

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Finance Authority Act is amended by  
5 changing Sections 825-65, 825-70, and 825-75 as follows:

6 (20 ILCS 3501/825-65)

7 Sec. 825-65. Clean Coal, Coal, Energy Efficiency, and  
8 Renewable Energy Project Financing.

9 (a) Findings and declaration of policy.

10 (i) It is hereby found and declared that Illinois has  
11 abundant coal resources and, in some areas of Illinois, the  
12 demand for power exceeds the generating capacity.  
13 Incentives to encourage the construction of coal-fueled  
14 electric generating plants in Illinois to ensure power  
15 generating capacity into the future and to advance clean  
16 coal technology and the use of Illinois coal are in the  
17 best interests of all of the citizens of Illinois.

18 (ii) It is further found and declared that Illinois has  
19 abundant potential and resources to develop renewable  
20 energy resource projects and that there are many  
21 opportunities to invest in cost-effective energy  
22 efficiency projects throughout the State. The development  
23 of those projects will create jobs and investment as well

1 as decrease environmental impacts and promote energy  
2 independence in Illinois. Accordingly, the development of  
3 those projects is in the best interests of all of the  
4 citizens of Illinois.

5 (iii) The Authority is authorized to issue bonds to  
6 help finance Clean Coal, Coal, Energy Efficiency, and  
7 Renewable Energy projects pursuant to this Section.

8 (b) Definitions.

9 (i) "Clean Coal Project" means (A) "clean coal  
10 facility", as defined in Section 1-10 of the Illinois Power  
11 Agency Act; (B) "clean coal SNG facility", as defined in  
12 Section 1-10 of the Illinois Power Agency Act; (C)  
13 transmission lines and associated equipment that transfer  
14 electricity from points of supply to points of delivery for  
15 projects described in this subsection (b); (D) pipelines or  
16 other methods to transfer carbon dioxide from the point of  
17 production to the point of storage or sequestration for  
18 projects described in this subsection (b); or (E) projects  
19 to provide carbon abatement technology for existing  
20 generating facilities.

21 (ii) "Coal Project" means new electric generating  
22 facilities or new gasification facilities, as defined in  
23 Section 605-332 of the Department of Commerce and Economic  
24 Opportunity Law of the Civil Administrative Code of  
25 Illinois, which may include mine-mouth power plants,  
26 projects that employ the use of clean coal technology,

1 projects to provide scrubber technology for existing  
2 energy generating plants, or projects to provide electric  
3 transmission facilities or new gasification facilities.

4 (iii) "Energy Efficiency Project" means measures that  
5 reduce the amount of electricity or natural gas required to  
6 achieve a given end use, consistent with Section 1-10 of  
7 the Illinois Power Agency Act.

8 (iv) "Renewable Energy Project" means (A) a project  
9 that uses renewable energy resources, as defined in Section  
10 1-10 of the Illinois Power Agency Act; (B) a project that  
11 uses environmentally preferable technologies and practices  
12 that result in improvements to the production of renewable  
13 fuels, including but not limited to, cellulosic  
14 conversion, water and energy conservation, fractionation,  
15 alternative feedstocks, or reduced green house gas  
16 emissions; (C) transmission lines and associated equipment  
17 that transfer electricity from points of supply to points  
18 of delivery for projects described in this subsection (b);  
19 or (D) projects that use technology for the storage of  
20 renewable energy, including, without limitation, the use  
21 of battery or electrochemical storage technology for  
22 mobile or stationary applications.

23 (c) Creation of reserve funds. The Authority may establish  
24 and maintain one or more reserve funds to enhance bonds issued  
25 by the Authority for a Clean Coal Project, a Coal Project, an  
26 Energy Efficiency Project, or a Renewable Energy Project. There

1 may be one or more accounts in these reserve funds in which  
2 there may be deposited:

3 (1) any proceeds of the bonds issued by the Authority  
4 required to be deposited therein by the terms of any  
5 contract between the Authority and its bondholders or any  
6 resolution of the Authority;

7 (2) any other moneys or funds of the Authority that it  
8 may determine to deposit therein from any other source; and

9 (3) any other moneys or funds made available to the  
10 Authority. Subject to the terms of any pledge to the owners  
11 of any bonds, moneys in any reserve fund may be held and  
12 applied to the payment of principal, premium, if any, and  
13 interest of such bonds.

14 (d) Powers and duties. The Authority has the power:

15 (1) To issue bonds in one or more series pursuant to  
16 one or more resolutions of the Authority for any Clean Coal  
17 Project, Coal Project, Energy Efficiency Project, or  
18 Renewable Energy Project authorized under this Section,  
19 within the authorization set forth in subsection (e).

20 (2) To provide for the funding of any reserves or other  
21 funds or accounts deemed necessary by the Authority in  
22 connection with any bonds issued by the Authority.

23 (3) To pledge any funds of the Authority or funds made  
24 available to the Authority that may be applied to such  
25 purpose as security for any bonds or any guarantees,  
26 letters of credit, insurance contracts or similar credit

1 support or liquidity instruments securing the bonds.

2 (4) To enter into agreements or contracts with third  
3 parties, whether public or private, including, without  
4 limitation, the United States of America, the State or any  
5 department or agency thereof, to obtain any  
6 appropriations, grants, loans or guarantees that are  
7 deemed necessary or desirable by the Authority. Any such  
8 guarantee, agreement or contract may contain terms and  
9 provisions necessary or desirable in connection with the  
10 program, subject to the requirements established by the  
11 Act.

