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NINETY-NINTH GENERAL ASSEMBLY

133RD LEGISLATIVE DAY

THURSDAY, DECEMBER 1, 2016

9:17 O'CLOCK A.M.

SENATE
Daily Journal Index
133rd Legislative Day

Action	Page(s)
Communication	223
Joint Action Motion(s) Filed	20, 26, 70, 217
Legislative Measure(s) Filed	70
Message from the Governor	22
Message from the House	3, 23, 37, 73, 223
Message from the President	3
Message from the Secretary of State	21
Motion in Writing	26
Perfunctory Session.....	3
Presentation of Senate Resolutions No'd. 2464 - 2471.....	21
Presentation of Senate Resolutions No'd. 2472 - 2474.....	26
Presentation of Senate Resolutions No'd. 2475 - 2483.....	71
Regular Session.....	21
Report from Assignments Committee	26
Report from Standing Committee(s)	3
Resolutions Consent Calendar.....	219

Bill Number	Legislative Action	Page(s)
SB 0514	Concur in House Amendment(s).....	31
SB 0516	Concur in House Amendment(s).....	32
SB 0565	Concur in House Amendment(s).....	32
SB 0845	Concur in House Amendment(s).....	33
SB 0870	Concur in House Amendment(s).....	27
SB 1367	Concur in House Amendment(s).....	33
SB 1488	Concur in House Amendment(s).....	34
SB 1506	Concur in House Amendment(s).....	29
SB 1626	Concur in House Amendment(s).....	27
SB 1673	Concur in House Amendment(s).....	34
SB 1941	Concur in House Amendment(s).....	35
SB 2504	Concur in House Amendment(s).....	28
SB 2814	Concur in House Amendment(s).....	218
SB 2822	Motion Filed to Override Veto.....	31
SB 2884	Concur in House Amendment(s).....	28
SB 2921	Concur in House Amendment(s).....	29
SB 2924	Concur in House Amendment(s).....	30
SB 3337	Concur in House Amendment(s).....	36
SB 3368	Concur in House Amendment(s).....	36
SJR 0053	Concur in House Amendment(s)	71
SR 2366	Adopted	72
HB 6418	Third Reading	218
HJR 0142	Adopted	72
HJR 0163	Adopted	70

PERFUNCTORY SESSION

The Senate met in Perfunctory Session pursuant to the directive of the President.
Pursuant to Senate Rule 2-5(c)2, the Secretary of the Senate conducted the perfunctory session.

MESSAGE FROM THE PRESIDENT

**OFFICE OF THE SENATE PRESIDENT
STATE OF ILLINOIS**

JOHN J. CULLERTON
SENATE PRESIDENT

327 STATE CAPITOL
SPRINGFIELD, IL 62706
217-782-2728

December 1, 2016

Mr. Tim Anderson
Secretary of the Senate
Room 401 State House
Springfield, IL 62706

Dear Mr. Secretary:

Pursuant to Rule 2-10, I am scheduling a Perfunctory Session to convene on December 1, 2016.

Sincerely,
s/John J. Cullerton
John J. Cullerton
Senate President

cc: Senate Minority Leader Christine Radogno

REPORTS FROM STANDING COMMITTEES

Senator Martinez, Vice-Chairperson of the Committee on Education, to which was referred the Motion to Concur with House Amendment to the following Senate Bill, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 516

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Landek, Chairperson of the Committee on State Government and Veterans Affairs, to which was referred the Motions to Concur with House Amendments to the following Senate Bills, reported that the Committee recommends do adopt:

Motion to Concur in House Amendment 1 to Senate Bill 845; Motion to Concur in House Amendment 1 to Senate Bill 1367; Motion to Concur in House Amendment 1 to Senate Bill 1488; Motion to Concur in House Amendment 2 to Senate Bill 1488; Motion to Concur in House Amendment 3 to Senate Bill 1488; Motion to Concur in House Amendment 1 to Senate Bill 3337; Motion to Concur in House Amendment 2 to Senate Bill 3337

Under the rules, the foregoing motions are eligible for consideration by the Senate.

MESSAGES FROM THE HOUSE

[December 1, 2016]

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 514

A bill for AN ACT concerning revenue.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 514

House Amendment No. 2 to SENATE BILL NO. 514

Passed the House, as amended, November 30, 2016.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 514

AMENDMENT NO. 1. Amend Senate Bill 514 by replacing everything after the enacting clause with the following:

"Section 5. The School Code is amended by changing Section 17-2A as follows:

(105 ILCS 5/17-2A) (from Ch. 122, par. 17-2A)

Sec. 17-2A. Interfund transfers.

(a) The school board of any district having a population of less than 500,000 inhabitants may, by proper resolution following a public hearing set by the school board or the president of the school board (that is preceded (i) by at least one published notice over the name of the clerk or secretary of the board, occurring at least 7 days and not more than 30 days prior to the hearing, in a newspaper of general circulation within the school district and (ii) by posted notice over the name of the clerk or secretary of the board, at least 48 hours before the hearing, at the principal office of the school board or at the building where the hearing is to be held if a principal office does not exist, with both notices setting forth the time, date, place, and subject matter of the hearing), transfer money from (1) the Educational Fund to the Operations and Maintenance Fund or the Transportation Fund, (2) the Operations and Maintenance Fund to the Educational Fund or the Transportation Fund, or (3) the Transportation Fund to the Educational Fund or the Operations and Maintenance Fund of said district, provided that, except during the period from July 1, 2003 through June 30, 2019, such transfer is made solely for the purpose of meeting one-time, non-recurring expenses. Except during the period from July 1, 2003 through June 30, 2019 and except as otherwise provided in subsection (b) of this Section, any other permanent interfund transfers authorized by any provision or judicial interpretation of this Code for which the transferee fund is not precisely and specifically set forth in the provision of this Code authorizing such transfer shall be made to the fund of the school district most in need of the funds being transferred, as determined by resolution of the school board.

(b) Notwithstanding subsection (a) of this Section or any other provision of this Code to the contrary, the school board of any school district (i) that is subject to the Property Tax Extension Limitation Law, (ii) that has a population of less than 500,000 inhabitants, (iii) that is levying at its maximum tax rate, (iv) whose total equalized assessed valuation has declined 20% in the prior 2 years, (v) in which 80% or more of its students receive free or reduced-price lunch, and (vi) that had an equalized assessed valuation of less than \$207 million but more than \$203 million in the 2011 levy year may annually, until July 1, 2016, transfer money from any fund of the district, other than the Illinois Municipal Retirement Fund and the Bonds and Interest Fund, to the educational fund, the operations and maintenance fund, or the transportation fund of the district by proper resolution following a public hearing set by the school board or the president of the school board, with notice as provided in subsection (a) of this Section, so long as the district meets the qualifications set forth in this subsection (b) on the effective date of this amendatory Act of the 98th General Assembly even if the district does not meet those qualifications at the time a given transfer is made.

(c) Notwithstanding subsection (a) of this Section or any other provision of this Code to the contrary, the school board of any school district (i) that is subject to the Property Tax Extension Limitation Law, (ii) that is an elementary district servicing students in grades K through 8, (iii) whose territory is in one county, (iv) that is eligible for Section 7002 Federal Impact Aid, and (v) that has no more than \$81,000 in funds remaining from refinancing bonds that were refinanced a minimum of 5 years prior to the effective date of this amendatory Act of the 99th General Assembly may make a one-time transfer of the funds

[December 1, 2016]

remaining from the refinancing bonds to the Operations and Maintenance Fund of the district by proper resolution following a public hearing set by the school board or the president of the school board, with notice as provided in subsection (a) of this Section, so long as the district meets the qualifications set forth in this subsection (c) on the effective date of this amendatory Act of the 99th General Assembly.
(Source: P.A. 98-26, eff. 6-21-13; 98-131, eff. 1-1-14; 99-713, eff. 8-5-16.)

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

AMENDMENT NO. 2 TO SENATE BILL 514

AMENDMENT NO. 2. Amend Senate Bill 514, AS AMENDED, as follows:

immediately above Section 5, by inserting the following:

"Section 3. The Local Government Debt Reform Act is amended by changing Section 17.5 as follows:
(30 ILCS 350/17.5)

Sec. 17.5. Bond authorization by referendum.

(a) Whenever applicable law provides that the authorization of or the issuance of bonds is subject to either a referendum or backdoor referendum, the approval, once obtained, remains (i) for 5 years after the date of the referendum or (ii) for 3 years after the end of the petition period for a backdoor referendum. However, whenever the applicable law provides that the authorization of or the issuance of bonds under the Water Pollution Control Loan Program or the Public Water Supply Loan Program, under Title IV-A of the Environmental Protection Act, is subject to either a referendum or backdoor referendum, the approval, once obtained, remains (i) for 7 years after the date of the referendum or (ii) for 5 years after the end of the petition period for a backdoor referendum. In the case of bonds authorized to be issued under the Downstate Forest Preserve District Act and approved by Lake County voters in a November 2008 referendum or in the case of bonds authorized to be issued under the School Code and approved by voters of Sandoval Community Unit School District 501 in a March 2012 referendum, the approval, once obtained, remains for 10 years after the date of the referendum. In the case of bonds authorized to be issued under the Counties Code and approved by Jackson County voters in a 1994 referendum, of which less than \$200,000 of the original bonds have been issued, and for which the purpose of the bonds is flooding prevention, the approval, once obtained, remains for 25 years after the date of the referendum.

(b) With respect to any bond approval under subsection (a), if, for any reason, the bonds are not issued because of a court action, then the time limits set forth under subsection (a) for the approval for the bonds is tolled during the time that the court action is pending. This subsection (b) applies to any bond issuance approved by referendum held on or after January 1, 2003 or by a backdoor referendum held on or after January 1, 2005.

(Source: P.A. 97-364, eff. 8-15-11; 98-655, eff. 6-18-14.); and

in Section 5, in the introductory clause, by replacing "Section 17-2A" with "Sections 17-2A and 19-1"; and

in Section 5, immediately below the end of Sec. 17-2A, by inserting the following:

"(105 ILCS 5/19-1)

Sec. 19-1. Debt limitations of school districts.

(a) School districts shall not be subject to the provisions limiting their indebtedness prescribed in the Local Government Debt Limitation Act.

No school districts maintaining grades K through 8 or 9 through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 6.9% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 13.8% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No partial elementary unit district, as defined in Article 11E of this Code, shall become indebted in any manner or for any purpose in an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, plus an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes. Moreover, no partial elementary unit district, as defined in Article 11E of this Code, shall become indebted on account of bonds issued by the district for high school purposes in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, nor shall the district become indebted on account of bonds issued by the district for elementary purposes in the aggregate exceeding 6.9% of the value of the taxable property for that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes.

Notwithstanding the provisions of any other law to the contrary, in any case in which the voters of a school district have approved a proposition for the issuance of bonds of such school district at an election held prior to January 1, 1979, and all of the bonds approved at such election have not been issued, the debt limitation applicable to such school district during the calendar year 1979 shall be computed by multiplying the value of taxable property therein, including personal property, as ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness, by the percentage limitation applicable to such school district under the provisions of this subsection (a).

(b) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, additional indebtedness may be incurred in an amount not to exceed the estimated cost of acquiring or improving school sites or constructing and equipping additional building facilities under the following conditions:

(1) Whenever the enrollment of students for the next school year is estimated by the board of education to increase over the actual present enrollment by not less than 35% or by not less than 200 students or the actual present enrollment of students has increased over the previous school year by not less than 35% or by not less than 200 students and the board of education determines that additional school sites or building facilities are required as a result of such increase in enrollment; and

(2) When the Regional Superintendent of Schools having jurisdiction over the school district and the State Superintendent of Education concur in such enrollment projection or increase and approve the need for such additional school sites or building facilities and the estimated cost thereof; and

(3) When the voters in the school district approve a proposition for the issuance of bonds for the purpose of acquiring or improving such needed school sites or constructing and equipping such needed additional building facilities at an election called and held for that purpose. Notice of such an election shall state that the amount of indebtedness proposed to be incurred would exceed the debt limitation otherwise applicable to the school district. The ballot for such proposition shall state what percentage of the equalized assessed valuation will be outstanding in bonds if the proposed issuance of bonds is approved by the voters; or

(4) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if the school board determines that additional facilities are needed to provide a quality educational program and not less than 2/3 of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose; or

(5) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if (i) the school district has previously availed itself of the provisions of paragraph (4) of this subsection (b) to enable it to issue bonds, (ii) the voters of the school district have not defeated a proposition for the issuance of bonds since the referendum described in paragraph (4) of this subsection (b) was held, (iii) the school board determines that additional facilities are needed to provide a quality educational program, and (iv) a majority of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose.

In no event shall the indebtedness incurred pursuant to this subsection (b) and the existing indebtedness of the school district exceed 15% of the value of the taxable property therein to be ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

The indebtedness provided for by this subsection (b) shall be in addition to and in excess of any other debt limitation.

(c) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, in any case in which a public question for the issuance of bonds of a proposed school district maintaining grades kindergarten through 12 received at least 60% of the valid ballots cast on the question at an election held on or prior to November 8, 1994, and in which the bonds approved at such election have not been issued, the school district pursuant to the requirements of Section 11A-10 (now repealed) may issue the total amount of bonds approved at such election for the purpose stated in the question.

(d) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) and (2) of this subsection (d) may incur an additional indebtedness in an amount not to exceed \$4,500,000, even though the amount of the additional indebtedness authorized by this subsection (d), when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (d), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable to that district under subsection (a):

(1) The additional indebtedness authorized by this subsection (d) is incurred by the school district through the issuance of bonds under and in accordance with Section 17-2.11a for the purpose of replacing a school building which, because of mine subsidence damage, has been closed as provided in paragraph (2) of this subsection (d) or through the issuance of bonds under and in accordance with Section 19-3 for the purpose of increasing the size of, or providing for additional functions in, such replacement school buildings, or both such purposes.

(2) The bonds issued by the school district as provided in paragraph (1) above are issued for the purposes of construction by the school district of a new school building pursuant to Section 17-2.11, to replace an existing school building that, because of mine subsidence damage, is closed as of the end of the 1992-93 school year pursuant to action of the regional superintendent of schools of the educational service region in which the district is located under Section 3-14.22 or are issued for the purpose of increasing the size of, or providing for additional functions in, the new school building being constructed to replace a school building closed as the result of mine subsidence damage, or both such purposes.

(e) (Blank).

(f) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds in not to exceed the aggregate amount of \$5,500,000 and issued by a school district meeting the following criteria shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness:

(1) At the time of the sale of such bonds, the board of education of the district shall have determined by resolution that the enrollment of students in the district is projected to increase by not less than 7% during each of the next succeeding 2 school years.

(2) The board of education shall also determine by resolution that the improvements to be financed with the proceeds of the bonds are needed because of the projected enrollment increases.

(3) The board of education shall also determine by resolution that the projected increases in enrollment are the result of improvements made or expected to be made to passenger rail facilities located in the school district.

Notwithstanding the provisions of subsection (a) of this Section or of any other law, a school district that has availed itself of the provisions of this subsection (f) prior to July 22, 2004 (the effective date of Public Act 93-799) may also issue bonds approved by referendum up to an amount, including existing indebtedness, not exceeding 25% of the equalized assessed value of the taxable property in the district if all of the conditions set forth in items (1), (2), and (3) of this subsection (f) are met.

(g) Notwithstanding the provisions of subsection (a) of this Section or any other law, bonds in not to exceed an aggregate amount of 25% of the equalized assessed value of the taxable property of a school district and issued by a school district meeting the criteria in paragraphs (i) through (iv) of this subsection shall not be considered indebtedness for purposes of any statutory limitation and may be issued pursuant to resolution of the school board in an amount or amounts, including existing indebtedness, in excess of any statutory limitation of indebtedness heretofore or hereafter imposed:

(i) The bonds are issued for the purpose of constructing a new high school building to replace two adjacent existing buildings which together house a single high school, each of which is more than 65 years old, and which together are located on more than 10 acres and less than 11 acres of property.

(ii) At the time the resolution authorizing the issuance of the bonds is adopted, the cost of constructing a new school building to replace the existing school building is less than 60% of the cost of repairing the existing school building.

(iii) The sale of the bonds occurs before July 1, 1997.

(iv) The school district issuing the bonds is a unit school district located in a county of less than 70,000 and more than 50,000 inhabitants, which has an average daily attendance of less than 1,500 and an equalized assessed valuation of less than \$29,000,000.

(h) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27.6% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$24,000,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which buildings were originally constructed not less than 40 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after March 19, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(i) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$44,600,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which existing buildings were originally constructed not less than 80 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after December 31, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(j) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$140,000,000 and a best 3 months average daily attendance for the 1995-96 school year of at least 2,800;

(ii) The bonds are issued to purchase a site and build and equip a new high school, and the school district's existing high school was originally constructed not less than 35 years prior to the sale of the bonds;

(iii) At the time of the sale of the bonds, the board of education determines by resolution that a new high school is needed because of projected enrollment increases;

(iv) At least 60% of those voting in an election held after December 31, 1996 approve a proposition for the issuance of the bonds; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(k) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) through (4) of this subsection (k) may issue bonds to incur an additional indebtedness in an amount not to exceed \$4,000,000 even though the amount of the additional indebtedness authorized by this subsection (k), when incurred and added to the aggregate amount of indebtedness of the school district existing immediately prior to the school district incurring such additional indebtedness, causes the aggregate indebtedness of the school district to exceed or increases the amount by which the aggregate indebtedness of the district already exceeds the debt limitation otherwise applicable to that school district under subsection (a):

(1) the school district is located in 2 counties, and a referendum to authorize the additional indebtedness was approved by a majority of the voters of the school district voting on the proposition to authorize that indebtedness;

(2) the additional indebtedness is for the purpose of financing a multi-purpose room addition to the existing high school;

(3) the additional indebtedness, together with the existing indebtedness of the school district, shall not exceed 17.4% of the value of the taxable property in the school district, to be ascertained by the last assessment for State and county taxes; and

(4) the bonds evidencing the additional indebtedness are issued, if at all, within 120 days of August 14, 1998 (the effective date of Public Act 90-757).

(l) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 2000, a school district maintaining grades kindergarten through 8 may issue bonds up to an amount, including existing indebtedness, not exceeding 15% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the district has an equalized assessed valuation for calendar year 1996 of less than \$10,000,000;

(ii) the bonds are issued for capital improvement, renovation, rehabilitation, or replacement of one or more school buildings of the district, which buildings were originally constructed not less than 70 years ago;

(iii) the voters of the district approve a proposition for the issuance of the bonds at a referendum held on or after March 17, 1998; and

(iv) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(m) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, an elementary school district maintaining grades K through 8 may issue bonds up to an amount, excluding existing indebtedness, not exceeding 18% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 or less than \$7,700,000;

(ii) The school district operates 2 elementary attendance centers that until 1976 were separated as the attendance centers of 2 separate and distinct school districts;

(iii) The bonds are issued for the construction of a new elementary school building to replace an existing multi-level elementary school building of the school district that is not accessible at all levels and parts of which were constructed more than 75 years ago;

(iv) The voters of the school district approve a proposition for the issuance of the bonds at a referendum held after July 1, 1998; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(n) Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, a school district that meets all of the criteria set forth in paragraphs (i) through (vi) of this subsection (n) may incur additional indebtedness by the issuance of bonds in an amount not exceeding the amount certified by the Capital Development Board to the school district as provided in paragraph (iii) of this subsection (n), even though the amount of the additional indebtedness so authorized, when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (n), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable by law to that district:

(i) The school district applies to the State Board of Education for a school construction project grant and submits a district facilities plan in support of its application pursuant to Section 5-20 of the School Construction Law.

(ii) The school district's application and facilities plan are approved by, and the district receives a grant entitlement for a school construction project issued by, the State Board of Education under the School Construction Law.

(iii) The school district has exhausted its bonding capacity or the unused bonding capacity of the district is less than the amount certified by the Capital Development Board to the district under Section 5-15 of the School Construction Law as the dollar amount of the school construction project's cost that the district will be required to finance with non-grant funds in order to receive a school construction project grant under the School Construction Law.

(iv) The bonds are issued for a "school construction project", as that term is defined in Section 5-5 of the School Construction Law, in an amount that does not exceed the dollar amount certified, as provided in paragraph (iii) of this subsection (n), by the Capital Development Board to the school district under Section 5-15 of the School Construction Law.

(v) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after the criteria specified in paragraphs (i) and (iii) of this subsection (n) are met.

(vi) The bonds are issued pursuant to Sections 19-2 through 19-7 of the School Code.

(o) Notwithstanding any other provisions of this Section or the provisions of any other law, until November 1, 2007, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 20% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the school district has an equalized assessed valuation for calendar year 2001 of at least \$737,000,000 and an enrollment for the 2002-2003 school year of at least 8,500;

(ii) the bonds are issued to purchase school sites, build and equip a new high school, build and equip a new junior high school, build and equip 5 new elementary schools, and make technology and other improvements and additions to existing schools;

(iii) at the time of the sale of the bonds, the board of education determines by resolution that the sites and new or improved facilities are needed because of projected enrollment increases;

(iv) at least 57% of those voting in a general election held prior to January 1, 2003 approved a proposition for the issuance of the bonds; and

(v) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p) Notwithstanding any other provisions of this Section or the provisions of any other law, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 2001 of at least \$295,741,187 and a best 3 months' average daily attendance for the 2002-2003 school year of at least 2,394.

(ii) The bonds are issued to build and equip 3 elementary school buildings; build and equip one middle school building; and alter, repair, improve, and equip all existing school buildings in the district.

(iii) At the time of the sale of the bonds, the board of education determines by resolution that the project is needed because of expanding growth in the school district and a projected enrollment increase.

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p-5) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community unit school district maintaining grades K through 12 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:

(i) For each of the 4 most recent years, residential property comprises more than 80% of the equalized assessed valuation of the district.

(ii) At least 2 school buildings that were constructed 40 or more years prior to the issuance of the bonds will be demolished and will be replaced by new buildings or additions to one or more existing buildings.

(iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.

(iv) At the time of the sale of the bonds, the school board determines by resolution that the new buildings or building additions are needed because of an increase in enrollment projected by the school board.

(v) The principal amount of the bonds, including existing indebtedness, does not exceed 25% of the equalized assessed value of the taxable property in the district.

(vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code.

(p-10) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community consolidated school district maintaining grades K through 8 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:

(i) For each of the 4 most recent years, residential and farm property comprises more than 80% of the equalized assessed valuation of the district.

(ii) The bond proceeds are to be used to acquire and improve school sites and build and equip a school building.

(iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.

(iv) At the time of the sale of the bonds, the school board determines by resolution that the school sites and building additions are needed because of an increase in enrollment projected by the school board.

(v) The principal amount of the bonds, including existing indebtedness, does not exceed

20% of the equalized assessed value of the taxable property in the district.

(vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code.

(p-15) In addition to all other authority to issue bonds, the Oswego Community Unit School District Number 308 may issue bonds with an aggregate principal amount not to exceed \$450,000,000, but only if all of the following conditions are met:

(i) The voters of the district have approved a proposition for the bond issue at the general election held on November 7, 2006.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school building, new junior high school buildings, new elementary school buildings, early childhood building, maintenance building, transportation facility, and additions to existing school buildings, the altering, repairing, equipping, and provision of technology improvements to existing school buildings, and the acquisition and improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before November 7, 2011, but the aggregate principal amount issued in all such bond issues combined must not exceed \$450,000,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the general election held on November 7, 2006.

The debt incurred on any bonds issued under this subsection (p-15) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-20) In addition to all other authority to issue bonds, the Lincoln-Way Community High School District Number 210 may issue bonds with an aggregate principal amount not to exceed \$225,000,000, but only if all of the following conditions are met:

(i) The voters of the district have approved a proposition for the bond issue at the general primary election held on March 21, 2006.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school buildings, the altering, repairing, and equipping of existing school buildings, and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before March 21, 2011, but the aggregate principal amount issued in all such bond issues combined must not exceed \$225,000,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the primary election held on March 21, 2006.

The debt incurred on any bonds issued under this subsection (p-20) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-25) In addition to all other authority to issue bonds, Rochester Community Unit School District 3A may issue bonds with an aggregate principal amount not to exceed \$18,500,000, but only if all of the following conditions are met:

(i) The voters of the district approve a proposition for the bond issuance at the general primary election held in 2008.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of a new high school building; the addition of classrooms and support facilities at the high school, middle school, and elementary school; the altering, repairing, and equipping of existing school buildings; and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by a law that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(iii) The bonds are issued, in one or more bond issues, on or before December 31, 2012, but the aggregate principal amount issued in all such bond issues combined must not exceed \$18,500,000.

(iv) The bonds are issued in accordance with this Article 19.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the

voters at the primary election held in 2008.

The debt incurred on any bonds issued under this subsection (p-25) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-30) In addition to all other authority to issue bonds, Prairie Grove Consolidated School District 46 may issue bonds with an aggregate principal amount not to exceed \$30,000,000, but only if all of the following conditions are met:

(i) The voters of the district approve a proposition for the bond issuance at an election held in 2008.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that (A) the building and equipping of a new school building and additions to existing school buildings are required as a result of a projected increase in the enrollment of students in the district and (B) the altering, repairing, and equipping of existing school buildings are required because of the age of the existing school buildings.

(iii) The bonds are issued, in one or more bond issuances, on or before December 31, 2012; however, the aggregate principal amount issued in all such bond issuances combined must not exceed \$30,000,000.

(iv) The bonds are issued in accordance with this Article.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held in 2008.

The debt incurred on any bonds issued under this subsection (p-30) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-35) In addition to all other authority to issue bonds, Prairie Hill Community Consolidated School District 133 may issue bonds with an aggregate principal amount not to exceed \$13,900,000, but only if all of the following conditions are met:

(i) The voters of the district approved a proposition for the bond issuance at an election held on April 17, 2007.

(ii) At the time of the sale of the bonds, the school board determines, by resolution, that (A) the improvement of the site of and the building and equipping of a school building are required as a result of a projected increase in the enrollment of students in the district and (B) the repairing and equipping of the Prairie Hill Elementary School building is required because of the age of that school building.

(iii) The bonds are issued, in one or more bond issuances, on or before December 31, 2011, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$13,900,000.

(iv) The bonds are issued in accordance with this Article.

(v) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on April 17, 2007.

The debt incurred on any bonds issued under this subsection (p-35) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-40) In addition to all other authority to issue bonds, Mascoutah Community Unit District 19 may issue bonds with an aggregate principal amount not to exceed \$55,000,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at a regular election held on or after November 4, 2008.

(2) At the time of the sale of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new high school building is required as a result of a projected increase in the enrollment of students in the district and the age and condition of the existing high school building, (ii) the existing high school building will be demolished, and (iii) the sale of bonds is authorized by statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before December 31, 2011, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$55,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at a regular election held on or after November 4, 2008.

The debt incurred on any bonds issued under this subsection (p-40) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-45) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds issued pursuant to Section 19-3.5 of this Code shall not be considered indebtedness for purposes of any statutory limitation if the bonds are issued in an amount or amounts, including existing indebtedness of the school district, not in excess of 18.5% of the value of the taxable property in the district to be ascertained by the last assessment for State and county taxes.

(p-50) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds issued pursuant to Section 19-3.10 of this Code shall not be considered indebtedness for purposes of any statutory limitation if the bonds are issued in an amount or amounts, including existing indebtedness of the school district, not in excess of 43% of the value of the taxable property in the district to be ascertained by the last assessment for State and county taxes.

(p-55) In addition to all other authority to issue bonds, Belle Valley School District 119 may issue bonds with an aggregate principal amount not to exceed \$47,500,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after April 7, 2009.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) the building and equipping of a new school building is required as a result of mine subsidence in an existing school building and because of the age and condition of another existing school building and (ii) the issuance of bonds is authorized by statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before March 31, 2014, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$47,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after April 7, 2009.

The debt incurred on any bonds issued under this subsection (p-55) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-55) must mature within not to exceed 30 years from their date, notwithstanding any other law to the contrary.

(p-60) In addition to all other authority to issue bonds, Wilmington Community Unit School District Number 209-U may issue bonds with an aggregate principal amount not to exceed \$2,285,000, but only if all of the following conditions are met:

(1) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the general primary election held on March 21, 2006.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) the projects approved by the voters were and are required because of the age and condition of the school district's prior and existing school buildings and (ii) the issuance of the bonds is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued in one or more bond issuances on or before March 1, 2011, but the aggregate principal amount issued in all those bond issuances combined must not exceed \$2,285,000.

(4) The bonds are issued in accordance with this Article.

The debt incurred on any bonds issued under this subsection (p-60) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-65) In addition to all other authority to issue bonds, West Washington County Community Unit School District 10 may issue bonds with an aggregate principal amount not to exceed \$32,200,000 and maturing over a period not exceeding 25 years, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after February 2, 2010.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(A) all or a portion of the existing Okawville Junior/Senior High School Building will be demolished; (B) the building and equipping of a new school building to be attached to and the alteration, repair, and equipping of the remaining portion of the Okawville Junior/Senior High School Building is required because of the age and current condition of that school building; and (C) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before March 31, 2014, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$32,200,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after February 2, 2010.

The debt incurred on any bonds issued under this subsection (p-65) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-70) In addition to all other authority to issue bonds, Cahokia Community Unit School District 187 may issue bonds with an aggregate principal amount not to exceed \$50,000,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 2, 2010.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2016, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$50,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 2, 2010.

The debt incurred on any bonds issued under this subsection (p-70) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-70) must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-75) Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, the execution of leases on or after January 1, 2007 and before July 1, 2011 by the Board of Education of Peoria School District 150 with a public building commission for leases entered into pursuant to the Public Building Commission Act shall not be considered indebtedness for purposes of any statutory debt limitation.

This subsection (p-75) applies only if the State Board of Education or the Capital Development Board makes one or more grants to Peoria School District 150 pursuant to the School Construction Law. The amount exempted from the debt limitation as prescribed in this subsection (p-75) shall be no greater than the amount of one or more grants awarded to Peoria School District 150 by the State Board of Education or the Capital Development Board.

(p-80) In addition to all other authority to issue bonds, Ridgeland School District 122 may issue bonds with an aggregate principal amount not to exceed \$50,000,000 for the purpose of refunding or continuing to refund bonds originally issued pursuant to voter approval at the general election held on November 7, 2000, and the debt incurred on any bonds issued under this subsection (p-80) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-80) may be issued in one or more issuances and must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-85) In addition to all other authority to issue bonds, Hall High School District 502 may issue bonds with an aggregate principal amount not to exceed \$32,000,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after April 9, 2013.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building, (ii) the existing school building should be demolished in its entirety or the existing school building should be demolished except for the 1914 west wing of the building, and (iii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, not later than 5 years after the date of the referendum approving the issuance of the bonds, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$32,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after April 9, 2013.

The debt incurred on any bonds issued under this subsection (p-85) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-85) must mature within

not to exceed 30 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-90) In addition to all other authority to issue bonds, Lebanon Community Unit School District 9 may issue bonds with an aggregate principal amount not to exceed \$7,500,000, but only if all of the following conditions are met:

(1) The voters of the district approved a proposition for the bond issuance at the general primary election on February 2, 2010.

(2) At or prior to the time of the sale of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new elementary school building is required as a result of a projected increase in the enrollment of students in the district and the age and condition of the existing Lebanon Elementary School building, (ii) a portion of the existing Lebanon Elementary School building will be demolished and the remaining portion will be altered, repaired, and equipped, and (iii) the sale of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before April 1, 2014, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$7,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the general primary election held on February 2, 2010.

The debt incurred on any bonds issued under this subsection (p-90) shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-95) In addition to all other authority to issue bonds, Monticello Community Unit School District 25 may issue bonds with an aggregate principal amount not to exceed \$35,000,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 4, 2014.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2020, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$35,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 4, 2014.

The debt incurred on any bonds issued under this subsection (p-95) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-95) must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-100) In addition to all other authority to issue bonds, the community unit school district created in the territory comprising Milford Community Consolidated School District 280 and Milford Township High School District 233, as approved at the general primary election held on March 18, 2014, may issue bonds with an aggregate principal amount not to exceed \$17,500,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 4, 2014.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that (i) the building and equipping of a new school building is required as a result of the age and condition of an existing school building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2020, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$17,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 4, 2014.

The debt incurred on any bonds issued under this subsection (p-100) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-100) must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-105) In addition to all other authority to issue bonds, North Shore School District 112 may issue bonds with an aggregate principal amount not to exceed \$150,000,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after March 15, 2016.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) the building and equipping of new buildings and improving the sites thereof and the building and equipping of additions to, altering, repairing, equipping, and renovating existing buildings and improving the sites thereof are required as a result of the age and condition of the district's existing buildings and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, not later than 5 years after the date of the referendum approving the issuance of the bonds, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$150,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after March 15, 2016.

The debt incurred on any bonds issued under this subsection (p-105) and on any bonds issued to refund or continue to refund such bonds shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-105) and any bonds issued to refund or continue to refund such bonds must mature within not to exceed 30 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-110) In addition to all other authority to issue bonds, Sandoval Community Unit School District 501 may issue bonds with an aggregate principal amount not to exceed \$2,000,000, but only if all of the following conditions are met:

(1) The voters of the district approved a proposition for the bond issuance at an election held on March 20, 2012.

(2) Prior to the issuance of the bonds, the school board determines, by resolution,

that (i) the building and equipping of a new school building is required because of the age and current condition of the Sandoval Elementary School building and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more bond issuances, on or before March 19, ~~2022~~ 2017, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$2,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at the election held on March 20, 2012.

The debt incurred on any bonds issued under this subsection (p-110) and on any bonds issued to refund or continue to refund the bonds shall not be considered indebtedness for purposes of any statutory debt limitation.

(p-115) In addition to all other authority to issue bonds, Bureau Valley Community Unit School District 340 may issue bonds with an aggregate principal amount not to exceed \$25,000,000, but only if all of the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after March 15, 2016.

(2) Prior to the issuances of the bonds, the school board determines, by resolution,

that (i) the renovating and equipping of some existing school buildings, the building and equipping of new school buildings, and the demolishing of some existing school buildings are required as a result of the age and condition of existing school buildings and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, on or before July 1, 2021, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$25,000,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after March 15, 2016.

The debt incurred on any bonds issued under this subsection (p-115) shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-115) must mature within not to exceed 30 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-120) In addition to all other authority to issue bonds, Paxton-Buckley-Loda Community Unit School District 10 may issue bonds with an aggregate principal amount not to exceed \$28,500,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after November 8, 2016.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) the projects as described in said proposition, relating to the building and equipping of one or more school buildings or additions to existing school buildings, are required as a result of the age and condition of the District's existing buildings and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, not later than 5 years after the date of the referendum approving the issuance of the bonds, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$28,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after November 8, 2016.

The debt incurred on any bonds issued under this subsection (p-120) and on any bonds issued to refund or continue to refund such bonds shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-120) and any bonds issued to refund or continue to refund such bonds must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(p-125) In addition to all other authority to issue bonds, Hillsboro Community Unit School District 3 may issue bonds with an aggregate principal amount not to exceed \$34,500,000, but only if all the following conditions are met:

(1) The voters of the district approve a proposition for the bond issuance at an election held on or after March 15, 2016.

(2) Prior to the issuance of the bonds, the school board determines, by resolution, that

(i) altering, repairing, and equipping the high school agricultural/vocational building, demolishing the high school main, cafeteria, and gym buildings, building and equipping a school building, and improving sites are required as a result of the age and condition of the district's existing buildings and (ii) the issuance of bonds is authorized by a statute that exempts the debt incurred on the bonds from the district's statutory debt limitation.

(3) The bonds are issued, in one or more issuances, not later than 5 years after the date of the referendum approving the issuance of the bonds, but the aggregate principal amount issued in all such bond issuances combined must not exceed \$34,500,000.

(4) The bonds are issued in accordance with this Article.

(5) The proceeds of the bonds are used to accomplish only those projects approved by the voters at an election held on or after March 15, 2016.

The debt incurred on any bonds issued under this subsection (p-125) and on any bonds issued to refund or continue to refund such bonds shall not be considered indebtedness for purposes of any statutory debt limitation. Bonds issued under this subsection (p-125) and any bonds issued to refund or continue to refund such bonds must mature within not to exceed 25 years from their date, notwithstanding any other law, including Section 19-3 of this Code, to the contrary.

(q) A school district must notify the State Board of Education prior to issuing any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in this Section or any other provision of law.

(Source: P.A. 98-617, eff. 1-7-14; 98-912, eff. 8-15-14; 98-916, eff. 8-15-14; 99-78, eff. 7-20-15; 99-143, eff. 7-27-15; 99-390, eff. 8-18-15; 99-642, eff. 7-28-16; 99-735, eff. 8-5-16.)"

Under the rules, the foregoing **Senate Bill No. 514**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1821

A bill for AN ACT concerning public aid.

[December 1, 2016]

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1821

House Amendment No. 2 to SENATE BILL NO. 1821

Passed the House, as amended, November 30, 2016.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1821

AMENDMENT NO. 1. Amend Senate Bill 1821 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Public Aid Code is amended by changing Section 5A-5 and by adding Section 14-13 as follows:

(305 ILCS 5/5A-5) (from Ch. 23, par. 5A-5)

Sec. 5A-5. Notice; penalty; maintenance of records.

(a) The Illinois Department shall send a notice of assessment to every hospital provider subject to assessment under this Article. The notice of assessment shall notify the hospital of its assessment and shall be sent after receipt by the Department of notification from the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services that the payment methodologies required under this Article and, if necessary, the waiver granted under 42 CFR 433.68 have been approved. The notice shall be on a form prepared by the Illinois Department and shall state the following:

(1) The name of the hospital provider.

(2) The address of the hospital provider's principal place of business from which the provider engages in the occupation of hospital provider in this State, and the name and address of each hospital operated, conducted, or maintained by the provider in this State.

(3) The occupied bed days, occupied bed days less Medicare days, adjusted gross hospital revenue, or outpatient gross revenue of the hospital provider (whichever is applicable), the amount of assessment imposed under Section 5A-2 for the State fiscal year for which the notice is sent, and the amount of each installment to be paid during the State fiscal year.

(4) (Blank).

(5) Other reasonable information as determined by the Illinois Department.

(b) If a hospital provider conducts, operates, or maintains more than one hospital licensed by the Illinois Department of Public Health, the provider shall pay the assessment for each hospital separately.

(c) Notwithstanding any other provision in this Article, in the case of a person who ceases to conduct, operate, or maintain a hospital in respect of which the person is subject to assessment under this Article as a hospital provider, the assessment for the State fiscal year in which the cessation occurs shall be adjusted by multiplying the assessment computed under Section 5A-2 by a fraction, the numerator of which is the number of days in the year during which the provider conducts, operates, or maintains the hospital and the denominator of which is 365. Immediately upon ceasing to conduct, operate, or maintain a hospital, the person shall pay the assessment for the year as so adjusted (to the extent not previously paid).

