

HB4346



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4346

by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-101A

Amends the Public Utilities Act. Makes a technical change in a Section concerning legislative findings.

LRB095 16514 MJR 42542 b

A BILL FOR

1 AN ACT concerning regulation.

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 changing
5 Section 16-101A as follows:

6 (220 ILCS 5/16-101A)

7 Sec. 16-101A. Legislative findings.

8 (a) The ~~The~~ citizens and businesses of the State of
9 Illinois have been well-served by a comprehensive electrical
10 utility system which has provided safe, reliable, and
11 affordable service. The electrical utility system in the State
12 of Illinois has historically been subject to State and federal
13 regulation, aimed at assuring the citizens and businesses of
14 the State of safe, reliable, and affordable service, while at
15 the same time assuring the utility system of a return on its
16 investment.

17 (b) Competitive forces are affecting the market for
18 electricity as a result of recent federal regulatory and
19 statutory changes and the activities of other states.
20 Competition in the electric services market may create
21 opportunities for new products and services for customers and
22 lower costs for users of electricity. Long-standing regulatory
23 relationships need to be altered to accommodate the competition

1 that could fundamentally alter the structure of the electric
2 services market.

3 (c) With the advent of increasing competition in this
4 industry, the State has a continued interest in assuring that
5 the safety, reliability, and affordability of electrical power
6 is not sacrificed to competitive pressures, and to that end,
7 intends to implement safeguards to assure that the industry
8 continues to operate the electrical system in a manner that
9 will serve the public's interest. Under the existing regulatory
10 framework, the industry has been encouraged to undertake
11 certain investments in its physical plant and personnel to
12 enhance its efficient operation, the cost of which it has been
13 permitted to pass on to consumers. The State has an interest in
14 providing the existing utilities a reasonable opportunity to
15 obtain a return on certain investments on which they depended
16 in undertaking those commitments in the first instance while,
17 at the same time, not permitting new entrants into the industry
18 to take unreasonable advantage of the investments made by the
19 formerly regulated industry.

20 (d) A competitive wholesale and retail market must benefit
21 all Illinois citizens. The Illinois Commerce Commission should
22 act to promote the development of an effectively competitive
23 electricity market that operates efficiently and is equitable
24 to all consumers. Consumer protections must be in place to
25 ensure that all customers continue to receive safe, reliable,
26 affordable, and environmentally safe electric service.

1 (e) All consumers must benefit in an equitable and timely
2 fashion from the lower costs for electricity that result from
3 retail and wholesale competition and receive sufficient
4 information to make informed choices among suppliers and
5 services. The use of renewable resources and energy efficiency
6 resources should be encouraged in competitive markets.

7 (f) The efficiency of electric markets depends both upon
8 the competitiveness of supply and upon the
9 price-responsiveness of the demand for service. Therefore, to
10 ensure the lowest total cost of service and to enhance the
11 reliability of service, all classes of the electricity
12 customers of electric utilities should have access to and be
13 able to voluntarily use real-time pricing and other
14 price-response and demand-response mechanisms.

15 (g) Including cost-effective renewable resources in a
16 diverse electricity supply portfolio will reduce long-term
17 direct and indirect costs to consumers by decreasing
18 environmental impacts and by avoiding or delaying the need for
19 new generation, transmission, and distribution infrastructure.
20 It serves the public interest to allow electric utilities to
21 recover costs for reasonably and prudently incurred expenses
22 for electricity generated by renewable resources.

23 (Source: P.A. 94-977, eff. 6-30-06; 95-481, eff. 8-28-07.)