

1 AMENDMENT TO HOUSE BILL 2200

2 AMENDMENT NO. _____. Amend House Bill 2200 by replacing
3 the title with the following:

4 "AN ACT concerning energy."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Renewable Energy, Energy Efficiency, and
8 Coal Resources Development Law of 1997 is amended by changing
9 Section 6-3 as follows:

10 (20 ILCS 687/6-3)

11 (Section scheduled to be repealed on December 16, 2007)

12 Sec. 6-3. Renewable energy resources program.

13 (a) The Department of Commerce and Community Affairs, to
14 be called the "Department" hereinafter in this Law, shall
15 administer the Renewable Energy Resources Program to provide
16 grants, loans, and other incentives to foster investment in
17 and the development and use of renewable energy resources.

18 (b) The Department shall establish eligibility criteria
19 for grants, loans, and other incentives to foster investment
20 in and the development and use of renewable energy resources.
21 These criteria shall be reviewed annually and adjusted as

1 necessary. The criteria should promote the goal of fostering
2 investment in and the development and use, in Illinois, of
3 renewable energy resources.

4 (c) The Department shall accept applications for grants,
5 loans, and other incentives to foster investment in and the
6 development and use of renewable energy resources.

7 (d) To the extent that funds are available and
8 appropriated, the Department shall provide grants, loans, and
9 other incentives to applicants that meet the criteria
10 specified by the Department.

11 (e) The Department shall conduct an annual study on the
12 use and availability of renewable energy resources in
13 Illinois. Each year, the Department shall submit a report on
14 the study to the General Assembly. This report shall include
15 suggestions for legislation which will encourage the
16 development and use of renewable energy resources. In 2007 or
17 the calendar year following the end of the mandatory
18 transition period as defined in Section 16-102 of the Public
19 Utilities Act, whichever is later, the Department shall, in
20 coordination with the Illinois Commerce Commission, the
21 Illinois Environmental Protection Agency, and the Illinois
22 Rural Affairs Council, evaluate the extent to which renewable
23 energy resources are being used or have been developed within
24 the State, and shall also at such time specifically evaluate
25 and make recommendations regarding (i) the establishment of a
26 mandatory renewable portfolio standard to be applicable to
27 all electric utilities and alternative retail electric
28 suppliers as defined in Article XVI of the Public Utilities
29 Act and (ii) the viability of the 5% goal for 2010 or the
30 third year following the end of the mandatory transition
31 period, whichever is later, and the 15% goal for 2020 or the
32 thirteenth year following the end of the mandatory transition
33 period, whichever is later, as set forth in subsection (f) of
34 Section 5 of the Illinois Resource Development and Energy

1 Security Act. In evaluating the establishment of a mandatory
2 renewable portfolio standard and the viability of the 5% and
3 15% goals, the Department shall specifically evaluate and
4 consider the adequacy of existing generation capacity in the
5 State and in the region, the availability of renewable energy
6 in the State and in the region, the effect of such a standard
7 on the costs of energy service, the effect of such a standard
8 on the development of competition in the provision of retail
9 energy services, including value added green power products
10 and other renewable energy-based offerings, the impact on the
11 environment or quality of life, the effect on employment in
12 the State, and any other factors affecting the State's
13 economy. The Department shall also consider the continued
14 availability of existing federal tax credits and the
15 development at both State and federal levels of the
16 infrastructure and rules and regulations that promote the
17 development and utilization of renewable energy resources.

18 (f) As used in this Law, "renewable energy resources"
19 includes energy from wind, solar thermal energy, photovoltaic
20 cells and panels, hydrogen fuel cells (fuel cells utilizing
21 hydrogen derived from any of the renewable energy resources
22 defined in this subsection), crop-derived bio fuels, landfill
23 gas, methane from anaerobic decomposition of organic
24 materials, ~~dedicated-crops-grown-for-energy-production-and~~
25 ~~organic-waste-biomass,~~ hydropower that does not involve new
26 construction or significant expansion of hydropower dams, and
27 other such alternative sources of environmentally preferable
28 energy. Energy from landfill gas shall not be counted as a
29 renewable energy resource to the extent that energy from
30 landfill gas exceeds 25% of an electric utility's renewable
31 energy resources portfolio. "Renewable energy resources" does
32 not include, however, energy from the incineration, burning
33 or heating of waste wood, tires, garbage, general household,
34 institutional and commercial waste, industrial lunchroom or

1 office waste, landscape waste, or construction or demolition
2 debris.