(d) Notwithstanding any other provision in this Article, a provider who commences conducting, operating, or maintaining a hospital, upon notice by the Illinois Department, shall pay the assessment computed under Section 5A-2 and subsection (c) in installments on the due dates stated in the notice and on the regular installment due dates for the State fiscal year occurring after the due dates of the initial notice.

(e) Notwithstanding any other provision in this Article, for State fiscal years 2009 through 2018, in the case of a hospital provider that did not conduct, operate, or maintain a hospital in 2005, the assessment for that State fiscal year shall be computed on the basis of hypothetical occupied bed days for the full calendar year as determined by the Illinois Department. Notwithstanding any other provision in this Article, for the portion of State fiscal year 2012 beginning June 10, 2012 through June 30, 2012, and for State fiscal years 2013 through 2018, in the case of a hospital provider that did not conduct, operate, or maintain a hospital in 2009, the assessment under subsection (b-5) of Section 5A-2 for that State fiscal year shall be computed on the basis of hypothetical gross outpatient revenue for the full calendar year as determined by the Illinois Department. The Illinois Department is prohibited from increasing any assessment based upon hypothetical occupied bed days or hypothetical gross outpatient revenue under this Section once the initial assessment has been calculated by the Department and the hospital has been notified of the amount of the assessment based upon hypothetical occupied bed days or hypothetical gross outpatient revenue.

[December 1, 2016]

(f) Every hospital provider subject to assessment under this Article shall keep sufficient records to permit the determination of adjusted gross hospital revenue for the hospital's fiscal year. All such records shall be kept in the English language and shall, at all times during regular business hours of the day, be subject to inspection by the Illinois Department or its duly authorized agents and employees.

(g) The Illinois Department may, by rule, provide a hospital provider a reasonable opportunity to request a clarification or correction of any clerical or computational errors contained in the calculation of its assessment, but such corrections shall not extend to updating the cost report information used to calculate the assessment.

(h) (Blank).

(Source: P.A. 98-104, eff. 7-22-13; 98-463, eff. 8-16-13; 98-651, eff. 6-16-14; 98-756, eff. 7-16-14; 99-78, eff. 7-20-15.)

(305 ILCS 5/14-13 new)

Sec. 14-13. Treatment of newly licensed general acute care hospitals.

(a) For any general acute care hospital licensed by the Department of Public Health after January 1, 2008, the Illinois Department must calculate and pay enhanced payments for Medicaid services similar to enhanced Medicaid payments received by other general acute care hospitals.

(b) The Illinois Department may create new payments or increase other existing Medicaid reimbursement programs in order to meet the requirements of subsection (a).

(c) The Illinois Department may meet the requirements of this Section by increasing Medicaid payment amounts for a hospital within the same system or ownership structure as the newly licensed hospital.

(d) The Illinois Department must insert any new Medicaid inpatient methodology created under this Section in the Medicaid Facilitation and Utilization Payment section of the Illinois Medicaid State Plan.

(e) The Illinois Department must insert any new Medicaid outpatient methodology created under this Section in the Hospital Outpatient Assistance Adjustment Payments section of the Illinois Medicaid State Plan.

(f) The Illinois Department may, by rule, specify the amount of funding to invest in the payments required by this Section if not otherwise specified below:

(1) For general acute care hospitals licensed after January 1, 2008 and before January 1, 2016, the pool must be \$4,500,000 annually with no less than 2 years of this amount distributed before July 1, 2018.

(2) For general acute care hospitals licensed after January 1, 2016 and before July 1, 2016, the pool must be \$3,500,000 annually with no less than 2 years of this amount distributed before July 1, 2018.

(3) For general acute care hospitals licensed on and after July 1, 2016, the pool may be established by the Illinois Department by rule.

(g) The Medicaid payments authorized under this Section shall continue so long as the payments under subsection (f) of Section 14-12 are in effect."

AMENDMENT NO. 2 TO SENATE BILL 1821

AMENDMENT NO. 2. Amend Senate Bill 1821, AS AMENDED, with reference to page and line numbers of House Amendment No. 1 as follows:

on page 6, immediately below line 15, by inserting the following:

"(g) If the payments developed under this Section are not approved by the Centers for Medicare and Medicaid Services for Medicaid matching, then the payments in this Section shall be reduced by 50%.";
and

on page 6, line 16, by replacing "(g)" with "(h)".

Under the rules, the foregoing **Senate Bill No. 1821**, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 3368

A bill for AN ACT concerning the Secretary of State.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 3368

[December 1, 2016]

Passed the House, as amended, November 30, 2016.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 3368

AMENDMENT NO. 1. Amend Senate Bill 3368 on page 4, line 1, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 4, line 15, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 5, line 7, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 14, line 11, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 14, line 12, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 14, line 15, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 20, line 2, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 20, line 3, after "card", by inserting "or other documents authorized by the Secretary"; and

on page 20, line 7, after "card", by inserting "or other documents authorized by the Secretary".

Under the rules, the foregoing **Senate Bill No. 3368**, with House Amendment No. 1, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2808

A bill for AN ACT concerning transportation.

Passed the House, November 30, 2016.

TIMOTHY D. MAPES, Clerk of the House

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 1 to Senate Bill 514
Motion to Concur in House Amendment 2 to Senate Bill 514
Motion to Concur in House Amendment 1 to Senate Bill 1821
Motion to Concur in House Amendment 2 to Senate Bill 1821
Motion to Concur in House Amendment 1 to Senate Bill 2504
Motion to Concur in House Amendment 2 to Senate Bill 2504
Motion to Concur in House Amendment 1 to Senate Bill 2537
Motion to Concur in House Amendment 2 to Senate Bill 2537
Motion to Concur in House Amendment 1 to Senate Bill 3368

At the hour of 9:18 o'clock a.m., the Perfunctory Session stood at ease.

(AT EASE)

At the hour of 9:49 o'clock a.m., the Perfunctory Session stood adjourned.

[December 1, 2016]

**REGULAR SESSION
(11:39 O’CLOCK A.M.)**

The Senate met in regular session.

Senator John M. Sullivan, Rushville, Illinois, presiding.

Prayer by Pastor Tim Kruzan, Jacksonville Assembly, Jacksonville, Illinois.

Senator Cunningham led the Senate in the Pledge of Allegiance.

The Journal of Tuesday, April 19, 2016, was being read when on motion of Senator Koehler, further reading of same was dispensed with, and unless some Senator had corrections to offer, the Journal would stand approved. No corrections being offered, the Journal was ordered to stand approved.

Senator Koehler moved that reading and approval of the Journal of Wednesday, November 30, 2016, be postponed, pending arrival of the printed Journal.

The motion prevailed.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 2464

Offered by Senator Anderson and all Senators:

Mourns the death of Warren Wayne Booker, Sr., of Milan.

SENATE RESOLUTION NO. 2465

Offered by Senator Anderson and all Senators:

Mourns the death of George W. “Bud” Benner of Rock Island.

SENATE RESOLUTION NO. 2466

Offered by Senator Anderson and all Senators:

Mourns the death of Clyde H. Degeeter of Moline.

SENATE RESOLUTION NO. 2467

Offered by Senator Anderson and all Senators:

Mourns the death of Eugene J. “Gene” Desaunoy of Milan.

SENATE RESOLUTION NO. 2468

Offered by Senator Anderson and all Senators:

Mourns the death of Albert M. Aubry of Moline.

SENATE RESOLUTION NO. 2469

Offered by Senator Anderson and all Senators:

Mourns the death of Ardon R. “Ardie” Thompson of Silvis.

SENATE RESOLUTION NO. 2470

Offered by Senator Anderson and all Senators:

Mourns the death of Max S. Davis of East Moline.

SENATE RESOLUTION NO. 2471

Offered by Senator Anderson and all Senators:

Mourns the death of Charles G. Van De Sampel, Sr., of Milan.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

MESSAGE FROM THE SECRETARY OF STATE

[December 1, 2016]

OFFICE OF THE SECRETARY OF STATE
JESSE WHITE • Secretary of State

December 1, 2016

To the Honorable President of the Senate:

In compliance with the provisions of the Constitution of the State of Illinois, I am forwarding herewith the enclosed Senate Bill from the 99th General Assembly as vetoed by the Governor together with his objections

SENATE BILL

2822

Respectfully
s/Jesse White
JESSE WHITE
Secretary of State

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
CAPITOL BUILDING, 207 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706

BRUCE RAUNER
GOVERNOR

December 1, 2016

To the Honorable Members of
The Illinois Senate,
99th General Assembly:

Today I return Senate Bill 2822, which would give \$215,000,000 to Chicago Public Schools without having reached agreement on comprehensive pension reforms for the State and local governments.

In June we agreed on a six-month funding bridge to a balanced budget with structural and economic reforms. Democrat leaders were clear at that time that an agreement to end the budget impasse was not possible before the election. Although disappointed, we came together to fund schools and critical government operations until legislative leaders were willing to reengage in serious, good faith negotiations.

As a precondition to funding schools statewide, Democrats proposed a \$700 million State bailout of CPS. We eventually agreed to provide CPS with \$215,000,000 – the estimated amount of its Fiscal Year 2017 employer normal pension cost – but only if we came together to pass comprehensive pension reform. Without reforms to solve our structural problems, taxpayer money would continue to be wasted on bailout after bailout.

The agreement was clear: Republicans supported Senate Bill 2822 only on condition that Democrats reengage in serious, good faith negotiations; and President Cullerton and Leader Radogno filed motions to reconsider the bill, which would keep the bill in the General Assembly until a pension reform agreement was reached.

The election is over. Despite my repeated request for daily negotiations and hope to reach a comprehensive agreement by the end of next week, we are no closer to ending the impasse or enacting pension reform. Still, President Cullerton withdrew his motion to reconsider the bill, ruled that Leader Radogno's motion was inapplicable, and presented the bill to me for approval or veto – forcing me to take action. Then today, President Cullerton suddenly denied that the leaders had agreed that this bill would depend upon first

[December 1, 2016]

enacting comprehensive pension reform. Breaking our agreement undermines our effort to end the budget impasse and enact reforms with bipartisan support.

The taxpayers of Illinois want a balanced budget. That can only be done if we address the structural imbalances that have bankrupted the State and CPS alike and drain resources that should be spent on other priorities, like improving schools and funding social services. The taxpayers of Illinois do not want just another bailout. Let's get back to work to end the budget impasse and put Illinois on the right track once and for all.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return Senate Bill 2822 entitled "AN ACT concerning public employee benefits", with the foregoing objections, vetoed in its entirety.

Sincerely,
s/Bruce Rauner
Bruce Rauner
GOVERNOR

Pursuant to the rules, the foregoing Senate Bill, which was returned by the Governor, was placed on the Senate Calendar.

Senator Silverstein asked and obtained unanimous consent to recess for the purpose of a Democrat caucus.

Senator Althoff asked and obtained unanimous consent to recess for the purpose of a Republican caucus.

At the hour of 11:45 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 12:34 o'clock p.m., the Senate resumed consideration of business.
Senator Sullivan, presiding.

MESSAGE FROM THE HOUSE

A message from the House by
Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1941

A bill for AN ACT concerning employment.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1941

House Amendment No. 5 to SENATE BILL NO. 1941

Passed the House, as amended, December 1, 2016.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1941

AMENDMENT NO. 1. Amend Senate Bill 1941 by replacing everything after the enacting clause with the following:

"Section 5. The Workers' Occupational Diseases Act is amended by changing Section 13 as follows:

[December 1, 2016]

(820 ILCS 310/13) (from Ch. 48, par. 172.48)

Sec. 13. ~~The~~ The Illinois Workers' Compensation Commission shall have jurisdiction over the operation and administration of this Act and it shall have, exercise, perform and discharge the same rights, powers and duties with reference to this Act as it shall have, exercise, perform and discharge with reference to the Workers' Compensation Act or any amendment thereto or modification thereof. (Source: P.A. 93-721, eff. 1-1-05.)".

AMENDMENT NO. 5 TO SENATE BILL 1941

AMENDMENT NO. 5. Amend Senate Bill 1941, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Unemployment Insurance Act is amended by adding Section 408.5 as follows:
(820 ILCS 405/408.5 new)

Sec. 408.5. Additional benefits.

A. Additional benefits shall be available:

1. Only with respect to benefit years beginning on or after April 1, 2015 and prior to the effective date of this amendatory Act of the 99th General Assembly; and

2. To an otherwise eligible individual: (a) who was certified as eligible to apply for adjustment assistance under the federal Trade Act of 1974, as amended, on or after January 1, 2015; (b) who has not received the maximum amount of trade readjustment allowances payable to him or her pursuant to paragraph (1) of subsection (a) of Section 233 of the federal Trade Act of 1974, as amended, as a result of the certification referenced in item (a) of this paragraph 2; and (c) whose total or partial unemployment is attributable to a layoff from a steel manufacturer.

B. An individual shall be eligible to receive additional benefits pursuant to this Section for a week if he or she: (1) has met the requirements of Section 500E of this Act; (2) is an exhaustee; and (3) except when the result would be inconsistent with the provisions of this Section, has satisfied the requirements of this Act for the receipt of regular benefits as that term is defined in Section 409 of this Act.

C. For the purposes of this Section, an individual is an exhaustee with respect to a week if:

1. Prior to such week: (a) he or she has received, with respect to his or her current benefit year that includes such week, the maximum total amount of benefits to which he or she was entitled under the provisions of Section 403B, and all of the regular benefits (including dependents' allowances) to which he or she had entitlement (if any) on the basis of wages or employment under any other State unemployment compensation law; or (b) he or she has received all the regular benefits available to him or her with respect to his or her current benefit year that includes such week, under this Act and under any other State unemployment compensation law, after a cancellation of some or all of his or her wage credits or the partial or total reduction of his or her regular benefit rights; or (c) his or her benefit year terminated, and he or she cannot meet the qualifying wage requirements of Section 500E of this Act or the qualifying wage or employment requirements of any other State unemployment compensation law to establish a new benefit year which would include such week or, having established a new benefit year that includes such week, he or she is ineligible for regular benefits by reason of Section 607 of this Act or a like provision of any other State unemployment compensation law; and

2. For such week: (a) he or she has no right to benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act, the federal Trade Act of 1974, as amended, or such other federal laws as are specified in regulations of the United States Secretary of Labor or other appropriate federal agency; and (b) he or she has not received and is not seeking benefits under the unemployment compensation law of Canada, except that if he or she is seeking such benefits and the appropriate agency finally determines that he or she is not entitled to benefits under such law, this clause shall not apply; and

3. The week for which additional benefits are being claimed is not later than seventy-eight weeks after the end of the individual's benefit year for which benefits can be claimed under this Section.

For the purposes of clauses (a) and (b) of paragraph 1 of this subsection, an individual shall be deemed to have received, with respect to his or her current benefit year, the maximum total amount of benefits to which he or she was entitled or all of the regular benefits to which he or she had entitlement, or all of the regular benefits available to him or her, as the case may be, even though: (a) as a result of a pending reconsideration or appeal with respect to the "finding" defined in Section 701, or of a pending appeal with respect to wages or employment or both under any other State unemployment compensation law, he or she may subsequently be determined to be entitled to more regular benefits; or (b) by reason of a seasonality provision in a State unemployment compensation law which establishes the weeks of the year for which regular benefits may be paid to individuals on the basis of wages in seasonal employment he or

[December 1, 2016]

she may be entitled to regular benefits for future weeks but such benefits are not payable with respect to the week for which he or she is claiming additional benefits, provided that he or she is otherwise an exhaustee under the provisions of this subsection with respect to his or her rights to regular benefits, under such seasonality provision, during the portion of the year in which that week occurs; or (c) having established a benefit year, no regular benefits are payable to him or her with respect to such year because his or her wage credits were cancelled or his or her rights to regular benefits were totally reduced by reason of the application of a disqualification provision of a State unemployment compensation law.

An individual shall not cease to be an exhaustee with respect to any week solely because he or she meets the qualifying wage requirements of Section 500E for a part of such week.

D. The provisions of Section 607 and the waiting period requirements of Section 500D shall not be applicable to any week with respect to which benefits are otherwise payable under this Section.

E. With respect to any week payable under this Section, an exhaustee's "weekly additional benefit amount" shall be the same as his or her weekly benefit amount during his or her benefit year which includes such week or, if such week is not in a benefit year, during his or her applicable benefit year, as defined in regulations issued by the United States Secretary of Labor or other appropriate federal agency. If the exhaustee had more than one weekly benefit amount during his or her benefit year, his or her weekly additional benefit amount with respect to such week shall be the latest of such weekly benefit amounts.

F. An eligible exhaustee shall be entitled to a maximum total amount of additional benefits equal to the maximum total amount of benefits to which he or she was entitled under Section 403B, plus dependents' allowances, during his or her applicable benefit year, minus the sum of any trade readjustment allowances he or she has received as a result of the certification referenced in item (a) of paragraph 2 of subsection A.

G. 1. A claims adjudicator shall examine the first claim filed by an individual who meets the requirements of subsection A and, on the basis of the information in his or her possession, shall make an "additional benefits finding". Such finding shall state whether or not the individual has met the requirement of subsection E of Section 500 of this Act, is an exhaustee and, if so, his or her weekly additional benefit amount and the maximum total amount of additional benefits to which he or she is entitled. The claims adjudicator shall promptly notify the individual of his or her "additional benefits finding", and shall promptly notify the individual's most recent employing unit and the individual's last employer (referred to in Section 1502.1) that the individual has filed a claim for additional benefits. The claims adjudicator may reconsider his or her "additional benefits finding" at any time within 2 years after the close of the individual's applicable benefit year, and shall promptly notify the individual of such reconsidered finding. All of the provisions of this Act applicable to reviews from findings or reconsidered findings made pursuant to Sections 701 and 703 which are not inconsistent with the provisions of this subsection shall be applicable to reviews from additional benefits findings and reconsidered additional benefits findings.

2. If, pursuant to the reconsideration or appeal with respect to a "finding", referred to in subsection C, an exhaustee is found to be entitled to more regular benefits and, by reason thereof, is entitled to more additional benefits, the claims adjudicator shall make a reconsidered additional benefits finding and shall promptly notify the exhaustee thereof.

H. Benefits payable pursuant this Section shall be paid from the unemployment trust fund.

I. No employer shall be chargeable for the additional benefits paid under this Section.

J. To ensure full compliance and coordination with all applicable federal laws, including, but not limited to, the federal Trade Act of 1974, as amended, the Federal Unemployment Tax Act, and the Social Security Act, the Director shall take any action or issue any regulations necessary in the administration of this Section to ensure that its provisions are so interpreted and applied as to meet the requirements of such federal Act as interpreted by the United States Secretary of Labor or other appropriate Federal agency.

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

Under the rules, the foregoing **Senate Bill No. 1941**, with House Amendments numbered 1 and 5, was referred to the Secretary's Desk.

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 586

A bill for AN ACT concerning State government.

Passed the House, December 1, 2016.

[December 1, 2016]

TIMOTHY D. MAPES, Clerk of the House

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2950

A bill for AN ACT concerning safety.

Passed the House, December 1, 2016.

TIMOTHY D. MAPES, Clerk of the House

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bill listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 1 to Senate Bill 1941

Motion to Concur in House Amendment 5 to Senate Bill 1941

MOTION IN WRITING

Senator J. Cullerton submitted the following Motion in Writing:

I move that Senate Bill 2822 do pass, notwithstanding the veto of the Governor.

12/1/16

DATE

s/John J. Cullerton

SENATOR

The foregoing Motion in Writing was filed with the Secretary and ordered placed on the Senate Calendar.

PRESENTATION OF RESOLUTIONS

SENATE RESOLUTION NO. 2472

Offered by Senator McCann and all Senators:

Mourns the death of James Howard Schackmann of Springfield.

SENATE RESOLUTION NO. 2473

Offered by Senator McCann and all Senators:

Mourns the death of Theresa W. Fraley.

SENATE RESOLUTION NO. 2474

Offered by Senator McCann and all Senators:

Mourns the death of William Paul Sonneborn of Hettick.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its December 1, 2016 meeting, reported that the following Legislative Measures have been approved for consideration:

Motion to Concur in House Amendments 1 and 2 to Senate Bill 514

[December 1, 2016]

Motion to Concur in House Amendments 1 and 2 to Senate Bill 565
Motion to Concur in House Amendments 1 and 2 to Senate Bill 1673
Motion to Concur in House Amendments 1 and 5 to Senate Bill 1941
Motion to Concur in House Amendments 1 and 2 to Senate Bill 2504
Motion to Concur in House Amendment 1 to Senate Bill 3368

The foregoing concurrences were placed on the Secretary's Desk.

Senator Clayborne, Chairperson of the Committee on Assignments, during its December 1, 2016 meeting, to which was referred **Senate Bill No. 443** on April 21, 2015, reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **Senate Bill No. 443** was returned to the order of third reading.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Martinez, **Senate Bill No. 870**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Martinez moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Manar	Rezin
Anderson	Forby	Martinez	Righter
Aquino	Haine	McCarter	Rooney
Bennett	Harmon	McConchie	Rose
Bertino-Tarrant	Hastings	McConnaughay	Sandoval
Biss	Holmes	McGuire	Silverstein
Bivins	Hunter	Morrison	Stadelman
Brady	Hutchinson	Mulroe	Sullivan
Bush	Koehler	Muñoz	Trotter
Clayborne	Landek	Murphy, L.	Van Pelt
Collins	Lightford	Nybo	Weaver
Connelly	Link	Radogno	Mr. President
Cullerton, T.	Luechtefeld	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 870**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 1626**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Martinez	Righter
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[December 1, 2016]

Anderson	Haine	McCann	Rooney
Aquino	Harmon	McConchie	Rose
Bennett	Hastings	McConnaughay	Sandoval
Bertino-Tarrant	Holmes	McGuire	Silverstein
Biss	Hunter	Morrison	Stadelman
Brady	Hutchinson	Mulroe	Sullivan
Bush	Koehler	Muñoz	Syverson
Clayborne	Landek	Murphy, L.	Trotter
Collins	Lightford	Nybo	Van Pelt
Connelly	Link	Radogno	Weaver
Cullerton, T.	Luechtefeld	Raoul	Mr. President
Cunningham	Manar	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1626**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Bertino-Tarrant, **Senate Bill No. 2504**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Bertino-Tarrant moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2504**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Althoff, **Senate Bill No. 2884**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Althoff moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Forby	McCann	Rooney
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[December 1, 2016]

Anderson	Haine	McCarter	Rose
Aquino	Harmon	McConchie	Sandoval
Barickman	Hastings	McConnaughay	Silverstein
Bennett	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	
Cunningham	Martinez	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2884**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Hutchinson, **Senate Bill No. 2921**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Hutchinson moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2921**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Lightford, **Senate Bill No. 1506**, with House Amendments numbered 1 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Lightford moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 3 to **Senate Bill No. 1506**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 12:59 o'clock p.m., Senator Link, presiding.

On motion of Senator Sullivan, **Senate Bill No. 2924**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Sullivan moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 2924**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 1:00 o'clock p.m., Senator Sullivan, presiding.

CONSIDERATION OF GOVERNOR'S VETO MESSAGE

[December 1, 2016]

Pursuant to the Motion in Writing filed on Thursday, December 1, 2016 and journalized Thursday, December 1, 2016, Senator J. Cullerton moved that **Senate Bill No. 2822** do pass, the veto of the Governor to the contrary notwithstanding.

And on that motion, a call of the roll was had resulting as follows:

YEAS 36; NAYS 16; Present 2.

The following voted in the affirmative:

Aquino	Haine	Manar	Silverstein
Bennett	Harmon	Martinez	Stadelman
Bertino-Tarrant	Hastings	McCann	Sullivan
Biss	Holmes	McGuire	Trotter
Bush	Hunter	Morrison	Van Pelt
Clayborne	Hutchinson	Mulroe	Mr. President
Collins	Koehler	Muñoz	
Cullerton, T.	Landek	Murphy, L.	
Cunningham	Lightford	Raoul	
Forby	Link	Sandoval	

The following voted in the negative:

Anderson	Luechtefeld	Rezin	Weaver
Barickman	McCarter	Righter	
Bivins	McConchie	Rooney	
Brady	Nybo	Rose	
Connelly	Radogno	Syversen	

The following voted present:

Althoff
McConnaughay

This roll call verified.

This bill, having received the vote of three-fifths of the members elected, was declared passed, the veto of the Governor to the contrary notwithstanding.

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence therein.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator McGuire, **Senate Bill No. 514**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator McGuire moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 51; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rezin
Anderson	Forby	McCann	Righter
Aquino	Haine	McCarter	Rooney
Barickman	Harmon	McConchie	Rose
Bennett	Hastings	McConnaughay	Sandoval

[December 1, 2016]

Bertino-Tarrant	Holmes	McGuire	Silverstein
Biss	Hunter	Morrison	Stadelman
Bivins	Koehler	Mulroe	Sullivan
Brady	Landek	Muñoz	Trotter
Bush	Lightford	Murphy, L.	Van Pelt
Clayborne	Link	Nybo	Weaver
Collins	Luechtefeld	Radogno	Mr. President
Cullerton, T.	Manar	Raoul	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 514**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, **Senate Bill No. 516**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Forby	McCann	Rooney
Anderson	Haine	McCarter	Rose
Aquino	Harmon	McConchie	Sandoval
Barickman	Hastings	McConnaughay	Silverstein
Bennett	Holmes	McGuire	Stadelman
Bertino-Tarrant	Hunter	Morrison	Sullivan
Biss	Hutchinson	Mulroe	Syverson
Bivins	Koehler	Muñoz	Trotter
Brady	Landek	Murphy, L.	Van Pelt
Bush	Lightford	Nybo	Weaver
Clayborne	Link	Radogno	Mr. President
Collins	Luechtefeld	Raoul	
Connelly	Manar	Rezin	
Cunningham	Martinez	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 516**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Lightford, **Senate Bill No. 565**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Lightford moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 46; NAYS 6.

The following voted in the affirmative:

Althoff	Forby	Manar	Rezin
Aquino	Haine	Martinez	Rooney
Barickman	Harmon	McCann	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman

Biss	Hunter	Morrison	Sullivan
Bush	Hutchinson	Mulroe	Trotter
Clayborne	Koehler	Muñoz	Van Pelt
Collins	Landek	Murphy, L.	Weaver
Connelly	Lightford	Nybo	Mr. President
Cullerton, T.	Link	Radogno	
Cunningham	Luechtefeld	Raoul	

The following voted in the negative:

Anderson	McConchie	Rose
McCarter	Righter	Syverson

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 565**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 845**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Trotter
Brady	Koehler	Muñoz	Van Pelt
Bush	Landek	Murphy, L.	Weaver
Clayborne	Lightford	Nybo	Mr. President
Collins	Link	Radogno	
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	
Cunningham	Martinez	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 845**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 1367**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 47; NAYS None; Present 3.

The following voted in the affirmative:

Althoff	Cunningham	Luechtefeld	Raoul
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[December 1, 2016]

Anderson	Forby	Manar	Rezin
Aquino	Haine	Martinez	Rooney
Barickman	Harmon	McCann	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Brady	Hutchinson	Mulroe	Trotter
Bush	Koehler	Muñoz	Van Pelt
Clayborne	Landek	Murphy, L.	Weaver
Collins	Lightford	Nybo	Mr. President
Cullerton, T.	Link	Radogno	

The following voted present:

Bivins
McCarter
McConchie

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 1367**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Stadelman, **Senate Bill No. 1488**, with House Amendments numbered 1, 2 and 3 on the Secretary's Desk, was taken up for immediate consideration.

Senator Stadelman moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAY 1.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Rooney
Anderson	Forby	McCann	Rose
Aquino	Haine	McConchie	Sandoval
Barickman	Harmon	McConnaughay	Silverstein
Bennett	Hastings	McGuire	Stadelman
Bertino-Tarrant	Holmes	Morrison	Sullivan
Biss	Hunter	Mulroe	Syverson
Bivins	Hutchinson	Muñoz	Trotter
Brady	Koehler	Murphy, L.	Van Pelt
Bush	Landek	Nybo	Weaver
Clayborne	Lightford	Radogno	Mr. President
Collins	Link	Raoul	
Connelly	Luechtefeld	Rezin	
Cullerton, T.	Manar	Righter	

The following voted in the negative:

McCarter

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 2 and 3 to **Senate Bill No. 1488**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Koehler, **Senate Bill No. 1673**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

[December 1, 2016]

Senator Koehler moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 54; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 1673**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Haine, **Senate Bill No. 1941**, with House Amendments numbered 1 and 5 on the Secretary's Desk, was taken up for immediate consideration.

Senator Haine moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 47; NAYS 6.

The following voted in the affirmative:

Althoff	Forby	Manar	Raoul
Anderson	Haine	Martinez	Rezin
Aquino	Harmon	McCann	Rose
Bennett	Hastings	McConchie	Sandoval
Bertino-Tarrant	Holmes	McConnaughay	Silverstein
Biss	Hunter	McGuire	Stadelman
Brady	Hutchinson	Morrison	Sullivan
Bush	Koehler	Mulroe	Syverson
Clayborne	Landek	Muñoz	Trotter
Collins	Lightford	Murphy, L.	Van Pelt
Cullerton, T.	Link	Nybo	Mr. President
Cunningham	Luechtefeld	Radogno	

The following voted in the negative:

Barickman	Connelly	Rooney
Bivins	McCarter	Weaver

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 5 to **Senate Bill No. 1941**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Harmon, **Senate Bill No. 3337**, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS None.

The following voted in the affirmative:

Althoff	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Trotter
Brady	Koehler	Muñoz	Van Pelt
Bush	Landek	Murphy, L.	Weaver
Clayborne	Lightford	Nybo	Mr. President
Collins	Link	Radogno	
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	
Cunningham	Martinez	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 3337**, by a three-fifths vote.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator McConnaughay, **Senate Bill No. 3368**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator McConnaughay moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Forby	McCann	Rooney
Anderson	Haine	McCarter	Rose
Aquino	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Silverstein
Bertino-Tarrant	Holmes	McGuire	Stadelman
Biss	Hunter	Morrison	Sullivan
Bivins	Hutchinson	Mulroe	Syverson
Brady	Koehler	Muñoz	Trotter
Bush	Landek	Murphy, L.	Van Pelt
Clayborne	Lightford	Nybo	Weaver
Collins	Link	Radogno	Mr. President
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	
Cunningham	Martinez	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 3368**.

Ordered that the Secretary inform the House of Representatives thereof.

MESSAGE FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2437

A bill for AN ACT concerning public employee benefits.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 3 to SENATE BILL NO. 2437

House Amendment No. 6 to SENATE BILL NO. 2437

Passed the House, as amended, December 1, 2016.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 3 TO SENATE BILL 2437

AMENDMENT NO. 3. Amend Senate Bill 2437 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 1-160, 8-113, 8-173, 8-174, 8-192, 8-243.2, 8-244, 8-244.1, 8-251, 11-110, 11-169, 11-170, 11-223.1, and 11-230 and by adding Sections 8-173.2, 8-228.5, 11-125.9, 11-169.2, and 11-197.7 as follows:

(40 ILCS 5/1-160)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional) Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by ~~Public Act 98-596 this amendatory Act of the 98th General Assembly~~ are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Article 7 (except for service as sheriff's law enforcement employees), "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or

[December 1, 2016]

discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant under Article 8 or Article 11 of this Code on or after the effective date of this amendatory Act of the 99th General Assembly, notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity upon written application if he or she has attained age 65 and has at least 10 years of service credit under Article 8 or Article 11 of this Code and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section).

(d-5) The retirement annuity of a person who first becomes a member or a participant under Article 8 or Article 11 of this Code on or after the effective date of this amendatory Act of the 99th General Assembly who is retiring at age 60 with at least 10 years of service credit under Article 8 or Article 11 shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 99th General Assembly shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section 11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between June 1, 2017 and July 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section and beginning on the effective date of this amendatory Act of the 99th General Assembly, age 65 with respect to persons who: (i) first became members or participants under Article 8 or Article 11 of this Code on or after the effective date of this

amendatory Act of the 99th General Assembly; or (ii) first became members or participants under Article 8 or Article 11 of this Code on or after January 1, 2011 and before the effective date of this amendatory Act of the 99th General Assembly and made the election under item (i) of subsection (d-10) of this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

Notwithstanding Section 1-103.1 of this Code, the changes made to this Section by this amendatory Act of the 99th General Assembly are applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 99th General Assembly.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596, eff. 11-19-13; 98-622, eff. 6-1-14; revised 3-24-16.)

(40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

Sec. 8-113. Municipal employee, employee, contributor, or participant. "Municipal employee", "employee", "contributor", or "participant":

(a) Any employee of an employer employed in the classified civil service thereof other than by temporary appointment or in a position excluded or exempt from the classified service by the Civil Service Act, or in the case of a city operating under a personnel ordinance, any employee of an employer employed in the classified or career service under the provisions of a personnel ordinance, other than in a provisional or exempt position as specified in such ordinance or in rules and regulations formulated thereunder.

(b) Any employee in the service of an employer before the Civil Service Act came in effect for the employer.

(c) Any person employed by the board; however, with respect to any person who first becomes employed by the board on or after the effective date of this amendatory Act of the 99th General Assembly, such person must be an actual resident of the City of Chicago for the duration of his or her employment with the board.

(d) Any person employed after December 31, 1949, but prior to January 1, 1984, in the service of the employer by temporary appointment or in a position exempt from the classified service as set forth in the Civil Service Act, or in a provisional or exempt position as specified in the personnel ordinance, who meets the following qualifications:

(1) has rendered service during not less than 12 calendar months to an employer as an employee, officer, or official, 4 months of which must have been consecutive full normal working months of service rendered immediately prior to filing application to be included; and

(2) files written application with the board, while in the service, to be included hereunder.

(e) After December 31, 1949, any alderman or other officer or official of the employer, who files, while in office, written application with the board to be included hereunder.

(f) Beginning January 1, 1984, any person employed by an employer other than the Chicago Housing Authority or the Public Building Commission of the city, whether or not such person is serving by temporary appointment or in a position exempt from the classified service as set forth in the Civil Service Act, or in a provisional or exempt position as specified in the personnel ordinance, provided that such person is neither (1) an alderman or other officer or official of the employer, nor (2) participating, on the basis of such employment, in any other pension fund or retirement system established under this Act.

(g) After December 31, 1959, any person employed in the law department of the city, or municipal court or Board of Election Commissioners of the city, who was a contributor and participant, on December 31, 1959, in the annuity and benefit fund in operation in the city on said date, by virtue of the Court and Law Department Employees' Annuity Act or the Board of Election Commissioners Employees' Annuity Act.

After December 31, 1959, the foregoing definition includes any other person employed or to be employed in the law department, or municipal court (other than as a judge), or Board of Election Commissioners (if his salary is provided by appropriation of the city council of the city and his salary paid by the city) -- subject, however, in the case of such persons not participants on December 31, 1959, to compliance with the same qualifications and restrictions otherwise set forth in this Section and made generally applicable to employees or officers of the city concerning eligibility for participation or membership.

Notwithstanding any other provision in this Section, any person who first becomes employed in the law department of the city on or after the effective date of this amendatory Act of the 99th General Assembly shall be included within the foregoing definition, effective upon the date the person first becomes so employed, regardless of the nature of the appointment the person holds under the provisions of a personnel ordinance.

(h) After December 31, 1965, any person employed in the public library of the city -- and any other person -- who was a contributor and participant, on December 31, 1965, in the pension fund in operation in the city on said date, by virtue of the Public Library Employees' Pension Act.

(i) After December 31, 1968, any person employed in the house of correction of the city, who was a contributor and participant, on December 31, 1968, in the pension fund in operation in the city on said date, by virtue of the House of Correction Employees' Pension Act.

(j) Any person employed full-time on or after the effective date of this amendatory Act of the 92nd General Assembly by the Chicago Housing Authority who has elected to participate in this Fund as provided in subsection (a) of Section 8-230.9.

(k) Any person employed full-time by the Public Building Commission of the city who has elected to participate in this Fund as provided in subsection (d) of Section 8-230.7.

(Source: P.A. 92-599, eff. 6-28-02.)

[December 1, 2016]

(40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional) Sec. 8-173. Financing; tax levy.

(a) Except as provided in subsection (f) of this Section, the city council of the city shall levy a tax annually upon all taxable property in the city at a rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and the amounts deposited under subsection (f), will be sufficient for the requirements of this Article, but which when extended will produce an amount not to exceed the greater of the following: (a) the sum obtained by the levy of a tax of .1093% of the value, as equalized or assessed by the Department of Revenue, of all taxable property within such city, or (b) the sum of \$12,000,000. However any city in which a Fund has been established and in operation under this Article for more than 3 years prior to 1970 shall levy for the year 1970 a tax at a rate on the dollar of assessed valuation of all taxable property that will produce, when extended, an amount not to exceed 1.2 times the total amount of contributions made by employees to the Fund for annuity purposes in the calendar year 1968, and, for the year 1971 and 1972 such levy that will produce, when extended, an amount not to exceed 1.3 times the total amount of contributions made by employees to the Fund for annuity purposes in the calendar years 1969 and 1970, respectively; and for the year 1973 an amount not to exceed 1.365 times such total amount of contributions made by employees for annuity purposes in the calendar year 1971; and for the year 1974 an amount not to exceed 1.430 times such total amount of contributions made by employees for annuity purposes in the calendar year 1972; and for the year 1975 an amount not to exceed 1.495 times such total amount of contributions made by employees for annuity purposes in the calendar year 1973; and for the year 1976 an amount not to exceed 1.560 times such total amount of contributions made by employees for annuity purposes in the calendar year 1974; and for the year 1977 an amount not to exceed 1.625 times such total amount of contributions made by employees for annuity purposes in the calendar year 1975; and for the year 1978 and each year thereafter through levy year 2016, such levy as will produce, when extended, an amount not to exceed the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.690 for the years 1978 through 1998 and by 1.250 for the year 1999 and for each year thereafter through levy year 2016. Beginning in levy year 2017, and in each year thereafter, the levy shall not exceed the amount of the city's total required contribution to the Fund for the next payment year, as determined under subsection (a-5). For the purposes of this Section, the payment year is the year immediately following the levy year.

The tax shall be levied and collected in like manner with the general taxes of the city, and shall be exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any laws which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider the tax herein provided for as a part of the general tax levy for city purposes, and shall not include the same within any limitation for the percent of the assessed valuation upon which taxes are required to be extended for such city.

Revenues derived from such tax shall be paid to the city treasurer of the city as collected and held by the city treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the current tax levy.

The city may continue to use other lawfully available funds in lieu of all or part of the levy, as provided under subsection (f) of this Section.

(a-5) (1) Beginning in payment year 2018, the city's required annual contribution to the Fund for payment years 2018 through 2022 shall be: for 2018, \$266,000,000; for 2019, \$344,000,000; for 2020, \$421,000,000; for 2021, \$499,000,000; and for 2022, \$576,000,000.

