



Electric Utility Oversight Committee

Filed: 2/22/2007

09500HB0458ham001

LRB095 07712 MJR 31803 a

1 AMENDMENT TO HOUSE BILL 458

2 AMENDMENT NO. _____. Amend House Bill 458 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Public Utilities Act is amended by adding
5 Sections 17-800, 17-801, 17-802, 17-803, 17-804, 17-805, and
6 17-806 as follows:

7 (220 ILCS 5/17-800 new)

8 Sec. 17-800. Definitions. For purposes of this Section and
9 Sections following this Section and preceding Section 17-807:

10 "Board" means the Board of Directors elected to run and
11 operate the Southern Illinois Aggregate for the Viability of
12 Energy Solutions Program pursuant to this Act.

13 "Company" means any business entity that provides, or has
14 provided, electric service in the program area within the 6
15 months preceding the effective date of this amendatory Act of
16 the 95th General Assembly.

1 "Competitive service provider" or "CSP" means the company
2 or entity chosen by the Southern Illinois Aggregate for Viable
3 Energy Solutions Program to provide electric power to
4 residential customers in the program area.

5 "Customer" means any person, business, or other entity in
6 the program area that has received residential, commercial, or
7 industrial electricity within the 12 months immediately
8 preceding this amendatory Act of the 95th General Assembly.

9 "Program area" means any municipality and part of a county
10 that is not a municipality situated within the counties of
11 Alexander, Clay, Edwards, Effingham, Franklin, Gallatin,
12 Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Marion,
13 Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline,
14 Wabash, Washington, Wayne, White, Williamson, and Union and
15 does not mean any portion of these areas that receive electric
16 service from a municipality that owns and operates its own
17 electric distribution system or electric cooperative, as
18 defined in Section 3.4 of the Electric Supplier Act.

19 "Program member" means any municipality or part of a county
20 that is not a municipality that is in the program area and has
21 elected to join the SAVES Program.

22 "Southern Illinois Aggregate for Viable Energy Solutions
23 Program" or "SAVES Program" means the entity created by the
24 program members situated within the program area that have
25 chosen to participate in municipal aggregation, pursuant to
26 this amendatory Act of the 95th General Assembly.

1 (220 ILCS 5/17-801 new)

2 Sec. 17-801. Southern Illinois Aggregate for Viable Energy
3 Solutions (SAVES) Program.

4 (a) There is hereby created a Southern Illinois Aggregate
5 for Viable Energy Solutions (SAVES) Program that shall be
6 available to all people in the program area receiving electric
7 service from an investor-owned utility, but shall not be
8 available to customers that receive residential, commercial,
9 or industrial electric service from a municipality that owns
10 and operates its own electric distribution system or electric
11 cooperative, as defined in Section 3.4 of the Electric Supplier
12 Act.

13 (b) The SAVES Program shall be a not-for-profit program,
14 but the Board of Directors will be entitled to pay reasonable
15 expenses and reimbursements necessary to carry out the purposes
16 of the program.

17 (c) The SAVES Program is authorized to aggregate the retail
18 and wholesale electrical load of customers within its
19 boundaries.

20 (d) The SAVES Program shall be governed by a Board of
21 Directors.

22 (220 ILCS 5/17-802 new)

23 Sec. 17-802. Program membership; ordinance.

24 (a) At any time after the effective date of this amendatory

1 Act of the 95th General Assembly, a municipality and part of a
2 county that is not a municipality within the program area may
3 aggregate the retail and wholesale electrical load located in
4 its boundaries either individually or jointly with any other
5 municipality or part of a county that is not a municipality in
6 the program area by becoming a member of the SAVES Program. A
7 corporate authority of a municipality or part of a county that
8 is not a municipality within the program area seeking to become
9 a member of the SAVES Program shall adopt an ordinance under
10 which it may aggregate one or more classes of the retail or
11 wholesale electrical loads. The ordinance shall specify that
12 the aggregation shall occur automatically for all such electric
13 account holders unless the account holder declines by choosing
14 to opt out.

15 (b) Before adopting an ordinance to become a member of the
16 SAVES Program, the municipality or part of a county that is not
17 a municipality shall hold at least one public hearing. Before
18 the first hearing, the municipality or part of a county that is
19 not a municipality shall publish notice of the hearing once a
20 week for 2 consecutive weeks in a newspaper of general
21 circulation in the jurisdiction. The notice shall summarize the
22 ordinance, plan, and state the date, time, and location of each
23 hearing.

24 Once an ordinance is passed and a municipality or part of a
25 county that is not a municipality has chosen to become a member
26 of the SAVES Program, an agreement shall be entered into with

1 the Board of Directors of the SAVES Program detailing the
2 rights, duties, and obligations of the program members and the
3 SAVES Program. The Board shall adopt an agreement that takes
4 into account the needs and capability of its members to receive
5 electric power.