3 (g) There is created the Energy Efficiency Investment
4 Fund as a special fund in the State Treasury, to be
5 administered by the Department to support the development of
6 technologies for wind, biomass, and solar power in Illinois.
7 The Department may accept private and public funds, including
8 federal funds, for deposit into the Fund.

9 (Source: P.A. 92-12, eff. 7-1-01.)

10 Section 10. The Illinois Resource Development and Energy
11 Security Act is amended by changing Section 5 and adding
12 Section 7 as follows:

13 (20 ILCS 688/5)

14 Sec. 5. Findings. The General Assembly finds that:

15 (a) Growth of the State's population and economic base
16 creates ~~has---created~~ a need for ensuring long term
17 availability of sufficient new electric generation capacity
18 in Illinois.

19 (b) Illinois has considerable natural resources that are
20 currently underutilized and could support development of new
21 electric generation capacity ~~power~~ at an affordable price.

22 (c) The development of new electric generating capacity
23 is needed if the State is to continue to be successful in
24 attracting new businesses and jobs.

25 (d) Certain regions of the State, such as Southern
26 Illinois, could benefit greatly from new employment
27 opportunities created by development of electric generating
28 plants utilizing the plentiful supply of Illinois coal and
29 the development of renewable energy resources within the
30 State that may enhance the State's economy while meeting
31 energy needs.

32 (e) Technology can be deployed that allows high-sulfur

1 Illinois coal to be burned efficiently while meeting strict
2 State and federal air quality limitations. Specifically, the
3 State of Illinois will encourage the use of advanced clean
4 coal technology, such as coal gasification.

5 (f) Renewable forms of energy should be promoted as an
6 important element of the energy and environmental policies of
7 the State. and It is a goal of the State that at least 2% 5%
8 of the electric State's energy used within the State
9 production--and--use be based on generation from derived-from
10 renewable forms--of energy resources or renewable energy
11 credits or certificates by 2007 or the calendar year
12 following the end of the mandatory transition period,
13 whichever is later, at least 5% by 2010 or the end of the
14 third year following the end of the mandatory transition
15 period, whichever is later, and at least 15% by 2020 or the
16 end of the thirteenth year following the end of the mandatory
17 transition period, whichever is later. The State, in
18 contracting to meet the electric supply requirements of its
19 agencies and facilities, and municipal systems and electric
20 cooperatives described in Section 17-100 of the Public
21 Utilities Act, shall endeavor to acquire renewable energy
22 resources, which may include renewable energy credits or
23 certificates, that support the attainment of this goal. The
24 General Assembly further finds that attainment of this goal
25 is dependent on the continued availability of existing
26 federal tax credits and development at both the State and
27 federal levels of the infrastructure and rules and
28 regulations that promote the development and utilization of
29 renewable energy resources. For the purposes of this Section,
30 "mandatory transition period" shall have the meaning set
31 forth in Section 16-102 of the Public Utilities Act. by-2010
32 and-at-least-15%-from-renewable-forms-of-energy-by-2020-

33 (Source: P.A. 92-12, eff. 7-1-01.)

