



Sen. Don Harmon

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LRB098 09433 RPS 60209 a

1 AMENDMENT TO HOUSE BILL 2427

2 AMENDMENT NO. _____. Amend House Bill 2427 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Power Agency Act is amended by
5 changing Section 1-56 as follows:

6 (20 ILCS 3855/1-56)

7 Sec. 1-56. Illinois Power Agency Renewable Energy
8 Resources Fund.

9 (a) The Illinois Power Agency Renewable Energy Resources
10 Fund is created as a special fund in the State treasury.

11 (b) The Illinois Power Agency Renewable Energy Resources
12 Fund shall be administered by the Agency to procure renewable
13 energy resources. Prior to June 1, 2011, resources procured
14 pursuant to this Section shall be procured from facilities
15 located in Illinois, provided the resources are available from
16 those facilities. If resources are not available in Illinois,

1 then they shall be procured in states that adjoin Illinois. If
2 resources are not available in Illinois or in states that
3 adjoin Illinois, then they may be purchased elsewhere.
4 Beginning June 1, 2011, resources procured pursuant to this
5 Section shall be procured from facilities located in Illinois
6 or states that adjoin Illinois. If resources are not available
7 in Illinois or in states that adjoin Illinois, then they may be
8 procured elsewhere. To the extent available, at least 75% of
9 these renewable energy resources shall come from wind
10 generation. Of the renewable energy resources procured
11 pursuant to this Section at least the following specified
12 percentages shall come from photovoltaics on the following
13 schedule: 0.5% by June 1, 2012; 1.5% by June 1, 2013; 3% by
14 June 1, 2014; and 6% by June 1, 2015 and thereafter. Of the
15 renewable energy resources procured pursuant to this Section,
16 at least the following percentages shall come from distributed
17 renewable energy generation devices: 0.5% by June 1, 2013,
18 0.75% by June 1, 2014, and 1% by June 1, 2015 and thereafter.
19 To the extent available, half of the renewable energy resources
20 procured from distributed renewable energy generation shall
21 come from devices of less than 25 kilowatts in nameplate
22 capacity. Renewable energy resources procured from distributed
23 generation devices may also count towards the required
24 percentages for wind and solar photovoltaics. Procurement of
25 renewable energy resources from distributed renewable energy
26 generation devices shall be done on an annual basis through

1 multi-year contracts of no less than 5 years, and shall consist
2 solely of renewable energy credits.

3 The Agency shall create credit requirements for suppliers
4 of distributed renewable energy. In order to minimize the
5 administrative burden on contracting entities, the Agency
6 shall solicit the use of third-party organizations to aggregate
7 distributed renewable energy into groups of no less than one
8 megawatt in installed capacity. These third-party
9 organizations shall administer contracts with individual
10 distributed renewable energy generation device owners. An
11 individual distributed renewable energy generation device
12 owner shall have the ability to measure the output of his or
13 her distributed renewable energy generation device.

14 (c) The Agency shall procure renewable energy resources at
15 least once each year in conjunction with a procurement event
16 for electric utilities required to comply with Section 1-75 of
17 the Act and shall, whenever possible, enter into long-term
18 contracts on an annual basis for a portion of the incremental
19 requirement for the given procurement year.

20 (d) The price paid to procure renewable energy credits
21 using monies from the Illinois Power Agency Renewable Energy
22 Resources Fund shall not exceed the winning bid prices paid for
23 like resources procured for electric utilities required to
24 comply with Section 1-75 of this Act.

25 (e) All renewable energy credits procured using monies from
26 the Illinois Power Agency Renewable Energy Resources Fund shall

1 be permanently retired.

2 (f) The procurement process described in this Section is
3 exempt from the requirements of the Illinois Procurement Code,
4 pursuant to Section 20-10 of that Code.

5 (g) All disbursements from the Illinois Power Agency
6 Renewable Energy Resources Fund shall be made only upon
7 warrants of the Comptroller drawn upon the Treasurer as
8 custodian of the Fund upon vouchers signed by the Director or
9 by the person or persons designated by the Director for that
10 purpose. The Comptroller is authorized to draw the warrant upon
11 vouchers so signed. The Treasurer shall accept all warrants so
12 signed and shall be released from liability for all payments
13 made on those warrants.