(2) For payment years 2023 through 2058, the city's required annual contribution to the Fund shall be the amount determined by the Fund to be equal to the sum of (i) the city's portion of the projected normal cost for that fiscal year, plus (ii) an amount determined on a level percentage of applicable employee payroll basis (reflecting any limits on individual participants' pay that apply for benefit and contribution purposes under this plan) that is sufficient to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of 2058.

(3) For payment years after 2058, the city's required annual contribution to the Fund shall be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund as of the end of the year. In making the determinations under paragraphs (2) and (3) of this subsection, the actuarial calculations shall be determined under the entry age normal actuarial cost

method, and any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following the fiscal year.

To the extent that the city's contribution for any of the payment years referenced in this subsection is made with property taxes, those property taxes shall be levied, collected, and paid to the Fund in a like manner with the general taxes of the city.

(a-10) If the city fails to transmit to the Fund contributions required of it under this Article by December 31 of the year in which such contributions are due, the Fund may, after giving notice to the city, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in payment year 2018, deduct and deposit into the Fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the city:

(1) in payment year 2018, one-third of the total amount of any grants of State funds to the city;

(2) in payment year 2019, two-thirds of the total amount of any grants of State funds to the city; and

(3) in payment year 2020 and each payment year thereafter, the total amount of any grants of State funds to the city.

The State Comptroller may not deduct from any grants of State funds to the city more than the amount of delinquent payments certified to the State Comptroller by the Fund.

(b) On or before July 1, 2017, and each July 1 thereafter January 10, annually, the board shall certify to notify the city council the annual amounts required under of the requirements of this Article, for which that the tax herein provided shall be levied for the following that current year. The board shall compute the amounts necessary to be credited to the reserves established and maintained as herein provided, and shall make an annual determination of the amount of the required city contributions, and certify the results thereof to the city council.

(c) In respect to employees of the city who are transferred to the employment of a park district by virtue of the "Exchange of Functions Act of 1957", the corporate authorities of the park district shall annually levy a tax upon all the taxable property in the park district at such rate per cent of the value of such property, as equalized or assessed by the Department of Revenue, as shall be sufficient, when added to the amounts deducted from their salaries and otherwise contributed by them to provide the benefits to which they and their dependents and beneficiaries are entitled under this Article. The city shall not levy a tax hereunder in respect to such employees.

The tax so levied by the park district shall be in addition to and exclusive of all other taxes authorized to be levied by the park district for corporate, annuity fund, or other purposes. The county clerk of the county in which the park district is located, in reducing any tax levied under the provisions of any act concerning the levy and extension of taxes shall not consider such tax as part of the general tax levy for park purposes, and shall not include the same in any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the park district. The proceeds of the tax levied by the park district, upon receipt by the district, shall be immediately paid over to the city treasurer of the city for the uses and purposes of the fund.

The various sums to be contributed by the city and park district and allocated for the purposes of this Article, and any interest to be contributed by the city, shall be derived from the revenue from the taxes authorized in this Section or otherwise as expressly provided in this Section.

If it is not possible or practicable for the city to make contributions for age and service annuity and widow's annuity at the same time that employee contributions are made for such purposes, such city contributions shall be construed to be due and payable as of the end of the fiscal year for which the tax is levied and shall accrue thereafter with interest at the effective rate until paid.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the City to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the City Council. Any such amounts shall become a credit to the City and will be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special municipality contribution rate for all such employees. If this option is elected, the City shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such

contributions shall become a credit to the City and be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(f) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer ~~no later than March 1 of that year~~ for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied by the city under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

(40 ILCS 5/8-173.2 new)

Sec. 8-173.2. Funding obligation.

(a) Beginning January 1, 2018, the city shall be obligated to contribute to the Fund in each fiscal year an amount not less than the amount determined annually under subsection (a-5) of Section 8-173 of this Code. Notwithstanding any other provision of law, if the city fails to pay the amount guaranteed under this Section on or before December 31 of the year in which such amount is due, the retirement board may bring a mandamus action in the Circuit Court of Cook County to compel the city to make the required payment, irrespective of other remedies that may be available to the Fund. The obligations and causes of action created under this Section shall be in addition to any other right or remedy otherwise accorded by common law or State or federal law, and nothing in this Section shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

(b) In ordering the city to make the required payment, the court may order a reasonable payment schedule to enable the city to make the required payment without significantly imperiling the public health, safety, or welfare. Any payments required to be made by the city pursuant to this Section are expressly subordinated to the payment of the principal, interest, premium, if any, and other payments on or related to any bonded debt obligation of the city, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from any funds collected or received by the city or collected or received on behalf of the city. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law, city ordinance, or bond indentures, into debt service funds or accounts of the city related to such bonded obligations, consistent with the payment schedules associated with such obligations.

(40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional)

Sec. 8-174. Contributions for age and service annuities for present employees and future entrants. (a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953, and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each payment of the salary of each present employee and future entrant, except as provided in subsection (a-5) and (a-10), shall be contributed to the fund as a deduction from salary for age and service annuity.

(a-5) Except as provided in subsection (a-10), for an employee who, on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 99th General Assembly, first became a member or participant under this Article and made the election under item (i) of subsection (d-10) of Section 1-160: prior to the effective date of this amendatory Act of the 99th General Assembly, 6.5%; and beginning on the effective date of this amendatory Act of the 99th General Assembly and prior to January 1, 2018, 7.5%; and beginning January 1, 2018 and prior to January 1, 2019, 8.5%; and beginning January 1, 2019 and thereafter, 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning with the first pay period on or after the date when the funded ratio of the fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) shall revert to 9.5% until such time as the fund once again is determined to have reached a funding ratio of 75%, at which time the 5.5% of salary contribution for age and service annuity shall resume. An employee who made the election under item (ii) of subsection (d-10) of Section 1-160 shall continue to have the contributions for age and service annuity determined under subsection (a) of this Section.

[December 1, 2016]

(a-10) For each employee who, on or after the effective date of this amendatory Act of the 99th General Assembly becomes a member or participant under this Article, 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning with the first pay period on or after the date when the funded ratio of the fund is first determined to have reached the 90% funding goal, and each pay period thereafter as long as the Fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for each employee subject to this subsection (a-10) shall revert to 9.5% until such time as the fund once again is determined to have reached a funding ratio of 75%, at which time the 5.5% of salary contribution for age and service annuity shall resume.

Such deductions beginning on the effective date and prior to July 1, 1947 shall be made for a future entrant while he is in the service until he attains age 65 and for a present employee while he is in the service until the amount so deducted from his salary with the amount deducted from his salary or paid by him according to law to any municipal pension fund in force on the effective date with interest on both such amounts at 4% per annum equals the sum that would have been to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

~~(b) (Blank). Concurrently with each employee contribution beginning on the effective date and prior to July 1, 1947 the city shall contribute 5 3/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65.~~

(c) Each employee contribution made prior to the date the age and service annuity for an employee is fixed and each corresponding city contribution shall be credited to the employee and allocated to the account of the employee for whose benefit it is made.

(d) Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 99th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act of the 99th General Assembly.

(Source: P.A. 93-654, eff. 1-16-04.)

(40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

Sec. 8-192. Board created. A board of 6 5 members shall constitute a Board of Trustees authorized to carry out the provisions of this Article. The board shall be known as the Retirement Board of the Municipal Employees', Officers', and Officials' Annuity and Benefit Fund of the city, or for the sake of brevity may also be known and referred to as the Retirement Board of the Municipal Employees' Annuity and Benefit Fund of such city. The board shall consist of ~~the city comptroller~~, the city treasurer, 2 individuals appointed by the mayor of the city, and 3 members who shall be employees, to be elected as follows:

Within 30 days after the effective date, the mayor of the city shall arrange for and hold an election.

One employee shall be elected for a term ending on the first day in the month of December of the first year next following the effective date; one for a term ending December 1st of the following year; and one for a term ending on December 1st of the second following year.

~~The city comptroller, with the approval of the board, may appoint a designee from among employees of the city who are versed in the affairs of the comptroller's office to act in the absence of the comptroller on all matters pertaining to administering the provisions of this Article.~~

On the effective date of this amendatory Act of the 99th General Assembly, the city comptroller, or his or her designee, shall no longer be a member of the board.

The city treasurer, with the approval of the board, may appoint a designee from among employees of the city who are versed in the affairs of the treasurer's office to act in the absence of the treasurer on all matters pertaining to administering the provisions of this Article.

The individuals appointed by the mayor of the city, with the approval of the board, may each appoint a designee, who shall be a city employee, to act in his or her absence on all matters pertaining to administering the provisions of this Article.

The members of a Retirement Board of a municipal employees', officers', and officials' annuity and benefit fund holding office in a city at the time this Article becomes effective, including elective and ex-officio members, shall continue in office until the expiration of their terms and until their respective successors are elected or appointed and have qualified.

An employee member who takes advantage of the early retirement incentives provided under this amendatory Act of the 93rd General Assembly may continue as a member until the end of his or her term. (Source: P.A. 96-1427, eff. 1-1-11.)

(40 ILCS 5/8-228.5 new)

Sec. 8-228.5. Action by Fund against third party; subrogation. In those cases where the injury or death for which a disability or death benefit is payable under this Article was caused under circumstances creating a legal liability on the part of some person or entity (hereinafter "third party") to pay damages to the employee, legal proceedings may be taken against such third party to recover damages notwithstanding the Fund's payment of or liability to pay disability or death benefits under this Article. In such case, however, if the action against such third party is brought by the injured employee or his or her personal representative and judgment is obtained and paid, or settlement is made with such third party, either with or without suit, from the amount received by such employee or personal representative, then there shall be paid to the Fund the amount of money representing the death or disability benefits paid or to be paid to the disabled employee pursuant to the provisions of this Article. In all circumstances where the action against a third party is brought by the disabled employee or his or her personal representative, the Fund shall have a claim or lien upon any recovery, by judgment or settlement, out of which the disabled employee or his or her personal representative might be compensated from such third party. The Fund may satisfy or enforce any such claim or lien only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's claim or lien shall not be satisfied or enforced from that portion of a recovery that has been, or can be, allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs.

Where action is brought by the disabled employee or his or her personal representative he or she shall forthwith notify the Fund, by personal service or registered mail, of such fact and of the name of the court where such suit is brought, filing proof of such notice in such action. The Fund may, at any time thereafter, intervene in such action upon its own motion. Therefore, no release or settlement of claim for damages by reason of injury to the disabled employee, and no satisfaction of judgment in such proceedings, shall be valid without the written consent of the Board of Trustees authorized by this Code to administer the Fund created under this Article, except that such consent shall be provided expeditiously following a settlement or judgment.

In the event the disabled employee or his or her personal representative has not instituted an action against a third party at a time when only 3 months remain before such action would thereafter be barred by law, the Fund may, in its own name or in the name of the personal representative, commence a proceeding against such third party seeking the recovery of all damages on account of injuries caused to the employee. From any amount so recovered, the Fund shall pay to the personal representative of such disabled employee all sums collected from such third party by judgment or otherwise in excess of the amount of disability or death benefits paid or to be paid under this Article to the disabled employee or his or her personal representative, and such costs, attorney's fees, and reasonable expenses as may be incurred by the Fund in making the collection or in enforcing such liability. The Fund's recovery shall be satisfied only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's recovery shall not be satisfied from that portion of the recovery that has been or can be allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs.

Additionally, with respect to any right of subrogation asserted by the Fund under this Section, the Fund, in the exercise of discretion, may determine what amount from past or future salary shall be appropriate under the circumstances to collect from the recovery obtained on behalf of the disabled employee.

This Section applies only to persons who first become members or participants under this Article on or after the effective date of this amendatory Act of 99th General Assembly.

(40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)

Sec. 8-243.2. Alternative annuity for city officers.

(a) For the purposes of this Section and Sections 8-243.1 and 8-243.3, "city officer" means the city clerk, the city treasurer, or an alderman of the city elected by vote of the people, while serving in that capacity or as provided in subsection (f), who has elected to participate in the Fund.

(b) Any elected city officer, while serving in that capacity or as provided in subsection (f), may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and the procedures established by the board. Such elected city officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Sections 8-174 and 8-182.

(2) For service before the option is elected, an additional contribution of 3% of the

salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(c) In lieu of the retirement annuity otherwise payable under this Article, any city officer elected by vote of the people who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, and (2) has attained age 55 with at least 10 years of service credit, or has attained age 60 with at least 8 years of service credit, may elect to have his retirement annuity computed as follows: 3% of the participant's salary at the time of termination of service for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such elected city officer has made additional optional contributions with respect to only a portion of his years of service credit, his retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made.

(d) In lieu of the disability benefits otherwise payable under this Article, any city officer elected by vote of the people who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (c). For the purposes of this subsection, such elected city officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected city officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that such officer is disabled and that the disability is likely to be permanent.

(e) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Sections 8-168, 8-170 and 8-171. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions. Optional contributions shall be accounted for in a separate Elected City Officer Optional Contribution Reserve. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 8-173.

(f) The effective date of this plan of optional alternative benefits and contributions shall be July 1, 1990, or the date upon which approval is received from the U.S. Internal Revenue Service, whichever is later.

The plan of optional alternative benefits and contributions shall not be available to any former city officer or employee receiving an annuity from the Fund on the effective date of the plan, unless he re-enters service as an elected city officer and renders at least 3 years of additional service after the date of re-entry. However, a person who holds office as a city officer on June 1, 1995 may elect to participate in the plan, to transfer credits into the Fund from other Articles of this Code, and to make the contributions required for prior service, until 30 days after the effective date of this amendatory Act of the 92nd General Assembly, notwithstanding the ending of his term of office prior to that effective date; in the event that the person is already receiving an annuity from this Fund or any other Article of this Code at the time of making this election, the annuity shall be recalculated to include any increase resulting from participation in the plan, with such increase taking effect on the effective date of the election.

(g) Notwithstanding any other provision in this Section or in this Code to the contrary, any person who first becomes a city officer, as defined in this Section, on or after the effective date of this amendatory Act of the 99th General Assembly, shall not be eligible for the alternative annuity or alternative disability benefits as provided in subsections (a), (b), (c), and (d) of this Section or for the alternative survivor's benefits as provided in Section 8-243.3. Such person shall not be eligible, or be required, to make any additional contributions beyond those required of other participants under Sections 8-137, 8-174, and 8-182. The retirement annuity, disability benefits, and survivor's benefits for a person who first becomes a city officer on or after the effective date of this amendatory Act of the 99th General Assembly shall be determined pursuant to the provisions otherwise provided in this Article.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/8-244) (from Ch. 108 1/2, par. 8-244)

Sec. 8-244. Annuities, etc., exempt.

(a) All annuities, refunds, pensions, and disability benefits granted under this Article, shall be exempt from attachment or garnishment process and shall not be seized, taken, subjected to, detained, or levied

upon by virtue of any judgment, or any process or proceeding whatsoever issued out of or by any court in this State, for the payment and satisfaction in whole or in part of any debt, damage, claim, demand, or judgment against any annuitant, pensioner, participant, refund applicant, or other beneficiary hereunder.

(b) No annuitant, pensioner, refund applicant, or other beneficiary shall have any right to transfer or assign his annuity, refund, or disability benefit or any part thereof by way of mortgage or otherwise, except that:

(1) an annuitant or pensioner who elects or has elected to participate in a ~~non-profit group~~ hospital care plan or ~~group~~ medical surgical plan may with the approval of the board and in conformity with its regulations authorize the board to withhold from the pension or annuity the current premium for such coverage and pay such premium to the organization underwriting such plan;

(2) in the case of refunds, a participant may pledge by assignment, power of attorney, or otherwise, as security for a loan from a legally operating credit union making loans only to participants in certain public employee pension funds described in the Illinois Pension Code, all or part of any refund which may become payable to him in the event of his separation from service; and

(3) the board, in its discretion, may pay to the wife of any annuitant, pensioner, refund applicant, or disability beneficiary, such an amount out of her husband's annuity pension, refund, or disability benefit as any court of competent jurisdiction may order, or such an amount as the board may consider necessary for the support of his wife or children, or both in the event of his disappearance or unexplained absence or of his failure to support such wife or children.

(c) The board may retain out of any future annuity, pension, refund or disability benefit payments, such amount, or amounts, as it may require for the repayment of any moneys paid to any annuitant, pensioner, refund applicant, or disability beneficiary through misrepresentation, fraud or error. Any such action of the board shall relieve and release the board and the fund from any liability for any moneys so withheld.

(d) Whenever an annuity or disability benefit is payable to a minor or to a person certified by a medical doctor to be under legal disability, the board, in its discretion and when it is in the best interest of the person concerned, may waive guardianship proceedings and pay the annuity or benefit to the person providing or caring for the minor or person under legal disability.

In the event that a person certified by a medical doctor to be under legal disability (i) has no spouse, blood relative, or other person providing or caring for him or her, (ii) has no guardian of his or her estate, and (iii) is confined to a Medicare approved, State certified nursing home or to a publicly owned and operated nursing home, hospital, or mental institution, the Board may pay any benefit due that person to the nursing home, hospital, or mental institution, to be used for the sole benefit of the person under legal disability.

Payment in accordance with this subsection to a person, nursing home, hospital, or mental institution for the benefit of a minor or person under legal disability shall be an absolute discharge of the Fund's liability with respect to the amount so paid. Any person, nursing home, hospital, or mental institution accepting payment under this subsection shall notify the Fund of the death or any other relevant change in the status of the minor or person under legal disability.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/8-244.1) (from Ch. 108 1/2, par. 8-244.1)

Sec. 8-244.1. Payment of annuity other than direct.

(a) The board, at the written direction and request of any annuitant, may, solely as an accommodation to such annuitant, pay the annuity due him to a bank, savings and loan association or any other financial institution insured by an agency of the federal government, for deposit to his account, or to a bank or trust company for deposit in a trust established by him for his benefit with such bank, savings and loan association or trust company, and such annuitant may withdraw such direction at any time. The board may also, in the case of any disability beneficiary or annuitant for whom no estate guardian has been appointed and who is confined in a publicly owned and operated mental institution, pay such disability benefit or annuity due such person to the superintendent or other head of such institution or hospital for deposit to such person's trust fund account maintained for him by such institution or hospital, if by law such trust fund accounts are authorized or recognized.

(b) An annuitant formerly employed by the City of Chicago may authorize the withholding of a portion of his or her annuity for payment of dues to the labor organization which formerly represented the annuitant when the annuitant was an active employee; however, no withholding shall be required under this subsection for payment to one labor organization unless a minimum of 25 annuitants authorize such withholding. The Board shall prescribe a form for the authorization of withholding of dues, release of name, social security number and address and shall provide such forms to employees, annuitants and labor organizations upon request. Amounts withheld by the Board under this subsection shall be promptly paid

over to the designated organizations, indicating the names, social security numbers and addresses of annuitants on whose behalf dues were withheld.

At the request and at the expense of the labor organization that formerly represented the annuitant, the City of Chicago shall coordinate mailings no more than twice in any twelve-month period to such annuitants and the Board shall supply current annuitant addresses to the City of Chicago upon request. These mailings shall be limited to informing the annuitants of their rights under this subsection (b), the form authorizing the withholding of dues from their annuity and information supplied by the labor organization pertinent to the decision of whether to exercise the rights of this subsection. ~~To meet this obligation, the City of Chicago shall, upon request, create and update records of all retirees for each labor organization as far back in time as records permit, including their names, addresses, phone numbers and social security numbers.~~

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/8-251) (from Ch. 108 1/2, par. 8-251)

Sec. 8-251. Felony conviction.

None of the benefits provided for in this Article shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as a municipal employee.

This section shall not operate to impair any contract or vested right heretofore acquired under any law or laws continued in this Article, nor to preclude the right to a refund.

Any refund required under this Article shall be calculated based on that person's contributions to the Fund, less the amount of any annuity benefit previously received by the person or his or her beneficiaries. The changes made to this Section by this amendatory Act of the 99th General Assembly apply only to persons who first become participants under this Article on or after the effective date of this amendatory Act of the 99th General Assembly.

All future entrants entering service subsequent to July 11, 1955 shall be deemed to have consented to the provisions of this section as a condition of coverage.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/11-110) (from Ch. 108 1/2, par. 11-110)

Sec. 11-110. Employee, contributory, contributor or participant.

"Employee", "contributory", "contributor" or "participant":

(a) Any employee of an employer in a position classified by the civil service commission thereof as labor service and who was appointed to such position under the Civil Service Act, other than by temporary appointment as defined in said Act.

(b) Any employee in the service of an employer before the Civil Service Act came into effect for the employer.

(c) Any person employed by the board; however, with respect to any person who first becomes employed by the board on or after the effective date of this amendatory Act of the 99th General Assembly, such person must be an actual resident of the City of Chicago for the duration of his or her employment with the board.

(d) Any person employed by a retirement board of any other annuity and benefit fund in such city which is on a reserve basis on the effective date or thereafter in operation for the employer, other than the fund created by this Article.

(e) Any person employed after July 31, 1951, by temporary appointment as defined in Section 10 of the Civil Service Act, in a position classified by the Civil Service Commission of the employer as labor service of the employer; or in the case of a city operating under a municipal personnel ordinance, any employee of an employer employed under the provisions of such municipal personnel ordinance as labor service of the employer.

(Source: P.A. 90-31, eff. 6-27-97.)

(40 ILCS 5/11-125.9 new)

Sec. 11-125.9 Action by Fund against third party; subrogation. In those cases where the injury or death for which a disability or death benefit is payable under this Article was caused under circumstances creating a legal liability on the part of some person or entity (hereinafter "third party") to pay damages to the employee, legal proceedings may be taken against such third party to recover damages notwithstanding the Fund's payment of or liability to pay disability or death benefits under this Article. In such case, however, if the action against such third party is brought by the injured employee or his or her personal representative and judgment is obtained and paid, or settlement is made with such third party, either with or without suit, from the amount received by such employee or personal representative, then there shall be paid to the Fund the amount of money representing the death or disability benefits paid or to be paid to the disabled employee pursuant to the provisions of this Article. In all circumstances where the action against a third party is brought by the disabled employee or his or her personal representative, the Fund shall have

a claim or lien upon any recovery, by judgment or settlement, out of which the disabled employee or his or her personal representative might be compensated from such third party. The Fund may satisfy or enforce any such claim or lien only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's claim or lien shall not be satisfied or enforced from that portion of a recovery that has been, or can be, allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs. Where action is brought by the disabled employee or his or her personal representative he or she shall forthwith notify the Fund, by personal service or registered mail, of such fact and of the name of the court where such suit is brought, filing proof of such notice in such action. The Fund may, at any time thereafter, intervene in such action upon its own motion. Therefore, no release or settlement of claim for damages by reason of injury to the disabled employee, and no satisfaction of judgment in such proceedings, shall be valid without the written consent of the Board of Trustees authorized by this Code to administer the Fund created under this Article, except that such consent shall be provided expeditiously following a settlement or judgment.

In the event the disabled employee or his or her personal representative has not instituted an action against a third party at a time when only 3 months remain before such action would thereafter be barred by law, the Fund may, in its own name or in the name of the personal representative, commence a proceeding against such third party seeking the recovery of all damages on account of injuries caused to the employee. From any amount so recovered, the Fund shall pay to the personal representative of such disabled employee all sums collected from such third party by judgment or otherwise in excess of the amount of disability or death benefits paid or to be paid under this Article to the disabled employee or his or her personal representative, and such costs, attorney's fees, and reasonable expenses as may be incurred by the Fund in making the collection or in enforcing such liability. The Fund's recovery shall be satisfied only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's recovery shall not be satisfied from that portion of the recovery that has been or can be allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs. Additionally, with respect to any right of subrogation asserted by the Fund under this Section, the Fund, in the exercise of discretion, may determine what amount from past or future salary shall be appropriate under the circumstances to collect from the recovery obtained on behalf of the disabled employee.

This Section applies only to persons who first become members or participants under this Article on or after the effective date of this amendatory Act of 99th General Assembly.

(40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional) Sec. 11-169. Financing; tax levy.

(a) Except as provided in subsection (f) of this Section, the city council of the city shall levy a tax annually upon all taxable property in the city at the rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and the amounts deposited under subsection (f), will be sufficient for the requirements of this Article. For the years prior to the year 1950 the tax rate shall be as provided for under "The 1935 Act". Beginning with the year 1950 and including the year 1969 such tax shall be not more than .036% annually of the value, as equalized or assessed by the Department of Revenue, of all taxable property within such city. Beginning with the year 1970 and each year thereafter through levy year 2016, the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within such city that will produce, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.1 for the years 1970, 1971 and 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the year 1975; 1.280 for the year 1976; 1.325 for the year 1977; 1.370 for the years 1978 through 1998; and 1.000 for the year 1999 and for each year thereafter through levy year 2016. Beginning in levy year 2017, and in each year thereafter, the levy shall not exceed the amount of the city's total required contribution to the Fund for the next payment year, as determined under subsection (a-5). For the purposes of this Section, the payment year is the year immediately following the levy year.

The tax shall be levied and collected in like manner with the general taxes of the city, and shall be exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any laws which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider the tax herein provided

for as a part of the general tax levy for city purposes, and shall not include the same within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for such city.

Revenues derived from such tax shall be paid to the city treasurer of the city as collected and held by the city treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the current tax levy.

The city may continue to use other lawfully available funds in lieu of all or part of the levy, as provided under subsection (f) of this Section.

(a-5) (1) Beginning in payment year 2018, the city's required annual contribution to the Fund for payment years 2018 through 2022 shall be: for 2018, \$36,000,000; for 2019, \$48,000,000; for 2020, \$60,000,000; for 2021, \$72,000,000; and for 2022, \$84,000,000.

(2) For payment years 2023 through 2058, the city's required annual contribution to the Fund shall be the amount determined by the Fund to be equal to the sum of (i) the city's portion of projected normal cost for that fiscal year, plus (ii) an amount determined on a level percentage of applicable employee payroll basis that is sufficient to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of 2058.

(3) For payment years after 2058, the city's required annual contribution to the Fund shall be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund as of the end of the year. In making the determinations under paragraphs (2) and (3) of this subsection, the actuarial calculations shall be determined under the entry age normal actuarial cost method, and any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following the fiscal year.

To the extent that the city's contribution for any of the payment years referenced in this subsection is made with property taxes, those property taxes shall be levied, collected, and paid to the Fund in a like manner with the general taxes of the city.

(a-10) If the city fails to transmit to the Fund contributions required of it under this Article by December 31 of the year in which such contributions are due, the Fund may, after giving notice to the city, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in payment year 2018, deduct and deposit into the Fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the city:

(1) in payment year 2018, one-third of the total amount of any grants of State funds to the city;

(2) in payment year 2019, two-thirds of the total amount of any grants of State funds to the city; and

(3) in payment year 2020 and each payment year thereafter, the total amount of any grants of State funds to the city.

The State Comptroller may not deduct from any grants of State funds to the city more than the amount of delinquent payments certified to the State Comptroller by the Fund.

(b) On or before July 1, 2017, and each July 1 thereafter ~~January 10,~~ annually, the board shall certify to notify the city council the annual amounts required under of the requirement of this Article, for which that the tax herein provided shall be levied for the following ~~that current~~ year. The board shall compute the amounts necessary for the purposes of this fund to be credited to the reserves established and maintained as herein provided, and shall make an annual determination of the amount of the required city contributions; and certify the results thereof to the city council.

(c) In respect to employees of the city who are transferred to the employment of a park district by virtue of "Exchange of Functions Act of 1957" the corporate authorities of the park district shall annually levy a tax upon all the taxable property in the park district at such rate per cent of the value of such property, as equalized or assessed by the Department of Revenue, as shall be sufficient, when added to the amounts deducted from their salaries and otherwise contributed by them, to provide the benefits to which they and their dependents and beneficiaries are entitled under this Article. The city shall not levy a tax hereunder in respect to such employees.

The tax so levied by the park district shall be in addition to and exclusive of all other taxes authorized to be levied by the park district for corporate, annuity fund, or other purposes. The county clerk of the county in which the park district is located, in reducing any tax levied under the provisions of any Act concerning the levy and extension of taxes shall not consider such tax as part of the general tax levy for park purposes, and shall not include the same in any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the park district. The proceeds of the tax levied by the park district, upon receipt by the district, shall be immediately paid over to the city treasurer of the city for the uses and purposes of the fund.

The various sums to be contributed by the city and allocated for the purposes of this Article, and any interest to be contributed by the city, shall be taken from the revenue derived from the taxes authorized in

this Section, and no money of such city derived from any source other than the levy and collection of those taxes or the sale of tax anticipation warrants in accordance with the provisions of this Article shall be used to provide revenue for this Article, except as expressly provided in this Section.

If it is not possible for the city to make contributions for age and service annuity and widow's annuity concurrently with the employee's contributions made for such purposes, such city shall make such contributions as soon as possible and practicable thereafter with interest thereon at the effective rate to the time they shall be made.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the City to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the City Council. Any such amounts shall become a credit to the City and will be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special municipality contribution rate for all such employees. If this option is elected, the City shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the City and be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(f) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied by the city under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/11-169.2 new)

Sec. 11-169.2. Funding obligation.

(a) Beginning January 1, 2018, the city shall be obligated to contribute to the Fund in each fiscal year an amount not less than the amount determined annually under subsection (a-5) of Section 11-169 of this Code. Notwithstanding any other provision of law, if the city fails to pay the amount guaranteed under this Section on or before December 31 of the year in which such amount is due, the retirement board may bring a mandamus action in the Circuit Court of Cook County to compel the city to make the required payment, irrespective of other remedies that may be available to the Fund. The obligations and causes of action created under this Section shall be in addition to any other right or remedy otherwise accorded by common law or State or federal law, and nothing in this Section shall be construed to deny, abrogate, impair, or waive any such common law or statutory right or remedy.

(b) In ordering the city to make the required payment, the court may order a reasonable payment schedule to enable the city to make the required payment without significantly imperiling the public health, safety, or welfare. Any payments required to be made by the city pursuant to this Section are expressly subordinated to the payment of the principal, interest, premium, if any, and other payments on or related to any bonded debt obligation of the city, either currently outstanding or to be issued, for which the source of repayment or security thereon is derived directly or indirectly from any funds collected or received by the city or collected or received on behalf of the city. Payments on such bonded obligations include any statutory fund transfers or other prefunding mechanisms or formulas set forth, now or hereafter, in State law, city ordinance, or bond indentures, into debt service funds or accounts of the city related to such bonded obligations, consistent with the payment schedules associated with such obligations.

(40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional)

Sec. 11-170. Contributions for age and service annuities for present employees, future entrants and re-entrants.

(a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment of the salary of each present employee, future entrant and re-entrant, except as provided in subsection (a-5) and (a-10), shall be contributed to the fund as a deduction from salary for age and service annuity.

(a-5) Except as provided in subsection (a-10), for an employee who on or after January 1, 2011 and prior to this amendatory Act of the 99th General Assembly first became a member or participant under this Article and made the election under item (i) of subsection (d-10) of Section 1-160: prior to this amendatory Act of the 99th General Assembly, 6.5%; and beginning on the effective date of this amendatory Act of the 99th General Assembly and prior to January 1, 2018, 7.5%; and beginning January 1, 2018, and prior to January 1, 2019, 8.5%; and, beginning January 1, 2019 and thereafter, 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning with the first pay period on or after the date when the funded ratio of the Fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the Fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) shall revert to 9.5% until such time as the Fund once again is determined to have reached a funding ratio of 75%, at which time the 5.5% of salary employee contribution for age and service annuity shall resume. An employee who made the election under item (ii) of subsection (d-10) of Section 1-160 shall continue to have the contributions for age and service annuities determined under subsection (a) of this Section.

(a-10) For each employee who on or after the effective date of this amendatory Act of the 99th General Assembly first becomes a member or participant under this Article, 9.5% of each payment of his or her salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning with the first pay period on or after the date when the funded ratio of the Fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the Fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall revert to 9.5% until such time as the Fund once again is determined to have reached a funding ratio of 75%, at which time the 5.5% of salary contribution for age and service annuity shall resume.

Such deductions beginning on the effective date and prior to June 30, 1947, inclusive shall be made for a future entrant while he is in service until he attains age 65, and for a present employee while he is in service until the amount so deducted from his salary with interest at the rate of 4% per annum shall be equal to the sum which would have accumulated to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

~~(b) (Blank). Concurrently with each employee contribution, the city shall contribute beginning on the effective date and prior to July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65.~~

(c) Each employee contribution made prior to the date age and service annuity for an employee is fixed and each corresponding city contribution shall be allocated to the account of and credited to the employee for whose benefit it is made.

(d) Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 99th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act.

(Source: P.A. 81-1536.)

(40 ILCS 5/11-197.7 new)

Sec. 11-197.7. Payment of annuity other than direct. The board, at the written direction and request of any annuitant, may, solely as an accommodation to such annuitant, pay the annuity due him or her to a bank, savings and loan association, or any other financial institution insured by an agency of the federal government, for deposit to his or her account, or to a bank or trust company for deposit in a trust established by him or her for his benefit with such bank, savings and loan association, or trust company, and such annuitant may withdraw such direction at any time. The board may also, in the case of any disability beneficiary or annuitant for whom no estate guardian has been appointed and who is confined in a publicly

owned and operated mental institution, pay such disability benefit or annuity due such person to the superintendent or other head of such institution or hospital for deposit to such person's trust fund account maintained for him or her by such institution or hospital, if by law such trust fund accounts are authorized or recognized.

(40 ILCS 5/11-223.1) (from Ch. 108 1/2, par. 11-223.1)

Sec. 11-223.1. Assignment for health, hospital and medical insurance.

The board may provide, by regulation, that any annuitant or pensioner, may assign his annuity or disability benefit, or any part thereof, for the purpose of premium payment for a membership for the annuitant, and his or her spouse and children, in a ~~non-profit group~~ hospital care plan or ~~group~~ medical surgical plan, provided, however, that the board may, in its discretion, terminate the right of assignment. Any such hospital or medical insurance plan may include provision for the beneficiaries thereof who rely on treatment by spiritual means alone through prayer for healing in accordance with the tenets and practice of a well recognized religious denomination.

Upon the adoption of a regulation permitting such assignment, the board shall establish and administer a plan for the maintenance of the insurance plan membership by the annuitant or pensioner.

(Source: Laws 1965, p. 2290.)

(40 ILCS 5/11-230) (from Ch. 108 1/2, par. 11-230)

Sec. 11-230. Felony conviction.

None of the benefits provided in this Article shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as employee.

This section shall not operate to impair any contract or vested right heretofore acquired under any law or laws continued in this Article, nor to preclude the right to a refund.

Any refund required under this Article shall be calculated based on that person's contributions to the Fund, less the amount of any annuity benefit previously received by the person or his or beneficiaries. The changes made to this Section by this amendatory Act of the 99th General Assembly apply only to persons who first become members or participants under this Article on or after the effective date of this amendatory Act of the 99th General Assembly.

All future entrants entering service after July 11, 1955, shall be deemed to have consented to the provisions of this section as a condition of coverage.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/8-173.1 rep.) (40 ILCS 5/11-169.1 rep.)

Section 10. The Illinois Pension Code is amended by repealing Sections 8-173.1 and 11-169.1.

Section 90. The State Mandates Act is amended by adding Section 8.40 as follows:

(30 ILCS 805/8.40 new)

Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 99th General Assembly.

Section 97. Inseverability and severability. The changes made by this Act are inseverable, except that the changes made to Sections 8-228.5 and 11-125.9 of the Illinois Pension Code are severable under Section 1.31 of the Statute on Statutes.

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

AMENDMENT NO. 6 TO SENATE BILL 2437

AMENDMENT NO. 6. Amend Senate Bill 2437, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 1-160, 8-113, 8-173, 8-174, 8-243.2, 8-244, 8-244.1, 8-251, 11-169, 11-170, 11-223.1, and 11-230 and by adding Sections 8-228.5, 11-125.9, and 11-197.7 as follows:

(40 ILCS 5/1-160)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional)

Sec. 1-160. Provisions applicable to new hires.

(a) The provisions of this Section apply to a person who, on or after January 1, 2011, first becomes a member or a participant under any reciprocal retirement system or pension fund established under this Code, other than a retirement system or pension fund established under Article 2, 3, 4, 5, 6, 15 or 18 of

this Code, notwithstanding any other provision of this Code to the contrary, but do not apply to any self-managed plan established under this Code, to any person with respect to service as a sheriff's law enforcement employee under Article 7, or to any participant of the retirement plan established under Section 22-101. Notwithstanding anything to the contrary in this Section, for purposes of this Section, a person who participated in a retirement system under Article 15 prior to January 1, 2011 shall be deemed a person who first became a member or participant prior to January 1, 2011 under any retirement system or pension fund subject to this Section. The changes made to this Section by Public Act 98-596 this amendatory Act of the 98th General Assembly are a clarification of existing law and are intended to be retroactive to January 1, 2011 (the effective date of Public Act 96-889), notwithstanding the provisions of Section 1-103.1 of this Code.

(b) "Final average salary" means the average monthly (or annual) salary obtained by dividing the total salary or earnings calculated under the Article applicable to the member or participant during the 96 consecutive months (or 8 consecutive years) of service within the last 120 months (or 10 years) of service in which the total salary or earnings calculated under the applicable Article was the highest by the number of months (or years) of service in that period. For the purposes of a person who first becomes a member or participant of any retirement system or pension fund to which this Section applies on or after January 1, 2011, in this Code, "final average salary" shall be substituted for the following:

(1) In Article 7 (except for service as sheriff's law enforcement employees), "final rate of earnings".

(2) In Articles 8, 9, 10, 11, and 12, "highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal".

(3) In Article 13, "average final salary".

(4) In Article 14, "final average compensation".

(5) In Article 17, "average salary".

(6) In Section 22-207, "wages or salary received by him at the date of retirement or discharge".

(b-5) Beginning on January 1, 2011, for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings, salary, or wages (based on the plan year) of a member or participant to whom this Section applies shall not exceed \$106,800; however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

For the purposes of this Section, "consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. The new amount resulting from each annual adjustment shall be determined by the Public Pension Division of the Department of Insurance and made available to the boards of the retirement systems and pension funds by November 1 of each year.

(c) A member or participant is entitled to a retirement annuity upon written application if he or she has attained age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article.

A member or participant who has attained age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) and has at least 10 years of service credit and is otherwise eligible under the requirements of the applicable Article may elect to receive the lower retirement annuity provided in subsection (d) of this Section.

(c-5) A person who first becomes a member or a participant under Article 8 or Article 11 of this Code on or after the effective date of this amendatory Act of the 99th General Assembly, notwithstanding any other provision of this Code to the contrary, is entitled to a retirement annuity upon written application if he or she has attained age 65 and has at least 10 years of service credit under Article 8 or Article 11 of this Code and is otherwise eligible under the requirements of Article 8 or Article 11 of this Code, whichever is applicable.

(d) The retirement annuity of a member or participant who is retiring after attaining age 62 (beginning January 1, 2015, age 60 with respect to service under Article 12 of this Code that is subject to this Section) with at least 10 years of service credit shall be reduced by one-half of 1% for each full month that the member's age is under age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section).