1 (20 ILCS 688/7 new)

2 Sec. 7. Renewable energy based offerings and programs.

3 (a) An electric utility shall, individually or in
4 conjunction with an alternative retail electric supplier or
5 other market entities, offer a program or programs to its
6 retail customers that provide an opportunity to contribute to
7 the development of renewable energy resources. In structuring
8 these programs, the electric utility may do any or all of the
9 following: (i) participate in a program or programs to issue,
10 trade, monitor the sale or exchange of, and track renewable
11 energy credits or certificates applicable to, renewable
12 energy resources; (ii) aggregate groups of retail customers
13 interested in purchasing renewable energy for the purpose of
14 obtaining all or a portion of their electric energy supply
15 through renewable energy or demand response resources; (iii)
16 utilize demand response resources in meeting the demands of
17 retail customers in its service area; (iv) directly supply
18 power and energy from renewable energy resources to retail
19 customers in its service area; or (v) purchase renewable
20 energy as part of the supply portfolio used by the utility to
21 provide power and energy as a tariffed service to retail
22 customers in its service area. Programs established or
23 offered pursuant to items (i) through (iv) of this subsection
24 may, at the utility's option, be offered either through
25 contracts or as a tariffed service. For purposes of this
26 Section, "electric utility", "alternative retail electric
27 supplier", "retail customer", and "tariffed service" shall
28 have the meanings set forth in Section 16-102 of the Public
29 Utilities Act.

30 (b) The Department, in cooperation with the electric
31 utilities and alternative retail electric suppliers and other
32 interested entities, shall design and implement a consumer
33 education program that will promote awareness, development,
34 and use of renewable energy resources among retail energy

1 consumers. This program shall include a conference or
2 conferences, convened by the Governor and sponsored by the
3 electric utilities, that will focus on supply portfolio
4 development for large customers as well as match up renewable
5 energy developers with federal and State incentives.

6 (c) Electric utilities shall make a good faith effort to
7 promote the development and utilization of renewable energy
8 resources among retail energy consumers in their service
9 areas, and as part of that good faith effort may create,
10 offer, administer, market, advertise, or promote programs as
11 described in subsection (a), notwithstanding any provision of
12 the Public Utilities Act, or any rule, regulation, or order
13 of the Illinois Commerce Commission that would otherwise
14 limit the electric utility's ability to do so. Evidence of a
15 good faith effort to promote the awareness, development, and
16 utilization of renewable energy resources may include but is
17 not limited to:

18 (i) offering services that promote the development
19 or utilization of renewable energy resources among retail
20 energy consumers in its service area;

21 (ii) the entry by the electric utility into
22 purchase power agreements or other agreements that
23 promote the development and utilization of renewable
24 energy resources among retail energy consumers in their
25 service areas, including but not limited to agreements to
26 purchase and sell renewable energy credits or
27 certificates or to invest in projects or companies that
28 develop or utilize renewable energy resources;

29 (iii) acquisition of resources in the manner
30 pre-approved by the Illinois Commerce Commission for
31 acquisition of renewable energy resources as set forth in
32 subsection (f);

33 (iv) the electric utility's participation in
34 additional activities identified in subsections (a) and

1 (b) or other educational or training programs.

2 (d) The goal of subsections (a), (b), and (c) is to
3 promote development and use of renewable energy resources
4 among retail energy consumers. The Department shall evaluate
5 that awareness, development, and use, whether measured by
6 number of customers participating or amount of energy
7 supplied that reflects or incorporates renewable energy
8 resources, and include that evaluation in the annual report
9 provided for in subsection (e) of Section 6-3 of the
10 Renewable Energy, Energy Efficiency, and Coal Resources
11 Development Law of 1997. Electric utilities and alternative
12 retail electric suppliers shall provide the Department with
13 copies of the quarterly reports prepared pursuant to Section
14 16-127 of the Public Utilities Act and other information
15 relating to the use of renewable energy resources since the
16 passage of the Electric Service Customer Choice and Rate
17 Relief Law of 1997.

