



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
SB2321

Introduced 1/28/2004, by Patrick Welch

SYNOPSIS AS INTRODUCED:

220 ILCS 5/8-402.2 new

Amends the Public Utilities Act. Provides that each electric utility or alternative retail electric supplier shall provide sufficient renewable energy resources to comprise at least 2% of the total electricity that it supplies to its Illinois customers as of December 31, 2005, at least 3% of the total electricity that it supplies to its Illinois customers as of December 31, 2006, at least 5.5% of the total electricity that it supplies to its Illinois customers as of December 31, 2008, at least 8% of the total electricity that it supplies to its Illinois customers as of December 31, 2010, and at least 10% of the total electricity that it supplies to its Illinois customers as of December 31, 2012. Provides that, if an electric utility or alternative retail electric supplier does not purchase and supply all of the amounts of renewable energy specified, then the electric utility or alternative retail electric supplier shall pay a penalty of \$25 per megawatthour each year for any shortfall in supply, which shall be deposited into the Renewable Energy Resources Trust Fund.

LRB093 17820 AMC 46167 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning utilities.

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

4 Section 1. The Public Utilities Act is amended by adding
5 Section 8-402.2 as follows:

6 (220 ILCS 5/8-402.2 new)

7 Section 8-402.2. Renewable energy portfolio standard.

8 (a) "Renewable energy resources" shall have the meaning set
9 forth in subsection (f) of Section 6-3 of The Renewable Energy,
10 Energy Efficiency, and Coal Resources Development Law of 1997.
11 Provided however, for the limited purposes of this Section,
12 energy produced by methane recovered from landfills in Illinois
13 may be counted as a renewable energy resource for up to, but no
14 more than, 25% of the amount of renewable energy resources
15 provided by the electric utility or alternative retail electric
16 supplier in meeting the standard set forth in subsection (c).

17 (b) The objective of this Section is to ensure the
18 development and use of renewable energy resources to advance
19 the goals stated in Section 5 of the Illinois Resource
20 Development and Energy Security Act.

21 (c) Each electric utility or alternative retail electric
22 supplier shall provide sufficient renewable energy resources
23 to comprise at least 2% of the total electricity
24 (megawatthours) that it supplies to its Illinois customers as
25 of December 31, 2005, at least 3% of the total electricity
26 (megawatthours) that it supplies to its Illinois customers as
27 of December 31, 2006, at least 5.5% of the total electricity
28 (megawatthours) that it supplies to its Illinois customers as
29 of December 31, 2008, at least 8% of the total electricity
30 (megawatthours) that it supplies to its Illinois customers as
31 of December 31, 2010, and at least 10% of the total electricity
32 (megawatthours) that it supplies to its Illinois customers as

1 of December 31, 2012. Such electric utilities or alternative
2 retail electric suppliers shall report to the Commission on
3 their compliance with these standards by April 1, 2006 and by
4 April 1st of each succeeding year.

5 (d) In order to help achieve improved air quality, public
6 health, and environmental quality for Illinois, renewable
7 energy resources shall be counted for purposes of meeting the
8 renewable energy portfolio standard set forth in subsection (c)
9 only if they are generated from facilities located in this
10 State or in a directly adjacent serious or severe ozone
11 non-attainment area as designated by the United States
12 Environmental Protection Agency. Provided, however, the
13 renewable energy resources may be counted for purposes of the
14 renewable energy portfolio standard after January 1, 2007 if
15 generated from a facility in an adjacent state that has entered
16 into an agreement with Illinois as provided in subsection (e)
17 and the renewable energy resource provided meets the definition
18 set forth in subsection (f) of Section 6-3 of the Renewable
19 Energy, Energy Efficiency, and Coal Resources Development Law
20 of 1997.

21 (e) Illinois officials may work with public officials in
22 adjacent states to develop a regional agreement in which
23 Illinois electric utilities and alternative retail electricity
24 suppliers will be allowed, after January 1, 2007, to count for
25 purposes of meeting the designated renewable energy portfolio
26 standards set forth in subsection (c) some renewable energy
27 resources generated in an adjacent state if that other state
28 has enacted a statutory renewable energy portfolio standard
29 that is similar to the standard set forth in subsection (c) and
30 that other state also allows renewable energy resources
31 generated in Illinois to be counted toward meeting its
32 statutory renewable energy portfolio standard on a similar
33 basis. For the purposes of such an agreement, only those
34 renewable energy resources meeting the definition set forth in
35 subsection (f) of Section 6-3 of the Renewable Energy, Energy
36 Efficiency, and Coal Resources Development Law of 1997 may be

1 included.

2 (f) Costs of obtaining renewable energy resources to meet
3 the renewable energy portfolio standards, after January 1,
4 2007, pursuant to subsection (c), shall be recoverable by a
5 utility from its ratepayers to the same extent as other fuel or
6 purchase power costs as allowed by law after January 1, 2007.

7 (g) If an electric utility or alternative retail electric
8 supplier does not purchase and supply all of the amounts of
9 renewable energy specified by the standards in subsection (c),
10 then the electric utility or alternative retail electric
11 supplier shall pay a penalty of \$25 per megawatthour each year
12 for any shortfall in supply. That payment shall be deposited
13 into the Renewable Energy Resources Trust Fund to be used by
14 the Department of Commerce and Economic Opportunity for the
15 purposes of supporting the actual development, construction,
16 and utilization of renewable energy projects in Illinois.
17 Provided, however, if the electric utility or alternative
18 retail electric supplier compellingly demonstrates that
19 renewable energy resources are not available in sufficient
20 quantities to meet the renewable energy portfolio standards set
21 forth in subsection (c), and makes such a force majeure
22 showing, as to the shortfall and any obstacles to availability,
23 and, if the Illinois Commerce Commission finds that the
24 electric utility or alternative retail electric supplier,
25 after notice and a hearing with an opportunity for the public
26 to be heard, has, in fact, made such a compelling
27 demonstration, then the electric utility or alternative retail
28 electric supplier may avoid paying the penalty. The penalty
29 payments shall be set aside in a separate escrow fund pending
30 the hearing. In any case where the Commission finds that such a
31 compelling demonstration has been made, the electric utility or
32 alternative retail electric supplier must provide a mutually
33 acceptable alternative means of developing and utilizing
34 renewable energy resources in Illinois, subject to the review
35 and approval of the Illinois Commerce Commission and the
36 Department of Commerce and Economic Opportunity.