(d-5) The retirement annuity of a person who first becomes a member or a participant under Article 8 or Article 11 of this Code on or after the effective date of this amendatory Act of the 99th General Assembly who is retiring at age 60 with at least 10 years of service credit under Article 8 or Article 11 shall be reduced by one-half of 1% for each full month that the member's age is under age 65.

(d-10) Each person who first became a member or participant under Article 8 or Article 11 of this Code on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 99th General Assembly shall make an irrevocable election either:

(i) to be eligible for the reduced retirement age provided in subsections (c-5) and (d-5) of this Section, the eligibility for which is conditioned upon the member or participant agreeing to the increases in employee contributions for age and service annuities provided in subsection (a-5) of Section 8-174 of this Code (for service under Article 8) or subsection (a-5) of Section 11-170 of this Code (for service under Article 11); or

(ii) to not agree to item (i) of this subsection (d-10), in which case the member or participant shall continue to be subject to the retirement age provisions in subsections (c) and (d) of this Section and the employee contributions for age and service annuity as provided in subsection (a) of Section 8-174 of this Code (for service under Article 8) or subsection (a) of Section 11-170 of this Code (for service under Article 11).

The election provided for in this subsection shall be made between June 1, 2017 and July 15, 2017. A person subject to this subsection who makes the required election shall remain bound by that election. A person subject to this subsection who fails for any reason to make the required election within the time specified in this subsection shall be deemed to have made the election under item (ii).

(e) Any retirement annuity or supplemental annuity shall be subject to annual increases on the January 1 occurring either on or after the attainment of age 67 (beginning January 1, 2015, age 65 with respect to service under Article 12 of this Code that is subject to this Section and beginning on the effective date of this amendatory Act of the 99th General Assembly, age 65 with respect to persons who: (i) first became members or participants under Article 8 or Article 11 of this Code on or after the effective date of this amendatory Act of the 99th General Assembly; or (ii) first became members or participants under Article 8 or Article 11 of this Code on or after January 1, 2011 and before the effective date of this amendatory Act of the 99th General Assembly and made the election under item (i) of subsection (d-10) of this Section) or the first anniversary of the annuity start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

Notwithstanding Section 1-103.1 of this Code, the changes made to this Section by this amendatory Act of the 99th General Assembly are applicable without regard to whether the employee was in active service on or after the effective date of this amendatory Act of the 99th General Assembly.

(f) The initial survivor's or widow's annuity of an otherwise eligible survivor or widow of a retired member or participant who first became a member or participant on or after January 1, 2011 shall be in the amount of 66 2/3% of the retired member's or participant's retirement annuity at the date of death. In the case of the death of a member or participant who has not retired and who first became a member or participant on or after January 1, 2011, eligibility for a survivor's or widow's annuity shall be determined by the applicable Article of this Code. The initial benefit shall be 66 2/3% of the earned annuity without a reduction due to age. A child's annuity of an otherwise eligible child shall be in the amount prescribed under each Article if applicable. Any survivor's or widow's annuity shall be increased (1) on each January 1 occurring on or after the commencement of the annuity if the deceased member died while receiving a retirement annuity or (2) in other cases, on each January 1 occurring after the first anniversary of the commencement of the annuity. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted survivor's annuity. If the annual unadjusted percentage change in the consumer price index-u for the 12 months ending with the September preceding each November 1 is zero or there is a decrease, then the annuity shall not be increased.

(g) The benefits in Section 14-110 apply only if the person is a State policeman, a fire fighter in the fire protection service of a department, or a security employee of the Department of Corrections or the Department of Juvenile Justice, as those terms are defined in subsection (b) of Section 14-110. A person who meets the requirements of this Section is entitled to an annuity calculated under the provisions of Section 14-110, in lieu of the regular or minimum retirement annuity, only if the person has withdrawn

from service with not less than 20 years of eligible creditable service and has attained age 60, regardless of whether the attainment of age 60 occurs while the person is still in service.

(h) If a person who first becomes a member or a participant of a retirement system or pension fund subject to this Section on or after January 1, 2011 is receiving a retirement annuity or retirement pension under that system or fund and becomes a member or participant under any other system or fund created by this Code and is employed on a full-time basis, except for those members or participants exempted from the provisions of this Section under subsection (a) of this Section, then the person's retirement annuity or retirement pension under that system or fund shall be suspended during that employment. Upon termination of that employment, the person's retirement annuity or retirement pension payments shall resume and be recalculated if recalculation is provided for under the applicable Article of this Code.

If a person who first becomes a member of a retirement system or pension fund subject to this Section on or after January 1, 2012 and is receiving a retirement annuity or retirement pension under that system or fund and accepts on a contractual basis a position to provide services to a governmental entity from which he or she has retired, then that person's annuity or retirement pension earned as an active employee of the employer shall be suspended during that contractual service. A person receiving an annuity or retirement pension under this Code shall notify the pension fund or retirement system from which he or she is receiving an annuity or retirement pension, as well as his or her contractual employer, of his or her retirement status before accepting contractual employment. A person who fails to submit such notification shall be guilty of a Class A misdemeanor and required to pay a fine of \$1,000. Upon termination of that contractual employment, the person's retirement annuity or retirement pension payments shall resume and, if appropriate, be recalculated under the applicable provisions of this Code.

(i) (Blank).

(j) In the case of a conflict between the provisions of this Section and any other provision of this Code, the provisions of this Section shall control.

(Source: P.A. 97-609, eff. 1-1-12; 98-92, eff. 7-16-13; 98-596, eff. 11-19-13; 98-622, eff. 6-1-14; revised 3-24-16.)

(40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

Sec. 8-113. Municipal employee, employee, contributor, or participant. "Municipal employee", "employee", "contributor", or "participant":

(a) Any employee of an employer employed in the classified civil service thereof other than by temporary appointment or in a position excluded or exempt from the classified service by the Civil Service Act, or in the case of a city operating under a personnel ordinance, any employee of an employer employed in the classified or career service under the provisions of a personnel ordinance, other than in a provisional or exempt position as specified in such ordinance or in rules and regulations formulated thereunder.

(b) Any employee in the service of an employer before the Civil Service Act came in effect for the employer.

(c) Any person employed by the board.

(d) Any person employed after December 31, 1949, but prior to January 1, 1984, in the service of the employer by temporary appointment or in a position exempt from the classified service as set forth in the Civil Service Act, or in a provisional or exempt position as specified in the personnel ordinance, who meets the following qualifications:

(1) has rendered service during not less than 12 calendar months to an employer as an employee, officer, or official, 4 months of which must have been consecutive full normal working months of service rendered immediately prior to filing application to be included; and

(2) files written application with the board, while in the service, to be included hereunder.

(e) After December 31, 1949, any alderman or other officer or official of the employer, who files, while in office, written application with the board to be included hereunder.

(f) Beginning January 1, 1984, any person employed by an employer other than the Chicago Housing Authority or the Public Building Commission of the city, whether or not such person is serving by temporary appointment or in a position exempt from the classified service as set forth in the Civil Service Act, or in a provisional or exempt position as specified in the personnel ordinance, provided that such person is neither (1) an alderman or other officer or official of the employer, nor (2) participating, on the basis of such employment, in any other pension fund or retirement system established under this Act.

(g) After December 31, 1959, any person employed in the law department of the city, or municipal court or Board of Election Commissioners of the city, who was a contributor and participant, on December 31, 1959, in the annuity and benefit fund in operation in the city on said date, by virtue of the Court and Law Department Employees' Annuity Act or the Board of Election Commissioners Employees' Annuity Act.

After December 31, 1959, the foregoing definition includes any other person employed or to be employed in the law department, or municipal court (other than as a judge), or Board of Election Commissioners (if his salary is provided by appropriation of the city council of the city and his salary paid by the city) -- subject, however, in the case of such persons not participants on December 31, 1959, to compliance with the same qualifications and restrictions otherwise set forth in this Section and made generally applicable to employees or officers of the city concerning eligibility for participation or membership.

Notwithstanding any other provision in this Section, any person who first becomes employed in the law department of the city on or after the effective date of this amendatory Act of the 99th General Assembly shall be included within the foregoing definition, effective upon the date the person first becomes so employed, regardless of the nature of the appointment the person holds under the provisions of a personnel ordinance.

(h) After December 31, 1965, any person employed in the public library of the city -- and any other person -- who was a contributor and participant, on December 31, 1965, in the pension fund in operation in the city on said date, by virtue of the Public Library Employees' Pension Act.

(i) After December 31, 1968, any person employed in the house of correction of the city, who was a contributor and participant, on December 31, 1968, in the pension fund in operation in the city on said date, by virtue of the House of Correction Employees' Pension Act.

(j) Any person employed full-time on or after the effective date of this amendatory Act of the 92nd General Assembly by the Chicago Housing Authority who has elected to participate in this Fund as provided in subsection (a) of Section 8-230.9.

(k) Any person employed full-time by the Public Building Commission of the city who has elected to participate in this Fund as provided in subsection (d) of Section 8-230.7.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/8-173) (from Ch. 108 1/2, par. 8-173)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional) Sec. 8-173. Financing; tax levy.

(a) Except as provided in subsection (f) of this Section, the city council of the city shall levy a tax annually upon all taxable property in the city at a rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and the amounts deposited under subsection (f), will be sufficient for the requirements of this Article, but which when extended will produce an amount not to exceed the greater of the following: (a) the sum obtained by the levy of a tax of .1093% of the value, as equalized or assessed by the Department of Revenue, of all taxable property within such city, or (b) the sum of \$12,000,000. However any city in which a Fund has been established and in operation under this Article for more than 3 years prior to 1970 shall levy for the year 1970 a tax at a rate on the dollar of assessed valuation of all taxable property that will produce, when extended, an amount not to exceed 1.2 times the total amount of contributions made by employees to the Fund for annuity purposes in the calendar year 1968, and, for the year 1971 and 1972 such levy that will produce, when extended, an amount not to exceed 1.3 times the total amount of contributions made by employees to the Fund for annuity purposes in the calendar years 1969 and 1970, respectively; and for the year 1973 an amount not to exceed 1.365 times such total amount of contributions made by employees for annuity purposes in the calendar year 1971; and for the year 1974 an amount not to exceed 1.430 times such total amount of contributions made by employees for annuity purposes in the calendar year 1972; and for the year 1975 an amount not to exceed 1.495 times such total amount of contributions made by employees for annuity purposes in the calendar year 1973; and for the year 1976 an amount not to exceed 1.560 times such total amount of contributions made by employees for annuity purposes in the calendar year 1974; and for the year 1977 an amount not to exceed 1.625 times such total amount of contributions made by employees for annuity purposes in the calendar year 1975; and for the year 1978 and each year thereafter through levy year 2016, such levy as will produce, when extended, an amount not to exceed the total amount of contributions made by or on behalf of employees to the Fund for annuity purposes in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.690 for the years 1978 through 1998 and by 1.250 for the year 1999 and for each year thereafter through levy year 2016. Beginning in levy year 2017, and in each year thereafter, the levy shall not exceed the amount of the city's total required contribution to the Fund for the next payment year, as determined under subsection (a-5). For the purposes of this Section, the payment year is the year immediately following the levy year.

The tax shall be levied and collected in like manner with the general taxes of the city, and shall be exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any laws which may limit the amount of tax which the city may levy for general

purposes. The county clerk of the county in which the city is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider the tax herein provided for as a part of the general tax levy for city purposes, and shall not include the same within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for such city.

Revenues derived from such tax shall be paid to the city treasurer of the city as collected and held by the city treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the current tax levy.

The city may continue to use other lawfully available funds in lieu of all or part of the levy, as provided under subsection (f) of this Section.

(a-5) (1) Beginning in payment year 2018, the city's required annual contribution to the Fund for payment years 2018 through 2022 shall be: for 2018, \$266,000,000; for 2019, \$344,000,000; for 2020, \$421,000,000; for 2021, \$499,000,000; and for 2022, \$576,000,000.

(2) For payment years 2023 through 2058, the city's required annual contribution to the Fund shall be the amount determined by the Fund to be equal to the sum of (i) the city's portion of the projected normal cost for that fiscal year, plus (ii) an amount determined on a level percentage of applicable employee payroll basis (reflecting any limits on individual participants' pay that apply for benefit and contribution purposes under this plan) that is sufficient to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of 2058.

(3) For payment years after 2058, the city's required annual contribution to the Fund shall be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund as of the end of the year. In making the determinations under paragraphs (2) and (3) of this subsection, the actuarial calculations shall be determined under the entry age normal actuarial cost method, and any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following the fiscal year.

To the extent that the city's contribution for any of the payment years referenced in this subsection is made with property taxes, those property taxes shall be levied, collected, and paid to the Fund in a like manner with the general taxes of the city.

(a-10) If the city fails to transmit to the Fund contributions required of it under this Article by December 31 of the year in which such contributions are due, the Fund may, after giving notice to the city, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in payment year 2018, deduct and deposit into the Fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the city:

(1) in payment year 2018, one-third of the total amount of any grants of State funds to the city;

(2) in payment year 2019, two-thirds of the total amount of any grants of State funds to the city; and

(3) in payment year 2020 and each payment year thereafter, the total amount of any grants of State funds to the city.

The State Comptroller may not deduct from any grants of State funds to the city more than the amount of delinquent payments certified to the State Comptroller by the Fund.

(b) On or before July 1, 2017, and each July 1 thereafter ~~January 10, annually,~~ the board shall certify to notify the city council the annual amounts required under of the requirements of this Article, for which ~~that~~ the tax herein provided shall be levied for the following ~~that current~~ year. The board shall compute the amounts necessary to be credited to the reserves established and maintained as herein provided, and shall make an annual determination of the amount of the required city contributions, and certify the results thereof to the city council.

(c) In respect to employees of the city who are transferred to the employment of a park district by virtue of the "Exchange of Functions Act of 1957", the corporate authorities of the park district shall annually levy a tax upon all the taxable property in the park district at such rate per cent of the value of such property, as equalized or assessed by the Department of Revenue, as shall be sufficient, when added to the amounts deducted from their salaries and otherwise contributed by them to provide the benefits to which they and their dependents and beneficiaries are entitled under this Article. The city shall not levy a tax hereunder in respect to such employees.

The tax so levied by the park district shall be in addition to and exclusive of all other taxes authorized to be levied by the park district for corporate, annuity fund, or other purposes. The county clerk of the county in which the park district is located, in reducing any tax levied under the provisions of any act concerning the levy and extension of taxes shall not consider such tax as part of the general tax levy for park purposes, and shall not include the same in any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the park district. The proceeds of the tax levied by the

park district, upon receipt by the district, shall be immediately paid over to the city treasurer of the city for the uses and purposes of the fund.

The various sums to be contributed by the city and park district and allocated for the purposes of this Article, and any interest to be contributed by the city, shall be derived from the revenue from the taxes authorized in this Section or otherwise as expressly provided in this Section.

If it is not possible or practicable for the city to make contributions for age and service annuity and widow's annuity at the same time that employee contributions are made for such purposes, such city contributions shall be construed to be due and payable as of the end of the fiscal year for which the tax is levied and shall accrue thereafter with interest at the effective rate until paid.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the City to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the City Council. Any such amounts shall become a credit to the City and will be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special municipality contribution rate for all such employees. If this option is elected, the City shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the City and be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(f) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer ~~no later than March 1 of that year~~ for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied by the city under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(Source: P.A. 90-31, eff. 6-27-97; 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

(40 ILCS 5/8-174) (from Ch. 108 1/2, par. 8-174)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional)

Sec. 8-174. Contributions for age and service annuities for present employees and future entrants. (a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953, and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6-1/2% of each payment of the salary of each present employee and future entrant, except as provided in subsection (a-5) and (a-10), shall be contributed to the fund as a deduction from salary for age and service annuity.

(a-5) Except as provided in subsection (a-10), for an employee who on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 99th General Assembly first became a member or participant under this Article and made the election under item (i) of subsection (d-10) of Section 1-160: prior to the effective date of this amendatory Act of the 99th General Assembly, 6.5%; and beginning on the effective date of this amendatory Act of the 99th General Assembly and prior to January 1, 2018, 7.5%; and beginning January 1, 2018 and prior to January 1, 2019, 8.5%; and beginning January 1, 2019 and thereafter, employee contributions for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each

payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and 8-182 of this Article.

Beginning with the first pay period on or after the date when the funded ratio of the fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and 8-182 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume. An employee who made the election under item (ii) of subsection (d-10) of Section 1-160 shall continue to have the contributions for age and service annuity determined under subsection (a) of this Section.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection due to application of the normal cost criterion, the employee contribution amount shall be consistent from July 1 of the fiscal year through June 30 of that fiscal year.

The normal cost, for the purposes of this subsection (a-5) and subsection (a-10), shall be calculated by an independent enrolled actuary mutually agreed upon by the fund and the City. The fees and expenses of the independent actuary shall be the responsibility of the City. For purposes of this subsection (a-5), the fund and the City shall both be considered to be the clients of the actuary, and the actuary shall utilize participant data and actuarial standards to calculate the normal cost. The fund shall provide information that the actuary requests in order to calculate the applicable normal cost.

(a-10) For each employee who on or after the effective date of this amendatory Act of the 99th General Assembly first becomes a member or participant under this Article, 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning January 1, 2018 and each year thereafter, employee contributions for each employee subject to this subsection (a-10) shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article.

Beginning with the first pay period on or after the date when the funded ratio of the fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 8-137 and Section 8-182 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection (a-10) due to application of the normal cost criterion, the employee contribution amount shall be consistent from July 1 of the fiscal year through June 30 of that fiscal year.

Such deductions beginning on the effective date and prior to July 1, 1947 shall be made for a future entrant while he is in the service until he attains age 65 and for a present employee while he is in the service until the amount so deducted from his salary with the amount deducted from his salary or paid by him according to law to any municipal pension fund in force on the effective date with interest on both such amounts at 4% per annum equals the sum that would have been to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

~~(b) (Blank). Concurrently with each employee contribution beginning on the effective date and prior to July 1, 1947 the city shall contribute 5.3/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65.~~

(c) Each employee contribution made prior to the date the age and service annuity for an employee is fixed and each corresponding city contribution shall be credited to the employee and allocated to the account of the employee for whose benefit it is made.

(d) Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 99th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act of the 99th General Assembly.

(Source: P.A. 93-654, eff. 1-16-04.)

(40 ILCS 5/8-228.5 new)

Sec. 8-228.5. Action by Fund against third party; subrogation. In those cases where the injury or death for which a disability or death benefit is payable under this Article was caused under circumstances creating a legal liability on the part of some person or entity (hereinafter "third party") to pay damages to the employee, legal proceedings may be taken against such third party to recover damages notwithstanding the Fund's payment of or liability to pay disability or death benefits under this Article. In such case, however, if the action against such third party is brought by the injured employee or his or her personal representative and judgment is obtained and paid, or settlement is made with such third party, either with or without suit, from the amount received by such employee or personal representative, then there shall be paid to the Fund the amount of money representing the death or disability benefits paid or to be paid to the disabled employee pursuant to the provisions of this Article. In all circumstances where the action against a third party is brought by the disabled employee or his or her personal representative, the Fund shall have a claim or lien upon any recovery, by judgment or settlement, out of which the disabled employee or his or her personal representative might be compensated from such third party. The Fund may satisfy or enforce any such claim or lien only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's claim or lien shall not be satisfied or enforced from that portion of a recovery that has been, or can be, allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs.

Where action is brought by the disabled employee or his or her personal representative he or she shall forthwith notify the Fund, by personal service or registered mail, of such fact and of the name of the court where such suit is brought, filing proof of such notice in such action. The Fund may, at any time thereafter, intervene in such action upon its own motion. Therefore, no release or settlement of claim for damages by reason of injury to the disabled employee, and no satisfaction of judgment in such proceedings, shall be valid without the written consent of the Board of Trustees authorized by this Code to administer the Fund created under this Article, except that such consent shall be provided expeditiously following a settlement or judgment.

In the event the disabled employee or his or her personal representative has not instituted an action against a third party at a time when only 3 months remain before such action would thereafter be barred by law, the Fund may, in its own name or in the name of the personal representative, commence a proceeding against such third party seeking the recovery of all damages on account of injuries caused to the employee. From any amount so recovered, the Fund shall pay to the personal representative of such disabled employee all sums collected from such third party by judgment or otherwise in excess of the amount of disability or death benefits paid or to be paid under this Article to the disabled employee or his or her personal representative, and such costs, attorney's fees, and reasonable expenses as may be incurred by the Fund in making the collection or in enforcing such liability. The Fund's recovery shall be satisfied only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's recovery shall not be satisfied from that

portion of the recovery that has been or can be allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs.

Additionally, with respect to any right of subrogation asserted by the Fund under this Section, the Fund, in the exercise of discretion, may determine what amount from past or future salary shall be appropriate under the circumstances to collect from the recovery obtained on behalf of the disabled employee.

This Section applies only to persons who first become members or participants under this Article on or after the effective date of this amendatory Act of 99th General Assembly.

(40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)

Sec. 8-243.2. Alternative annuity for city officers.

(a) For the purposes of this Section and Sections 8-243.1 and 8-243.3, "city officer" means the city clerk, the city treasurer, or an alderman of the city elected by vote of the people, while serving in that capacity or as provided in subsection (f), who has elected to participate in the Fund.

(b) Any elected city officer, while serving in that capacity or as provided in subsection (f), may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and the procedures established by the board. Such elected city officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Sections 8-174 and 8-182.

(2) For service before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(c) In lieu of the retirement annuity otherwise payable under this Article, any city officer elected by vote of the people who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, and (2) has attained age 55 with at least 10 years of service credit, or has attained age 60 with at least 8 years of service credit, may elect to have his retirement annuity computed as follows: 3% of the participant's salary at the time of termination of service for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such elected city officer has made additional optional contributions with respect to only a portion of his years of service credit, his retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made.

(d) In lieu of the disability benefits otherwise payable under this Article, any city officer elected by vote of the people who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (c). For the purposes of this subsection, such elected city officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected city officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that such officer is disabled and that the disability is likely to be permanent.

(e) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Sections 8-168, 8-170 and 8-171. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions. Optional contributions shall be accounted for in a separate Elected City Officer Optional Contribution Reserve. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 8-173.

(f) The effective date of this plan of optional alternative benefits and contributions shall be July 1, 1990, or the date upon which approval is received from the U.S. Internal Revenue Service, whichever is later.

The plan of optional alternative benefits and contributions shall not be available to any former city officer or employee receiving an annuity from the Fund on the effective date of the plan, unless he re-

enters service as an elected city officer and renders at least 3 years of additional service after the date of re-entry. However, a person who holds office as a city officer on June 1, 1995 may elect to participate in the plan, to transfer credits into the Fund from other Articles of this Code, and to make the contributions required for prior service, until 30 days after the effective date of this amendatory Act of the 92nd General Assembly, notwithstanding the ending of his term of office prior to that effective date; in the event that the person is already receiving an annuity from this Fund or any other Article of this Code at the time of making this election, the annuity shall be recalculated to include any increase resulting from participation in the plan, with such increase taking effect on the effective date of the election.

(g) Notwithstanding any other provision in this Section or in this Code to the contrary, any person who first becomes a city officer, as defined in this Section, on or after the effective date of this amendatory Act of the 99th General Assembly, shall not be eligible for the alternative annuity or alternative disability benefits as provided in subsections (a), (b), (c), and (d) of this Section or for the alternative survivor's benefits as provided in Section 8-243.3. Such person shall not be eligible, or be required, to make any additional contributions beyond those required of other participants under Sections 8-137, 8-174, and 8-182. The retirement annuity, disability benefits, and survivor's benefits for a person who first becomes a city officer on or after the effective date of this amendatory Act of the 99th General Assembly shall be determined pursuant to the provisions otherwise provided in this Article.

(Source: P.A. 92-599, eff. 6-28-02.)

(40 ILCS 5/8-244) (from Ch. 108 1/2, par. 8-244)

Sec. 8-244. Annuities, etc., exempt.

(a) All annuities, refunds, pensions, and disability benefits granted under this Article, shall be exempt from attachment or garnishment process and shall not be seized, taken, subjected to, detained, or levied upon by virtue of any judgment, or any process or proceeding whatsoever issued out of or by any court in this State, for the payment and satisfaction in whole or in part of any debt, damage, claim, demand, or judgment against any annuitant, pensioner, participant, refund applicant, or other beneficiary hereunder.

(b) No annuitant, pensioner, refund applicant, or other beneficiary shall have any right to transfer or assign his annuity, refund, or disability benefit or any part thereof by way of mortgage or otherwise, except that:

(1) an annuitant or pensioner who elects or has elected to participate in a ~~non-profit group~~ hospital care plan or ~~group~~ medical surgical plan may with the approval of the board and in conformity with its regulations authorize the board to withhold from the pension or annuity the current premium for such coverage and pay such premium to the organization underwriting such plan;

(2) in the case of refunds, a participant may pledge by assignment, power of attorney, or otherwise, as security for a loan from a legally operating credit union making loans only to participants in certain public employee pension funds described in the Illinois Pension Code, all or part of any refund which may become payable to him in the event of his separation from service; and

(3) the board, in its discretion, may pay to the wife of any annuitant, pensioner, refund applicant, or disability beneficiary, such an amount out of her husband's annuity pension, refund, or disability benefit as any court of competent jurisdiction may order, or such an amount as the board may consider necessary for the support of his wife or children, or both in the event of his disappearance or unexplained absence or of his failure to support such wife or children.

(c) The board may retain out of any future annuity, pension, refund or disability benefit payments, such amount, or amounts, as it may require for the repayment of any moneys paid to any annuitant, pensioner, refund applicant, or disability beneficiary through misrepresentation, fraud or error. Any such action of the board shall relieve and release the board and the fund from any liability for any moneys so withheld.

(d) Whenever an annuity or disability benefit is payable to a minor or to a person certified by a medical doctor to be under legal disability, the board, in its discretion and when it is in the best interest of the person concerned, may waive guardianship proceedings and pay the annuity or benefit to the person providing or caring for the minor or person under legal disability.

In the event that a person certified by a medical doctor to be under legal disability (i) has no spouse, blood relative, or other person providing or caring for him or her, (ii) has no guardian of his or her estate, and (iii) is confined to a Medicare approved, State certified nursing home or to a publicly owned and operated nursing home, hospital, or mental institution, the Board may pay any benefit due that person to the nursing home, hospital, or mental institution, to be used for the sole benefit of the person under legal disability.

Payment in accordance with this subsection to a person, nursing home, hospital, or mental institution for the benefit of a minor or person under legal disability shall be an absolute discharge of the Fund's liability with respect to the amount so paid. Any person, nursing home, hospital, or mental institution

accepting payment under this subsection shall notify the Fund of the death or any other relevant change in the status of the minor or person under legal disability.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/8-244.1) (from Ch. 108 1/2, par. 8-244.1)

Sec. 8-244.1. Payment of annuity other than direct.

(a) The board, at the written direction and request of any annuitant, may, solely as an accommodation to such annuitant, pay the annuity due him to a bank, savings and loan association or any other financial institution insured by an agency of the federal government, for deposit to his account, or to a bank or trust company for deposit in a trust established by him for his benefit with such bank, savings and loan association or trust company, and such annuitant may withdraw such direction at any time. The board may also, in the case of any disability beneficiary or annuitant for whom no estate guardian has been appointed and who is confined in a publicly owned and operated mental institution, pay such disability benefit or annuity due such person to the superintendent or other head of such institution or hospital for deposit to such person's trust fund account maintained for him by such institution or hospital, if by law such trust fund accounts are authorized or recognized.

(b) An annuitant formerly employed by the City of Chicago may authorize the withholding of a portion of his or her annuity for payment of dues to the labor organization which formerly represented the annuitant when the annuitant was an active employee; however, no withholding shall be required under this subsection for payment to one labor organization unless a minimum of 25 annuitants authorize such withholding. The Board shall prescribe a form for the authorization of withholding of dues, release of name, social security number and address and shall provide such forms to employees, annuitants and labor organizations upon request. Amounts withheld by the Board under this subsection shall be promptly paid over to the designated organizations, indicating the names, social security numbers and addresses of annuitants on whose behalf dues were withheld.

At the request and at the expense of the labor organization that formerly represented the annuitant, the City of Chicago shall coordinate mailings no more than twice in any twelve-month period to such annuitants and the Board shall supply current annuitant addresses to the City of Chicago upon request. These mailings shall be limited to informing the annuitants of their rights under this subsection (b), the form authorizing the withholding of dues from their annuity and information supplied by the labor organization pertinent to the decision of whether to exercise the rights of this subsection. ~~To meet this obligation, the City of Chicago shall, upon request, create and update records of all retirees for each labor organization as far back in time as records permit, including their names, addresses, phone numbers and social security numbers.~~

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/8-251) (from Ch. 108 1/2, par. 8-251)

Sec. 8-251. Felony conviction.

None of the benefits provided for in this Article shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as a municipal employee.

This section shall not operate to impair any contract or vested right heretofore acquired under any law or laws continued in this Article, nor to preclude the right to a refund.

Any refund required under this Article shall be calculated based on that person's contributions to the Fund, less the amount of any annuity benefit previously received by the person or his or her beneficiaries. The changes made to this Section by this amendatory Act of the 99th General Assembly apply only to persons who first become participants under this Article on or after the effective date of this amendatory Act of the 99th General Assembly.

All future entrants entering service subsequent to July 11, 1955 shall be deemed to have consented to the provisions of this section as a condition of coverage.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/11-125.9 new)

Sec. 11-125.9 Action by Fund against third party; subrogation. In those cases where the injury or death for which a disability or death benefit is payable under this Article was caused under circumstances creating a legal liability on the part of some person or entity (hereinafter "third party") to pay damages to the employee, legal proceedings may be taken against such third party to recover damages notwithstanding the Fund's payment of or liability to pay disability or death benefits under this Article. In such case, however, if the action against such third party is brought by the injured employee or his or her personal representative and judgment is obtained and paid, or settlement is made with such third party, either with or without suit, from the amount received by such employee or personal representative, then there shall be paid to the Fund the amount of money representing the death or disability benefits paid or to be paid to the disabled employee pursuant to the provisions of this Article. In all circumstances where the action against

a third party is brought by the disabled employee or his or her personal representative, the Fund shall have a claim or lien upon any recovery, by judgment or settlement, out of which the disabled employee or his or her personal representative might be compensated from such third party. The Fund may satisfy or enforce any such claim or lien only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's claim or lien shall not be satisfied or enforced from that portion of a recovery that has been, or can be, allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs. Where action is brought by the disabled employee or his or her personal representative he or she shall forthwith notify the Fund, by personal service or registered mail, of such fact and of the name of the court where such suit is brought, filing proof of such notice in such action. The Fund may, at any time thereafter, intervene in such action upon its own motion. Therefore, no release or settlement of claim for damages by reason of injury to the disabled employee, and no satisfaction of judgment in such proceedings, shall be valid without the written consent of the Board of Trustees authorized by this Code to administer the Fund created under this Article, except that such consent shall be provided expeditiously following a settlement or judgment.

In the event the disabled employee or his or her personal representative has not instituted an action against a third party at a time when only 3 months remain before such action would thereafter be barred by law, the Fund may, in its own name or in the name of the personal representative, commence a proceeding against such third party seeking the recovery of all damages on account of injuries caused to the employee. From any amount so recovered, the Fund shall pay to the personal representative of such disabled employee all sums collected from such third party by judgment or otherwise in excess of the amount of disability or death benefits paid or to be paid under this Article to the disabled employee or his or her personal representative, and such costs, attorney's fees, and reasonable expenses as may be incurred by the Fund in making the collection or in enforcing such liability. The Fund's recovery shall be satisfied only from that portion of a recovery that has been, or can be, allocated or attributed to past and future lost salary, which recovery is by judgment or settlement. The Fund's recovery shall not be satisfied from that portion of the recovery that has been or can be allocated or attributed to medical care and treatment, pain and suffering, loss of consortium, and attorney's fees and costs. Additionally, with respect to any right of subrogation asserted by the Fund under this Section, the Fund, in the exercise of discretion, may determine what amount from past or future salary shall be appropriate under the circumstances to collect from the recovery obtained on behalf of the disabled employee.

This Section applies only to persons who first become members or participants under this Article on or after the effective date of this amendatory Act of 99th General Assembly.

(40 ILCS 5/11-169) (from Ch. 108 1/2, par. 11-169)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional) Sec. 11-169. Financing; tax levy.

(a) Except as provided in subsection (f) of this Section, the city council of the city shall levy a tax annually upon all taxable property in the city at the rate that will produce a sum which, when added to the amounts deducted from the salaries of the employees or otherwise contributed by them and the amounts deposited under subsection (f), will be sufficient for the requirements of this Article. For the years prior to the year 1950 the tax rate shall be as provided for under "The 1935 Act". Beginning with the year 1950 to and including the year 1969 such tax shall be not more than .036% annually of the value, as equalized or assessed by the Department of Revenue, of all taxable property within such city. Beginning with the year 1970 and each year thereafter through levy year 2016, the city shall levy a tax annually at a rate on the dollar of the value, as equalized or assessed by the Department of Revenue of all taxable property within such city that will produce, when extended, not to exceed an amount equal to the total amount of contributions by the employees to the fund made in the calendar year 2 years prior to the year for which the annual applicable tax is levied, multiplied by 1.1 for the years 1970, 1971 and 1972; 1.145 for the year 1973; 1.19 for the year 1974; 1.235 for the year 1975; 1.280 for the year 1976; 1.325 for the year 1977; 1.370 for the years 1978 through 1998; and 1.000 for the year 1999 and for each year thereafter through levy year 2016. Beginning in levy year 2017, and in each year thereafter, the levy shall not exceed the amount of the city's total required contribution to the Fund for the next payment year, as determined under subsection (a-5). For the purposes of this Section, the payment year is the year immediately following the levy year.

The tax shall be levied and collected in like manner with the general taxes of the city, and shall be exclusive of and in addition to the amount of tax the city is now or may hereafter be authorized to levy for general purposes under any laws which may limit the amount of tax which the city may levy for general purposes. The county clerk of the county in which the city is located, in reducing tax levies under the provisions of any Act concerning the levy and extension of taxes, shall not consider the tax herein provided

[December 1, 2016]

for as a part of the general tax levy for city purposes, and shall not include the same within any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for such city.

Revenues derived from such tax shall be paid to the city treasurer of the city as collected and held by the city treasurer ~~him~~ for the benefit of the fund.

If the payments on account of taxes are insufficient during any year to meet the requirements of this Article, the city may issue tax anticipation warrants against the current tax levy.

The city may continue to use other lawfully available funds in lieu of all or part of the levy, as provided under subsection (f) of this Section.

(a-5) (1) Beginning in payment year 2018, the city's required annual contribution to the Fund for payment years 2018 through 2022 shall be: for 2018, \$36,000,000; for 2019, \$48,000,000; for 2020, \$60,000,000; for 2021, \$72,000,000; and for 2022, \$84,000,000.

(2) For payment years 2023 through 2058, the city's required annual contribution to the Fund shall be the amount determined by the Fund to be equal to the sum of (i) the city's portion of projected normal cost for that fiscal year, plus (ii) an amount determined on a level percentage of applicable employee payroll basis that is sufficient to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of 2058.

(3) For payment years after 2058, the city's required annual contribution to the Fund shall be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90% of the total actuarial liabilities of the Fund as of the end of the year. In making the determinations under paragraphs (2) and (3) of this subsection, the actuarial calculations shall be determined under the entry age normal actuarial cost method, and any actuarial gains or losses from investment return incurred in a fiscal year shall be recognized in equal annual amounts over the 5-year period following the fiscal year.

To the extent that the city's contribution for any of the payment years referenced in this subsection is made with property taxes, those property taxes shall be levied, collected, and paid to the Fund in a like manner with the general taxes of the city.

(a-10) If the city fails to transmit to the Fund contributions required of it under this Article by December 31 of the year in which such contributions are due, the Fund may, after giving notice to the city, certify to the State Comptroller the amounts of the delinquent payments, and the Comptroller must, beginning in payment year 2018, deduct and deposit into the Fund the certified amounts or a portion of those amounts from the following proportions of grants of State funds to the city:

(1) in payment year 2018, one-third of the total amount of any grants of State funds to the city;

(2) in payment year 2019, two-thirds of the total amount of any grants of State funds to the city; and

(3) in payment year 2020 and each payment year thereafter, the total amount of any grants of State funds to the city.

The State Comptroller may not deduct from any grants of State funds to the city more than the amount of delinquent payments certified to the State Comptroller by the Fund.

(b) On or before July 1, 2017, and each July 1 thereafter ~~January 10,~~ annually, the board shall certify to notify the city council the annual amounts required under of the requirement of this Article , for which that the tax herein provided shall be levied for the following ~~that current~~ year. The board shall compute the amounts necessary for the purposes of this fund to be credited to the reserves established and maintained as herein provided, and shall make an annual determination of the amount of the required city contributions; and certify the results thereof to the city council.

(c) In respect to employees of the city who are transferred to the employment of a park district by virtue of "Exchange of Functions Act of 1957" the corporate authorities of the park district shall annually levy a tax upon all the taxable property in the park district at such rate per cent of the value of such property, as equalized or assessed by the Department of Revenue, as shall be sufficient, when added to the amounts deducted from their salaries and otherwise contributed by them, to provide the benefits to which they and their dependents and beneficiaries are entitled under this Article. The city shall not levy a tax hereunder in respect to such employees.

The tax so levied by the park district shall be in addition to and exclusive of all other taxes authorized to be levied by the park district for corporate, annuity fund, or other purposes. The county clerk of the county in which the park district is located, in reducing any tax levied under the provisions of any Act concerning the levy and extension of taxes shall not consider such tax as part of the general tax levy for park purposes, and shall not include the same in any limitation of the per cent of the assessed valuation upon which taxes are required to be extended for the park district. The proceeds of the tax levied by the park district, upon receipt by the district, shall be immediately paid over to the city treasurer of the city for the uses and purposes of the fund.

The various sums to be contributed by the city and allocated for the purposes of this Article, and any interest to be contributed by the city, shall be taken from the revenue derived from the taxes authorized in

this Section, and no money of such city derived from any source other than the levy and collection of those taxes or the sale of tax anticipation warrants in accordance with the provisions of this Article shall be used to provide revenue for this Article, except as expressly provided in this Section.

If it is not possible for the city to make contributions for age and service annuity and widow's annuity concurrently with the employee's contributions made for such purposes, such city shall make such contributions as soon as possible and practicable thereafter with interest thereon at the effective rate to the time they shall be made.