18 (e) The Illinois Commerce Commission shall, in 2007 or
19 the calendar year following the end of the mandatory
20 transition period as defined in Section 16-102 of the Public
21 Utilities Act, whichever is later, investigate whether at
22 least 2% of the electric energy provided by the electric
23 utility to retail customers within its service area during
24 either the previous or current calendar year was or will be
25 based on generation from renewable energy resources or
26 renewable energy credits or certificates. In calculating
27 whether an electric utility has met this 2% goal for either
28 of such years, the Commission shall multiply the amount of
29 energy based on generation from renewable energy resources or
30 renewable energy credits or certificates under items (ii) and
31 (iii) of subsection (c) that is derived from sources within
32 the State by 125%, but shall measure all other energy based
33 on generation from renewable energy resources or renewable
34 energy credits or certificates by the actual amount of energy

1 derived from such sources. If this goal either has not been
2 met in an electric utility's service area during the previous
3 calendar year or is not likely to be met in the year of the
4 investigation, then the Commission shall investigate whether
5 the electric utility has made a good faith effort consistent
6 with subsection (c). In making a determination of whether the
7 electric utility has made such a good faith effort, the
8 Commission shall take into account the diversity and range of
9 options available to the electric utility, the progress made
10 by the electric utility towards such 2% goal, and other
11 relevant factors consistent with this Section. If an electric
12 utility has engaged in activities consistent with items (ii)
13 and (iii) of subsection (c), such actions shall be considered
14 prima facie evidence of a good faith effort to meet the
15 utility's 2% goal in its service area. If the Commission
16 finds, after notice and a hearing, that there is insufficient
17 evidence in the quarterly reports required by subsection (d)
18 or in other documentation provided or available to the
19 Commission to conclude that the electric utility has made a
20 good faith effort consistent with subsection (c), then the
21 Commission may require the electric utility to appear before
22 the Commission and show cause as to why the electric utility
23 should not be held in violation of its obligations under this
24 Section. If the Commission finds, after notice and a hearing,
25 that an electric utility failed to make the required good
26 faith effort under this Section, then the Commission may
27 require the electric utility to pay an amount that shall not
28 exceed \$12,500,000 for an electric utility that serves more
29 than 2,000,000 retail customers, \$2,500,000 for an electric
30 utility that serves more than 1,000,000 retail customers but
31 less than 2,000,000 retail customers, \$1,250,000 for an
32 electric utility that serves more than 100,000 retail
33 customers but less than 1,000,000 retail customers, and
34 \$250,000 for an electric utility that serves less than

1 100,000 retail customers but more than 10,000 retail
2 customers. An electric utility that serves less than 10,000
3 retail customers shall not be required to make such a
4 payment. Any assessment imposed under this subsection shall
5 be paid into the Renewable Energy Resources Trust Fund
6 established by Section 6-4 of the Renewable Energy, Energy
7 Efficiency, and Coal Resources Development Law of 1997. In
8 lieu of paying that assessment into the Renewable Energy
9 Resources Trust Fund, the electric utility may choose to
10 fund, in the same amount of the assessment, a "supplemental
11 environmental project" (defined as an environmentally
12 beneficial project that the electric utility is not otherwise
13 legally required to fund) that promotes the utilization of
14 renewable energy resources.

15 (f) An electric utility electing to purchase renewable
16 energy consistent with clause (v) of subsection (a) shall,
17 prior to purchasing renewable energy to be used as part of
18 its supply portfolio to service retail customers, be able to
19 petition for and obtain pre-approval from the Illinois
20 Commerce Commission of its selection process for such
21 purchases. Following the mandatory transition period defined
22 in Section 16-102 of the Public Utilities Act, the cost
23 associated with such purchases of renewable energy shall be
24 recoverable by the electric utility through its rates charged
25 to retail customers. Any renewable energy procured through
26 such a pre-approval process shall be presumed to have been
27 prudently procured, and the costs of the renewable energy
28 shall be deemed reasonable and included in regulated rates.
29 Recovery of the costs shall not be subject to any limitations
30 stated in subsection (i) of Section 16-111 of the Public
31 Utilities Act. Nothing in this subsection (f) is intended to
32 change the provisions of subsection (a) of Section 16-111 of
33 the Public Utilities Act.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".