6 (220 ILCS 5/17-803 new)

7 Sec. 17-803. Board of directors.

8 (a) The SAVES Program shall consist of a Board of Directors
9 consisting of 11 members. The first 5 members appointed to the
10 Board shall serve for an initial term of 3 years and the
11 remaining members shall serve for an initial term of 2 years.
12 Each director shall hold office until a successor has been
13 appointed. Thereafter, all terms shall be for a period of 3
14 years.

15 (b) The Board of Directors shall consist of members who
16 live in the program area and who have not worked for an
17 investor owned utility in the 3 years preceding their
18 nomination to the Board of Directors.

19 (c) The corporate authorities of the program members shall
20 appoint the initial Board of Directors within 3 months after
21 the effective date of this amendatory Act of the 95th General
22 Assembly by using their weighted vote. Each municipality or
23 part of a county that is not a municipality that has adopted an
24 ordinance as required under this amendatory Act of the 95th
25 General Assembly and is a member of the SAVES Program at the

1 time of the election shall have a weighted vote that is equal
2 to the number of residents that were listed as residing in that
3 municipality or part of a county that is not a municipality.
4 The number of residents shall be the number listed with the
5 United States Census Bureau in 2000, including any updated
6 census information that has since been accepted by the United
7 States Census Bureau.

8 (d) The members of the Board of Directors shall consist of
9 the following:

10 (1) 3 directors shall be residents of a part of a
11 county that is not a municipality in the program area;

12 (2) 3 directors shall be residents of cities with more
13 than 10,000 residents in the program area;

14 (3) 3 directors shall be residents of cities with less
15 than 10,000 residents in the program area; and

16 (4) 2 members shall be residents of the program area.

17 (e) During any subsequent vacancy in the Board of Directors
18 for any reason, the corporate authorities of the program
19 members shall fill the vacancy by applying the weighted vote
20 described in subsection (c) of this Section.

21 (f) No member who sits on the Board of Directors shall
22 receive a salary.

23 (g) Notwithstanding the provisions of any other law, no
24 trustee, officer, or employee of the State, any State agency,
25 or municipality who is appointed a director shall be deemed to
26 have forfeited or shall forfeit his or her office or employment

1 by reason of his or her acceptance of a position on the Board
2 of Directors, his or her service thereon, or his or her
3 employment therewith.

4 (h)The Board of Directors shall choose from among their own
5 number a chairman and vice-chairman. They shall from time to
6 time select such officers and employees, including a chief
7 executive officer and such engineering, marketing, and legal
8 officers and employees as they may require for the performance
9 of their duties and shall prescribe the duties and compensation
10 of each officer and employee. The Board of Directors shall
11 adopt by-laws and rules and regulations suitable to the
12 purposes of this amendatory Act of the 95th General Assembly.

13 (220 ILCS 5/17-804 new)

14 Sec. 17-804. Board of Directors; powers and duties. Except
15 as otherwise limited by this Act, the Board of Directors shall
16 have all of the powers necessary or convenient to carry out the
17 purposes and provisions of the program, including without
18 limiting the generality of the foregoing, the power to:

19 (1) solicit bids, broker, and contract for wholesale
20 and retail electric power and energy services for
21 customers;

22 (2) negotiate and enter into agreements for services to
23 facilitate the sale and purchase of electric energy and
24 other related services However, if the price for energy
25 would initially exceed the price of the electricity

1 available from an investor owned utility that serves the
2 area, then the agreement shall not be approved by the Board
3 of Directors, unless the price for energy under the
4 aggregation plan will be lower than the price of the
5 electricity available from an investor owned utility that
6 serves the area in the subsequent years or the excess price
7 is due to the purchase of renewable energy;

8 (3) make and execute agreements, contracts, and other
9 instruments necessary or convenient in the exercise of the
10 powers and functions of the SAVES Program under this
11 amendatory Act of the 95th General Assembly, including
12 contracts with any person, firm, corporation,
13 municipality, or part of a county that is not a
14 municipality, State agency, or other entity;

15 (4) enter into agreements to purchase power from the
16 State, any State agency, any municipality, or part of a
17 county that is not a municipality, any private entity, or
18 any other available source at such price or prices as may
19 be negotiated for the purchase of such power;

20 (5) enter into intergovernmental agreements with
21 program members for the provision of services consistent
22 with the program;

23 (6) maintain an office or offices at such place or
24 places in the State as it may determine;

25 (7) make any inquiry, investigation, survey, or study
26 which the SAVES Program may deem necessary to enable it

1 effectively to carry out the provisions of this amendatory
2 Act of the 95th General Assembly; and

3 (8) implement toll-free telephone numbers and Internet
4 websites that shall allow customers and residents in the
5 program area to obtain information on the SAVES Program.