(d) With respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as amended (P.L. 93-203, 87 Stat. 839, P.L. 93-567, 88 Stat. 1845), hereinafter referred to as CETA, subsequent to October 1, 1978, and in instances where the board has elected to establish a manpower program reserve, the board shall compute the amounts necessary to be credited to the manpower program reserves established and maintained as herein provided, and shall make a periodic determination of the amount of required contributions from the City to the reserve to be reimbursed by the federal government in accordance with rules and regulations established by the Secretary of the United States Department of Labor or his designee, and certify the results thereof to the City Council. Any such amounts shall become a credit to the City and will be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(e) In lieu of establishing a manpower program reserve with respect to employees whose wages are funded as participants under the Comprehensive Employment and Training Act of 1973, as authorized by subsection (d), the board may elect to establish a special municipality contribution rate for all such employees. If this option is elected, the City shall contribute to the Fund from federal funds provided under the Comprehensive Employment and Training Act program at the special rate so established and such contributions shall become a credit to the City and be used to reduce the amount which the City would otherwise contribute during succeeding years for all employees.

(f) In lieu of levying all or a portion of the tax required under this Section in any year, the city may deposit with the city treasurer no later than March 1 of that year for the benefit of the fund, to be held in accordance with this Article, an amount that, together with the taxes levied under this Section for that year, is not less than the amount of the city contributions for that year as certified by the board to the city council. The deposit may be derived from any source legally available for that purpose, including, but not limited to, the proceeds of city borrowings. The making of a deposit shall satisfy fully the requirements of this Section for that year to the extent of the amounts so deposited. Amounts deposited under this subsection may be used by the fund for any of the purposes for which the proceeds of the tax levied by the city under this Section may be used, including the payment of any amount that is otherwise required by this Article to be paid from the proceeds of that tax.

(Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/11-170) (from Ch. 108 1/2, par. 11-170)

(Text of Section WITHOUT the changes made by P.A. 98-641, which has been held unconstitutional)

Sec. 11-170. Contributions for age and service annuities for present employees, future entrants and re-entrants.

(a) Beginning on the effective date and prior to July 1, 1947, 3 1/4%; and beginning on July 1, 1947 and prior to July 1, 1953, 5%; and beginning July 1, 1953 and prior to January 1, 1972, 6%; and beginning January 1, 1972, 6 1/2% of each payment of the salary of each present employee, future entrant and re-entrant, except as provided in subsection (a-5) and (a-10), shall be contributed to the fund as a deduction from salary for age and service annuity.

(a-5) Except as provided in subsection (a-10), for an employee who on or after January 1, 2011 and prior to the effective date of this amendatory Act of the 99th General Assembly first became a member or participant under this Article and made the election under item (i) of subsection (d-10) of Section 1-160: prior to the effective date of this amendatory Act of the 99th General Assembly, 6.5%; and beginning on the effective date of this amendatory Act of the 99th General Assembly and prior to January 1, 2018, 7.5%; and beginning January 1, 2018 and prior to January 1, 2019, 8.5%; and beginning January 1, 2019 and thereafter, employee contributions for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each

payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and 11-174 of this Article.

Beginning with the first pay period on or after the date when the funded ratio of the fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) of Section 1-160 shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for those employees who made the election under item (i) of subsection (d-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first became members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and 11-174 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume. An employee who made the election under item (ii) of subsection (d-10) of Section 1-160 shall continue to have the contributions for age and service annuity determined under subsection (a) of this Section.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection due to application of the normal cost criterion, the employee contribution amount shall be consistent from July 1 of the fiscal year through June 30 of that fiscal year.

The normal cost, for the purposes of this subsection (a-5) and subsection (a-10), shall be calculated by an independent enrolled actuary mutually agreed upon by the fund and the City. The fees and expenses of the independent actuary shall be the responsibility of the City. For purposes of this subsection (a-5), the fund and the City shall both be considered to be the clients of the actuary, and the actuary shall utilize participant data and actuarial standards to calculate the normal cost. The fund shall provide information that the actuary requests in order to calculate the applicable normal cost.

(a-10) For each employee who on or after the effective date of this amendatory Act of the 99th General Assembly first becomes a member or participant under this Article, 9.5% of each payment of salary shall be contributed to the fund as a deduction from salary for age and service annuity. Beginning January 1, 2018 and each year thereafter, employee contributions for each employee subject to this subsection (a-10) shall be the lesser of: (i) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (ii) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article.

Beginning with the first pay period on or after the date when the funded ratio of the fund is first determined to have reached the 90% funding goal, and each pay period thereafter for as long as the fund maintains a funding ratio of 75% or more, employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall be 5.5% of each payment of salary. If the funding ratio falls below 75%, then employee contributions for age and service annuity for each employee subject to this subsection (a-10) shall revert to the lesser of: (A) the total normal cost, calculated using the entry age normal actuarial method, projected for that fiscal year for the benefits and expenses of the plan of benefits applicable to those members and participants who first become members or participants on or after the effective date of this amendatory Act of the 99th General Assembly and to those employees who made the election under item (i) of subsection (d-10) of Section 1-160, but not less than 6.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article; or (B) the aggregate employee contribution consisting of 9.5% of each payment of salary combined with the employee contributions provided for in subsection (b) of Section 11-134.1 and Section 11-174 of this Article. If the fund once again is determined to have reached a funding ratio of 75%, the 5.5% of salary contribution for age and service annuity shall resume.

If contributions are reduced to less than the aggregate employee contribution described in item (ii) or item (B) of this subsection (a-10) due to application of the normal cost criterion, the employee contribution amount shall be consistent from July 1 of the fiscal year through June 30 of that fiscal year.

Such deductions beginning on the effective date and prior to June 30, 1947, inclusive shall be made for a future entrant while he is in service until he attains age 65, and for a present employee while he is in service until the amount so deducted from his salary with interest at the rate of 4% per annum shall be equal to the sum which would have accumulated to his credit from sums deducted from his salary if deductions at the rate herein stated had been made during his entire service until he attained age 65 with interest at 4% per annum for the period subsequent to his attainment of age 65. Such deductions beginning July 1, 1947 shall be made and continued for employees while in the service.

(b) (Blank). ~~Concurrently with each employee contribution, the city shall contribute beginning on the effective date and prior to July 1, 1947, 5 3/4%; and beginning July 1, 1947 and prior to July 1, 1953, 7%; and beginning July 1, 1953, 6% of each payment of such salary until the employee attains age 65.~~

(c) Each employee contribution made prior to the date age and service annuity for an employee is fixed and each corresponding city contribution shall be allocated to the account of and credited to the employee for whose benefit it is made.

(d) Notwithstanding Section 1-103.1, the changes to this Section made by this amendatory Act of the 99th General Assembly apply regardless of whether the employee was in active service on or after the effective date of this amendatory Act.

(Source: P.A. 81-1536.)

(40 ILCS 5/11-197.7 new)

Sec. 11-197.7. Payment of annuity other than direct. The board, at the written direction and request of any annuitant, may, solely as an accommodation to such annuitant, pay the annuity due him or her to a bank, savings and loan association, or any other financial institution insured by an agency of the federal government, for deposit to his or her account, or to a bank or trust company for deposit in a trust established by him or her for his benefit with such bank, savings and loan association, or trust company, and such annuitant may withdraw such direction at any time. The board may also, in the case of any disability beneficiary or annuitant for whom no estate guardian has been appointed and who is confined in a publicly owned and operated mental institution, pay such disability benefit or annuity due such person to the superintendent or other head of such institution or hospital for deposit to such person's trust fund account maintained for him or her by such institution or hospital, if by law such trust fund accounts are authorized or recognized.

(40 ILCS 5/11-223.1) (from Ch. 108 1/2, par. 11-223.1)

Sec. 11-223.1. Assignment for health, hospital and medical insurance.

The board may provide, by regulation, that any annuitant or pensioner, may assign his annuity or disability benefit, or any part thereof, for the purpose of premium payment for a membership for the annuitant, and his or her spouse and children, in a ~~non-profit group~~ hospital care plan or ~~group~~ medical surgical plan, provided, however, that the board may, in its discretion, terminate the right of assignment. Any such hospital or medical insurance plan may include provision for the beneficiaries thereof who rely on treatment by spiritual means alone through prayer for healing in accordance with the tenets and practice of a well recognized religious denomination.

Upon the adoption of a regulation permitting such assignment, the board shall establish and administer a plan for the maintenance of the insurance plan membership by the annuitant or pensioner.

(Source: Laws 1965, p. 2290.)

(40 ILCS 5/11-230) (from Ch. 108 1/2, par. 11-230)

Sec. 11-230. Felony conviction.

None of the benefits provided in this Article shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as employee.

This section shall not operate to impair any contract or vested right heretofore acquired under any law or laws continued in this Article, nor to preclude the right to a refund.

Any refund required under this Article shall be calculated based on that person's contributions to the Fund, less the amount of any annuity benefit previously received by the person or his or her beneficiaries. The changes made to this Section by this amendatory Act of the 99th General Assembly apply only to persons who first become members or participants under this Article on or after the effective date of this amendatory Act of the 99th General Assembly.

All future entrants entering service after July 11, 1955, shall be deemed to have consented to the provisions of this section as a condition of coverage.

(Source: Laws 1963, p. 161.)

(40 ILCS 5/8-173.1 rep.) (40 ILCS 5/11-169.1 rep.)

Section 10. The Illinois Pension Code is amended by repealing Sections 8-173.1 and 11-169.1.

Section 90. The State Mandates Act is amended by adding Section 8.40 as follows:
(30 ILCS 805/8.40 new)

Sec. 8.40. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 99th General Assembly.

Section 97. Inseverability and severability. The changes made by this Act are inseverable, except that the changes made to Sections 8-228.5 and 11-125.9 of the Illinois Pension Code are severable under Section 1.31 of the Statute on Statutes.

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

Under the rules, the foregoing **Senate Bill No. 2437**, with House Amendments numbered 3 and 6, was referred to the Secretary's Desk.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bill listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 3 to Senate Bill 2437
Motion to Concur in House Amendment 6 to Senate Bill 2437

LEGISLATIVE MEASURES FILED

The following Committee amendment to the House Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Committee Amendment No. 2 to House Bill 557

The following Floor amendment to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Assignments:

Floor Amendment No. 1 to Senate Bill 443

CONSIDERATION OF RESOLUTION ON SECRETARY'S DESK

Senator Lightford moved that **House Joint Resolution No. 163**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Lightford moved that House Joint Resolution No. 163 be adopted.

And on that motion, a call of the roll was had resulting as follows:

YEAS 53; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	Martinez	Righter
Anderson	Forby	McCann	Rooney
Aquino	Haine	McCarter	Rose
Barickman	Harmon	McConchie	Sandoval
Bennett	Hastings	McConnaughay	Stadelman
Bertino-Tarrant	Holmes	McGuire	Sullivan
Biss	Hunter	Morrison	Syverson

[December 1, 2016]

Bivins	Hutchinson	Mulroe	Trotter
Brady	Koehler	Muñoz	Van Pelt
Bush	Landek	Murphy, L.	Weaver
Clayborne	Lightford	Nybo	Mr. President
Collins	Link	Radogno	
Connelly	Luechtefeld	Raoul	
Cullerton, T.	Manar	Rezin	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

CONSIDERATION OF RESOLUTION ON SECRETARY'S DESK CONCURRENCE

On motion of Senator Harmon, **Senate Joint Resolution No. 53**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Harmon moved that the Senate concur with the House in the adoption of their amendment to said resolution.

And on that motion, a call of the roll was had resulting as follows:

YEAS 45; NAYS 2.

The following voted in the affirmative:

Althoff	Forby	Manar	Rezin
Aquino	Haine	Martinez	Rooney
Barickman	Harmon	McCann	Sandoval
Bertino-Tarrant	Hastings	McConnaughay	Stadelman
Biss	Holmes	McGuire	Sullivan
Brady	Hunter	Morrison	Trotter
Bush	Hutchinson	Mulroe	Van Pelt
Clayborne	Koehler	Muñoz	Weaver
Collins	Landek	Murphy, L.	Mr. President
Connelly	Lightford	Nybo	
Cullerton, T.	Link	Radogno	
Cunningham	Luechtefeld	Raoul	

The following voted in the negative:

Anderson
McConchie

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Joint Resolution No. 53**.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 3:18 o'clock p.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 5:51 o'clock p.m., the Senate resumed consideration of business.

Honorable John J. Cullerton, President of the Senate, presiding.

PRESENTATION OF RESOLUTIONS

[December 1, 2016]

SENATE RESOLUTION NO. 2475

Offered by Senator McCann and all Senators:
Mourns the death of Peggy J. Salmon of Springfield.

SENATE RESOLUTION NO. 2476

Offered by Senator McCann and all Senators:
Mourns the death of Orland Eugene "Gene" Rubemeyer.

SENATE RESOLUTION NO. 2477

Offered by Senator McCann and all Senators:
Mourns the death of Helen A. Ballantyne of Springfield.

SENATE RESOLUTION NO. 2478

Offered by Senator Koehler and all Senators:
Mourns the death of Jim Mamer of East Peoria.

SENATE RESOLUTION NO. 2479

Offered by Senator Link and all Senators:
Mourns the death of Robert D. Kantola of Waukegan.

SENATE RESOLUTION NO. 2480

Offered by Senator Harmon and all Senators:
Mourns the death of Joan Hetta Barlow Van Note.

SENATE RESOLUTION NO. 2481

Offered by Senator Hunter and all Senators:
Mourns the death of Jovan Alexander Jordan Wilson.

SENATE RESOLUTION NO. 2482

Offered by Senator Hunter and all Senators:
Mourns the death of Dr. Paul Michael Green of Chicago.

SENATE RESOLUTION NO. 2483

Offered by Senator Hunter and all Senators:
Mourns the death of Carrie Mae Hilderbrand.

By unanimous consent, the foregoing resolutions were referred to the Resolutions Consent Calendar.

At the hour of 6:00 o'clock p.m., Senator Sullivan, presiding.

CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator Bivins moved that **Senate Resolution No. 2366**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Bivins moved that Senate Resolution No. 2366 be adopted.

The motion prevailed.

And the resolution was adopted.

Senator Rezin moved that **House Joint Resolution No. 142**, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Rezin moved that House Joint Resolution No. 142 be adopted.

And on that motion, a call of the roll was had resulting as follows:

[December 1, 2016]

YEAS 50; NAYS None.

The following voted in the affirmative:

Althoff	Forby	Martinez	Rooney
Anderson	Haine	McCarter	Rose
Aquino	Harmon	McConnaughay	Sandoval
Bennett	Hastings	McGuire	Silverstein
Biss	Holmes	Morrison	Stadelman
Bivins	Hunter	Mulroe	Sullivan
Brady	Hutchinson	Muñoz	Syverson
Bush	Koehler	Murphy, L.	Trotter
Clayborne	Landek	Nybo	Van Pelt
Collins	Lightford	Radogno	Weaver
Connelly	Link	Raoul	Mr. President
Cullerton, T.	Luechtefeld	Rezin	
Cunningham	Manar	Righter	

The motion prevailed.

And the resolution was adopted.

Ordered that the Secretary inform the House of Representatives thereof.

MESSAGE FROM THE HOUSE

A message from the House by

Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 2814

A bill for AN ACT concerning regulation.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 2814

House Amendment No. 3 to SENATE BILL NO. 2814

House Amendment No. 4 to SENATE BILL NO. 2814

House Amendment No. 5 to SENATE BILL NO. 2814

House Amendment No. 8 to SENATE BILL NO. 2814

House Amendment No. 9 to SENATE BILL NO. 2814

House Amendment No. 10 to SENATE BILL NO. 2814

Passed the House, as amended, December 1, 2016.

TIMOTHY D. MAPES, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 2814

AMENDMENT NO. 1. Amend Senate Bill 2814 by replacing everything after the enacting clause with the following:

"Section 5. The Public Utilities Act is amended by changing Section 20-101 as follows:

(220 ILCS 5/20-101)

Sec. 20-101. This Article may be cited as the ~~the~~ Retail Electric Competition Act of 2006. (Source: P.A. 94-1095, eff. 2-2-07.)".

AMENDMENT NO. 3 TO SENATE BILL 2814

AMENDMENT NO. 3. Amend Senate Bill 2814, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 1. Findings.

[December 1, 2016]

(a) In 2011, the General Assembly encouraged and enabled the State's largest electric utilities to undertake substantial investment to refurbish, rebuild, modernize, and expand Illinois' century-old electric grid. Among those investments were the deployment of a smart grid and advanced metering infrastructure platform that would be accessible to all retail customers through new, digital smart meters. This investment, now well underway, not only allows utilities to continue to provide safe, reliable, and affordable service to the State's current and future utility customers, but also empowers the citizens of this State to directly access and participate in the rapidly emerging clean energy economy while also presenting them with unprecedented choices in their source of energy supply and pricing.

To ensure that the State and its citizens, including low-income citizens, are equipped to enjoy the opportunities and benefits of the smart grid and evolving clean energy marketplace, the General Assembly finds and declares that Illinois should continue in its efforts to build the grid of the future using the smart grid and advanced metering infrastructure platform, as well as maximize the impact of the State's existing energy efficiency and renewable energy portfolio standards. Specifically, the General Assembly finds that:

(1) the State should encourage: the adoption and deployment of cost-effective distributed energy resource technologies and devices, such as photovoltaics, which can encourage private investment in renewable energy resources, stimulate economic growth, enhance the continued diversification of Illinois' energy resource mix, and protect the Illinois environment; investment in renewable energy resources, including, but not limited to, photovoltaic distributed generation, which should benefit all citizens of the State, including low-income households;

(2) the State's existing energy efficiency standard should be updated to ensure that customers continue to realize increased value, to incorporate and optimize measures enabled by the smart grid, including voltage optimization measures, and to provide incentives for electric utilities to achieve the energy savings goals; and

(3) the State's electric utilities should initiate programs to study the benefits of smart-grid enabled technologies, including, but not limited to, deploying microgrids. Such programs are not required to be cost effective so long as a goal of the program is to analyze cost effectiveness. The costs to implement, manage, and analyze such programs shall be recovered through delivery service rates.

(b) The General Assembly further finds that the expansion of distributed generation technologies and devices across the State necessarily disrupts existing electricity generation and distribution models and frameworks, including related rate and tariff schedules, which can lead to inequitable charges, especially for low-income customers who often encounter the most substantial obstacles to adopting costly distributed generation technologies and devices. As a result, the General Assembly finds that low-income customers should be included within the State's efforts to expand the use of distributed generation technologies and devices. To address these issues, electric utilities should also be permitted to file revised tariffs. These changes should be designed to ensure both an equitable allocation of costs so that no customers have to pay more than their fair share of these costs and that all costs are recovered, thus ensuring better and more equitable access to distributed generation and other energy options.

Section 1.5. Zero emission standard legislative findings. The General Assembly finds and declares:

(1) Reducing emissions of carbon dioxide and other air pollutants, such as sulfur oxides, nitrogen oxides, and particulate matter, is critical to improving air quality in Illinois for Illinois residents.

(2) Sulfur oxides, nitrogen oxides, and particulate emissions have significant adverse health effects on persons exposed to them, and carbon dioxide emissions result in climate change trends that could significantly adversely impact Illinois.

(3) The existing renewable portfolio standard has been successful in promoting the growth of renewable energy generation to reduce air pollution in Illinois. However, to achieve its environmental goals, Illinois must expand its commitment to zero emission energy generation and value the environmental attributes of zero emission generation that currently falls outside the scope of the existing renewable portfolio standard, including, but not limited to, nuclear power.

(4) Preserving existing zero emission energy generation and promoting new zero emission energy generation is vital to placing the State on a glide path to achieving its environmental goals and ensuring that air quality in Illinois continues to improve.

(5) The Illinois Commerce Commission, the Illinois Power Agency, the Illinois Environmental Protection Agency, and the Department of Commerce and Economic Opportunity issued a report dated January 5, 2015 titled "Potential Nuclear Power Plant Closings in Illinois" (the Report), which addressed the issues identified by Illinois House Resolution 1146 of the 98th General Assembly,

which, among other things, urged the Illinois Environmental Protection Agency to prepare a report showing how the premature closure of existing nuclear power plants in Illinois will affect the societal cost of increased greenhouse gas emissions based upon the Environmental Protection Agency's published societal cost of greenhouse gases.

(6) The Report also included analysis from PJM Interconnection, LLC, which identified significant adverse consequences for electric reliability, including significant voltage and thermal violations in the interstate transmission network, in the event that Illinois' existing nuclear facilities close prematurely. The Report also found that nuclear power plants are among the most reliable sources of energy, which means that electricity from nuclear power plants is available on the electric grid all hours of the day and when needed, thereby always reducing carbon emissions.

(7) Illinois House Resolution 1146 further urged that the Report make findings concerning potential market-based solutions that will ensure that the premature closure of these nuclear power plants does not occur and that the associated dire consequences to the environment, electric reliability, and the regional economy are averted.

(8) The Report identified potential market-based solutions that will ensure that the premature closure of these nuclear power plants does not occur and that the associated dire consequences to the environment, electric reliability, and the regional economy are averted.

The General Assembly further finds that the Social Cost of Carbon is an appropriate valuation of the environmental benefits provided by zero emission facilities, provided that the valuation is subject to a price adjustment that can reduce the price for zero emission credits below the Social Cost of Carbon. This will ensure that the procurement of zero emission credits remains affordable for retail customers even if energy and capacity prices are projected to rise above 2016 levels reflected in the baseline market price index.

The General Assembly therefore finds that it is necessary to establish and implement a zero emission standard, which will increase the State's reliance on zero emission energy through the procurement of zero emission credits from zero emission facilities, in order to achieve the State's environmental objectives and reduce the adverse impact of emitted air pollutants on the health and welfare of the State's citizens.

Section 3. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows: (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

Sec. 5-45. Emergency rulemaking.

(a) "Emergency" means the existence of any situation that any agency finds reasonably constitutes a threat to the public interest, safety, or welfare.

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice shall include the text of the emergency rule and shall be published in the Illinois Register. Consent orders or other court orders adopting settlements negotiated by an agency may be adopted under this Section. Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing under Section 5-65 or at a stated date less than 10 days thereafter. The agency's finding and a statement of the specific reasons for the finding shall be filed with the rule. The agency shall take reasonable and appropriate measures to make emergency rules known to the persons who may be affected by them.

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any ~~24-month~~ ~~24-month~~ period, except that this limitation on the number of emergency rules that may be adopted in a ~~24-month~~ ~~24-month~~ period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of 1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of

those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d) shall be deemed to be necessary for the public interest, safety, and welfare.

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (e). The adoption of emergency rules authorized by this subsection (e) shall be deemed to be necessary for the public interest, safety, and welfare.

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (f). The adoption of emergency rules authorized by this subsection (f) shall be deemed to be necessary for the public interest, safety, and welfare.

(g) In order to provide for the expeditious and timely implementation of the State's fiscal year 2002 budget, emergency rules to implement any provision of Public Act 92-10 or any other budget initiative for fiscal year 2002 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (g). The adoption of emergency rules authorized by this subsection (g) shall be deemed to be necessary for the public interest, safety, and welfare.

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (h). The adoption of emergency rules authorized by this subsection (h) shall be deemed to be necessary for the public interest, safety, and welfare.

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget, emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt rules under this

subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689 may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of the Illinois Public Aid Code, emergency rules to implement any provision of Section 5-5b.1 or Section 5A-2 of the Illinois Public Aid Code may be adopted in accordance with this subsection (s) by the Department of Healthcare and Family Services. The rulemaking authority granted in this

subsection (s) shall apply only to those rules adopted prior to July 1, 2015. Notwithstanding any other provision of this Section, any emergency rule adopted under this subsection (s) shall only apply to payments made for State fiscal year 2015. The adoption of emergency rules authorized by this subsection (s) is deemed to be necessary for the public interest, safety, and welfare.

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516 this amendatory Act of the 99th General Assembly, emergency rules to implement Public Act 99-516 this amendatory Act of the 99th General Assembly may be adopted in accordance with this subsection (v) by the Department of Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

(w) ~~(v)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796 this amendatory Act of the 99th General Assembly, emergency rules to implement the changes made by Public Act 99-796 this amendatory Act of the 99th General Assembly may be adopted in accordance with this subsection (w) ~~(v)~~ by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) ~~(v)~~ is deemed to be necessary for the public interest, safety, and welfare.

(x) In order to provide for the expeditious and timely implementation of the provisions of this amendatory Act of the 99th General Assembly, emergency rules to implement subsection (i) of Section 16-115D of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 30 days after the effective date of this amendatory Act of the 99th General Assembly. The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(Source: P.A. 98-104, eff. 7-22-13; 98-463, eff. 8-16-13; 98-651, eff. 6-16-14; 99-2, eff. 3-26-15; 99-6, eff. 1-1-16; 99-143, eff. 7-27-15; 99-455, eff. 1-1-16; 99-516, eff. 6-30-16; 99-642, eff. 7-28-16; 99-796, eff. 1-1-17; revised 9-21-16.)

Section 5. The Illinois Power Agency Act is amended by changing Sections 1-5, 1-10, 1-20, 1-25, 1-56, and 1-75 as follows:

(20 ILCS 3855/1-5)

Sec. 1-5. Legislative declarations and findings. The General Assembly finds and declares:

(1) The health, welfare, and prosperity of all Illinois citizens require the provision of adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

~~(2) (Blank). The transition to retail competition is not complete. Some customers, especially residential and small commercial customers, have failed to benefit from lower electricity costs from retail and wholesale competition.~~

~~(3) (Blank). Escalating prices for electricity in Illinois pose a serious threat to the economic well-being, health, and safety of the residents of and the commerce and industry of the State.~~

~~(4) It To protect against this threat to economic well-being, health, and safety it is necessary to improve the process of procuring electricity to serve Illinois~~

~~residents, to promote investment in energy efficiency and demand-response measures, and to maintain and support development of clean coal technologies, generation resources that operate at all hours of the day and under all weather conditions, zero emission facilities, and renewable resources.~~

~~(5) Procuring a diverse electricity supply portfolio will ensure the lowest total cost over time for adequate, reliable, efficient, and environmentally sustainable electric service.~~

(6) Including cost-effective renewable resources and zero emission credits from zero emission facilities in that portfolio will reduce long-term direct and indirect costs to consumers by decreasing environmental impacts and by avoiding or delaying the need for new generation, transmission, and distribution infrastructure. Developing new renewable energy resources in Illinois, including brownfield solar projects and community solar projects, will help to diversify Illinois electricity supply, avoid and reduce pollution, reduce peak demand, and enhance public health and well-being of Illinois residents.

(7) Developing community solar projects in Illinois will help to expand access to renewable energy resources to more Illinois residents.

(8) Developing brownfield solar projects in Illinois will help return blighted or contaminated land to productive use while enhancing public health and the well-being of Illinois residents.

(9) ~~(7)~~ Energy efficiency, demand-response measures, zero emission energy, and renewable energy are resources

currently underused in Illinois. These resources should be used, when cost effective, to reduce costs to consumers, improve reliability, and improve environmental quality and public health.

(10) ~~(8)~~ The State should encourage the use of advanced clean coal technologies that capture and sequester carbon dioxide emissions to advance environmental protection goals and to demonstrate the viability of coal and coal-derived fuels in a carbon-constrained economy.

(11) ~~(9)~~ The General Assembly enacted Public Act 96-0795 to reform the State's purchasing processes, recognizing that government procurement is susceptible to abuse if structural and procedural safeguards are not in place to ensure independence, insulation, oversight, and transparency.

(12) ~~(10)~~ The principles that underlie the procurement reform legislation apply also in the context of power purchasing.

The General Assembly therefore finds that it is necessary to create the Illinois Power Agency and that the goals and objectives of that Agency are to accomplish each of the following:

(A) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for small multi-jurisdictional electric utilities that (i) on December 31, 2005 served less than 100,000 customers in Illinois and (ii) request a procurement plan for their Illinois jurisdictional load. The procurement plan shall be updated on an annual basis and shall include renewable energy resources and, beginning with the delivery year commencing June 1, 2017, zero emission credits from zero emission facilities sufficient to achieve the standards specified in this Act.

(B) Conduct competitive procurement processes to procure the supply resources identified in the procurement plan.

(C) Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.

(D) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

(E) Ensure that the process of power procurement is conducted in an ethical and transparent fashion, immune from improper influence.

(F) Continue to review its policies and practices to determine how best to meet its mission of providing the lowest cost power to the greatest number of people, at any given point in time, in accordance with applicable law.

(G) Operate in a structurally insulated, independent, and transparent fashion so that nothing impedes the Agency's mission to secure power at the best prices the market will bear, provided that the Agency meets all applicable legal requirements.

(H) Implement renewable energy procurement and training programs throughout the State to diversify Illinois electricity supply, improve reliability, avoid and reduce pollution, reduce peak demand, and enhance public health and well-being of Illinois residents, including low-income residents.

(Source: P.A. 97-325, eff. 8-12-11; 97-618, eff. 10-26-11; 97-813, eff. 7-13-12.)

(20 ILCS 3855/1-10)

Sec. 1-10. Definitions.

"Agency" means the Illinois Power Agency.

"Agency loan agreement" means any agreement pursuant to which the Illinois Finance Authority agrees to loan the proceeds of revenue bonds issued with respect to a project to the Agency upon terms providing for loan repayment installments at least sufficient to pay when due all principal of, interest and premium,

if any, on those revenue bonds, and providing for maintenance, insurance, and other matters in respect of the project.

"Authority" means the Illinois Finance Authority.

"Brownfield site photovoltaic project" means photovoltaics that are:

(1) interconnected to an electric utility as defined in this Section, a municipal utility as defined in this Section, a public utility as defined in Section 3-105 of the Public Utilities Act, or an electric cooperative, as defined in Section 3-119 of the Public Utilities Act; and

(2) located at a site that is regulated by any of the following entities under the following programs:

(A) the United States Environmental Protection Agency under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended;

(B) the United States Environmental Protection Agency under the Corrective Action Program of the federal Resource Conservation and Recovery Act, as amended;

(C) the Illinois Environmental Protection Agency under the Illinois Site Remediation Program; or

(D) the Illinois Environmental Protection Agency under the Illinois Solid Waste Program.

"Clean coal facility" means an electric generating facility that uses primarily coal as a feedstock and that captures and sequesters carbon dioxide emissions at the following levels: at least 50% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation before 2016, at least 70% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation during 2016 or 2017, and at least 90% of the total carbon dioxide emissions that the facility would otherwise emit if, at the time construction commences, the facility is scheduled to commence operation after 2017. The power block of the clean coal facility shall not exceed allowable emission rates for sulfur dioxide, nitrogen oxides, carbon monoxide, particulates and mercury for a natural gas-fired combined-cycle facility the same size as and in the same location as the clean coal facility at the time the clean coal facility obtains an approved air permit. All coal used by a clean coal facility shall have high volatile bituminous rank and greater than 1.7 pounds of sulfur per million btu content, unless the clean coal facility does not use gasification technology and was operating as a conventional coal-fired electric generating facility on June 1, 2009 (the effective date of Public Act 95-1027).

"Clean coal SNG brownfield facility" means a facility that (1) has commenced construction by July 1, 2015 on an urban brownfield site in a municipality with at least 1,000,000 residents; (2) uses a gasification process to produce substitute natural gas; (3) uses coal as at least 50% of the total feedstock over the term of any sourcing agreement with a utility and the remainder of the feedstock may be either petroleum coke or coal, with all such coal having a high bituminous rank and greater than 1.7 pounds of sulfur per million Btu content unless the facility reasonably determines that it is necessary to use additional petroleum coke to deliver additional consumer savings, in which case the facility shall use coal for at least 35% of the total feedstock over the term of any sourcing agreement; and (4) captures and sequesters at least 85% of the total carbon dioxide emissions that the facility would otherwise emit.

"Clean coal SNG facility" means a facility that uses a gasification process to produce substitute natural gas, that sequesters at least 90% of the total carbon dioxide emissions that the facility would otherwise emit, that uses at least 90% coal as a feedstock, with all such coal having a high bituminous rank and greater than 1.7 pounds of sulfur per million btu content, and that has a valid and effective permit to construct emission sources and air pollution control equipment and approval with respect to the federal regulations for Prevention of Significant Deterioration of Air Quality (PSD) for the plant pursuant to the federal Clean Air Act; provided, however, a clean coal SNG brownfield facility shall not be a clean coal SNG facility.

"Commission" means the Illinois Commerce Commission.

"Community renewable generation project" means an electric generating facility that:

(1) is powered by wind, solar thermal energy, photovoltaic cells or panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, and hydropower that does not involve new construction or significant expansion of hydropower dams;

(2) is interconnected at the distribution system level of an electric utility as defined in this Section, a municipal utility as defined in this Section, a public utility as defined in Section 3-105 of the Public Utilities Act, or an electric cooperative, as defined in Section 3-119 of the Public Utilities Act;

(3) credits the value of electricity generated by the facility to the subscribers of the facility; and

(4) is limited in nameplate capacity to less than or equal to 2,000 kilowatts.

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

(1) the cost of acquisition of all real property, fixtures, and improvements in

connection therewith and equipment, personal property, and other property, rights, and easements acquired that are deemed necessary for the operation and maintenance of the facility;

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

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

(4) engineering, design, procurement, consulting, legal, accounting, title insurance, survey, appraisal, escrow, trustee, collateral agency, interest rate hedging, interest rate swap, capitalized interest, contingency, as required by lenders, and other financing costs, and other expenses for professional services; and

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

"Delivery services" has the same definition as found in Section 16-102 of the Public Utilities Act.

"Delivery year" means the consecutive 12-month period beginning June 1 of a given year and ending May 31 of the following year.

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

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

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

"Distributed renewable energy generation device" means a device that is:

(1) powered by wind, solar thermal energy, photovoltaic cells ~~or~~ **and** panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, and hydropower that does not involve new construction or significant expansion of hydropower dams;

(2) interconnected at the distribution system level of either an electric utility as defined in this Section, ~~an alternative retail electric supplier as defined in Section 16-102 of the Public Utilities Act~~, a municipal utility as defined in this Section 3-105 of the Public Utilities Act, or a rural electric cooperative as defined in Section 3-119 of the Public Utilities Act;

(3) located on the customer side of the customer's electric meter and is primarily used to offset that customer's electricity load; and

(4) limited in nameplate capacity to less than or equal to no more than 2,000 kilowatts.

"Energy efficiency" means measures that reduce the amount of electricity or natural gas consumed in order required to achieve a given end use. "Energy efficiency" includes voltage optimization measures that optimize the voltage at points on the electric distribution voltage system and thereby reduce electricity consumption by electric customers' end use devices. "Energy efficiency" also includes measures that reduce the total Btus of electricity, ~~and natural gas~~, and other fuels needed to meet the end use or uses.

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

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

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

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

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

"Municipal utility" means a public utility owned and operated by any subdivision or municipal corporation of this State.

"Nameplate capacity" means the aggregate inverter nameplate capacity in kilowatts AC.

"Person" means any natural person, firm, partnership, corporation, either domestic or foreign, company, association, limited liability company, joint stock company, or association and includes any trustee, receiver, assignee, or personal representative thereof.

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

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

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

"Renewable energy credit" means a tradable credit that represents the environmental attributes of one megawatt hour a certain amount of energy produced from a renewable energy resource.

"Renewable energy resources" includes energy and its associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, crops and untreated and unadulterated organic waste biomass, tree waste, and hydropower that does not involve new construction or significant expansion of hydropower dams ~~and other alternative sources of environmentally preferable energy~~. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. "Renewable energy resources" does not include the incineration or burning of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste other than tree waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood.

"Retail customer" has the same definition as found in Section 16-102 of the Public Utilities Act.

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

"Sequester" means permanent storage of carbon dioxide by injecting it into a saline aquifer, a depleted gas reservoir, or an oil reservoir, directly or through an enhanced oil recovery process that may involve intermediate storage, regardless of whether these activities are conducted by a clean coal facility, a clean coal SNG facility, a clean coal SNG brownfield facility, or a party with which a clean coal facility, clean coal SNG facility, or clean coal SNG brownfield facility has contracted for such purposes.

"Service area" has the same definition as found in Section 16-102 of the Public Utilities Act.

"Sourcing agreement" means (i) in the case of an electric utility, an agreement between the owner of a clean coal facility and such electric utility, which agreement shall have terms and conditions meeting the requirements of paragraph (3) of subsection (d) of Section 1-75, (ii) in the case of an alternative retail electric supplier, an agreement between the owner of a clean coal facility and such alternative retail electric supplier, which agreement shall have terms and conditions meeting the requirements of Section 16-115(d)(5) of the Public Utilities Act, and (iii) in case of a gas utility, an agreement between the owner of a clean coal SNG brownfield facility and the gas utility, which agreement shall have the terms and conditions meeting the requirements of subsection (h-1) of Section 9-220 of the Public Utilities Act.

"Subscriber" means a person who (i) takes delivery service from an electric utility, and (ii) has a subscription of no less than 200 watts to a community renewable generation project that is located in the electric utility's service area. No subscriber's subscriptions may total more than 40% of the nameplate capacity of an individual community renewable generation project. Entities that are affiliated by virtue of a common parent shall not represent multiple subscriptions that total more than 40% of the nameplate capacity of an individual community renewable generation project.

"Subscription" means an interest in a community renewable generation project expressed in kilowatts, which is sized primarily to offset part or all of the subscriber's electricity usage.

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

"Total resource cost test" or "TRC test" means a standard that is met if, for an investment in energy efficiency or demand-response measures, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the program to the net present value of the total costs as calculated over the lifetime of the measures. A total resource cost test compares the sum of avoided electric utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures and including avoided costs associated with reduced use of natural gas or other fuels, avoided costs associated with reduced water consumption, and avoided costs associated with reduced operation and maintenance costs, as well as other quantifiable societal benefits, including avoided natural gas utility costs, to the sum of all incremental costs of end-use measures that are implemented due to the program (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side program, to quantify the net savings obtained by substituting the demand-side program for supply resources. In calculating avoided costs of power and energy that an electric utility would otherwise have had to acquire, reasonable estimates shall be included of financial costs likely to be imposed by future regulations and legislation on emissions of greenhouse gases. In discounting future societal costs and benefits for the purpose of calculating net present values, a societal discount rate based on actual, long-term Treasury bond yields should be used. Notwithstanding anything to the contrary, the TRC test shall not include or take into account a calculation of market price suppression effects or demand reduction induced price effects.

"Utility-scale solar project" means an electric generating facility that:

(1) generates electricity using photovoltaic cells; and

(2) has a nameplate capacity that is greater than 2,000 kilowatts.

"Utility-scale wind project" means an electric generating facility that:

(1) generates electricity using wind; and

(2) has a nameplate capacity that is greater than 2,000 kilowatts.

"Zero emission credit" means a tradable credit that represents the environmental attributes of one megawatt hour of energy produced from a zero emission facility.

"Zero emission facility" means a facility that: (1) is fueled by nuclear power; and (2) is interconnected with PJM Interconnection, LLC or the Midcontinent Independent System Operator, Inc., or their successors.

(Source: P.A. 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-491, eff. 8-22-11; 97-616, eff. 10-26-11; 97-813, eff. 7-13-12; 98-90, eff. 7-15-13.)

(20 ILCS 3855/1-20)

Sec. 1-20. General powers of the Agency.

