

HB1458



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1458

by Rep. William Cunningham

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-10

Amends the Illinois Power Agency Act. Changes the definition of "renewable energy resources" to include biogas and biosolids produced by municipal wastewater treatment plants in the State. Effective immediately.

LRB097 05385 PJG 45442 b

A BILL FOR

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 Power Agency Act is amended by
5 changing Section 1-10 as follows:

6 (20 ILCS 3855/1-10)

7 Sec. 1-10. Definitions.

8 "Agency" means the Illinois Power Agency.

9 "Agency loan agreement" means any agreement pursuant to
10 which the Illinois Finance Authority agrees to loan the
11 proceeds of revenue bonds issued with respect to a project to
12 the Agency upon terms providing for loan repayment installments
13 at least sufficient to pay when due all principal of, interest
14 and premium, if any, on those revenue bonds, and providing for
15 maintenance, insurance, and other matters in respect of the
16 project.

17 "Authority" means the Illinois Finance Authority.

18 "Clean coal facility" means an electric generating
19 facility that uses primarily coal as a feedstock and that
20 captures and sequesters carbon emissions at the following
21 levels: at least 50% of the total carbon emissions that the
22 facility would otherwise emit if, at the time construction
23 commences, the facility is scheduled to commence operation

1 before 2016, at least 70% of the total carbon emissions that
2 the facility would otherwise emit if, at the time construction
3 commences, the facility is scheduled to commence operation
4 during 2016 or 2017, and at least 90% of the total carbon
5 emissions that the facility would otherwise emit if, at the
6 time construction commences, the facility is scheduled to
7 commence operation after 2017. The power block of the clean
8 coal facility shall not exceed allowable emission rates for
9 sulfur dioxide, nitrogen oxides, carbon monoxide, particulates
10 and mercury for a natural gas-fired combined-cycle facility the
11 same size as and in the same location as the clean coal
12 facility at the time the clean coal facility obtains an
13 approved air permit. All coal used by a clean coal facility
14 shall have high volatile bituminous rank and greater than 1.7
15 pounds of sulfur per million btu content, unless the clean coal
16 facility does not use gasification technology and was operating
17 as a conventional coal-fired electric generating facility on
18 June 1, 2009 (the effective date of Public Act 95-1027).

19 "Clean coal SNG facility" means a facility that uses a
20 gasification process to produce substitute natural gas, that
21 sequesters at least 90% of the total carbon emissions that the
22 facility would otherwise emit and that uses petroleum coke or
23 coal as a feedstock, with all such coal having a high
24 bituminous rank and greater than 1.7 pounds of sulfur per
25 million btu content.

26 "Commission" means the Illinois Commerce Commission.

1 "Costs incurred in connection with the development and
2 construction of a facility" means:

3 (1) the cost of acquisition of all real property and
4 improvements in connection therewith and equipment and
5 other property, rights, and easements acquired that are
6 deemed necessary for the operation and maintenance of the
7 facility;

8 (2) financing costs with respect to bonds, notes, and
9 other evidences of indebtedness of the Agency;

10 (3) all origination, commitment, utilization,
11 facility, placement, underwriting, syndication, credit
12 enhancement, and rating agency fees;

13 (4) engineering, design, procurement, consulting,
14 legal, accounting, title insurance, survey, appraisal,
15 escrow, trustee, collateral agency, interest rate hedging,
16 interest rate swap, capitalized interest and other
17 financing costs, and other expenses for professional
18 services; and

19 (5) the costs of plans, specifications, site study and
20 investigation, installation, surveys, other Agency costs
21 and estimates of costs, and other expenses necessary or
22 incidental to determining the feasibility of any project,
23 together with such other expenses as may be necessary or
24 incidental to the financing, insuring, acquisition, and
25 construction of a specific project and placing that project
26 in operation.

1 "Department" means the Department of Commerce and Economic
2 Opportunity.

3 "Director" means the Director of the Illinois Power Agency.

4 "Demand-response" means measures that decrease peak
5 electricity demand or shift demand from peak to off-peak
6 periods.

7 "Energy efficiency" means measures that reduce the amount
8 of electricity or natural gas required to achieve a given end
9 use.

10 "Electric utility" has the same definition as found in
11 Section 16-102 of the Public Utilities Act.

12 "Facility" means an electric generating unit or a
13 co-generating unit that produces electricity along with
14 related equipment necessary to connect the facility to an
15 electric transmission or distribution system.