6 (220 ILCS 5/17-805 new)

7 Sec. 17-805. Plan of operation and governance.

8 (a) The Board shall adopt an operation and governance plan
9 for the program. The operation and governance plan adopted
10 shall detail the services to be provided by the SAVES Program
11 and shall specify all customer rights and obligations of the
12 SAVES Program and the customers. The plan shall be sufficiently
13 detailed to allow customers to readily understand the services
14 that the SAVES Program is to provide and to compare those
15 services to similar services provided by other electricity
16 providers. The SAVES Program shall write the plan in clear and
17 plain language so that consumers may readily understand it. The
18 plan shall contain all of the following:

19 (1) A detailed description of services the SAVES
20 Program is to provide to the customers and noting whether
21 the service is to be provided directly by the SAVES Program
22 or by a party contracted by the SAVES Program.

23 (2) A detailed description of the SAVE Program's plan
24 for providing the required opt-out disclosure notices to
25 customers. The plan shall describe the steps that the SAVES

1 Program shall take to ensure that all customers within the
2 SAVES Program's boundaries are notified. The plan shall
3 also identify the time frames associated with the opt-out
4 disclosure notice.

5 (3) A detailed description of the SAVES Program's
6 customer service procedures and dispute resolution
7 processes.

8 (4) A detailed description of the policies associated
9 with a customer moving into the aggregation area or within
10 the aggregation area. The SAVES Program shall provide the
11 customer an opportunity to opt out of the aggregation. A
12 customer may opt out of the SAVES Program at any time
13 without penalty.

14 (5) A description of the SAVES Program's policies
15 regarding the ability of a customer who has previously
16 opted out of the aggregation to join the aggregation,
17 including identification of any associated conditions.

18 (b) Any customer that leaves the aggregation program shall
19 default to the bundled utility service until the person chooses
20 an alternative supplier or returns to the aggregation program.

21 (c) The SAVES Program shall keep its operation and
22 governance plan available for public inspection and shall, upon
23 request, provide a copy of the plan to any existing or
24 potential customer of the aggregation.

25 (d) The SAVES Program shall not alter its operation and
26 governance plan in any way that materially affects the

1 customers of the aggregation without first providing notice to
2 all affected customers and providing these customers the
3 opportunity to opt out of the aggregation according to the
4 procedures established for the initial opt-out disclosure
5 notice. The notice shall set forth the changes to the plan,
6 inform the customer of its right to opt out of the aggregation
7 without penalty, and identify the method and time frame for the
8 customer to opt out.

9 (220 ILCS 5/17-806 new)

10 Sec. 17-806. Duties and obligations.

11 (a) The SAVES Program and the program members shall not
12 require any license or permission from the Commission nor shall
13 it be subject to the jurisdiction of the Commission.

14 (b) A company must provide the SAVES Program with a list of
15 all eligible customers within the jurisdictional boundaries of
16 the SAVES Program. The list shall contain information
17 consistent with the information required by the program member
18 to facilitate customer communications. The SAVES Program must
19 be provided with an updated customer list from the company
20 every 3 months. The company shall provide coordination services
21 consistent with Federal Energy Regulatory Commission
22 guidelines and other applicable laws, rules, and regulations
23 that affect the distribution and transmission of electric
24 power. The company must provide customers participating in the
25 SAVES Program with information about changes in the market

1 price and wires charges.

2 (c) It shall the responsibility of the program member, or
3 its designee, to notify customers prior to enrollment of all of
4 the following:

5 (1) Actions taken to select the CSP.

6 (2) Services that the CSP that provide and actual terms
7 and conditions under which the CSP is providing those
8 services.

9 (3) Fixed prices are to be expressed in cents per
10 kilowatt-hour. Variable rates must include a description
11 of factors that cause the rate to vary and how often this
12 shall occur.

13 (4) Information comparing rates by the current
14 electric provider and the CSP.

15 (5) Itemized list of fees and charges, if any, that are
16 not included in the rates.

17 (6) Dates covered by the CSP's offer.

18 (7) That if the customer switches back to service with
19 the company the customer shall return to the rates that is
20 in effect in the area at the time the customer switches
21 back.

22 (8) Credit and deposit policies.

23 (9) Limitations or conditions for customer inclusion.

24 A customer shall not be enrolled as part of an opt-out
25 program unless it is clearly disclosed, prior to the
26 aggregation taking effect, that the person will be enrolled

1 automatically in the aggregation program and shall remain
2 so enrolled unless the person affirmatively elects by a
3 stated procedure not to be enrolled.

4 (10) Explanation of opt-out process steps necessary to
5 exercise the customer's option and any associated
6 timeframe for a response. The process must, at a minimum,
7 allow for the return of a post card and must allow at least
8 21 calendar days from the date of the postmark for the
9 customer to respond.

10 (11) A local or toll-free telephone number for
11 questions.

12 The SAVES Program or the program members shall not release
13 to the CSP any information pertaining to any customers that are
14 not active participants in the program. The SAVES Program, or
15 its designee, must maintain a record of the customer's opt out
16 decision.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."