



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB3744

Introduced 2/24/2005, by Rep. Arthur L. Turner

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, 2006, at least 4% of the total electricity that it supplies to its Illinois customers as of December 31, 2008, at least 6% of the total electricity that it supplies to its Illinois customers as of December 31, 2010, at least 8% of the total electricity that it supplies to its Illinois customers as of December 31, 2012, and at least 10% of the total electricity that it supplies to its Illinois customers as of December 31, 2014. 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.

LRB094 07312 LJB 40441 b

FISCAL NOTE ACT
MAY APPLY

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

6 (220 ILCS 5/8-402.2 new)

7 Sec. 8-402.2. Renewable energy portfolio standards.

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 However, for the limited purposes of this Section, energy
12 produced by methane recovered from landfills in Illinois may be
13 counted as a renewable energy resource for up to, but no more
14 than, 25% of the amount of renewable energy resources provided
15 by the electric utility or alternative retail electric supplier
16 in meeting the standards 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, 2006, at least 4% of the total electricity
26 (megawatthours) that it supplies to its Illinois customers as
27 of December 31, 2008, at least 6% of the total electricity
28 (megawatthours) that it supplies to its Illinois customers as
29 of December 31, 2010, at least 8% of the total electricity
30 (megawatthours) that it supplies to its Illinois customers as
31 of December 31, 2012, and at least 10% of the total electricity
32 (megawatthours) that it supplies to its Illinois customers as

1 of December 31, 2014. 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 standards set forth in subsection
9 (c) 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. However, the renewable energy
13 resources may be counted for purposes of the renewable energy
14 portfolio standards after January 1, 2007 if generated from a
15 facility in an adjacent state that has entered into an
16 agreement with Illinois as provided in subsection (e) and the
17 renewable energy resource provided meets the definition set
18 forth in subsection (f) of Section 6-3 of the Renewable Energy,
19 Energy Efficiency, and Coal Resources Development Law of 1997.

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

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

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