(a) The Agency is authorized to do each of the following:

(1) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for small multi-jurisdictional electric utilities that (A) on December 31, 2005 served less than 100,000 customers in Illinois and (B) request a procurement plan for their Illinois jurisdictional load. Except as provided in paragraph (1.5) of this subsection (a), the electricity The procurement plans shall be updated on an annual basis and shall include electricity generated from renewable resources sufficient to achieve the standards specified in this Act. Beginning with the planning process for the delivery year commencing June 1, 2017, develop procurement plans to include zero emission credits generated from zero emission facilities sufficient to achieve the standards specified in this Act.

(1.5) Develop a long-term renewable resources procurement plan in accordance with subsection (c) of Section 1-75 of this Act for renewable energy credits in amounts sufficient to achieve the standards specified in this Act for delivery years commencing June 1, 2017 and for the programs and renewable energy credits specified in Section 1-56 of this Act. Electricity procurement plans for delivery years commencing after May 31, 2017, shall not include procurement of renewable energy resources.

(2) Conduct competitive procurement processes to procure the supply resources identified in the electricity procurement plan, pursuant to Section 16-111.5 of the Public Utilities Act, and, for the delivery year commencing June 1, 2017, conduct procurement processes to procure zero emission credits from zero emission facilities, under subsection (d-5) of Section 1-75 of this Act.

(2.5) Beginning with the procurement for the 2017 delivery year, conduct competitive procurement processes and implement programs to procure renewable energy credits identified in the long-term renewable resources procurement plan developed and approved under subsection (c) of Section 1-75 of this Act and Section 16-111.5 of the Public Utilities Act.

(3) Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.

(4) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

(b) Except as otherwise limited by this Act, the Agency has all of the powers necessary or convenient to carry out the purposes and provisions of this Act, including without limitation, each of the following:

(1) To have a corporate seal, and to alter that seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

(2) To use the services of the Illinois Finance Authority necessary to carry out the Agency's purposes.

(3) To negotiate and enter into loan agreements and other agreements with the Illinois Finance Authority.

(4) To obtain and employ personnel and hire consultants that are necessary to fulfill the Agency's purposes, and to make expenditures for that purpose within the appropriations for that purpose.

(5) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with, real or personal property whether tangible or intangible, or any interest therein, within the State.

(6) To acquire real or personal property, whether tangible or intangible, including

without limitation property rights, interests in property, franchises, obligations, contracts, and debt and equity securities, and to do so by the exercise of the power of eminent domain in accordance with Section 1-21; except that any real property acquired by the exercise of the power of eminent domain must be located within the State.

(7) To sell, convey, lease, exchange, transfer, abandon, or otherwise dispose of, or mortgage, pledge, or create a security interest in, any of its assets, properties, or any interest therein, wherever situated.

(8) To purchase, take, receive, subscribe for, or otherwise acquire, hold, make a tender offer for, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, or grant a security interest in, use, and otherwise deal in and with, bonds and other obligations, shares, or other securities (or interests therein) issued by others, whether engaged in a similar or different business or activity.

(9) To make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions of the Agency under this Act, including contracts with any person, including personal service contracts, or with any local government, State agency, or other entity; and all State agencies and all local governments are authorized to enter into and do all things necessary to perform any such agreement, contract, or other instrument with the Agency. No such agreement, contract, or other instrument shall exceed 40 years.

(10) To lend money, invest and reinvest its funds in accordance with the Public Funds Investment Act, and take and hold real and personal property as security for the payment of funds loaned or invested.

(11) To borrow money at such rate or rates of interest as the Agency may determine, issue its notes, bonds, or other obligations to evidence that indebtedness, and secure any of its obligations by mortgage or pledge of its real or personal property, machinery, equipment, structures, fixtures, inventories, revenues, grants, and other funds as provided or any interest therein, wherever situated.

(12) To enter into agreements with the Illinois Finance Authority to issue bonds whether or not the income therefrom is exempt from federal taxation.

(13) To procure insurance against any loss in connection with its properties or operations in such amount or amounts and from such insurers, including the federal government, as it may deem necessary or desirable, and to pay any premiums therefor.

(14) To negotiate and enter into agreements with trustees or receivers appointed by United States bankruptcy courts or federal district courts or in other proceedings involving adjustment of debts and authorize proceedings involving adjustment of debts and authorize legal counsel for the Agency to appear in any such proceedings.

(15) To file a petition under Chapter 9 of Title 11 of the United States Bankruptcy Code or take other similar action for the adjustment of its debts.

(16) To enter into management agreements for the operation of any of the property or facilities owned by the Agency.

(17) To enter into an agreement to transfer and to transfer any land, facilities, fixtures, or equipment of the Agency to one or more municipal electric systems, governmental aggregators, or rural electric agencies or cooperatives, for such consideration and upon such terms as the Agency may determine to be in the best interest of the citizens of Illinois.

(18) To enter upon any lands and within any building whenever in its judgment it may be necessary for the purpose of making surveys and examinations to accomplish any purpose authorized by this Act.

(19) To maintain an office or offices at such place or places in the State as it may determine.

(20) To request information, and to make any inquiry, investigation, survey, or study that the Agency may deem necessary to enable it effectively to carry out the provisions of this Act.

(21) To accept and expend appropriations.

(22) To engage in any activity or operation that is incidental to and in furtherance of efficient operation to accomplish the Agency's purposes, including hiring employees that the Director deems essential for the operations of the Agency.

(23) To adopt, revise, amend, and repeal rules with respect to its operations, properties, and facilities as may be necessary or convenient to carry out the purposes of this Act, subject to the provisions of the Illinois Administrative Procedure Act and Sections 1-22 and 1-35 of this Act.

(24) To establish and collect charges and fees as described in this Act.

(25) To conduct competitive gasification feedstock procurement processes to procure the

feedstocks for the clean coal SNG brownfield facility in accordance with the requirements of Section 1-78 of this Act.

(26) To review, revise, and approve sourcing agreements and mediate and resolve disputes between gas utilities and the clean coal SNG brownfield facility pursuant to subsection (h-1) of Section 9-220 of the Public Utilities Act.

(27) To request, review and accept proposals, execute contracts, purchase renewable energy credits and otherwise dedicate funds from the Illinois Power Agency Renewable Energy Resources Fund to create and carry out the objectives of the Illinois Solar for All program in accordance with Section 1-56 of this Act.

(Source: P.A. 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10; 97-96, eff. 7-13-11; 97-325, eff. 8-12-11; 97-618, eff. 10-26-11; 97-813, eff. 7-13-12.)

(20 ILCS 3855/1-25)

Sec. 1-25. Agency subject to other laws. Unless otherwise stated, the Agency is subject to the provisions of all applicable laws, including but not limited to, each of the following:

(1) The State Records Act.

(2) The Illinois Procurement Code, except that the Illinois Procurement Code does not apply to the hiring or payment of procurement administrators, or procurement planning consultants, third-party program managers, or other persons who will implement the programs described in Sections 1-56 and pursuant to Section 1-75 of the Illinois Power Agency Act.

(3) The Freedom of Information Act.

(4) The State Property Control Act.

(5) (Blank).

(6) The State Officials and Employees Ethics Act.

(Source: P.A. 97-618, eff. 10-26-11.)

(20 ILCS 3855/1-56)

Sec. 1-56. Illinois Power Agency Renewable Energy Resources Fund; Illinois Solar for All Program.

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

(b) The Illinois Power Agency Renewable Energy Resources Fund shall be administered by the Agency as described in this subsection (b), provided that the changes to this subsection (b) made by this amendatory Act of the 99th General Assembly shall not interfere with existing contracts under this Section.

(1) The Illinois Power Agency Renewable Energy Resources Fund shall be used to purchase renewable energy credits according to any approved procurement plan developed by the Agency prior to June 1, 2017.

(2) The Illinois Power Agency Renewable Energy Resources Fund shall also be used to create the Illinois Solar for All Program, which shall include incentives for low-income distributed generation and community solar projects, and other associated approved expenditures. The objectives of the Illinois Solar for All Program are to bring photovoltaics to low-income communities in this State in a manner that maximizes the development of new photovoltaic generating facilities, to create a long-term, low-income solar marketplace throughout this State, to integrate, through interaction with stakeholders, with existing energy efficiency initiatives, and to minimize administrative costs. The Agency shall include a description of its proposed approach to the design, administration, implementation and evaluation of the Illinois Solar for All Program, as part of the long-term renewable resources procurement plan authorized by subsection (c) of Section 1-75 of this Act, and the program shall be designed to grow the low-income solar market. The Agency or utility, as applicable, shall purchase renewable energy credits from the (i) photovoltaic distributed renewable energy generation projects and (ii) community solar projects that are part of the long-term term renewable resources procurement plans approved by the Commission.

The Illinois Solar for All Program shall include the program offerings described in subparagraphs (A) through (D) of this paragraph (2), which the Agency shall implement through contracts with third-party providers and, subject to appropriation, pay the approximate amounts identified using monies available in the Illinois Power Agency Renewable Energy Resources Fund. Each contract for a program must require that the program will produce energy and economic benefits, at a level determined by the Agency to be reasonable, for the participating low income customers. The monies available in the Illinois Power Agency Renewable Energy Resources Fund shall be allocated among the programs described in this paragraph (2), as follows: 22.5% of these funds shall be allocated to programs described in subparagraph (A) of this paragraph (2), 37.5% of these funds shall be allocated to programs described in subparagraph (B) of this paragraph (2), 15% of these funds shall be allocated to programs described in subparagraph (C) of this paragraph (2), and 25% of these funds, but in no event more than \$50,000,000, shall be allocated to programs described in subparagraph (D) of this paragraph (2). The allocation of funds

among subparagraphs (A), (B), or (C) of this paragraph (2) may be changed if the Agency or administrator, through delegated authority, determines incentives in subparagraphs (A), (B), or (C) of this paragraph (2) have not been adequately subscribed to fully utilize the Illinois Power Agency Renewable Energy Resources Fund. The determination shall include input through a stakeholder process. The program offerings described in subparagraphs (A) through (D) of this paragraph (2) shall also be implemented through contracts funded from such additional amounts as are allocated to one or more of the programs in the long-term renewable resources procurement plans as specified in subsection (c) of Section 1-75 of this Act and subparagraph (O) of paragraph (1) of such subsection (c).

Contracts that will be paid with funds in the Illinois Power Agency Renewable Energy Resources Fund shall be executed by the Agency. Contracts that will be paid with funds collected by an electric utility shall be executed by the electric utility.

Contracts under the Illinois Solar for All Program shall include an approach, as set forth in the long-term renewable resources procurement plans, to ensure the wholesale market value of the energy is credited to participating low-income customers or organizations and to ensure tangible economic benefits flow directly to program participants, except in the case of low-income multi-family housing where the low-income customer does not directly pay for energy. Priority shall be given to projects that demonstrate meaningful involvement of low-income community members in designing the initial proposals. Acceptable proposals to implement projects must demonstrate the applicant's ability to conduct initial community outreach, education, and recruitment of low-income participants in the community. Projects must include job training opportunities if available.

(A) Low-income distributed generation incentive. This program will provide incentives to low-income customers, either directly or through solar providers, to increase the participation of low-income households in photovoltaic on-site distributed generation. Companies participating in this program that install solar panels shall commit to hiring job trainees for a portion of their low-income installations, and an administrator shall facilitate partnering the companies that install solar panels with entities that provide solar panel installation job training. It is a goal of this program that a minimum of 25% of the incentives for this program be allocated to projects located within environmental justice communities. Contracts entered into under this paragraph may be entered into with an entity that will develop and administer the program and shall also include contracts for renewable energy credits from the photovoltaic distributed generation that is the subject of the program, as set forth in the long-term renewable resources procurement plan.

(B) Low-Income Community Solar Project Initiative. Incentives shall be offered to low-income customers, either directly or through developers, to increase the participation of low-income subscribers of community solar projects. The developer of each project shall identify its partnership with community stakeholders regarding the location, development, and participation in the project, provided that nothing shall preclude a project from including an anchor tenant that does not qualify as low-income. Incentives should also be offered to community solar projects that are 100% low-income subscriber owned, which includes low-income households, not-for-profit organizations, and affordable housing owners. It is a goal of this program that a minimum of 25% of the incentives for this program be allocated to community photovoltaic projects in environmental justice communities. Contracts entered into under this paragraph may be entered into with developers and shall also include contracts for renewable energy credits related to the program.

(C) Incentives for non-profits and public facilities. Under this program funds shall be used to support on-site photovoltaic distributed renewable energy generation devices to serve the load associated with not-for-profit customers and to support photovoltaic distributed renewable energy generation that use photovoltaic technology to serve the load associated with public sector customers taking service at public buildings. Contracts implementing programs under this subparagraph (C) may require certification that not less than the prevailing wage will be paid to employees who are engaged in construction and installation activities associated with the project. It is a goal of this program that at least 25% of the incentives for this program be allocated to projects located in environmental justice communities. For the purposes of this subparagraph (C), "prevailing wage" shall have the meaning set forth in subsection (c) of Section 1-75 of this Act. Contracts entered into under this paragraph may be entered into with an entity that will develop and administer the program or with developers and shall also include contracts for renewable energy credits related to the program.

(D) Low-Income Community Solar Pilot Projects. Under this program, persons, including, but not limited to, electric utilities, shall propose pilot community solar projects. Community solar projects proposed under this subparagraph (D) may exceed 2,000 kilowatts in nameplate capacity, but the amount paid per project under this program may not exceed \$20,000,000. Pilot projects must result in economic benefits for the members of the community in which the project will be located. The proposed pilot project

must include a partnership with at least one community-based organization. Approved pilot projects shall be competitively bid by the Agency, subject to fair and equitable guidelines developed by the Agency. Funding available under this subparagraph (D) may not be distributed solely to a utility, and at least some funds under this subparagraph (D) must include a project partnership that includes community ownership by the project subscribers. Contracts entered into under this paragraph may be entered into with an entity that will develop and administer the program or with developers and shall also include contracts for renewable energy credits related to the program. A project proposed by a utility that is implemented under this subparagraph (D) shall not be included in the utility's ratebase.

The requirement that a qualified person, as defined in paragraph (1) of subsection (i) of this Section, install photovoltaic devices does not apply to the Illinois Solar for All Program described in this subsection (b).

(3) Costs associated with the Illinois Solar for All Program and its components described in paragraph (2) of this subsection (b), including, but not limited to, costs associated with procuring experts, consultants, and the program administrator referenced in this subsection (b) and related incremental costs, and costs related to the evaluation of the Illinois Solar for All Program, may be paid for using monies in the Illinois Power Agency Renewable Energy Resources Fund, but the Agency or program administrator shall strive to minimize costs in the implementation of the program. The Agency shall purchase renewable energy credits from generation that is the subject of a contract under subparagraphs (A) through (D) of this paragraph (2) of this subsection (b), and may pay for such renewable energy credits through an upfront payment per installed kilowatt of nameplate capacity paid once the device is interconnected at the distribution system level of the utility and is energized. The payment shall be in exchange for an assignment of all renewable energy credits generated by the system during the first 15 years of operation and shall be structured to overcome barriers to participation in the solar market by the low-income community. The incentives provided for in this Section may be implemented through the pricing of renewable energy credits where the prices paid for the credits are higher than they would otherwise be to account for the incentives. The Agency shall ensure collaboration with community agencies, and allocate up to 5% of the funds available under the Illinois Solar for All Program to community-based groups to assist in grassroots education efforts related to the Illinois Solar for All Program. The Agency shall retire any renewable energy credits purchased from this program and the credits shall count towards the obligation under subsection (c) of Section 1-75 of this Act for the electric utility to which the project is interconnected.

(4) The Agency shall, consistent with the requirements of this subsection (b), propose the Illinois Solar for All Program terms, conditions, and requirements, including the prices to be paid for renewable energy credits, and which prices may be determined through a formula, through the development, review, and approval of the Agency's long-term renewable resources procurement plan described in subsection (c) of Section 1-75 of this Act and Section 16-111.5 of the Public Utilities Act. In the course of the Commission proceeding initiated to review and approve the plan, including the Illinois Solar for All Program proposed by the Agency, a party may propose an additional low-income solar or solar incentive program, or modifications to the programs proposed by the Agency, and the Commission may approve an additional program, or modifications to the Agency's proposed program, if the additional or modified program more effectively maximizes the benefits to low-income customers after taking into account all relevant factors, including, but not limited to, the extent to which a competitive market for low-income solar has developed. Following the Commission's approval of the Illinois Solar for All Program, the Agency or a party may propose adjustments to the program terms, conditions, and requirements, including the price offered to new systems, to ensure the long-term viability and success of the program. The Commission shall review and approve any modifications to the program through the plan revision process described in Section 16-111.5 of the Public Utilities Act.

(5) The Agency shall issue a request for qualifications for a third-party program administrator or administrators to administer all or a portion of the Illinois Solar for All Program. The third-party program administrator shall be chosen through a competitive bid process based on selection criteria and requirements developed by the Agency, including, but not limited to, experience in administering low-income energy programs and overseeing statewide clean energy or energy efficiency services. If the Agency retains a program administrator or administrators to implement all or a portion of the Illinois Solar for All Program, each administrator shall periodically submit reports to the Agency and Commission for each program that it administers, at appropriate intervals to be identified by the Agency in its long-term renewable resources procurement plan, provided that the reporting interval is at least quarterly.

(6) The long-term renewable resources procurement plan shall also provide for an independent evaluation of the Illinois Solar for All Program. At least every 2 years, the Agency shall select an independent evaluator to review and report on the Illinois Solar for All Program and the performance of

the third-party program administrator of the Illinois Solar for All Program. The evaluation shall be based on objective criteria developed through a public stakeholder process. The process shall include feedback and participation from Illinois Solar for All Program stakeholders, including participants in environmental justice and historically underserved communities. The report shall include a summary of the evaluation of the Illinois Solar for All Program based on the stakeholder developed objective criteria. The report shall include the number of projects installed; the total installed capacity in kilowatts; the average cost per kilowatt of installed capacity to the extent reasonably obtainable by the Agency; economic, social, and environmental benefits created; and the total administrative costs expended by the Agency and program administrator to implement and evaluate the program. The report shall be delivered to the Commission and posted on the Agency's website, and shall be used, as needed, to revise the Illinois Solar for All Program. The Commission shall also consider the results of the evaluation as part of its review of the long-term renewable resources procurement plan under subsection (c) of Section 1-75 of this Act.

(7) If additional funding for the programs described in this subsection (b) is available under subsection (k) of Section 16-108 of the Public Utilities Act, then the Agency shall submit a procurement plan to the Commission no later than September 1, 2018, that proposes how the Agency will procure programs on behalf of the applicable utility. After notice and hearing, the Commission shall approve, or approve with modification, the plan no later than November 1, 2018.

As used in this subsection (b), "lower-income households" means persons and families whose income does not exceed 80% of area median income, adjusted for family size and revised every 5 years.

For the purposes of this subsection (b), the Agency shall define "environmental justice community" as part of program development, to ensure, to the extent practicable, compatibility with other agencies' definitions and may, for guidance, look to the definitions used by federal, state, or local governments.

(b-5) After the receipt of all payments required by Section 16-115D of the Public Utilities Act, no additional funds shall be deposited into the Illinois Power Agency Renewable Energy Resources Fund unless directed by order of the Commission.

(b-10) After the receipt of all payments required by Section 16-115D of the Public Utilities Act and payment in full of all contracts executed by the Agency under subsections (b) and (i) of this Section, if the balance of the Illinois Power Agency Renewable Energy Resources Fund is under \$5,000, then the Fund shall be inoperative and any remaining funds and any funds submitted to the Fund after that date, shall be transferred to the Supplemental Low-Income Energy Assistance Fund for use in the Low-Income Home Energy Assistance Program, as authorized by the Energy Assistance Act. ~~to procure renewable energy resources. Prior to June 1, 2011, resources procured pursuant to this Section shall be procured from facilities located in Illinois, provided the resources are available from those facilities. If resources are not available in Illinois, then they shall be procured in states that adjoin Illinois. If resources are not available in Illinois or in states that adjoin Illinois, then they may be purchased elsewhere. Beginning June 1, 2011, resources procured pursuant to this Section shall be procured from facilities located in Illinois or states that adjoin Illinois. If resources are not available in Illinois or in states that adjoin Illinois, then they may be procured elsewhere. To the extent available, at least 75% of these renewable energy resources shall come from wind generation. Of the renewable energy resources procured pursuant to this Section at least the following specified percentages shall come from photovoltaics on the following schedule: 0.5% by June 1, 2012; 1.5% by June 1, 2013; 3% by June 1, 2014; and 6% by June 1, 2015 and thereafter. Of the renewable energy resources procured pursuant to this Section, at least the following percentages shall come from distributed renewable energy generation devices: 0.5% by June 1, 2013, 0.75% by June 1, 2014, and 1% by June 1, 2015 and thereafter. To the extent available, half of the renewable energy resources procured from distributed renewable energy generation shall come from devices of less than 25 kilowatts in nameplate capacity. Renewable energy resources procured from distributed generation devices may also count towards the required percentages for wind and solar photovoltaics. Procurement of renewable energy resources from distributed renewable energy generation devices shall be done on an annual basis through multi-year contracts of no less than 5 years, and shall consist solely of renewable energy credits.~~

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

(c) (Blank). The Agency shall procure renewable energy resources at least once each year in conjunction with a procurement event for electric utilities required to comply with Section 1-75 of the Act and shall,

[December 1, 2016]

whenever possible, enter into long-term contracts on an annual basis for a portion of the incremental requirement for the given procurement year.

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

(e) All renewable energy credits procured using monies from the Illinois Power Agency Renewable Energy Resources Fund shall be permanently retired.

~~(f) The selection of one or more third-party program managers or administrators, the selection of the independent evaluator, and the procurement processes described in this Section are exempt from the requirements of the Illinois Procurement Code, under Section 20-10 of that Code. The procurement process described in this Section is exempt from the requirements of the Illinois Procurement Code, pursuant to Section 20-10 of that Code.~~

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

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

(h-5) The Agency may assess fees to each bidder to recover the costs incurred in connection with a procurement process held under this Section.

(i) Supplemental procurement process.

(1) Within 90 days after the effective date of this amendatory Act of the 98th General Assembly, the Agency shall develop a one-time supplemental procurement plan limited to the procurement of renewable energy credits, if available, from new or existing photovoltaics, including, but not limited to, distributed photovoltaic generation. Nothing in this subsection (i) requires procurement of wind generation through the supplemental procurement.

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

For the purposes of this paragraph (1), "qualified person" means a person who performs installations of photovoltaics, including, but not limited to, distributed photovoltaic generation, and who: (A) has completed an apprenticeship as a journeyman electrician from a United States Department of Labor registered electrical apprenticeship and training program and received a certification of satisfactory completion; or (B) does not currently meet the criteria under clause (A) of this paragraph (1), but is enrolled in a United States Department of Labor registered electrical apprenticeship program, provided that the person is directly supervised by a person who meets the criteria under clause (A) of this paragraph (1); or (C) has obtained one of the following credentials in addition to attesting to satisfactory completion of at least 5 years or 8,000 hours of documented hands-on electrical experience: (i) a North American Board of Certified Energy Practitioners (NABCEP) Installer Certificate for Solar PV; (ii) an Underwriters Laboratories (UL) PV Systems Installer Certificate; (iii) an Electronics Technicians Association, International (ETAI) Level 3 PV Installer Certificate; or (iv) an Associate in Applied Science degree from an Illinois Community College Board approved community college program in renewable energy or a distributed generation technology.

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

For the purposes of this paragraph (1), "install" means the major activities and actions required to connect, in accordance with applicable building and electrical codes, the conductors, connectors, and all associated fittings, devices, power outlets, or apparatuses mounted at the premises that are directly involved in delivering energy to the premises' electrical wiring from the photovoltaics, including, but not limited to, to distributed photovoltaic generation.

The renewable energy credits procured pursuant to the supplemental procurement plan shall be procured using up to \$30,000,000 from the Illinois Power Agency Renewable Energy Resources Fund. The Agency shall not plan to use funds from the Illinois Power Agency Renewable Energy Resources Fund in excess of the monies on deposit in such fund or projected to be deposited into such fund. The supplemental procurement plan shall ensure adequate, reliable, affordable, efficient, and environmentally sustainable renewable energy resources (including credits) at the lowest total cost over time, taking into account any benefits of price stability.

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

In developing the supplemental procurement plan, the Agency shall hold at least one workshop open to the public within 90 days after the effective date of this amendatory Act of the 98th General Assembly and shall consider any comments made by stakeholders or the public. Upon development of the supplemental procurement plan within this 90-day period, copies of the supplemental procurement plan shall be posted and made publicly available on the Agency's and Commission's websites. All interested parties shall have 14 days following the date of posting to provide comment to the Agency on the supplemental procurement plan. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the supplemental procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. Within 14 days following the end of the 14-day review period, the Agency shall revise the supplemental procurement plan as necessary based on the comments received and file its revised supplemental procurement plan with the Commission for approval.

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

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

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

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

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

- (i) monitor interactions among the procurement administrator and bidders and suppliers;
- (ii) monitor and report to the Commission on the progress of the supplemental procurement process;
- (iii) provide an independent confidential report to the Commission regarding the results of the procurement events;
- (iv) assess compliance with the procurement plan approved by the Commission for the supplemental procurement process;
- (v) preserve the confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;
- (vi) provide expert advice to the Commission and consult with the procurement

administrator regarding issues related to procurement process design, rules, protocols, and policy-related matters;

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

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

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

(D) Standard contract forms and credit terms and instruments. The procurement administrator, in consultation with the Agency, the Commission, and other interested parties and subject to Commission oversight, shall develop and provide standard contract forms for the supplier contracts that meet generally accepted industry practices as well as include any applicable State of Illinois terms and conditions that are required for contracts entered into by an agency of the State of Illinois. Standard credit terms and instruments that meet generally accepted industry practices shall be similarly developed. Contracts for new photovoltaics shall include a provision attesting that the supplier will use a qualified person for the installation of the device pursuant to paragraph (1) of subsection (i) of this Section. The procurement administrator shall make available to the Commission all written comments it receives on the contract forms, credit terms, or instruments. If the procurement administrator cannot reach agreement with the parties as to the contract terms and conditions, the procurement administrator must notify the Commission of any disputed terms and the Commission shall resolve the dispute. The terms of the contracts shall not be subject to negotiation by winning bidders, and the bidders must agree to the terms of the contract in advance so that winning bids are selected solely on the basis of price.

(E) Requests for proposals; competitive procurement process. The procurement administrator shall design and issue requests for proposals to supply renewable energy credits in accordance with the supplemental procurement plan, as approved by the Commission. The requests for proposals shall set forth a procedure for sealed, binding commitment bidding with pay-as-bid settlement, and provision for selection of bids on the basis of price, provided, however, that no bid shall be accepted if it exceeds the benchmark developed pursuant to item (F) of this paragraph (4).

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

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

(5) Within 2 business days after opening the sealed bids, the procurement administrator shall submit a confidential report to the Commission. The report shall contain the results of the bidding for each of the products along with the procurement administrator's recommendation for the acceptance and rejection of bids based on the price benchmark criteria and other factors observed in the process. The procurement monitor also shall submit a confidential report to the Commission within 2 business days after opening the sealed bids. The report shall contain the procurement monitor's assessment of bidder behavior in the process as well as an assessment of the procurement administrator's compliance with the procurement process and rules. The Commission shall review the confidential reports submitted by the procurement administrator and procurement monitor and shall accept or reject the recommendations of the procurement administrator within 2 business days after receipt of the reports.

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

(7) The names of the successful bidders and the average of the winning bid prices for each contract type and for each contract term shall be made available to the public within 2 days after the supplemental procurement event. The Commission, the procurement monitor, the procurement

administrator, the Agency, and all participants in the procurement process shall maintain the confidentiality of all other supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs. Confidential information, including the confidential reports submitted by the procurement administrator and procurement monitor pursuant to this Section, shall not be made publicly available and shall not be discoverable by any party in any proceeding, absent a compelling demonstration of need, nor shall those reports be admissible in any proceeding other than one for law enforcement purposes.

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

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

(Source: P.A. 97-616, eff. 10-26-11; 98-672, eff. 6-30-14.)

(20 ILCS 3855/1-75)

Sec. 1-75. Planning and Procurement Bureau. The Planning and Procurement Bureau has the following duties and responsibilities:

(a) The Planning and Procurement Bureau shall each year, beginning in 2008, develop procurement plans and conduct competitive procurement processes in accordance with the requirements of Section 16-111.5 of the Public Utilities Act for the eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. Beginning with the delivery year commencing on June 1, 2017, the Planning and Procurement Bureau shall develop plans and processes for the procurement of zero emission credits from zero emission facilities in accordance with the requirements of subsection (d-5) of this Section. The Planning and Procurement Bureau shall also develop procurement plans and conduct competitive procurement processes in accordance with the requirements of Section 16-111.5 of the Public Utilities Act for the eligible retail customers of small multi-jurisdictional electric utilities that (i) on December 31, 2005 served less than 100,000 customers in Illinois and (ii) request a procurement plan for their Illinois jurisdictional load. This Section shall not apply to a small multi-jurisdictional utility until such time as a small multi-jurisdictional utility requests the Agency to prepare a procurement plan for their Illinois jurisdictional load. For the purposes of this Section, the term "eligible retail customers" has the same definition as found in Section 16-111.5(a) of the Public Utilities Act.

Beginning with the planning process for the plan or plans to be implemented in the 2017 delivery year, the Agency shall no longer include the procurement of renewable energy resources in the annual procurement plans required by this subsection (a) and shall instead develop a long-term renewable resources procurement plan in accordance with subsection (c) of this Section and Section 16-111.5 of the Public Utilities Act.

(1) The Agency shall each year, beginning in 2008, as needed, issue a request for qualifications for experts or expert consulting firms to develop the procurement plans in accordance with Section 16-111.5 of the Public Utilities Act. In order to qualify an expert or expert consulting firm must have:

(A) direct previous experience assembling large-scale power supply plans or portfolios for end-use customers;

(B) an advanced degree in economics, mathematics, engineering, risk management, or a related area of study;

(C) 10 years of experience in the electricity sector, including managing supply risk;

(D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;

(E) expertise in credit protocols and familiarity with contract protocols;

(F) adequate resources to perform and fulfill the required functions and responsibilities; and

(G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(2) The Agency shall each year, as needed, issue a request for qualifications for a procurement administrator to conduct the competitive procurement processes in accordance with Section 16-111.5 of the Public Utilities Act. In order to qualify an expert or expert consulting firm must have:

(A) direct previous experience administering a large-scale competitive procurement process;

(B) an advanced degree in economics, mathematics, engineering, or a related area of study;

(C) 10 years of experience in the electricity sector, including risk management experience;

(D) expertise in wholesale electricity market rules, including those established by the Federal Energy Regulatory Commission and regional transmission organizations;

(E) expertise in credit and contract protocols;

(F) adequate resources to perform and fulfill the required functions and responsibilities; and

(G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(3) The Agency shall provide affected utilities and other interested parties with the lists of qualified experts or expert consulting firms identified through the request for qualifications processes that are under consideration to develop the procurement plans and to serve as the procurement administrator. The Agency shall also provide each qualified expert's or expert consulting firm's response to the request for qualifications. All information provided under this subparagraph shall also be provided to the Commission. The Agency may provide by rule for fees associated with supplying the information to utilities and other interested parties. These parties shall, within 5 business days, notify the Agency in writing if they object to any experts or expert consulting firms on the lists. Objections shall be based on:

(A) failure to satisfy qualification criteria;

(B) identification of a conflict of interest; or

(C) evidence of inappropriate bias for or against potential bidders or the affected utilities.

The Agency shall remove experts or expert consulting firms from the lists within 10 days if there is a reasonable basis for an objection and provide the updated lists to the affected utilities and other interested parties. If the Agency fails to remove an expert or expert consulting firm from a list, an objecting party may seek review by the Commission within 5 days thereafter by filing a petition, and the Commission shall render a ruling on the petition within 10 days. There is no right of appeal of the Commission's ruling.

(4) The Agency shall issue requests for proposals to the qualified experts or expert consulting firms to develop a procurement plan for the affected utilities and to serve as procurement administrator.

(5) The Agency shall select an expert or expert consulting firm to develop procurement plans based on the proposals submitted and shall award contracts of up to 5 years to those selected.

(6) The Agency shall select an expert or expert consulting firm, with approval of the Commission, to serve as procurement administrator based on the proposals submitted. If the Commission rejects, within 5 days, the Agency's selection, the Agency shall submit another recommendation within 3 days based on the proposals submitted. The Agency shall award a 5-year contract to the expert or expert consulting firm so selected with Commission approval.

(b) The experts or expert consulting firms retained by the Agency shall, as appropriate, prepare procurement plans, and conduct a competitive procurement process as prescribed in Section 16-111.5 of the Public Utilities Act, to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in the State of Illinois, and for eligible Illinois retail customers of small multi-jurisdictional electric utilities that (i) on December 31, 2005 served less than 100,000 customers in Illinois and (ii) request a procurement plan for their Illinois jurisdictional load.

(c) Renewable portfolio standard.

(1)(A) The Agency shall develop a long-term renewable resources procurement plan that shall include procurement programs and competitive procurement events necessary to meet the goals set forth in this subsection (c). The initial long-term renewable resources procurement plan shall be released for comment no later than 120 days after the effective date of this amendatory Act of the 99th General Assembly. The Agency shall review, and may revise on an expedited basis, the long-term renewable resources procurement plan at least every 2 years, which shall be conducted in conjunction with the procurement plan under Section 16-111.5 of the Public Utilities Act to the extent practicable to minimize administrative

expense. The long-term renewable resources procurement plans shall be subject to review and approval by the Commission under Section 16-111.5 of the Public Utilities Act.

(B) Subject to subparagraph (F) of this paragraph (1), the long-term renewable resources procurement plan shall include the goals for procurement of renewable energy credits to meet at least the following overall percentages: 13% by the 2017 delivery year; increasing by at least 1.5% each delivery year thereafter to at least 25% by the 2025 delivery year; and continuing at no less than 25% for each delivery year thereafter. In the event of a conflict between these goals and the new wind and new photovoltaic procurement requirements described in items (i) through (iii) of subparagraph (C) of this paragraph (1), the long-term plan shall prioritize compliance with the new wind and new photovoltaic procurement requirements described in items (i) through (iii) of subparagraph (C) of this paragraph (1) over the annual percentage targets described in this subparagraph (B).

For the delivery year beginning June 1, 2017, the procurement plan shall include cost-effective renewable energy resources equal to at least 13% of each utility's load for eligible retail customers and 13% of the applicable portion of each utility's load for retail customers who are not eligible retail customers, which applicable portion shall equal 50% of the utility's load for retail customers who are not eligible retail customers on February 28, 2017.

For the delivery year beginning June 1, 2018, the procurement plan shall include cost-effective renewable energy resources equal to at least 14.5% of each utility's load for eligible retail customers and 14.5% of the applicable portion of each utility's load for retail customers who are not eligible retail customers, which applicable portion shall equal 75% of the utility's load for retail customers who are not eligible retail customers on February 28, 2017.

For the delivery year beginning June 1, 2019, and for each year thereafter, the procurement plans shall include cost-effective renewable energy resources equal to a minimum percentage of each utility's load for all retail customers as follows: 16% by June 1, 2019; increasing by 1.5% each year thereafter to 25% by June 1, 2025; and 25% by June 1, 2026 and each year thereafter.

For each delivery year, the Agency shall first recognize each utility's obligations for that delivery year under existing contracts. Any renewable energy credits under existing contracts, including renewable energy credits as part of renewable energy resources, shall be used to meet the goals set forth in this subsection (c) for the delivery year.

(C) Of the renewable energy credits procured under this subsection (c), at least 75% shall come from wind and photovoltaic projects. The long-term renewable resources procurement plan described in subparagraph (A) of this paragraph (1) shall include the procurement of renewable energy credits in amounts equal to at least the following:

(i) By the end of the 2020 delivery year:

At least 2,000,000 renewable energy credits for each delivery year shall come from new wind projects; and

At least 2,000,000 renewable energy credits for each delivery year shall come from new photovoltaic projects; of that amount, to the extent possible, the Agency shall procure: at least 50% from solar photovoltaic projects using the program outlined in subparagraph (K) of this paragraph (1) from distributed renewable energy generation devices or community renewable generation projects; at least 40% from utility-scale solar projects; at least 2% from brownfield site photovoltaic projects that are not community renewable generation projects; and the remainder shall be determined through the long-term planning process described in subparagraph (A) of this paragraph (1).

(ii) By the end of the 2025 delivery year:

At least 3,000,000 renewable energy credits for each delivery year shall come from new wind projects; and

At least 3,000,000 renewable energy credits for each delivery year shall come from new photovoltaic projects; of that amount, to the extent possible, the Agency shall procure: at least 50% from solar photovoltaic projects using the program outlined in subparagraph (K) of this paragraph (1) from distributed renewable energy devices or community renewable generation projects; at least 40% from utility-scale solar projects; at least 2% from brownfield site photovoltaic projects that are not community renewable generation projects; and the remainder shall be determined through the long-term planning process described in subparagraph (A) of this paragraph (1).

(iii) By the end of the 2030 delivery year:

At least 4,000,000 renewable energy credits for each delivery year shall come from new wind projects; and

At least 4,000,000 renewable energy credits for each delivery year shall come from new photovoltaic projects; of that amount, to the extent possible, the Agency shall procure: at least 50% from solar photovoltaic projects using the program outlined in subparagraph (K) of this paragraph (1) from

distributed renewable energy devices or community renewable generation projects; at least 40% from utility-scale solar projects; at least 2% from brownfield site photovoltaic projects that are not community renewable generation projects; and the remainder shall be determined through the long-term planning process described in subparagraph (A) of this paragraph (1).

For purposes of this Section:

"New wind projects" means wind renewable energy facilities that are energized after June 1, 2017 for the delivery year commencing June 1, 2017 or within 3 years after the date the Commission approves contracts for subsequent delivery years. For projects located within Illinois, the owner of the new wind project must certify that not less than the prevailing wage was or will be paid to employees who are engaged in construction activities associated with the project.

"New photovoltaic projects" means photovoltaic renewable energy facilities that are energized after June 1, 2017. For projects over 1,000 kilowatts in nameplate capacity, the owner of the new photovoltaic project must certify that not less than the prevailing wage was or will be paid to employees who are engaged in construction activities associated with the project. Photovoltaic projects developed under Section 1-56 of this Act shall not apply towards the new photovoltaic project requirements in this subparagraph (C).

"Prevailing wage" has the same definition as in subparagraph (F) of paragraph (3) of subsection (a) of Section 5.5 of the Illinois Enterprise Zone Act.

