



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5257

by Rep. Mike Fortner

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-92 new
220 ILCS 5/17-800 rep.

Amends the Illinois Power Agency Act and the Public Utilities Act. Moves provisions concerning aggregation of electrical load by municipalities or counties from the Public Utilities Act to the Illinois Power Agency Act and provides that (i) upon the applicable requisite authority under certain provisions, the corporate authorities or the county board, with assistance from the Illinois Power Agency, (previously, did not include assistance from the Illinois Power Agency) shall develop a plan of operation and governance for the authorized aggregation program; (ii) the aggregation may include small commercial retail electrical loads in addition to residential retail electrical loads; (iii) it shall be the duty of the aggregated entity to fully inform residential retail customers in advance that they have the right to opt out of (rather than opt into) the aggregation program and (iv) the Illinois Power Agency shall provide assistance to municipalities or associations working with municipalities to help complete the plan of operation and bidding process. Makes other changes.

LRB095 19168 AMC 45403 b

FISCAL NOTE ACT
MAY APPLY

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 Illinois Power Agency Act is amended by
5 adding Section 1-92 as follows:

6 (20 ILCS 3855/1-92 new)

7 Sec. 1-92. Aggregation of electrical load by
8 municipalities and counties. The corporate authorities of a
9 municipality or county board of a county may adopt an
10 ordinance, under which it may aggregate in accordance with this
11 Section residential and small commercial retail electrical
12 loads located, respectively, within the municipality or the
13 unincorporated areas of the county and, for that purpose, may
14 solicit bids and enter into service agreements to facilitate
15 for those loads the sale and purchase of electricity and
16 related services and equipment. The corporate authorities or
17 county board also may exercise such authority jointly with any
18 other municipality or county. An ordinance under this Section
19 shall specify whether the aggregation will occur only with the
20 prior consent of each person owning, occupying, controlling, or
21 using an electric load center proposed to be aggregated.
22 Nothing in this Section, however, authorizes the aggregation of
23 electric loads that are served or authorized to be served by an

1 electric cooperative as defined by and pursuant to the Electric
2 Supplier Act or loads served by a municipality that owns and
3 operates its own electric distribution system. No aggregation
4 shall take effect unless approved by a majority of the members
5 of the corporate authority or county board voting upon the
6 ordinance.

7 A governmental aggregator under this Section is not a
8 public utility or an alternative retail electric supplier and
9 shall be subject to supervision and regulation by the Illinois
10 Power Agency only to the extent provided in this Section.

11 Two or more municipalities or counties, or a combination of
12 both, may initiate a process jointly to authorize aggregation
13 by a majority vote of each particular municipality or county as
14 herein required.

15 Upon the applicable requisite authority under this
16 Section, the corporate authorities or the county board, with
17 assistance from the Illinois Power Agency, shall develop a plan
18 of operation and governance for the aggregation program so
19 authorized. Before adopting a plan under this Section, the
20 corporate authorities or county board shall hold at least 2
21 public hearings on the plan. Before the first hearing, the
22 corporate authorities or county board shall publish notice of
23 the hearings once a week for 2 consecutive weeks in a newspaper
24 of general circulation in the jurisdiction. The notice shall
25 summarize the plan and state the date, time, and location of
26 each hearing. Any load aggregation plan established pursuant to

1 this Section shall:

2 (1) provide for universal access to all applicable
3 residential customers and equitable treatment of
4 applicable residential customers;

5 (2) describe demand management and energy efficiency
6 services to be provided to each class of customers; and

7 (3) meet any requirements established by law
8 concerning aggregated service offered pursuant to this
9 Section.

10 The plan shall be filed with the Illinois Power Agency for
11 review and approval and shall include, without limitation, an
12 organizational structure of the program, its operations, and
13 funding; the methods of establishing rates and allocating costs
14 among participants; the methods for entering and terminating
15 agreements with other entities; the rights and
16 responsibilities of program participants; and procedures for
17 termination of the program. Within 120 days after receipt of
18 the plan, the Illinois Power Agency shall issue an order either
19 approving or rejecting the plan. If the Illinois Power Agency
20 rejects the plan, it shall state detailed reasons for rejecting
21 the plan in its order. Upon approval of the plan, the corporate
22 authorities or county board may solicit bids for electricity
23 and other related services pursuant to the methods established
24 in the plan. The corporate authorities or county board shall
25 report the results of this solicitation and proposed agreement
26 awards to the Illinois Power Agency, which shall have 15

1 business days to suspend such awards if the solicitation or
2 awards are not in conformance with the plan or if the cost for
3 energy would in the first year exceed the cost of that energy
4 if that energy was obtained from an electric utility under
5 Section 16-103 of the Public Utilities Act by citizens in the
6 municipality or county or group of municipalities and counties,
7 unless the applicant can demonstrate that the cost for energy
8 under the aggregation plan will be lower in the subsequent
9 years or the applicant can demonstrate that such excess cost is
10 due to the purchase of renewable energy. If the Illinois Power
11 Agency does not suspend the proposed contract awards within 15
12 business days after filing, the corporate authorities or county
13 board shall have the right to award the proposed agreements.

14 It shall be the duty of the aggregated entity to fully
15 inform residential retail customers in advance that they have
16 the right to opt out of the aggregation program. The disclosure
17 shall prominently state all charges to be made and shall
18 include full disclosure of the cost to obtain service pursuant
19 to Section 16-103 of the Public Utilities Act, how to access
20 it, and the fact that it is available to them without penalty,
21 if they are currently receiving service under that Section. The
22 Illinois Power Agency shall furnish, without charge, to any
23 citizen a list of all supply options available to them in a
24 format that allows comparison of prices and products.

25 The Illinois Power Agency shall provide assistance to
26 municipalities or associations working with municipalities to

1 help complete the plan and bidding process.

2 This Section does not prohibit municipalities or counties
3 from entering into an intergovernmental agreement to aggregate
4 residential retail electric loads.

5 (220 ILCS 5/17-800 rep.)

6 Section 10. The Public Utilities Act is amended by
7 repealing Section 17-800.