14 (h) The Illinois Power Agency Renewable Energy Resources
15 Fund shall not be subject to sweeps, administrative charges, or
16 chargebacks, including, but not limited to, those authorized
17 under Section 8h of the State Finance Act, that would in any
18 way result in the transfer of any funds from this Fund to any
19 other fund of this State or in having any such funds utilized
20 for any purpose other than the express purposes set forth in
21 this Section.

22 (i) Supplemental procurement process.

23 (1) Within 90 days after the effective date of this
24 amendatory Act of the 98th General Assembly, the Agency
25 shall develop a one-time supplemental procurement plan
26 limited to the procurement of renewable energy credits, if

1 available, from new or existing photovoltaics, including,
2 but not limited to, distributed photovoltaic generation.
3 Nothing in this subsection (i) requires procurement of wind
4 generation through the supplemental procurement.

5 Renewable energy credits procured from new
6 photovoltaics, including, but not limited to, distributed
7 photovoltaic generation, under this subsection (i) must be
8 procured from devices installed by a qualified person. In
9 its supplemental procurement plan, the Agency shall
10 establish contractually enforceable mechanisms for
11 ensuring that the installation of new photovoltaics is
12 performed by a qualified person.

13 For the purposes of this paragraph (1), "qualified
14 person" means a person who performs installations of
15 photovoltaics, including, but not limited to, distributed
16 photovoltaic generation, and who: (A) has completed an
17 apprenticeship as a journeyman electrician from a United
18 States Department of Labor registered electrical
19 apprenticeship and training program and received a
20 certification of satisfactory completion; or (B) does not
21 currently meet the criteria under clause (A) of this
22 paragraph (1), but is enrolled in a United States
23 Department of Labor registered electrical apprenticeship
24 program, provided that the person is directly supervised by
25 a person who meets the criteria under clause (A) of this
26 paragraph (1); or (C) has obtained one of the following

1 credentials in addition to attesting to satisfactory
2 completion of at least 5 years or 8,000 hours of documented
3 hands-on electrical experience: (i) a North American Board
4 of Certified Energy Practitioners (NABCEP) Installer
5 Certificate for Solar PV; (ii) an Underwriters
6 Laboratories (UL) PV Systems Installer Certificate; (iii)
7 an Electronics Technicians Association, International
8 (ETAI) Level 3 PV Installer Certificate; or (iv) an
9 Associate in Applied Science degree from an Illinois
10 Community College Board approved community college program
11 in renewable energy or a distributed generation
12 technology.

13 For the purposes of this paragraph (1), "directly
14 supervised" means that there is a qualified person who
15 meets the qualifications under clause (A) of this paragraph
16 (1) and who is available for supervision and consultation
17 regarding the work performed by persons under clause (B) of
18 this paragraph (1), including a final inspection of the
19 installation work that has been directly supervised to
20 ensure safety and conformity with applicable codes.

21 The renewable energy credits procured pursuant to the
22 supplemental procurement plan shall be procured using up to
23 \$30,000,000 from the Illinois Power Agency Renewable
24 Energy Resources Fund. The Agency shall not plan to use
25 funds from the Illinois Power Agency Renewable Energy
26 Resources Fund in excess of the monies on deposit in such

1 fund or projected to be deposited into such fund. The
2 supplemental procurement plan shall ensure adequate,
3 reliable, affordable, efficient, and environmentally
4 sustainable renewable energy resources (including credits)
5 at the lowest total cost over time, taking into account any
6 benefits of price stability.

7 To the extent available, 50% of the renewable energy
8 credits procured from distributed renewable energy
9 generation shall come from devices of less than 25
10 kilowatts in nameplate capacity. Procurement of renewable
11 energy credits from distributed renewable energy
12 generation devices shall be done through multi-year
13 contracts of no less than 5 years. The Agency shall create
14 credit requirements for counterparties. In order to
15 minimize the administrative burden on contracting
16 entities, the Agency shall solicit the use of third parties
17 to aggregate distributed renewable energy. These third
18 parties shall enter into and administer contracts with
19 individual distributed renewable energy generation device
20 owners. An individual distributed renewable energy
21 generation device owner shall have the ability to measure
22 the output of his or her distributed renewable energy
23 generation device.