(D) Renewable energy credits shall be cost effective. For purposes of this subsection (c), "cost effective" means that the costs of procuring renewable energy resources do not cause the limit stated in subparagraph (E) of this paragraph (1) to be exceeded and, for renewable energy credits procured through a competitive procurement event, do not exceed benchmarks based on market prices for like products in the region. For purposes of this subsection (c), "like products" means contracts for renewable energy credits from the same or substantially similar technology, same or substantially similar vintage (new or existing), the same or substantially similar quantity, and the same or substantially similar contract length and structure. Benchmarks shall be developed by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval. If price benchmarks for like products in the region are not available, the procurement administrator shall establish price benchmarks based on publicly available data on regional technology costs and expected current and future regional energy prices. The benchmarks in this Section shall not be used to curtail or otherwise reduce contractual obligations entered into by or through the Agency prior to the effective date of this amendatory Act of the 99th General Assembly.

(E) For purposes of this subsection (c), the required procurement of cost-effective renewable energy resources for a particular year commencing prior to June 1, 2017 shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the delivery year ending immediately prior to the procurement, and, for delivery years commencing on and after June 1, 2017, the required procurement of cost-effective renewable energy resources for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) delivered by the electric utility in the delivery year ending immediately prior to the procurement, to all retail customers in its service territory. For purposes of this subsection (c), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (c), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

Notwithstanding the requirements of this subsection (c), the total of renewable energy resources procured under the procurement plan for any single year shall be subject to the limitations of this subparagraph (E). Such procurement shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these resources in 2011. To arrive at a maximum dollar amount of renewable energy resources to be procured for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered, or applicable portion of such amount as specified in paragraph (1) of this subsection (c), as applicable, by the electric utility in the delivery year immediately prior to the procurement to all retail customers in its service territory. The calculations required by this subparagraph (E) shall be made only once for each delivery year at the time that the renewable energy resources are procured. Once the determination as to the amount of renewable energy resources to procure is made based on the calculations set forth in this subparagraph (E) and the contracts procuring those amounts are executed, no subsequent rate impact determinations

shall be made and no adjustments to those contract amounts shall be allowed. All costs incurred under such contracts shall be fully recoverable by the electric utility as provided in this Section.

(F) If the limitation on the amount of renewable energy resources procured in subparagraph (E) of this paragraph (1) prevents the Agency from meeting all of the goals in this subsection (c), the Agency's long-term plan shall prioritize compliance with the requirements of this subsection (c) regarding renewable energy credits in the following order:

(i) renewable energy credits under existing contractual obligations;

(i-5) funding for the Illinois Solar for All Program, as described in subparagraph (O) of this paragraph (1);

(ii) renewable energy credits necessary to comply with the new wind and new photovoltaic procurement requirements described in items (i) through (iii) of subparagraph (C) of this paragraph (1); and

(iii) renewable energy credits necessary to meet the remaining requirements of this subsection (c).

(G) The following provisions shall apply to the Agency's procurement of renewable energy credits under this subsection (c):

(i) The Agency shall conduct an initial forward procurement for renewable energy credits from new utility-scale wind projects within 120 days after the effective date of this amendatory Act of the 99th General Assembly. For the purposes of this initial forward procurement, the Agency shall solicit 15-year contracts for delivery of 1,000,000 renewable energy credits delivered annually from new utility-scale wind projects to begin delivery on June 1, 2019, if available, but not later than June 1, 2021. Payments to suppliers of renewable energy credits shall commence upon delivery. Renewable energy credits procured under this initial procurement shall be included in the Agency's long-term plan and shall apply to all renewable energy goals in this subsection (c).

(ii) The Agency shall conduct an initial forward procurement for renewable energy credits from new utility-scale solar projects and brownfield site photovoltaic projects within one year after the effective date of this amendatory Act of the 99th General Assembly. For the purposes of this initial forward procurement, the Agency shall solicit 15-year contracts for delivery of 1,000,000 renewable energy credits delivered annually from new utility-scale solar projects and brownfield site photovoltaic projects to begin delivery on June 1, 2019, if available, but not later than June 1, 2021. The Agency may structure this initial procurement in one or more discrete procurement events. Payments to suppliers of renewable energy credits shall commence upon delivery. Renewable energy credits procured under this initial procurement shall be included in the Agency's long-term plan and shall apply to all renewable energy goals in this subsection (c).

(iii) Subsequent forward procurements for utility-scale wind projects shall solicit at least 1,000,000 renewable energy credits delivered annually per procurement event and shall be planned, scheduled, and designed such that the cumulative amount of renewable energy credits delivered from all new wind projects in each delivery year shall not exceed the Agency's projection of the cumulative amount of renewable energy credits that will be delivered from all new photovoltaic projects, including utility-scale and distributed photovoltaic devices, in the same delivery year at the time scheduled for wind contract delivery.

(iv) If, at any time after the time set for delivery of renewable energy credits pursuant to the initial procurements in items (i) and (ii) of this subparagraph (G), the cumulative amount of renewable energy credits projected to be delivered from all new wind projects in a given delivery year exceeds the cumulative amount of renewable energy credits projected to be delivered from all new photovoltaic projects in that delivery year by 200,000 or more renewable energy credits, then the Agency shall within 60 days adjust the procurement programs in the long-term renewable resources procurement plan to ensure that the projected cumulative amount of renewable energy credits to be delivered from all new wind projects does not exceed the projected cumulative amount of renewable energy credits to be delivered from all new photovoltaic projects by 200,000 or more renewable energy credits, provided that nothing in this Section shall preclude the projected cumulative amount of renewable energy credits to be delivered from all new photovoltaic projects from exceeding the projected cumulative amount of renewable energy credits to be delivered from all new wind projects in each delivery year and provided further that nothing in this item (iv) shall require the curtailment of an executed contract. The Agency shall update, on a quarterly basis, its projection of the renewable energy credits to be delivered from all projects in each delivery year. Notwithstanding anything to the contrary, the Agency may adjust the timing of procurement events conducted under this subparagraph (G). The long-term renewable resources procurement plan shall set forth the process by which the adjustments may be made.

(v) All procurements under this subparagraph (G) shall comply with the geographic requirements in subparagraph (I) of this paragraph (1) and shall follow the procurement processes and procedures

described in this Section and Section 16-111.5 of the Public Utilities Act to the extent practicable, and these processes and procedures may be expedited to accommodate the schedule established by this subparagraph (G).

(H) The procurement of renewable energy resources for a given delivery year shall be reduced as described in this subparagraph (H) if an alternate retail electric supplier meets the requirements described in this subparagraph (H).

(i) Within 45 days after the effective date of this amendatory Act of the 99th General Assembly, an alternative retail electric supplier or its successor shall submit an informational filing to the Illinois Commerce Commission certifying that, as of December 31, 2015, the alternative retail electric supplier owned one or more electric generating facilities that generates renewable energy resources as defined in Section 1-10 of this Act, provided that such facilities are not powered by wind or photovoltaics, and the facilities generate one renewable energy credit for each megawatthour of energy produced from the facility.

The informational filing shall identify each facility that was eligible to satisfy the alternative retail electric supplier's obligations under Section 16-115D of the Public Utilities Act as described in this item (i).

(ii) For a given delivery year, the alternative retail electric supplier may elect to supply its retail customers with renewable energy credits from the facility or facilities described in item (i) of this subparagraph (H) that continue to be owned by the alternative retail electric supplier.

(iii) The alternative retail electric supplier shall notify the Agency and the applicable utility, no later than February 28 of the year preceding the applicable delivery year or 15 days after the effective date of this amendatory Act of the 99th General Assembly, whichever is later, of its election under item (ii) of this subparagraph (H) to supply renewable energy credits to retail customers of the utility. Such election shall identify the amount of renewable energy credits to be supplied by the alternative retail electric supplier to the utility's retail customers and the source of the renewable energy credits identified in the informational filing as described in item (i) of this subparagraph (H), subject to the following limitations:

For the delivery year beginning June 1, 2018, the maximum amount of renewable energy credits to be supplied by an alternative retail electric supplier under this subparagraph (H) shall be 68% multiplied by 25% multiplied by 14.5% multiplied by the amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the delivery year ending May 31, 2016.

For delivery years beginning June 1, 2019 and each year thereafter, the maximum amount of renewable energy credits to be supplied by an alternative retail electric supplier under this subparagraph (H) shall be 68% multiplied by 50% multiplied by 16% multiplied by the amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the delivery year ending May 31, 2016, provided that the 16% value shall increase by 1.5% each delivery year thereafter to 25% by the delivery year beginning June 1, 2025, and thereafter the 25% value shall apply to each delivery year.

For each delivery year, the total amount of renewable energy credits supplied by all alternative retail electric suppliers under this subparagraph (H) shall not exceed 9% of the Illinois target renewable energy credit quantity. The Illinois target renewable energy credit quantity for the delivery year beginning June 1, 2018 is 14.5% multiplied by the total amount of metered electricity (megawatt-hours) delivered in the delivery year immediately preceding that delivery year, provided that the 14.5% shall increase by 1.5% each delivery year thereafter to 25% by the delivery year beginning June 1, 2025, and thereafter the 25% value shall apply to each delivery year.

If the requirements set forth in items (i) through (iii) of this subparagraph (H) are met, the charges that would otherwise be applicable to the retail customers of the alternative retail electric supplier under paragraph (6) of this subsection (c) for the applicable delivery year shall be reduced by the ratio of the quantity of renewable energy credits supplied by the alternative retail electric supplier compared to that supplier's target renewable energy credit quantity. The supplier's target renewable energy credit quantity for the delivery year beginning June 1, 2018 is 14.5% multiplied by the total amount of metered electricity (megawatt-hours) delivered by the alternative retail supplier in that delivery year, provided that the 14.5% shall increase by 1.5% each delivery year thereafter to 25% by the delivery year beginning June 1, 2025, and thereafter the 25% value shall apply to each delivery year.

On or before April 1 of each year, the Agency shall annually publish a report on its website that identifies the aggregate amount of renewable energy credits supplied by alternative retail electric suppliers under this subparagraph (H).

(I) The Agency shall design its long-term renewable energy procurement plan to maximize the State's interest in the health, safety, and welfare of its residents, including but not limited to minimizing sulfur

[December 1, 2016]

dioxide, nitrogen oxide, particulate matter and other pollution that adversely affects public health in this State, increasing fuel and resource diversity in this State, enhancing the reliability and resiliency of the electricity distribution system in this State, meeting goals to limit carbon dioxide emissions under federal or State law, and contributing to a cleaner and healthier environment for the citizens of this State. In order to further these legislative purposes, renewable energy credits shall be eligible to be counted toward the renewable energy requirements of this subsection (c) if they are generated from facilities located in this State. The Agency may qualify renewable energy credits from facilities located in states adjacent to Illinois if the generator demonstrates and the Agency determines that the operation of such facility or facilities will help promote the State's interest in the health, safety, and welfare of its residents based on the public interest criteria described above. To ensure that the public interest criteria are applied to the procurement and given full effect, the Agency's long-term procurement plan shall describe in detail how each public interest factor shall be considered and weighted for facilities located in states adjacent to Illinois.

(J) In order to promote the competitive development of renewable energy resources in furtherance of the State's interest in the health, safety, and welfare of its residents, renewable energy credits shall not be eligible to be counted toward the renewable energy requirements of this subsection (c) if they are sourced from a generating unit whose costs were being recovered through rates regulated by this State or any other state or states on or after January 1, 2017. Each contract executed to purchase renewable energy credits under this subsection (c) shall provide for the contract's termination if the costs of the generating unit supplying the renewable energy credits subsequently begin to be recovered through rates regulated by this State or any other state or states; and each contract shall further provide that, in that event, the supplier of the credits must return 110% of all payments received under the contract. Amounts returned under the requirements of this subparagraph (J) shall be retained by the utility and all of these amounts shall be used for the procurement of additional renewable energy credits from new wind or new photovoltaic resources as defined in this subsection (c). The long-term plan shall provide that these renewable energy credits shall be procured in the next procurement event.

Notwithstanding the limitations of this subparagraph (J), renewable energy credits sourced from generating units that are constructed, purchased, owned, or leased by an electric utility as part of an approved project, program, or pilot under either Section 1-56 of this Act or Section 16-108.9 of the Public Utilities Act shall be eligible to be counted toward the renewable energy requirements of this subsection (c), regardless of how the costs of these units are recovered.

(K) The long-term renewable resources procurement plan developed by the Agency in accordance with subparagraph (A) of this paragraph (1) shall include an Adjustable Block program for the procurement of renewable energy credits from new photovoltaic projects that are distributed renewable energy generation devices or new photovoltaic community renewable generation projects. The Adjustable Block program shall be designed to provide a transparent schedule of prices and quantities to enable the photovoltaic market to scale up and for renewable energy credit prices to adjust at a predictable rate over time. The prices set by the declining block program can be reflected as a set value or as the product of a formula.

The Adjustable Block program shall include for each category of eligible projects: a schedule of standard block purchase prices to be offered; a series of steps, with associated nameplate capacity and purchase prices that adjust from step to step; and automatic opening of the next step as soon as the nameplate capacity and available purchase prices for an open step are fully committed or reserved. Only projects energized on or after June 1, 2017 shall be eligible for the Adjustable Block program. For each block group the Agency shall determine the number of blocks, the amount of generation capacity in each block, and the purchase price for each block, provided that the purchase price provided and the total amount of generation in all blocks for all block groups shall be sufficient to meet the goals in this subsection (c). The Agency may periodically review its prior decisions establishing the number of blocks, the amount of generation capacity in each block, and the purchase price for each block, and may propose, on an expedited basis, changes to these previously set values, including but not limited to redistributing these amounts and the available funds as necessary and appropriate, subject to Commission approval as part of the periodic plan revision process described in Section 16-111.5 of the Public Utilities Act. The Agency may define different block sizes, purchase prices, or other distinct terms and conditions for projects located in different utility service territories if the Agency deems it necessary to meet the goals in this subsection (c).

The Adjustable Block program shall include at least the following block groups in at least the following amounts, which may be adjusted upon review by the Agency and approval by the Commission as described in this subparagraph (K):

(i) At least 25% from distributed renewable energy generation devices with a nameplate capacity of no more than 10 kilowatts.

(ii) At least 25% from distributed renewable energy generation devices with a nameplate capacity of more than 10 kilowatts and no more than 2,000 kilowatts. The Agency may create sub-categories within this category to account for the differences between projects for small commercial customers, large commercial customers, and public or non-profit customers.

(iii) At least 25% from photovoltaic community renewable generation projects.

(iv) The remaining 25% shall be allocated as specified by the Agency in the long-term renewable resources procurement plan.

The Adjustable Block program shall be designed to ensure that renewable energy credits are procured from photovoltaic distributed renewable energy generation devices and new photovoltaic community renewable energy generation projects in diverse locations and are not concentrated in a few geographic areas.

(L) The procurement of photovoltaic renewable energy credits under items (i) through (iv) of subparagraph (K) of this paragraph (1) shall be subject to the following contract and payment terms:

(i) The Agency shall procure contracts of at least 15 years in length.

(ii) For those renewable energy credits that qualify and are procured under item (i) of subparagraph (K) of this paragraph (1), the renewable energy credit purchase price shall be paid in full by the contracting utilities at the time that the facility producing the renewable energy credits is interconnected at the distribution system level of the utility and energized. The electric utility shall receive and retire all renewable energy credits generated by the project for the first 15 years of operation.

(iii) For those renewable energy credits that qualify and are procured under item (ii) and (iii) of subparagraph (K) of this paragraph (1) and any additional categories of distributed generation included in the long-term renewable resources procurement plan and approved by the Commission, 20 percent of the renewable energy credit purchase price shall be paid by the contracting utilities at the time that the facility producing the renewable energy credits is interconnected at the distribution system level of the utility and energized. The remaining portion shall be paid ratably over the subsequent 4-year period. The electric utility shall receive and retire all renewable energy credits generated by the project for the first 15 years of operation.

(iv) Each contract shall include provisions to ensure the delivery of the renewable energy credits for the full term of the contract.

(v) The utility shall be the counterparty to the contracts executed under this subparagraph (L) that are approved by the Commission under the process described in Section 16-111.5 of the Public Utilities Act. No contract shall be executed for an amount that is less than one renewable energy credit per year.

(vi) If, at any time, approved applications for the Adjustable Block program exceed funds collected by the electric utility or would cause the Agency to exceed the limitation described in subparagraph (E) of this paragraph (1) on the amount of renewable energy resources that may be procured, then the Agency shall consider future uncommitted funds to be reserved for these contracts on a first-come, first-served basis, with the delivery of renewable energy credits required beginning at the time that the reserved funds become available.

(vii) Nothing in this Section shall require the utility to advance any payment or pay any amounts that exceed the actual amount of revenues collected by the utility under paragraph (6) of this subsection (c) and subsection (k) of Section 16-108 of the Public Utilities Act, and contracts executed under this Section shall expressly incorporate this limitation.

(M) The Agency shall be authorized to retain one or more experts or expert consulting firms to develop, administer, implement, operate, and evaluate the Adjustable Block program described in subparagraph (K) of this paragraph (1), and the Agency shall retain the consultant or consultants in the same manner, to the extent practicable, as the Agency retains others to administer provisions of this Act, including, but not limited to, the procurement administrator. The selection of experts and expert consulting firms and the procurement process described in this subparagraph (M) are exempt from the requirements of Section 20-10 of the Illinois Procurement Code, under Section 20-10 of that Code. The Agency shall strive to minimize administrative expenses in the implementation of the Adjustable Block program.

The Agency and its consultant or consultants shall monitor block activity, share program activity with stakeholders and conduct regularly scheduled meetings to discuss program activity and market conditions. If necessary, the Agency may make prospective administrative adjustments to the Adjustable Block program design, such as redistributing available funds or making adjustments to purchase prices as necessary to achieve the goals of this subsection (c). Program modifications to any price, capacity block, or other program element that do not deviate from the Commission's approved value by more than 25% shall take effect immediately and are not subject to Commission review and approval. Program modifications to any price, capacity block, or other program element that deviate more than 25% from the Commission's approved value must be approved by the Commission as a long-term plan amendment under

Section 16-111.5 of the Public Utilities Act. The Agency shall consider stakeholder feedback when making adjustments to the Adjustable Block design and shall notify stakeholders in advance of any planned changes.

(N) The long-term renewable resources procurement plan required by this subsection (c) shall include a community renewable generation program. The Agency shall establish the terms, conditions, and program requirements for community renewable generation projects with a goal to expand renewable energy generating facility access to a broader group of energy consumers, including residential and small commercial customers and those who cannot install renewable energy on their own properties. Any plan approved by the Commission shall allow subscriptions to community renewable generation projects to be portable and transferable. For purposes of this subparagraph (N), "portable" means that subscriptions may be retained by the subscriber even if the subscriber relocates or changes its address within the same utility service territory; and "transferable" means that a subscriber may assign or sell subscriptions to another person within the same utility service territory.

Electric utilities shall provide a monetary credit to a subscriber's subsequent bill for service for the proportional output of a community renewable generation project attributable to that subscriber as specified in Section 16-107.5 of the Public Utilities Act.

The Agency shall purchase renewable energy credits from subscribed shares of photovoltaic community renewable generation projects through the Adjustable Block program described in subparagraph (K) of this paragraph (1) or through the Illinois Solar for All Program described in Section 1-56 of this Act. The electric utility shall purchase any unsubscribed energy from community renewable generation projects that are Qualifying Facilities ("QF") under the electric utility's tariff for purchasing the output from QFs under Public Utilities Regulatory Policies Act of 1978.

The owners of and any subscribers to a community renewable generation project shall not be considered public utilities or alternative retail electricity suppliers under the Public Utilities Act solely as a result of their interest in or subscription to a community renewable generation project and shall not be required to become an alternative retail electric supplier by participating in a community renewable generation project with a public utility.

(O) For the delivery year beginning June 1, 2018, the long-term renewable resources procurement plan required by this subsection (c) shall provide for the Agency to procure contracts to continue offering the Illinois Solar for All Program described in subsection (b) of Section 1-56 of this Act, and the contracts approved by the Commission shall be executed by the utilities that are subject to this subsection (c). The long-term renewable resources procurement plan shall allocate 5% of the funds available under the plan for the applicable delivery year, or \$10,000,000 per delivery year, whichever is greater, to fund the programs, and the plan shall determine the amount of funding to be apportioned to the programs identified in subsection (b) of Section 1-56 of this Act. In making the determinations required under this subparagraph (O), the Commission shall consider the experience and performance under the programs and any evaluation reports. The Commission shall also provide for an independent evaluation of those programs on a periodic basis that are funded under this subparagraph (O). The procurement plans shall include cost-effective renewable energy resources. A minimum percentage of each utility's total supply to serve the load of eligible retail customers, as defined in Section 16-111.5(a) of the Public Utilities Act, procured for each of the following years shall be generated from cost-effective renewable energy resources: at least 2% by June 1, 2008; at least 4% by June 1, 2009; at least 5% by June 1, 2010; at least 6% by June 1, 2011; at least 7% by June 1, 2012; at least 8% by June 1, 2013; at least 9% by June 1, 2014; at least 10% by June 1, 2015; and increasing by at least 1.5% each year thereafter to at least 25% by June 1, 2025. To the extent that it is available, at least 75% of the renewable energy resources used to meet these standards shall come from wind generation and, beginning on June 1, 2011, at least the following percentages of the renewable energy resources used to meet these standards shall come from photovoltaics on the following schedule: 0.5% by June 1, 2012; 1.5% by June 1, 2013; 3% by June 1, 2014; and 6% by June 1, 2015 and thereafter. Of the renewable energy resources procured pursuant to this Section, at least the following percentages shall come from distributed renewable energy generation devices: 0.5% by June 1, 2013, 0.75% by June 1, 2014, and 1% by June 1, 2015 and thereafter. To the extent available, half of the renewable energy resources procured from distributed renewable energy generation shall come from devices of less than 25 kilowatts in nameplate capacity. Renewable energy resources procured from distributed generation devices may also count towards the required percentages for wind and solar photovoltaics. Procurement of renewable energy resources from distributed renewable energy generation devices shall be done on an annual basis through multi-year contracts of no less than 5 years, and shall consist solely of renewable energy credits.

The Agency shall create credit requirements for suppliers of distributed renewable energy. In order to minimize the administrative burden on contracting entities, the Agency shall solicit the use of third-

party organizations to aggregate distributed renewable energy into groups of no less than one megawatt in installed capacity. These third-party organizations shall administer contracts with individual distributed renewable energy generation device owners. An individual distributed renewable energy generation device owner shall have the ability to measure the output of his or her distributed renewable energy generation device.

For purposes of this subsection (c), "cost-effective" means that the costs of procuring renewable energy resources do not cause the limit stated in paragraph (2) of this subsection (c) to be exceeded and do not exceed benchmarks based on market prices for renewable energy resources in the region, which shall be developed by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

(2) (Blank). For purposes of this subsection (c), the required procurement of cost-effective renewable energy resources for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the procurement. For purposes of this subsection (c), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (c), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

Notwithstanding the requirements of this subsection (c), the total of renewable energy resources procured pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2008, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(B) in 2009, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2008 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(C) in 2010, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(D) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007; and

(E) thereafter, the amount of renewable energy resources procured pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these resources in 2011.

No later than June 30, 2011, the Commission shall review the limitation on the amount of renewable energy resources procured pursuant to this subsection (c) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective renewable energy resources.

(3) (Blank). Through June 1, 2011, renewable energy resources shall be counted for the purpose of meeting the renewable energy standards set forth in paragraph (1) of this subsection (c) only if they are generated from facilities located in the State, provided that cost-effective renewable energy resources are available from those facilities. If those cost-effective resources are not available in Illinois, they shall be procured in states that adjoin Illinois and may be counted towards compliance. If those cost-effective resources are not available in Illinois or in states that adjoin Illinois, they shall be purchased elsewhere and shall be counted towards compliance. After June 1, 2011, cost-effective renewable energy resources located in Illinois and in states that adjoin Illinois may be counted towards compliance with the standards set forth in paragraph (1) of this subsection (c). If those cost-effective resources are not available in Illinois or in states that adjoin Illinois, they shall be purchased elsewhere and shall be counted towards compliance.

(4) The electric utility shall retire all renewable energy credits used to comply with the standard.

(5) Beginning with the 2010 delivery year and ending June 1, 2017 year commencing June 1, 2010, an electric utility subject to this subsection (c) shall apply

the lesser of the maximum alternative compliance payment rate or the most recent estimated alternative compliance payment rate for its service territory for the corresponding compliance period, established pursuant to subsection (d) of Section 16-115D of the Public Utilities Act to its retail customers that take

service pursuant to the electric utility's hourly pricing tariff or tariffs. The electric utility shall retain all amounts collected as a result of the application of the alternative compliance payment rate or rates to such customers, and, beginning in 2011, the utility shall include in the information provided under item (1) of subsection (d) of Section 16-111.5 of the Public Utilities Act the amounts collected under the alternative compliance payment rate or rates for the prior year ending May 31. Notwithstanding any limitation on the procurement of renewable energy resources imposed by item (2) of this subsection (c), the Agency shall increase its spending on the purchase of renewable energy resources to be procured by the electric utility for the next plan year by an amount equal to the amounts collected by the utility under the alternative compliance payment rate or rates in the prior year ending May 31.

(6) The electric utility shall be entitled to recover all of its costs associated with the procurement of renewable energy credits under plans approved under this Section and Section 16-111.5 of the Public Utilities Act. These costs shall include associated reasonable expenses for implementing the procurement programs, including, but not limited to, the costs of administering and evaluating the Adjustable Block program, through an automatic adjustment clause tariff in accordance with subsection (k) of Section 16-108 of the Public Utilities Act.

(7) Renewable energy credits procured from new photovoltaic projects or new distributed renewable energy generation devices under this Section after the effective date of this amendatory Act of the 99th General Assembly must be procured from devices installed by a qualified person in compliance with the requirements of Section 16-128A of the Public Utilities Act and any rules or regulations adopted thereunder.

In meeting the renewable energy requirements of this subsection (c), to the extent feasible and consistent with State and federal law, the renewable energy credit procurements, Adjustable Block solar program, and community renewable generation program shall provide employment opportunities for all segments of the population and workforce, including minority-owned and female-owned business enterprises, and shall not, consistent with State and federal law, discriminate based on race or socioeconomic status.

(d) Clean coal portfolio standard.

(1) The procurement plans shall include electricity generated using clean coal. Each utility shall enter into one or more sourcing agreements with the initial clean coal facility, as provided in paragraph (3) of this subsection (d), covering electricity generated by the initial clean coal facility representing at least 5% of each utility's total supply to serve the load of eligible retail customers in 2015 and each year thereafter, as described in paragraph (3) of this subsection (d), subject to the limits specified in paragraph (2) of this subsection (d). It is the goal of the State that by January 1, 2025, 25% of the electricity used in the State shall be generated by cost-effective clean coal facilities. For purposes of this subsection (d), "cost-effective" means that the expenditures pursuant to such sourcing agreements do not cause the limit stated in paragraph (2) of this subsection (d) to be exceeded and do not exceed cost-based benchmarks, which shall be developed to assess all expenditures pursuant to such sourcing agreements covering electricity generated by clean coal facilities, other than the initial clean coal facility, by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval.

A utility party to a sourcing agreement shall immediately retire any emission credits that it receives in connection with the electricity covered by such agreement.

Utilities shall maintain adequate records documenting the purchases under the sourcing agreement to comply with this subsection (d) and shall file an accounting with the load forecast that must be filed with the Agency by July 15 of each year, in accordance with subsection (d) of Section 16-111.5 of the Public Utilities Act.

A utility shall be deemed to have complied with the clean coal portfolio standard specified in this subsection (d) if the utility enters into a sourcing agreement as required by this subsection (d).

(2) For purposes of this subsection (d), the required execution of sourcing agreements with the initial clean coal facility for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the agreement's execution. For purposes of this subsection (d), the amount paid per kilowatt-hour means the total amount paid for electric service expressed on a per kilowatt-hour basis. For purposes of this subsection (d), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges and add-on taxes.

Notwithstanding the requirements of this subsection (d), the total amount paid under

sourcing agreements with clean coal facilities pursuant to the procurement plan for any given year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2010, no more than 0.5% of the amount paid per kilowattour by those customers during the year ending May 31, 2009;

(B) in 2011, the greater of an additional 0.5% of the amount paid per kilowattour by those customers during the year ending May 31, 2010 or 1% of the amount paid per kilowattour by those customers during the year ending May 31, 2009;

(C) in 2012, the greater of an additional 0.5% of the amount paid per kilowattour by those customers during the year ending May 31, 2011 or 1.5% of the amount paid per kilowattour by those customers during the year ending May 31, 2009;

(D) in 2013, the greater of an additional 0.5% of the amount paid per kilowattour by those customers during the year ending May 31, 2012 or 2% of the amount paid per kilowattour by those customers during the year ending May 31, 2009; and

(E) thereafter, the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of (i) 2.015% of the amount paid per kilowattour by those customers during the year ending May 31, 2009 or (ii) the incremental amount per kilowattour paid for these resources in 2013. These requirements may be altered only as provided by statute.

No later than June 30, 2015, the Commission shall review the limitation on the total amount paid under sourcing agreements, if any, with clean coal facilities pursuant to this subsection (d) and report to the General Assembly its findings as to whether that limitation unduly constrains the amount of electricity generated by cost-effective clean coal facilities that is covered by sourcing agreements.

(3) Initial clean coal facility. In order to promote development of clean coal facilities in Illinois, each electric utility subject to this Section shall execute a sourcing agreement to source electricity from a proposed clean coal facility in Illinois (the "initial clean coal facility") that will have a nameplate capacity of at least 500 MW when commercial operation commences, that has a final Clean Air Act permit on the effective date of this amendatory Act of the 95th General Assembly, and that will meet the definition of clean coal facility in Section 1-10 of this Act when commercial operation commences. The sourcing agreements with this initial clean coal facility shall be subject to both approval of the initial clean coal facility by the General Assembly and satisfaction of the requirements of paragraph (4) of this subsection (d) and shall be executed within 90 days after any such approval by the General Assembly. The Agency and the Commission shall have authority to inspect all books and records associated with the initial clean coal facility during the term of such a sourcing agreement. A utility's sourcing agreement for electricity produced by the initial clean coal facility shall include:

(A) a formula contractual price (the "contract price") approved pursuant to paragraph (4) of this subsection (d), which shall:

(i) be determined using a cost of service methodology employing either a level or deferred capital recovery component, based on a capital structure consisting of 45% equity and 55% debt, and a return on equity as may be approved by the Federal Energy Regulatory Commission, which in any case may not exceed the lower of 11.5% or the rate of return approved by the General Assembly pursuant to paragraph (4) of this subsection (d); and

(ii) provide that all miscellaneous net revenue, including but not limited to net revenue from the sale of emission allowances, if any, substitute natural gas, if any, grants or other support provided by the State of Illinois or the United States Government, firm transmission rights, if any, by-products produced by the facility, energy or capacity derived from the facility and not covered by a sourcing agreement pursuant to paragraph (3) of this subsection (d) or item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, whether generated from the synthesis gas derived from coal, from SNG, or from natural gas, shall be credited against the revenue requirement for this initial clean coal facility;

(B) power purchase provisions, which shall:

(i) provide that the utility party to such sourcing agreement shall pay the contract price for electricity delivered under such sourcing agreement;

(ii) require delivery of electricity to the regional transmission organization market of the utility that is party to such sourcing agreement;

(iii) require the utility party to such sourcing agreement to buy from the initial clean coal facility in each hour an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatthours sold) in the State during the prior calendar month and the denominator of which is the total retail market sales of electricity (expressed in kilowatthours sold) in the State by utilities during such prior month and the sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this subsection (d) and paragraph (5) of subsection (d) of Section 16-115 of the Public Utilities Act, provided that the amount purchased by the utility in any year will be limited by paragraph (2) of this subsection (d); and

(iv) be considered pre-existing contracts in such utility's procurement plans for eligible retail customers;

(C) contract for differences provisions, which shall:

(i) require the utility party to such sourcing agreement to contract with the initial clean coal facility in each hour with respect to an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatthours sold) in the utility's service territory in the State during the prior calendar month and the denominator of which is the total retail market sales of electricity (expressed in kilowatthours sold) in the State by utilities during such prior month and the sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this subsection (d) and paragraph (5) of subsection (d) of Section 16-115 of the Public Utilities Act, provided that the amount paid by the utility in any year will be limited by paragraph (2) of this subsection (d);

(ii) provide that the utility's payment obligation in respect of the quantity of electricity determined pursuant to the preceding clause (i) shall be limited to an amount equal to (1) the difference between the contract price determined pursuant to subparagraph (A) of paragraph (3) of this subsection (d) and the day-ahead price for electricity delivered to the regional transmission organization market of the utility that is party to such sourcing agreement (or any successor delivery point at which such utility's supply obligations are financially settled on an hourly basis) (the "reference price") on the day preceding the day on which the electricity is delivered to the initial clean coal facility busbar, multiplied by (2) the quantity of electricity determined pursuant to the preceding clause (i); and

(iii) not require the utility to take physical delivery of the electricity produced by the facility;

(D) general provisions, which shall:

(i) specify a term of no more than 30 years, commencing on the commercial operation date of the facility;

(ii) provide that utilities shall maintain adequate records documenting purchases under the sourcing agreements entered into to comply with this subsection (d) and shall file an accounting with the load forecast that must be filed with the Agency by July 15 of each year, in accordance with subsection (d) of Section 16-111.5 of the Public Utilities Act;

(iii) provide that all costs associated with the initial clean coal facility will be periodically reported to the Federal Energy Regulatory Commission and to purchasers in accordance with applicable laws governing cost-based wholesale power contracts;

(iv) permit the Illinois Power Agency to assume ownership of the initial clean coal facility, without monetary consideration and otherwise on reasonable terms acceptable to the Agency, if the Agency so requests no less than 3 years prior to the end of the stated contract term;

(v) require the owner of the initial clean coal facility to provide documentation to the Commission each year, starting in the facility's first year of commercial operation, accurately reporting the quantity of carbon emissions from the facility that have been captured and sequestered and report any quantities of carbon released from the site or sites at which carbon emissions were sequestered in prior years, based on continuous monitoring of such sites. If, in any year after the first year of commercial operation, the owner of the facility fails to demonstrate that the initial clean coal facility captured and sequestered at least 50% of the total carbon emissions that the facility would otherwise emit or that sequestration of emissions from prior years has failed, resulting in the release of carbon dioxide into the atmosphere, the owner of the facility must offset excess emissions. Any such carbon offsets must be permanent, additional,

verifiable, real, located within the State of Illinois, and legally and practicably enforceable. The cost of such offsets for the facility that are not recoverable shall not exceed \$15 million in any given year. No costs of any such purchases of carbon offsets may be recovered from a utility or its customers. All carbon offsets purchased for this purpose and any carbon emission credits associated with sequestration of carbon from the facility must be permanently retired. The initial clean coal facility shall not forfeit its designation as a clean coal facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased. However, the Attorney General, on behalf of the People of the State of Illinois, may specifically enforce the facility's sequestration requirement and the other terms of this contract provision. Compliance with the sequestration requirements and offset purchase requirements specified in paragraph (3) of this subsection (d) shall be reviewed annually by an independent expert retained by the owner of the initial clean coal facility, with the advance written approval of the Attorney General. The Commission may, in the course of the review specified in item (vii), reduce the allowable return on equity for the facility if the facility wilfully fails to comply with the carbon capture and sequestration requirements set forth in this item (v);

(vi) include limits on, and accordingly provide for modification of, the amount the utility is required to source under the sourcing agreement consistent with paragraph (2) of this subsection (d);

(vii) require Commission review: (1) to determine the justness, reasonableness, and prudence of the inputs to the formula referenced in subparagraphs (A)(i) through (A)(iii) of paragraph (3) of this subsection (d), prior to an adjustment in those inputs including, without limitation, the capital structure and return on equity, fuel costs, and other operations and maintenance costs and (2) to approve the costs to be passed through to customers under the sourcing agreement by which the utility satisfies its statutory obligations. Commission review shall occur no less than every 3 years, regardless of whether any adjustments have been proposed, and shall be completed within 9 months;

(viii) limit the utility's obligation to such amount as the utility is allowed to recover through tariffs filed with the Commission, provided that neither the clean coal facility nor the utility waives any right to assert federal pre-emption or any other argument in response to a purported disallowance of recovery costs;

(ix) limit the utility's or alternative retail electric supplier's obligation to incur any liability until such time as the facility is in commercial operation and generating power and energy and such power and energy is being delivered to the facility busbar;

(x) provide that the owner or owners of the initial clean coal facility, which is the counterparty to such sourcing agreement, shall have the right from time to time to elect whether the obligations of the utility party thereto shall be governed by the power purchase provisions or the contract for differences provisions;

(xi) append documentation showing that the formula rate and contract, insofar as they relate to the power purchase provisions, have been approved by the Federal Energy Regulatory Commission pursuant to Section 205 of the Federal Power Act;

(xii) provide that any changes to the terms of the contract, insofar as such changes relate to the power purchase provisions, are subject to review under the public interest standard applied by the Federal Energy Regulatory Commission pursuant to Sections 205 and 206 of the Federal Power Act; and

(xiii) conform with customary lender requirements in power purchase agreements used as the basis for financing non-utility generators.

(4) Effective date of sourcing agreements with the initial clean coal facility.

Any proposed sourcing agreement with the initial clean coal facility shall not become effective unless the following reports are prepared and submitted and authorizations and approvals obtained:

(i) Facility cost report. The owner of the initial clean coal facility shall submit to the Commission, the Agency, and the General Assembly a front-end engineering and design study, a facility cost report, method of financing (including but not limited to structure and associated costs), and an operating and maintenance cost quote for the facility (collectively "facility cost report"), which shall be prepared in accordance with the requirements of this paragraph (4) of subsection (d) of this Section, and shall provide the Commission and the Agency access to the work papers, relied upon documents, and any other backup documentation related to the facility cost report.

(ii) Commission report. Within 6 months following receipt of the facility cost

report, the Commission, in consultation with the Agency, shall submit a report to the General Assembly setting forth its analysis of the facility cost report. Such report shall include, but not be limited to, a comparison of the costs associated with electricity generated by the initial clean coal facility to the costs associated with electricity generated by other types of generation facilities, an analysis of the rate impacts on residential and small business customers over the life of the sourcing agreements, and an analysis of the likelihood that the initial clean coal facility will commence commercial operation by and be delivering power to the facility's busbar by 2016. To assist in the preparation of its report, the Commission, in consultation with the Agency, may hire one or more experts or consultants, the costs of which shall be paid for by the owner of the initial clean coal facility. The Commission and Agency may begin the process of selecting such experts or consultants prior to receipt of the facility cost report.

(iii) General Assembly approval. The proposed sourcing agreements shall not take effect unless, based on the facility cost report and the Commission's report, the General Assembly enacts authorizing legislation approving (A) the projected price, stated in cents per kilowatthour, to be charged for electricity generated by the initial clean coal facility, (B) the projected impact on residential and small business customers' bills over the life of the sourcing agreements, and (C) the maximum allowable return on equity for the project; and

(iv) Commission review. If the General Assembly enacts authorizing legislation pursuant to subparagraph (iii) approving a sourcing agreement, the Commission shall, within 90 days of such enactment, complete a review of such sourcing agreement. During such time period, the Commission shall implement any directive of the General Assembly, resolve any disputes between the parties to the sourcing agreement concerning the terms of such agreement, approve the form of such agreement, and issue an order finding that the sourcing agreement is prudent and reasonable.

