



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

SB2571

Introduced 2/4/2004, by Patrick Welch

SYNOPSIS AS INTRODUCED:

220 ILCS 5/Art. XX heading new
220 ILCS 5/20-101 new
220 ILCS 5/20-102 new
220 ILCS 5/20-103 new
220 ILCS 5/20-104 new
220 ILCS 5/20-105 new
30 ILCS 805/8.28 new

Amends the Public Utilities Act. Adds an Article concerning interconnection of on-site distributed generation. Requires the Illinois Commerce Commission to initiate a proceeding to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels of no more than 10 megawatts of interconnected capacity. Requires each public utility providing electric service at retail to file a distributed generation tariff for Commission approval or approval with modification and each municipal utility and cooperative electric association to adopt a distributed generation tariff. Provides that every electric utility shall file with the Commission a distributed generation interconnection report for the preceding calendar year that identifies each distributed generation facility interconnected with the utility's distribution system. Amends the State Mandates Act to require implementation without reimbursement.

LRB093 20806 AMC 46728 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public utilities.

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

4 Section 5. The Public Utilities Act is amended by adding
5 Article XX as follows:

6 (220 ILCS 5/Art. XX heading new)

7 ARTICLE XX. INTERCONNECTION OF ON-SITE
8 DISTRIBUTED GENERATION

9 (220 ILCS 5/20-101 new)

10 Sec. 20-101. Short title. This Article may be cited as the
11 Interconnection Law.

12 (220 ILCS 5/20-102 new)

13 Sec. 20-102. Purpose. The purpose of this Article is to:

14 (1) establish the terms and conditions that govern the
15 interconnection and parallel operation of on-site
16 distributed generation;

17 (2) provide cost savings and reliability benefits to
18 customers;

19 (3) establish technical requirements that will promote
20 the safe and reliable parallel operation of on-site
21 distributed generation resources;

22 (4) enhance both the reliability of electric service
23 and economic efficiency in the production and consumption
24 of electricity; and

25 (5) promote the use of distributed resources in order
26 to provide electric system benefits during periods of
27 capacity constraints.

28 (220 ILCS 5/20-103 new)

29 Sec. 20-103. Distributed generation; generic proceeding.

1 (a) The Commission shall initiate a proceeding within 30
2 days of the effective date of this Article, to establish, by
3 order, generic standards for utility tariffs for the
4 interconnection and parallel operation of distributed
5 generation fueled by natural gas or a renewable fuel, or
6 another similarly clean fuel or combination of fuels of no more
7 than 10 megawatts of interconnected capacity. At a minimum,
8 these tariff standards must:

9 (1) to the extent possible, be consistent with industry
10 and other federal and State operational and safety
11 standards;

12 (2) provide for the low-cost, safe, and standardized
13 interconnection of facilities;

14 (3) take into account differing system requirements
15 and hardware, as well as the overall demand load
16 requirements of individual utilities;

17 (4) allow for reasonable terms and conditions,
18 consistent with the cost and operating characteristics of
19 the various technologies, so that a utility can reasonably
20 be assured of the reliable, safe, and efficient operation
21 of the interconnected equipment; and

22 (5) establish (i) a standard interconnection agreement
23 that sets forth the contractual conditions under which a
24 company and a customer agree that one or more facilities
25 may be interconnected with the company's utility system,
26 and (ii) a standard application for interconnection and
27 parallel operation with the utility system.

28 (b) The Commission may develop financial incentives based
29 on a public utility's performance in encouraging residential
30 and small business customers to participate in on-site
31 generation.

32 (220 ILCS 5/20-104 new)

33 Sec. 20-104. Distributed generation tariff. Within 90 days
34 of the issuance of an order under Section 20-103:

35 (1) each public utility providing electric service at

1 retail shall file a distributed generation tariff
2 consistent with that order, for Commission approval or
3 approval with modification; and

4 (2) each municipal utility and cooperative electric
5 association shall adopt a distributed generation tariff
6 that addresses the issues included in the Commission's
7 order.

8 (220 ILCS 5/20-105 new)

9 Sec. 20-105. Reporting requirements.

10 (a) Each electric utility shall maintain records
11 concerning applications received for interconnection and
12 parallel operation of distributed generation. The records must
13 include the date each application is received, documents
14 generated in the course of processing each application,
15 correspondence regarding each application, and the final
16 disposition of each application.

17 (b) Every electric utility shall file with the Commission a
18 distributed generation interconnection report for the
19 preceding calendar year that identifies each distributed
20 generation facility interconnected with the utility's
21 distribution system. The report must list the new distributed
22 generation facilities interconnected with the system since the
23 previous year's report, any distributed generation facilities
24 no longer interconnected with the utility's system since the
25 previous report, the capacity of each facility, and the feeder
26 or other point on the company's utility system where the
27 facility is connected. The annual report must also identify all
28 applications for interconnection received during the previous
29 one-year period and the disposition of the applications.

30 Section 90. The State Mandates Act is amended by adding
31 Section 8.28 as follows:

32 (30 ILCS 805/8.28 new)

33 Sec. 8.28. Exempt mandate. Notwithstanding Sections 6 and 8

1 of this Act, no reimbursement by the State is required for the
2 implementation of any mandate created by this amendatory Act of
3 the 93rd General Assembly.