24 In developing the supplemental procurement plan, the
25 Agency shall hold at least one workshop open to the public
26 within 90 days after the effective date of this amendatory

1 Act of the 98th General Assembly and shall consider any
2 comments made by stakeholders or the public. Upon
3 development of the supplemental procurement plan within
4 this 90-day period, copies of the supplemental procurement
5 plan shall be posted and made publicly available on the
6 Agency's and Commission's websites. All interested parties
7 shall have 14 days following the date of posting to provide
8 comment to the Agency on the supplemental procurement plan.
9 All comments submitted to the Agency shall be specific,
10 supported by data or other detailed analyses, and, if
11 objecting to all or a portion of the supplemental
12 procurement plan, accompanied by specific alternative
13 wording or proposals. All comments shall be posted on the
14 Agency's and Commission's websites. Within 14 days
15 following the end of the 14-day review period, the Agency
16 shall revise the supplemental procurement plan as
17 necessary based on the comments received and file its
18 revised supplemental procurement plan with the Commission
19 for approval.

20 (2) Within 5 days after the filing of the supplemental
21 procurement plan at the Commission, any person objecting to
22 the supplemental procurement plan shall file an objection
23 with the Commission. Within 10 days after the filing, the
24 Commission shall determine whether a hearing is necessary.
25 The Commission shall enter its order confirming or
26 modifying the supplemental procurement plan within 90 days

1 after the filing of the supplemental procurement plan by
2 the Agency.

3 (3) The Commission shall approve the supplemental
4 procurement plan of renewable energy credits to be procured
5 from new or existing photovoltaics, including, but not
6 limited to, distributed photovoltaic generation, if the
7 Commission determines that it will ensure adequate,
8 reliable, affordable, efficient, and environmentally
9 sustainable electric service in the form of renewable
10 energy credits at the lowest total cost over time, taking
11 into account any benefits of price stability.

12 (4) The supplemental procurement process under this
13 subsection (i) shall include each of the following
14 components:

15 (A) Procurement administrator. The Agency may
16 retain a procurement administrator in the manner set
17 forth in item (2) of subsection (a) of Section 1-75 of
18 this Act to conduct the supplemental procurement or may
19 elect to use the same procurement administrator
20 administering the Agency's annual procurement under
21 Section 1-75.

22 (B) Procurement monitor. The procurement monitor
23 retained by the Commission pursuant to Section
24 16-111.5 of the Public Utilities Act shall:

25 (i) monitor interactions among the procurement
26 administrator and bidders and suppliers;

1 (ii) monitor and report to the Commission on
2 the progress of the supplemental procurement
3 process;

4 (iii) provide an independent confidential
5 report to the Commission regarding the results of
6 the procurement events;

7 (iv) assess compliance with the procurement
8 plan approved by the Commission for the
9 supplemental procurement process;

10 (v) preserve the confidentiality of supplier
11 and bidding information in a manner consistent
12 with all applicable laws, rules, regulations, and
13 tariffs;

14 (vi) provide expert advice to the Commission
15 and consult with the procurement administrator
16 regarding issues related to procurement process
17 design, rules, protocols, and policy-related
18 matters;

19 (vii) consult with the procurement
20 administrator regarding the development and use of
21 benchmark criteria, standard form contracts,
22 credit policies, and bid documents; and

23 (viii) perform, with respect to the
24 supplemental procurement process, any other
25 procurement monitor duties specifically delineated
26 within subsection (i) of this Section.

1 (C) Solicitation, pre-qualification, and
2 registration of bidders. The procurement administrator
3 shall disseminate information to potential bidders to
4 promote a procurement event, notify potential bidders
5 that the procurement administrator may enter into a
6 post-bid price negotiation with bidders that meet the
7 applicable benchmarks, provide supply requirements,
8 and otherwise explain the competitive procurement
9 process. In addition to such other publication as the
10 procurement administrator determines is appropriate,
11 this information shall be posted on the Agency's and
12 the Commission's websites. The procurement
13 administrator shall also administer the
14 prequalification process, including evaluation of
15 credit worthiness, compliance with procurement rules,
16 and agreement to the standard form contract developed
17 pursuant to item (D) of this paragraph (4). The
18 procurement administrator shall then identify and
19 register bidders to participate in the procurement
20 event.

