

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.