16 "Governmental aggregator" means one or more units of local
17 government that individually or collectively procure
18 electricity to serve residential retail electrical loads
19 located within its or their jurisdiction.

20 "Local government" means a unit of local government as
21 defined in Article VII of Section 1 of the Illinois
22 Constitution.

23 "Municipality" means a city, village, or incorporated
24 town.

25 "Person" means any natural person, firm, partnership,
26 corporation, either domestic or foreign, company, association,

1 limited liability company, joint stock company, or association
2 and includes any trustee, receiver, assignee, or personal
3 representative thereof.

4 "Project" means the planning, bidding, and construction of
5 a facility.

6 "Public utility" has the same definition as found in
7 Section 3-105 of the Public Utilities Act.

8 "Real property" means any interest in land together with
9 all structures, fixtures, and improvements thereon, including
10 lands under water and riparian rights, any easements,
11 covenants, licenses, leases, rights-of-way, uses, and other
12 interests, together with any liens, judgments, mortgages, or
13 other claims or security interests related to real property.

14 "Renewable energy credit" means a tradable credit that
15 represents the environmental attributes of a certain amount of
16 energy produced from a renewable energy resource.

17 "Renewable energy resources" includes energy and its
18 associated renewable energy credit or renewable energy credits
19 from wind, solar thermal energy, photovoltaic cells and panels,
20 biodiesel, crops and untreated and unadulterated organic waste
21 biomass, tree waste, hydropower that does not involve new
22 construction or significant expansion of hydropower dams, and
23 other alternative sources of environmentally preferable
24 energy. For purposes of this Act, landfill gas produced in the
25 State and biogas and biosolids produced by municipal wastewater
26 treatment plants in the State are ~~is~~ considered ~~a~~ renewable

1 energy resources ~~resource~~. "Renewable energy resources" does
2 not include the incineration or burning of tires, garbage,
3 general household, institutional, and commercial waste,
4 industrial lunchroom or office waste, landscape waste other
5 than tree waste, railroad crossties, utility poles, or
6 construction or demolition debris, other than untreated and
7 unadulterated waste wood.

8 "Revenue bond" means any bond, note, or other evidence of
9 indebtedness issued by the Authority, the principal and
10 interest of which is payable solely from revenues or income
11 derived from any project or activity of the Agency.

12 "Sequester" means permanent storage of carbon dioxide by
13 injecting it into a saline aquifer, a depleted gas reservoir,
14 or an oil reservoir, directly or through an enhanced oil
15 recovery process that may involve intermediate storage in a
16 salt dome.

17 "Servicing agreement" means (i) in the case of an electric
18 utility, an agreement between the owner of a clean coal
19 facility and such electric utility, which agreement shall have
20 terms and conditions meeting the requirements of paragraph (3)
21 of subsection (d) of Section 1-75, and (ii) in the case of an
22 alternative retail electric supplier, an agreement between the
23 owner of a clean coal facility and such alternative retail
24 electric supplier, which agreement shall have terms and
25 conditions meeting the requirements of Section 16-115(d) (5) of
26 the Public Utilities Act.

1 "Substitute natural gas" or "SNG" means a gas manufactured
2 by gasification of hydrocarbon feedstock, which is
3 substantially interchangeable in use and distribution with
4 conventional natural gas.

5 "Total resource cost test" or "TRC test" means a standard
6 that is met if, for an investment in energy efficiency or
7 demand-response measures, the benefit-cost ratio is greater
8 than one. The benefit-cost ratio is the ratio of the net
9 present value of the total benefits of the program to the net
10 present value of the total costs as calculated over the
11 lifetime of the measures. A total resource cost test compares
12 the sum of avoided electric utility costs, representing the
13 benefits that accrue to the system and the participant in the
14 delivery of those efficiency measures, as well as other
15 quantifiable societal benefits, including avoided natural gas
16 utility costs, to the sum of all incremental costs of end-use
17 measures that are implemented due to the program (including
18 both utility and participant contributions), plus costs to
19 administer, deliver, and evaluate each demand-side program, to
20 quantify the net savings obtained by substituting the
21 demand-side program for supply resources. In calculating
22 avoided costs of power and energy that an electric utility
23 would otherwise have had to acquire, reasonable estimates shall
24 be included of financial costs likely to be imposed by future
25 regulations and legislation on emissions of greenhouse gases.

26 (Source: P.A. 95-481, eff. 8-28-07; 95-913, eff. 1-1-09;

1 95-1027, eff. 6-1-09; 96-33, eff. 7-10-09; 96-159, eff.
2 8-10-09; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.