21 (D) Standard contract forms and credit terms and
22 instruments. The procurement administrator, in
23 consultation with the Agency, the Commission, and
24 other interested parties and subject to Commission
25 oversight, shall develop and provide standard contract
26 forms for the supplier contracts that meet generally

1 accepted industry practices as well as include any
2 applicable State of Illinois terms and conditions that
3 are required for contracts entered into by an agency of
4 the State of Illinois. Standard credit terms and
5 instruments that meet generally accepted industry
6 practices shall be similarly developed. Contracts for
7 new photovoltaics shall include a provision attesting
8 that the supplier will use a qualified person for the
9 installation of the device pursuant to paragraph (1) of
10 subsection (i) of this Section. The procurement
11 administrator shall make available to the Commission
12 all written comments it receives on the contract forms,
13 credit terms, or instruments. If the procurement
14 administrator cannot reach agreement with the parties
15 as to the contract terms and conditions, the
16 procurement administrator must notify the Commission
17 of any disputed terms and the Commission shall resolve
18 the dispute. The terms of the contracts shall not be
19 subject to negotiation by winning bidders, and the
20 bidders must agree to the terms of the contract in
21 advance so that winning bids are selected solely on the
22 basis of price.

23 (E) Requests for proposals; competitive
24 procurement process. The procurement administrator
25 shall design and issue requests for proposals to supply
26 renewable energy credits in accordance with the

1 supplemental procurement plan, as approved by the
2 Commission. The requests for proposals shall set forth
3 a procedure for sealed, binding commitment bidding
4 with pay-as-bid settlement, and provision for
5 selection of bids on the basis of price, provided,
6 however, that no bid shall be accepted if it exceeds
7 the benchmark developed pursuant to item (F) of this
8 paragraph (4).

9 (F) Benchmarks. Benchmarks for each product to be
10 procured shall be developed by the procurement
11 administrator in consultation with Commission staff,
12 the Agency, and the procurement monitor for use in this
13 supplemental procurement.

14 (G) A plan for implementing contingencies in the
15 event of supplier default, Commission rejection of
16 results, or any other cause.

17 (5) Within 2 business days after opening the sealed
18 bids, the procurement administrator shall submit a
19 confidential report to the Commission. The report shall
20 contain the results of the bidding for each of the products
21 along with the procurement administrator's recommendation
22 for the acceptance and rejection of bids based on the price
23 benchmark criteria and other factors observed in the
24 process. The procurement monitor also shall submit a
25 confidential report to the Commission within 2 business
26 days after opening the sealed bids. The report shall

1 contain the procurement monitor's assessment of bidder
2 behavior in the process as well as an assessment of the
3 procurement administrator's compliance with the
4 procurement process and rules. The Commission shall review
5 the confidential reports submitted by the procurement
6 administrator and procurement monitor and shall accept or
7 reject the recommendations of the procurement
8 administrator within 2 business days after receipt of the
9 reports.

10 (6) Within 3 business days after the Commission
11 decision approving the results of a procurement event, the
12 Agency shall enter into binding contractual arrangements
13 with the winning suppliers using the standard form
14 contracts.

15 (7) The names of the successful bidders and the average
16 of the winning bid prices for each contract type and for
17 each contract term shall be made available to the public
18 within 2 days after the supplemental procurement event. The
19 Commission, the procurement monitor, the procurement
20 administrator, the Agency, and all participants in the
21 procurement process shall maintain the confidentiality of
22 all other supplier and bidding information in a manner
23 consistent with all applicable laws, rules, regulations,
24 and tariffs. Confidential information, including the
25 confidential reports submitted by the procurement
26 administrator and procurement monitor pursuant to this

1 Section, shall not be made publicly available and shall not
2 be discoverable by any party in any proceeding, absent a
3 compelling demonstration of need, nor shall those reports
4 be admissible in any proceeding other than one for law
5 enforcement purposes.

6 (8) The supplemental procurement provided in this
7 subsection (i) shall not be subject to the requirements and
8 limitations of subsections (c) and (d) of this Section.

9 (9) Expenses incurred in connection with the
10 procurement process held pursuant to this Section,
11 including, but not limited to, the cost of developing the
12 supplemental procurement plan, the procurement
13 administrator, procurement monitor, and the cost of the
14 retirement of renewable energy credits purchased pursuant
15 to the supplemental procurement shall be paid for from the
16 Illinois Power Agency Renewable Energy Resources Fund. The
17 Agency shall enter into an interagency agreement with the
18 Commission to reimburse the Commission for its costs
19 associated with the procurement monitor for the
20 supplemental procurement process.

21 (Source: P.A. 96-159, eff. 8-10-09; 96-1000, eff. 7-2-10;
22 96-1437, eff. 8-17-10; 97-616, eff. 10-26-11.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."