12 (5) To exercise such other powers as are necessary or  
13 incidental to the foregoing.

14 (e) Clean Coal Project, Coal Project, Energy Efficiency  
15 Project, and Renewable Energy Project bond authorization and  
16 financing limits. In addition to any other bonds authorized to  
17 be issued under Sections 801-40(w), 825-60, 830-25 and 845-5,  
18 the Authority may have outstanding, at any time, bonds for the  
19 purpose enumerated in this Section 825-65 in an aggregate  
20 principal amount that shall not exceed \$3,000,000,000, subject  
21 to the following limitations: (i) up to \$300,000,000 may be  
22 issued to finance projects, as described in clause (C) of  
23 subsection (b)(i) and clause (C) of subsection (b)(iv) ~~(b)(iii)~~  
24 of this Section 825-65; (ii) up to \$500,000,000 may be issued  
25 to finance projects, as described in clauses (D) and (E) of  
26 subsection (b)(i) of this Section 825-65; (iii) up to

1 \$2,000,000,000 may be issued to finance Clean Coal Projects, as  
2 described in clauses (A) and (B) of subsection (b)(i) of this  
3 Section 825-65 and Coal Projects, as described in subsection  
4 (b)(ii) of this Section 825-65; and (iv) up to \$2,000,000,000  
5 may be issued to finance Energy Efficiency Projects, as  
6 described in subsection (b)(iii) of this Section 825-65 and  
7 Renewable Energy Projects, as described in clauses (A), (B),  
8 and (D) of subsection (b)(iii) of this Section 825-65. An  
9 application for a loan financed from bond proceeds from a  
10 borrower or its affiliates for a Clean Coal Project, a Coal  
11 Project, Energy Efficiency Project, or a Renewable Energy  
12 Project may not be approved by the Authority for an amount in  
13 excess of \$450,000,000 for any borrower or its affiliates.  
14 These bonds shall not constitute an indebtedness or obligation  
15 of the State of Illinois and it shall be plainly stated on the  
16 face of each bond that it does not constitute an indebtedness  
17 or obligation of the State of Illinois, but is payable solely  
18 from the revenues, income or other assets of the Authority  
19 pledged therefor.

20 (f) The bonding authority granted under this Section is in  
21 addition to and not limited by the provisions of Section 845-5.  
22 (Source: P.A. 95-470, eff. 8-27-07; 96-103, eff. 1-1-10.)

23 (20 ILCS 3501/825-70)

24 Sec. 825-70. Criteria for participation in the program.  
25 Applications to the Authority for financing of any Clean Coal,

1 Coal, Energy Efficiency Project, or Renewable Energy Project  
2 shall be reviewed by the Authority. Upon submission of any such  
3 application, the Authority staff shall review the application  
4 for its completeness and may, at the discretion of the  
5 Authority staff, request such additional information as it  
6 deems necessary or advisable to aid in review. If the Authority  
7 receives applications for financing for Clean Coal, Coal,  
8 Energy Efficiency Project, or Renewable Energy Projects in  
9 excess of the bond authorization available for such financing  
10 at any one time, it shall consider applications in the order of  
11 priority as it shall determine, in consultation with other  
12 State agencies, and consistent with State policy to promote  
13 environmentally preferable technology and energy independence.  
14 (Source: P.A. 96-103, eff. 1-1-10.)

15 (20 ILCS 3501/825-75)

16 Sec. 825-75. Additional Security. In the event that the  
17 Authority determines that monies of the Authority will not be  
18 sufficient for the payment of the principal of and interest on  
19 any bonds issued by the Authority under Sections 825-65 through  
20 825-75 of this Act for Clean Coal Projects, Coal Projects,  
21 Energy Efficiency Projects, or Renewable Energy Projects  
22 during the next State fiscal year, the Chairperson, as soon as  
23 practicable, shall certify to the Governor the amount required  
24 by the Authority to enable it to pay such principal, premium,  
25 if any, and interest on such bonds. The Governor shall submit

1 the amount so certified to the General Assembly as soon as  
2 practicable, but no later than the end of the current State  
3 fiscal year. This subsection shall apply to any bonds or notes  
4 as to which the Authority shall have determined, in the  
5 resolution authorizing the issuance of the bonds or notes, that  
6 this subsection shall apply. Whenever the Authority makes such  
7 a determination, that fact shall be plainly stated on the face  
8 of the bonds or notes and that fact should also be reported to  
9 the Governor. In the event of a withdrawal of moneys from a  
10 reserve fund established with respect to any issue or issues of  
11 bonds of the Authority to pay principal, premium, if any, and  
12 interest on such bonds, the Chairman of the Authority, as soon  
13 as practicable, shall certify to the Governor the amount  
14 required to restore the reserve fund to the level required in  
15 the resolution or indenture securing those bonds. The Governor  
16 shall submit the amount so certified to the General Assembly as  
17 soon as practicable, but no later than the end of the current  
18 State fiscal year. The Authority shall obtain written approval  
19 from the Governor for any bonds and notes to be issued under  
20 this Section.

21 (Source: P.A. 95-470, eff. 8-27-07; 96-103, eff. 1-1-10.)

22 Section 99. Effective date. This Act takes effect January  
23 1, 2010.