer, or installer may no longer sell or install a photovoltaic module if a stewardship plan for that brand has not been submitted by the manufacturer and approved by the Agency within 30 days after receipt of the written warning.

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Section 45. Fee. The Agency may collect a flat fee from participating manufacturers to recover costs associated with the stewardship plan guidance, review, and approval process described in Section 15. Other administrative costs incurred by the Agency for stewardship program implementation activities, including stewardship plan review and approval, enforcement, and any rulemaking, may be recovered by charging every manufacturer an annual fee calculated by dividing the Agency's administrative costs by the manufacturer's pro rata share of the Illinois State photovoltaic module sales in the most recent preceding calendar year, based on the best available information. The sole purpose of assessing the fee authorized under this Section is to predictably and adequately fund the Agency's costs of administering the photovoltaic module recycling program.

Section 50. Photovoltaic Module Recycling Fund. The Photovoltaic Module Recycling Fund is created as a special fund in the State treasury. All fees collected from manufacturers under Section 45 must be deposited into the Fund. Expenditures from the Fund may be used only for administering this Act. Only the Director of the Agency or the Director's designee may authorize expenditures from the Fund. The Fund is subject to the applicable allotment procedures provided by law, but an appropriation is not required for expenditures. Moneys in the Fund may not be diverted for any

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- 1 purpose or activity other than those specified in this Act.
- Section 55. Rulemaking. The Agency may adopt rules as necessary for the purpose of implementing, administering, and enforcing this Act.

Section 60. National program. In lieu of preparing a stewardship plan as provided under Section 25, a manufacturer may participate in a national program for the convenient, safe, and environmentally sound takeback and recycling of photovoltaic modules and their components and materials if the national program is substantially equivalent to the intent of the State stewardship program. The Agency may determine substantial equivalence if it determines that the national program (1) adequately addresses and fulfills each element of a stewardship plan outlined in subsection (b) of Section 25 includes an enforcement mechanism and (2) reasonably calculated to ensure a manufacturer's compliance with the national program. Upon issuing a determination of substantial equivalence, the Agency must notify affected stakeholders, including the manufacturer. If the national program is discontinued or the Agency determines that the national program is no longer substantially equivalent to the State stewardship program, the Agency must notify the manufacturer and the manufacturer must provide a stewardship plan as described in subsection (b) of Section 25 to the Agency for

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- 1 approval within 30 days after notification.
- 2 Section 65. Photovoltaic Module Recovery, Reuse, and Recycling Working Group.
  - (a) Subject to appropriation for this specific purpose, the Department of Commerce and Economic Opportunity shall convene a Photovoltaic Module Recovery, Reuse, and Recycling Working Group to review and provide recommendations regarding potential methodologies for the management of end-of-life photovoltaic modules, including modules from utility-scale solar projects.
- 11 (b) The members of the Working Group shall be appointed by
  12 the Director of Commerce and Economic Opportunity and shall
  13 include, but are not limited to, members representing the
  14 following:
- 15 (1) A manufacturer of photovoltaic modules located in the State.
- 17 (2) A manufacturer of photovoltaic modules located

  18 outside the State.
  - (3) A national solar industry group.
- 20 (4) Solar installers in the State.
- 21 (5) A utility-scale solar project.
- 22 (6) A nonprofit environmental organization with 23 expertise in waste minimization.
- 24 (7) A city solid waste program.
- 25 (8) A county solid waste program.

- 1 (9) An organization with expertise in photovoltaic
- 2 module recycling.
- 3 (10) A community-based environmental justice group.
- 4 (11) The Agency.
- 5 (c) Participation in the Working Group is strictly
- 6 voluntary. Members of the Working Group shall serve without
- 7 compensation or reimbursement. The members shall elect from
- 8 their number a chair and such other officers as they may deem
- 9 necessary. The meetings of the Working Group shall be held at
- 10 the call of the chair.
- 11 (d) The Department of Commerce and Economic Opportunity
- 12 shall submit a final report of the Working Group's findings
- and recommendations to the General Assembly and the Governor
- on or before January 1, 2027.
- 15 Section 70. Repeal. This Act is repealed on January 1,
- 16 2028.
- 17 Section 90. The State Finance Act is amended by adding
- 18 Section 5.990 as follows:
- 19 (30 ILCS 105/5.990 new)
- Sec. 5.990. The Photovoltaic Module Recycling Fund. This
- 21 Section is repealed on January 1, 2028.
- 22 Section 99. Effective date. This Act takes effect upon
- 23 becoming law.