The facility cost report shall be prepared as follows:

(A) The facility cost report shall be prepared by duly licensed engineering and construction firms detailing the estimated capital costs payable to one or more contractors or suppliers for the engineering, procurement and construction of the components comprising the initial clean coal facility and the estimated costs of operation and maintenance of the facility. The facility cost report shall include:

(i) an estimate of the capital cost of the core plant based on one or more front end engineering and design studies for the gasification island and related facilities. The core plant shall include all civil, structural, mechanical, electrical, control, and safety systems.

(ii) an estimate of the capital cost of the balance of the plant, including any capital costs associated with sequestration of carbon dioxide emissions and all interconnects and interfaces required to operate the facility, such as transmission of electricity, construction or backfeed power supply, pipelines to transport substitute natural gas or carbon dioxide, potable water supply, natural gas supply, water supply, water discharge, landfill, access roads, and coal delivery.

The quoted construction costs shall be expressed in nominal dollars as of the date that the quote is prepared and shall include capitalized financing costs during construction, taxes, insurance, and other owner's costs, and an assumed escalation in materials and labor beyond the date as of which the construction cost quote is expressed.

(B) The front end engineering and design study for the gasification island and the cost study for the balance of plant shall include sufficient design work to permit quantification of major categories of materials, commodities and labor hours, and receipt of quotes from vendors of major equipment required to construct and operate the clean coal facility.

(C) The facility cost report shall also include an operating and maintenance cost quote that will provide the estimated cost of delivered fuel, personnel, maintenance contracts, chemicals, catalysts, consumables, spares, and other fixed and variable operations and maintenance costs. The delivered fuel cost estimate will be provided by a recognized third party expert or experts in the fuel and transportation industries. The balance of the operating and maintenance cost quote, excluding delivered fuel costs, will be developed based on the inputs provided by duly licensed engineering and construction firms performing the construction cost quote, potential vendors under long-term service agreements and plant operating agreements, or recognized third party plant operator or operators.

The operating and maintenance cost quote (including the cost of the front end engineering and design study) shall be expressed in nominal dollars as of the date that the quote is prepared and shall include taxes, insurance, and other owner's costs, and an assumed escalation in

materials and labor beyond the date as of which the operating and maintenance cost quote is expressed.

(D) The facility cost report shall also include an analysis of the initial clean coal facility's ability to deliver power and energy into the applicable regional transmission organization markets and an analysis of the expected capacity factor for the initial clean coal facility.

(E) Amounts paid to third parties unrelated to the owner or owners of the initial clean coal facility to prepare the core plant construction cost quote, including the front end engineering and design study, and the operating and maintenance cost quote will be reimbursed through Coal Development Bonds.

(5) Re-powering and retrofitting coal-fired power plants previously owned by Illinois utilities to qualify as clean coal facilities. During the 2009 procurement planning process and thereafter, the Agency and the Commission shall consider sourcing agreements covering electricity generated by power plants that were previously owned by Illinois utilities and that have been or will be converted into clean coal facilities, as defined by Section 1-10 of this Act. Pursuant to such procurement planning process, the owners of such facilities may propose to the Agency sourcing agreements with utilities and alternative retail electric suppliers required to comply with subsection (d) of this Section and item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, covering electricity generated by such facilities. In the case of sourcing agreements that are power purchase agreements, the contract price for electricity sales shall be established on a cost of service basis. In the case of sourcing agreements that are contracts for differences, the contract price from which the reference price is subtracted shall be established on a cost of service basis. The Agency and the Commission may approve any such utility sourcing agreements that do not exceed cost-based benchmarks developed by the procurement administrator, in consultation with the Commission staff, Agency staff and the procurement monitor, subject to Commission review and approval. The Commission shall have authority to inspect all books and records associated with these clean coal facilities during the term of any such contract.

(6) Costs incurred under this subsection (d) or pursuant to a contract entered into under this subsection (d) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs filed with the Commission.

(d-5) Zero emission standard.

(1) Beginning with the delivery year commencing on June 1, 2017, the Agency shall, for electric utilities that serve at least 100,000 retail customers in this State, procure contracts with zero emission facilities that are reasonably capable of generating cost-effective zero emission credits in an amount approximately equal to 16% of the actual amount of electricity delivered by each electric utility to retail customers in the State during calendar year 2014. For an electric utility serving fewer than 100,000 retail customers in this State that requested, under Section 16-111.5 of the Public Utilities Act, that the Agency procure power and energy for all or a portion of the utility's Illinois load for the delivery year commencing June 1, 2016, the Agency shall procure contracts with zero emission facilities that are reasonably capable of generating cost-effective zero emission credits in an amount approximately equal to 16% of the portion of power and energy to be procured by the Agency for the utility. The duration of the contracts procured under this subsection (d-5) shall be for a term of 10 years. The quantity of zero emission credits to be procured under the contracts shall be all of the zero emission credits generated by the zero emission facility in each delivery year; however, if the zero emission facility is owned by more than one entity, then the quantity of zero emission credits to be procured under the contracts shall be the amount of zero emission credits that are generated from the portion of the zero emission facility that is owned by the winning supplier.

The 16% value identified in this paragraph (1) is the average of the percentage targets in subparagraph (B) of paragraph (1) of subsection (c) of Section 1-75 of this Act for the 5 delivery years beginning June 1, 2017.

The procurement process shall be subject to the following provisions:

(A) Those zero emission facilities that intend to participate in the procurement shall submit to the Agency the following eligibility information for each zero emission facility on or before the date established by the Agency:

(i) the in-service date and remaining useful life of the zero emission facility;

(ii) the amount of power generated annually for each of the years 2005 through 2015, and the projected zero emission credits to be generated over the remaining useful life of the zero emission facility, which shall be used to determine the capability of each facility;

(iii) the annual zero emission facility cost projections, expressed on a per megawatt-hour basis, over the next 6 delivery years, which shall include the following: operation and maintenance expenses; fully allocated overhead costs, which shall be allocated using the methodology developed by the Institute

for Nuclear Power Operations; fuel expenditures; non-fuel capital expenditures; spent fuel expenditures; a return on working capital; the cost of operational and market risks that could be avoided by ceasing operation; and any other costs necessary for continued operations, provided that "necessary" means, for purposes of this item (iii), that the costs could reasonably be avoided only by ceasing operations of the zero emission facility; and

(iv) a commitment to continue operating, for the duration of the contract or contracts executed under the procurement held under this subsection (d-5), the zero emission facility that produces the zero emission credits to be procured in the procurement.

The information described in item (iii) of this subparagraph (A) may be submitted on a confidential basis and shall be treated and maintained by the Agency, the procurement administrator, and the Commission as confidential and proprietary and exempt from disclosure under subparagraphs (a) and (g) of paragraph (1) of Section 7 of the Freedom of Information Act. The Office of Attorney General shall have access to, and maintain the confidentiality of, such information pursuant to Section 6.5 of the Attorney General Act.

(B) The price for each zero emission credit procured under this subsection (d-5) for each delivery year shall be in an amount that equals the Social Cost of Carbon, expressed on a price per megawatthour basis. However, to ensure that the procurement remains affordable to retail customers in this State if electricity prices increase, the price in an applicable delivery year shall be reduced below the Social Cost of Carbon by the amount ("Price Adjustment") by which the market price index for the applicable delivery year exceeds the baseline market price index for the consecutive 12-month period ending May 31, 2016. If the Price Adjustment is greater than or equal to the Social Cost of Carbon in an applicable delivery year, then no payments shall be due in that delivery year. The components of this calculation are defined as follows:

(i) Social Cost of Carbon: The Social Cost of Carbon is \$16.50 per megawatthour, which is based on the U.S. Interagency Working Group on Social Cost of Carbon's price in the August 2016 Technical Update using a 3% discount rate, adjusted for inflation for each year of the program. Beginning with the delivery year commencing June 1, 2023, the price per megawatthour shall increase by \$1 per megawatthour, and continue to increase by an additional \$1 per megawatthour each delivery year thereafter.

(ii) Baseline market price index: The baseline market price index for the consecutive 12-month period ending May 31, 2016 is \$31.40 per megawatthour, which is based on the sum of (aa) the average day-ahead energy price across all hours of such 12-month period at the PJM Interconnection LLC Northern Illinois Hub, (bb) 50% multiplied by the Base Residual Auction, or its successor, capacity price for the rest of the RTO zone group determined by PJM Interconnection LLC, divided by 24 hours per day, and (cc) 50% multiplied by the Planning Resource Auction, or its successor, capacity price for Zone 4 determined by the Midcontinent Independent System Operator, Inc., divided by 24 hours per day.

(iii) Market price index: The market price index for a delivery year shall be the sum of projected energy prices and projected capacity prices determined as follows:

(aa) Projected energy prices: the projected energy prices for the applicable delivery year shall be calculated once for the year using the forward market price for the PJM Interconnection, LLC Northern Illinois Hub. The forward market price shall be calculated as follows: the energy forward prices for each month of the applicable delivery year averaged for each trade date during the calendar year immediately preceding that delivery year to produce a single energy forward price for the delivery year. The forward market price calculation shall use data published by the Intercontinental Exchange, or its successor.

(bb) Projected capacity prices:

(I) For the delivery years commencing June 1, 2017, June 1, 2018, and June 1, 2019, the projected capacity price shall be equal to the sum of (1) 50% multiplied by the Base Residual Auction, or its successor, price for the rest of the RTO zone group as determined by PJM Interconnection LLC, divided by 24 hours per day and, (2) 50% multiplied by the resource auction price determined in the resource auction administered by the Midcontinent Independent System Operator, Inc., in which the largest percentage of load cleared for Local Resource Zone 4, divided by 24 hours per day, and where such price is determined by the Midcontinent Independent System Operator, Inc.

(II) For the delivery year commencing June 1, 2020, and each year thereafter, the projected capacity price shall be equal to the sum of (1) 50% multiplied by the Base Residual Auction, or its successor, price for the ComEd zone as determined by PJM Interconnection LLC, divided by 24 hours per day, and (2) 50% multiplied by the resource auction price determined in the resource auction administered by the Midcontinent Independent System Operator, Inc., in which the largest percentage of load cleared for Local Resource Zone 4, divided by 24 hours per day, and where such price is determined by the Midcontinent Independent System Operator, Inc.

[December 1, 2016]

For purposes of this subsection (d-5):

"Rest of the RTO" and "ComEd Zone" shall have the meaning ascribed to them by PJM Interconnection, LLC.

"RTO" means regional transmission organization.

(C) No later than 45 days after the effective date of this amendatory Act of the 99th General Assembly, the Agency shall publish its proposed zero emission standard procurement plan. The plan shall be consistent with the provisions of this paragraph (1) and shall provide that winning bids shall be selected based on public interest criteria that include, but are not limited to, minimizing carbon dioxide emissions that result from electricity consumed in Illinois and minimizing sulfur dioxide, nitrogen oxide, and particulate matter emissions that adversely affect the citizens of this State. In particular, the selection of winning bids shall take into account the incremental environmental benefits resulting from the procurement, such as any existing environmental benefits that are preserved by the procurements held under this amendatory Act of the 99th General Assembly and would cease to exist if the procurements were not held, including the preservation of zero emission facilities. The plan shall also describe in detail how each public interest factor shall be considered and weighted in the bid selection process to ensure that the public interest criteria are applied to the procurement and given full effect.

For purposes of developing the plan, the Agency shall consider any reports issued by a State agency, board, or commission under House Resolution 1146 of the 98th General Assembly and paragraph (4) of subsection (d) of Section 1-75 of this Act, as well as publicly available analyses and studies performed by or for regional transmission organizations that serve the State and their independent market monitors.

Upon publishing of the zero emission standard procurement plan, copies of the plan shall be posted and made publicly available on the Agency's website. All interested parties shall have 10 days following the date of posting to provide comment to the Agency on the plan. All comments shall be posted to the Agency's website. Following the end of the comment period, but no more than 60 days later than the effective date of this amendatory Act of the 99th General Assembly, the Agency shall revise the plan as necessary based on the comments received and file its zero emission standard procurement plan with the Commission.

If the Commission determines that the plan will result in the procurement of cost-effective zero emission credits, then the Commission shall, after notice and hearing, but no later than 45 days after the Agency filed the plan, approve the plan or approve with modification. For purposes of this subsection (d-5), "cost effective" means the projected costs of procuring zero emission credits from zero emission facilities do not cause the limit stated in paragraph (2) of this subsection to be exceeded.

(C-5) As part of the Commission's review and acceptance or rejection of the procurement results, the Commission shall, in its public notice of successful bidders:

(i) identify how the winning bids satisfy the public interest criteria described in subparagraph (C) of this paragraph (1) of minimizing carbon dioxide emissions that result from electricity consumed in Illinois and minimizing sulfur dioxide, nitrogen oxide, and particulate matter emissions that adversely affect the citizens of this State;

(ii) specifically address how the selection of winning bids takes into account the incremental environmental benefits resulting from the procurement, including any existing environmental benefits that are preserved by the procurements held under this amendatory Act of the 99th General Assembly and would have ceased to exist if the procurements had not been held, such as the preservation of zero emission facilities;

(iii) quantify the environmental benefit of preserving the resources identified in item (ii) of this subparagraph (C-5), including the following:

(aa) the value of avoided greenhouse gas emissions measured as the product of the zero emission facilities' output over the contract term multiplied by the U.S. Environmental Protection Agency eGrid subregion carbon dioxide emission rate and the U.S. Interagency Working Group on Social Cost of Carbon's price in the August 2016 Technical Update using a 3% discount rate, adjusted for inflation for each delivery year; and

(bb) the costs of replacement with other zero carbon dioxide resources, including wind and photovoltaic, based upon the simple average of the following:

(I) the price, or if there is more than one price, the average of the prices, paid for renewable energy credits from new utility-scale wind projects in the procurement events specified in item (i) of subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of this Act; and

(II) the price, or if there is more than one price, the average of the prices, paid for renewable energy credits from new utility-scale solar projects and brownfield site photovoltaic projects in the procurement events specified in item (ii) of subparagraph (G) of paragraph (1) of subsection (c) of Section

1-75 of this Act and, after January 1, 2015, renewable energy credits from photovoltaic distributed generation projects in procurement events held under subsection (c) of Section 1-75 of this Act. Each utility shall enter into binding contractual arrangements with the winning suppliers.

The procurement described in this subsection (d-5), including, but not limited to, the execution of all contracts procured, shall be completed no later than May 10, 2017. Based on the effective date of this amendatory Act of the 99th General Assembly, the Agency and Commission may, as appropriate, modify the various dates and timelines under this subparagraph and subparagraphs (C) and (D) of this paragraph (1). The procurement and plan approval processes required by this subsection (d-5) shall be conducted in conjunction with the procurement and plan approval processes required by subsection (c) of this Section and Section 16-111.5 of the Public Utilities Act, to the extent practicable. Notwithstanding whether a procurement event is conducted under Section 16-111.5 of the Public Utilities Act, the Agency shall immediately initiate a procurement process on the effective date of this amendatory Act of the 99th General Assembly.

(D) Following the procurement event described in this paragraph (1) and consistent with subparagraph (B) of this paragraph (1), the Agency shall calculate the payments to be made under each contract for the next delivery year based on the market price index for that delivery year. The Agency shall publish the payment calculations no later than May 25, 2017 and every May 25 thereafter.

(E) Notwithstanding the requirements of this subsection (d-5), the contracts executed under this subsection (d-5) shall provide that the zero emission facility may, as applicable, suspend or terminate performance under the contracts in the following instances:

(i) A zero emission facility shall be excused from its performance under the contract for any cause beyond the control of the resource, including, but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of public enemy, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of commercially reasonable efforts the zero emission facility could not reasonably have been expected to avoid, and which, by the exercise of commercially reasonable efforts, it has been unable to overcome. In such event, the zero emission facility shall be excused from performance for the duration of the event, including, but not limited to, delivery of zero emission credits, and no payment shall be due to the zero emission facility during the duration of the event.

(ii) A zero emission facility shall be permitted to terminate the contract if legislation is enacted into law by the General Assembly that imposes or authorizes a new tax, special assessment, or fee on the generation of electricity, the ownership or leasehold of a generating unit, or the privilege or occupation of such generation, ownership, or leasehold of generation units by a zero emission facility. However, the provisions of this item (ii) do not apply to any generally applicable tax, special assessment or fee, or requirements imposed by federal law.

(iii) A zero emission facility shall be permitted to terminate the contract in the event that the resource requires capital expenditures in excess of \$40,000,000 that were neither known nor reasonably foreseeable at the time it executed the contract and that a prudent owner or operator of such resource would not undertake.

(iv) A zero emission facility shall be permitted to terminate the contract in the event the Nuclear Regulatory Commission terminates the resource's license.

(F) If the zero emission facility elects to terminate a contract under this subparagraph (E, of this paragraph (1), then the Commission shall reopen the docket in which the Commission approved the zero emission standard procurement plan under subparagraph (C) of this paragraph (1) and, after notice and hearing, enter an order acknowledging the contract termination election if such termination is consistent with the provisions of this subsection (d-5).

(2) For purposes of this subsection (d-5), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (d-5), the total amount paid for electric service includes, without limitation, amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

Notwithstanding the requirements of this subsection (d-5), the contracts executed under this subsection (d-5) shall provide that the total of zero emission credits procured under a procurement plan shall be subject to the limitations of this paragraph (2). For each rolling 4-year period, the contractual volume shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase for each year in each 4-year period due to the costs of these credits included in the amounts paid by eligible retail customers in connection with electric service to no more than 1.65% of the amount paid per kilowatthour by eligible retail customers during the year ending May 31, 2009. The result of this computation shall apply to and reduce the procurement for all retail customers, and all those

customers shall pay the same single, uniform cents per kilowatthour charge under subsection (k) of Section 16-108 of the Public Utilities Act. To arrive at a maximum dollar amount of zero emission credits to be procured for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered by the electric utility in the delivery year immediately prior to the procurement, to all retail customers in its service territory. The calculations required by this paragraph (2) shall be made only once for each procurement plan year. Once the determination as to the amount of zero emission credits to procure is made based on the calculations set forth in this paragraph (2), no subsequent rate impact determinations shall be made and no adjustments to those contract amounts shall be allowed. All costs incurred under those contracts and in implementing this subsection (d-5) shall be recovered by the electric utility as provided in this Section.

No later than June 30, 2019, the Commission shall review the limitation on the amount of zero emission credits procured under this subsection (d-5) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective zero emission credits.

(3) Six years after the execution of a contract under this subsection (d-5), the Agency shall determine whether the actual zero emission credit payments received by the supplier over the 6-year period exceed the Average ZEC Payment. In addition, at the end of the term of a contract executed under this subsection (d-5), or at the time, if any, a zero emission facility's contract is terminated under subparagraph (E) of paragraph (1) of this subsection (d-5), then the Agency shall determine whether the actual zero emission credit payments received by the supplier over the term of the contract exceed the Average ZEC Payment, after taking into account any amounts previously credited back to the utility under this paragraph (3). If the Agency determines that the actual zero emission credit payments received by the supplier over the relevant period exceed the Average ZEC Payment, then the supplier shall credit the difference back to the utility. The amount of the credit shall be remitted to the applicable electric utility no later than 120 days after the Agency's determination, which the utility shall reflect as a credit on its retail customer bills as soon as practicable; however, the credit remitted to the utility shall not exceed the total amount of payments received by the facility under its contract.

For purposes of this Section, the Average ZEC Payment shall be calculated by multiplying the quantity of zero emission credits delivered under the contract times the average contract price. The average contract price shall be determined by subtracting the amount calculated under subparagraph (B) of this paragraph (3) from the amount calculated under subparagraph (A) of this paragraph (3), as follows:

(A) The average of the Social Cost of Carbon, as defined in subparagraph (B) of paragraph (1) of this subsection (d-5), during the term of the contract.

(B) The average of the market price indices, as defined in subparagraph (B) of paragraph (1) of this subsection (d-5), during the term of the contract, minus the baseline market price index, as defined in subparagraph (B) of paragraph (1) of this subsection (d-5).

If the subtraction yields a negative number, then the Average ZEC Payment shall be zero.

(4) Cost-effective zero emission credits procured from zero emission facilities shall satisfy the applicable definitions set forth in Section 1-10 of this Act.

(5) The electric utility shall retire all zero emission credits used to comply with the requirements of this subsection (d-5).

(6) Electric utilities shall be entitled to recover all of the costs associated with the procurement of zero emission credits through an automatic adjustment clause tariff in accordance with subsection (k) of Section 16-108 of the Public Utilities Act.

(7) This subsection (d-5) shall become inoperative on January 1, 2028.

(e) The draft procurement plans are subject to public comment, as required by Section 16-111.5 of the Public Utilities Act.

(f) The Agency shall submit the final procurement plan to the Commission. The Agency shall revise a procurement plan if the Commission determines that it does not meet the standards set forth in Section 16-111.5 of the Public Utilities Act.

(g) The Agency shall assess fees to each affected utility to recover the costs incurred in preparation of the annual procurement plan for the utility.

(h) The Agency shall assess fees to each bidder to recover the costs incurred in connection with a competitive procurement process.

(i) A renewable energy credit, carbon emission credit, or zero emission credit can only be used once to comply with a single portfolio or other standard as set forth in subsection (c), subsection (d), or subsection (d-5) of this Section, respectively. A renewable energy credit, carbon emission credit, or zero emission credit cannot be used to satisfy the requirements of more than one standard. If more than one type of credit is issued for the same megawatt hour of energy, only one credit can be used to satisfy the requirements of

a single standard. After such use, the credit must be retired together with any other credits issued for the same megawatt hour of energy.

(Source: P.A. 98-463, eff. 8-16-13; 99-536, eff. 7-8-16.)

Section 10. The Illinois Procurement Code is amended by changing Section 20-10 as follows:

(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159, 96-588, 97-96, 97-895, and 98-1076)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board, and be made available for inspection by the public, within 30 calendar days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsections subsection (a) and (c) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services

through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 97-96, eff. 7-13-11; 97-895, eff. 8-3-12; 98-1076, eff. 1-1-15.)

(Text of Section from P.A. 96-159, 96-795, 97-96, 97-895, and 98-1076)

Sec. 20-10. Competitive sealed bidding; reverse auction.

(a) Conditions for use. All contracts shall be awarded by competitive sealed bidding except as otherwise provided in Section 20-5.

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

(c) Public notice. Public notice of the invitation for bids shall be published in the Illinois Procurement Bulletin at least 14 calendar days before the date set in the invitation for the opening of bids.

(d) Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The name of each bidder, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

The written explanation shall be filed with the Legislative Audit Commission and the Procurement Policy Board, and be made available for inspection by the public, within 30 days after the agency's decision to award the contract.

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under ~~subsections~~ subsection (a) and (c) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the procurement, including a notice that bids will be received in an electronic auction manner.

Public notice of the invitation for bids shall be given in the same manner as provided in subsection (c).

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders. Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

After the auction period has terminated, withdrawal of bids shall be permitted as provided in subsection (f).

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including design professional services.

(Source: P.A. 97-96, eff. 7-13-11; 97-895, eff. 8-3-12; 98-1076, eff. 1-1-15.)

Section 15. The Public Utilities Act is amended by changing Sections 5-202.1, 8-103, 8-104, 16-107, 16-107.5, 16-108, 16-108.5, 16-111.1, 16-111.5, 16-111.5B, 16-111.7, 16-115D, 16-119A, and 16-127 and by adding Sections 8-103B, 9-107, 16-107.6, 16-108.9, 16-108.10, 16-108.11, and 16-108.12 as follows:

(220 ILCS 5/5-202.1)

Sec. 5-202.1. Misrepresentation before Commission; penalty.

(a) Any person or corporation, as defined in Sections 3-113 and 3-114 of this Act, who knowingly misrepresents facts to the Commission in response to any Commission contact, inquiry or discussion or knowingly aids another in doing so in response to any Commission contact, inquiry or discussion or knowingly permits another to misrepresent facts through testimony or the offering or withholding of material information in any proceeding shall be subject to a civil penalty. Whenever the Commission is of the opinion that a person or corporation is misrepresenting or has misrepresented facts, the Commission may initiate a proceeding to determine whether a misrepresentation has in fact occurred. If the Commission finds that a person or corporation has violated this Section, the Commission shall impose a penalty of not less than \$1,000 ~~and not greater than \$500,000~~. Each misrepresentation of a fact found by the Commission shall constitute a separate and distinct violation. In determining the amount of the penalty to be assessed, the Commission may consider any matters of record in aggravation or mitigation of the penalty, as set forth in Section 4-203, including but not limited to the following:

(1) the presence or absence of due diligence on the part of the violator in attempting to comply with the Act;

(2) any economic benefits accrued, or expected to be accrued, by the violator because of

the misrepresentation; and

(3) the amount of monetary penalty that will serve to deter further violations by the violator and to otherwise aid in enhancing voluntary compliance with the Act.

(b) Any action to enforce civil penalties arising under this Section shall be undertaken pursuant to Section 4-203.

(c) For purposes of this Section, "Commission," as defined in Section 3-102, refers to any Commissioner, agent, or employee of the Illinois Commerce Commission, and also refers to any other person engaged to represent the Commission in carrying out its regulatory or law enforcement obligations.
(Source: P.A. 93-457, eff. 8-8-03.)

(220 ILCS 5/8-103)

Sec. 8-103. Energy efficiency and demand-response measures.

(a) It is the policy of the State that electric utilities are required to use cost-effective energy efficiency and demand-response measures to reduce delivery load. Requiring investment in cost-effective energy efficiency and demand-response measures will reduce direct and indirect costs to consumers by decreasing environmental impacts and by avoiding or delaying the need for new generation, transmission, and distribution infrastructure. It serves the public interest to allow electric utilities to recover costs for reasonably and prudently incurred expenses for energy efficiency and demand-response measures. As used in this Section, "cost-effective" means that the measures satisfy the total resource cost test. The low-income measures described in subsection (f)(4) of this Section shall not be required to meet the total resource cost test. For purposes of this Section, the terms "energy-efficiency", "demand-response", "electric utility", and "total resource cost test" shall have the meanings set forth in the Illinois Power Agency Act. For purposes of this Section, the amount per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this Section, the total amount paid for electric service includes without limitation estimated amounts paid for supply, transmission, distribution, surcharges, and add-on-taxes.

(a-5) This Section applies to electric utilities serving 500,000 or less but more than 200,000 retail customers in this State. Through December 31, 2017, this Section also applies to electric utilities serving more than 500,000 retail customers in the State.

(b) Electric utilities shall implement cost-effective energy efficiency measures to meet the following incremental annual energy savings goals:

- (1) 0.2% of energy delivered in the year commencing June 1, 2008;
- (2) 0.4% of energy delivered in the year commencing June 1, 2009;
- (3) 0.6% of energy delivered in the year commencing June 1, 2010;
- (4) 0.8% of energy delivered in the year commencing June 1, 2011;
- (5) 1% of energy delivered in the year commencing June 1, 2012;
- (6) 1.4% of energy delivered in the year commencing June 1, 2013;
- (7) 1.8% of energy delivered in the year commencing June 1, 2014; and
- (8) 2% of energy delivered in the year commencing June 1, 2015 and each year thereafter.

Electric utilities may comply with this subsection (b) by meeting the annual incremental savings goal in the applicable year or by showing that the total cumulative annual savings within a 3-year planning period associated with measures implemented after May 31, 2014 was equal to the sum of each annual incremental savings requirement from May 31, 2014 through the end of the applicable year.

(c) Electric utilities shall implement cost-effective demand-response measures to reduce peak demand by 0.1% over the prior year for eligible retail customers, as defined in Section 16-111.5 of this Act, and for customers that elect hourly service from the utility pursuant to Section 16-107 of this Act, provided those customers have not been declared competitive. This requirement commences June 1, 2008 and continues for 10 years.

(d) Notwithstanding the requirements of subsections (b) and (c) of this Section, an electric utility shall reduce the amount of energy efficiency and demand-response measures implemented over a 3-year planning period by an amount necessary to limit the estimated average annual increase in the amounts paid by retail customers in connection with electric service due to the cost of those measures to:

(1) in 2008, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(2) in 2009, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2008 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(3) in 2010, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007;

(4) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007; and

(5) thereafter, the amount of energy efficiency and demand-response measures implemented for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these measures included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these measures in 2011.

No later than June 30, 2011, the Commission shall review the limitation on the amount of energy efficiency and demand-response measures implemented pursuant to this Section and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of energy efficiency and demand-response measures.

(e) Electric utilities shall be responsible for overseeing the design, development, and filing of energy efficiency and demand-response plans with the Commission. Electric utilities shall implement 100% of the demand-response measures in the plans. Electric utilities shall implement 75% of the energy efficiency measures approved by the Commission, and may, as part of that implementation, outsource various aspects of program development and implementation. The remaining 25% of those energy efficiency measures approved by the Commission shall be implemented by the Department of Commerce and Economic Opportunity, and must be designed in conjunction with the utility and the filing process. The Department may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from units of local government, municipal corporations, school districts, and community college districts. The Department shall coordinate the implementation of these measures.

The apportionment of the dollars to cover the costs to implement the Department's share of the portfolio of energy efficiency measures shall be made to the Department once the Department has executed rebate agreements, grants, or contracts for energy efficiency measures and provided supporting documentation for those rebate agreements, grants, and contracts to the utility. The Department is authorized to adopt any rules necessary and prescribe procedures in order to ensure compliance by applicants in carrying out the purposes of rebate agreements for energy efficiency measures implemented by the Department made under this Section.

The details of the measures implemented by the Department shall be submitted by the Department to the Commission in connection with the utility's filing regarding the energy efficiency and demand-response measures that the utility implements.

A utility providing approved energy efficiency and demand-response measures in the State shall be permitted to recover costs of those measures through an automatic adjustment clause tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case. Each year the Commission shall initiate a review to reconcile any amounts collected with the actual costs and to determine the required adjustment to the annual tariff factor to match annual expenditures.

Each utility shall include, in its recovery of costs, the costs estimated for both the utility's and the Department's implementation of energy efficiency and demand-response measures. Costs collected by the utility for measures implemented by the Department shall be submitted to the Department pursuant to Section 605-323 of the Civil Administrative Code of Illinois, shall be deposited into the Energy Efficiency Portfolio Standards Fund, and shall be used by the Department solely for the purpose of implementing these measures. A utility shall not be required to advance any moneys to the Department but only to forward such funds as it has collected. The Department shall report to the Commission on an annual basis regarding the costs actually incurred by the Department in the implementation of the measures. Any changes to the costs of energy efficiency measures as a result of plan modifications shall be appropriately reflected in amounts recovered by the utility and turned over to the Department.

The portfolio of measures, administered by both the utilities and the Department, shall, in combination, be designed to achieve the annual savings targets described in subsections (b) and (c) of this Section, as modified by subsection (d) of this Section.

The utility and the Department shall agree upon a reasonable portfolio of measures and determine the measurable corresponding percentage of the savings goals associated with measures implemented by the utility or Department.

No utility shall be assessed a penalty under subsection (f) of this Section for failure to make a timely filing if that failure is the result of a lack of agreement with the Department with respect to the allocation of responsibilities or related costs or target assignments. In that case, the Department and the utility shall

file their respective plans with the Commission and the Commission shall determine an appropriate division of measures and programs that meets the requirements of this Section.

If the Department is unable to meet incremental annual performance goals for the portion of the portfolio implemented by the Department, then the utility and the Department shall jointly submit a modified filing to the Commission explaining the performance shortfall and recommending an appropriate course going forward, including any program modifications that may be appropriate in light of the evaluations conducted under item (7) of subsection (f) of this Section. In this case, the utility obligation to collect the Department's costs and turn over those funds to the Department under this subsection (e) shall continue only if the Commission approves the modifications to the plan proposed by the Department.

(f) No later than November 15, 2007, each electric utility shall file an energy efficiency and demand-response plan with the Commission to meet the energy efficiency and demand-response standards for 2008 through 2010. No later than October 1, 2010, each electric utility shall file an energy efficiency and demand-response plan with the Commission to meet the energy efficiency and demand-response standards for 2011 through 2013. Every 3 years thereafter, each electric utility shall file, no later than September 1, an energy efficiency and demand-response plan with the Commission. If a utility does not file such a plan by September 1 of an applicable year, it shall face a penalty of \$100,000 per day until the plan is filed. Each utility's plan shall set forth the utility's proposals to meet the utility's portion of the energy efficiency standards identified in subsection (b) and the demand-response standards identified in subsection (c) of this Section as modified by subsections (d) and (e), taking into account the unique circumstances of the utility's service territory. The Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan within 5 months after its submission. If the Commission disapproves a plan, the Commission shall, within 30 days, describe in detail the reasons for the disapproval and describe a path by which the utility may file a revised draft of the plan to address the Commission's concerns satisfactorily. If the utility does not refile with the Commission within 60 days, the utility shall be subject to penalties at a rate of \$100,000 per day until the plan is filed. This process shall continue, and penalties shall accrue, until the utility has successfully filed a portfolio of energy efficiency and demand-response measures. Penalties shall be deposited into the Energy Efficiency Trust Fund. In submitting proposed energy efficiency and demand-response plans and funding levels to meet the savings goals adopted by this Act the utility shall:

(1) Demonstrate that its proposed energy efficiency and demand-response measures will achieve the requirements that are identified in subsections (b) and (c) of this Section, as modified by subsections (d) and (e).

(2) Present specific proposals to implement new building and appliance standards that have been placed into effect.

(3) Present estimates of the total amount paid for electric service expressed on a per kilowatthour basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsections (b) and (c) of this Section, as modified by subsections (d) and (e).

(4) Coordinate with the Department to present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level. The energy efficiency programs shall be targeted to households with incomes at or below 80% of area median income.

(5) Demonstrate that its overall portfolio of energy efficiency and demand-response measures, not including programs covered by item (4) of this subsection (f), are cost-effective using the total resource cost test and represent a diverse cross-section of opportunities for customers of all rate classes to participate in the programs.

(6) Include a proposed cost-recovery tariff mechanism to fund the proposed energy efficiency and demand-response measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs.

(7) Provide for an annual independent evaluation of the performance of the cost-effectiveness of the utility's portfolio of measures and the Department's portfolio of measures, as well as a full review of the 3-year results of the broader net program impacts and, to the extent practical, for adjustment of the measures on a going-forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given year.

(g) No more than 3% of energy efficiency and demand-response program revenue may be allocated for demonstration of breakthrough equipment and devices.

(h) This Section does not apply to an electric utility that on December 31, 2005 provided electric service to fewer than 100,000 customers in Illinois.

(i) If, after 2 years, an electric utility fails to meet the efficiency standard specified in subsection (b) of this Section, as modified by subsections (d) and (e), it shall make a contribution to the Low-Income Home

Energy Assistance Program. The combined total liability for failure to meet the goal shall be \$1,000,000, which shall be assessed as follows: a large electric utility shall pay \$665,000, and a medium electric utility shall pay \$335,000. If, after 3 years, an electric utility fails to meet the efficiency standard specified in subsection (b) of this Section, as modified by subsections (d) and (e), it shall make a contribution to the Low-Income Home Energy Assistance Program. The combined total liability for failure to meet the goal shall be \$1,000,000, which shall be assessed as follows: a large electric utility shall pay \$665,000, and a medium electric utility shall pay \$335,000. In addition, the responsibility for implementing the energy efficiency measures of the utility making the payment shall be transferred to the Illinois Power Agency if, after 3 years, or in any subsequent 3-year period, the utility fails to meet the efficiency standard specified in subsection (b) of this Section, as modified by subsections (d) and (e). The Agency shall implement a competitive procurement program to procure resources necessary to meet the standards specified in this Section as modified by subsections (d) and (e), with costs for those resources to be recovered in the same manner as products purchased through the procurement plan as provided in Section 16-111.5. The Director shall implement this requirement in connection with the procurement plan as provided in Section 16-111.5.

For purposes of this Section, (i) a "large electric utility" is an electric utility that, on December 31, 2005, served more than 2,000,000 electric customers in Illinois; (ii) a "medium electric utility" is an electric utility that, on December 31, 2005, served 2,000,000 or fewer but more than 100,000 electric customers in Illinois; and (iii) Illinois electric utilities that are affiliated by virtue of a common parent company are considered a single electric utility.

(j) If, after 3 years, or any subsequent 3-year period, the Department fails to implement the Department's share of energy efficiency measures required by the standards in subsection (b), then the Illinois Power Agency may assume responsibility for and control of the Department's share of the required energy efficiency measures. The Agency shall implement a competitive procurement program to procure resources necessary to meet the standards specified in this Section, with the costs of these resources to be recovered in the same manner as provided for the Department in this Section.

(k) No electric utility shall be deemed to have failed to meet the energy efficiency standards to the extent any such failure is due to a failure of the Department or the Agency.

(l)(1) The energy efficiency and demand-response plans of electric utilities serving more than 500,000 retail customers in the State that were approved by the Commission on or before the effective date of this amendatory Act of the 99th General Assembly for the period June 1, 2014 through May 31, 2017 shall continue to be in force and effect through December 31, 2017 so that the energy efficiency programs set forth in those plans continue to be offered during the period June 1, 2017 through December 31, 2017. Each such utility is authorized to increase, on a pro rata basis, the energy savings goals and budgets approved in its plan to reflect the additional 7 months of the plan's operation.

(2) If an electric utility serving more than 500,000 retail customers in the State filed with the Commission, under subsection (f) of this Section, its proposed energy efficiency and demand-response plan for the period June 1, 2017 through May 31, 2020, and the Commission has not yet entered its final order approving such plan on or before the effective date of this amendatory Act of the 99th General Assembly, then the utility shall file a notice of withdrawal with the Commission, following such effective date, to withdraw the proposed energy efficiency and demand-response plan. Upon receipt of such notice, the Commission shall dismiss with prejudice any docket that had been initiated to investigate such plan, and the plan and the record related thereto shall not be the subject of any further hearing, investigation, or proceeding of any kind.

(3) For those electric utilities that serve more than 500,000 retail customers in the State, this amendatory Act of the 99th General Assembly preempts and supersedes any orders entered by the Commission that approved such utilities' energy efficiency and demand response plans for the period commencing June 1, 2017 and ending May 31, 2020. Any such orders shall be void, and the provisions of paragraph (1) of this subsection (l) shall apply.

(Source: P.A. 97-616, eff. 10-26-11; 97-841, eff. 7-20-12; 98-90, eff. 7-15-13.)

(220 ILCS 5/8-103B new)

Sec. 8-103B. Energy efficiency and demand-response measures.

(a) It is the policy of the State that electric utilities are required to use cost-effective energy efficiency and demand-response measures to reduce delivery load. Requiring investment in cost-effective energy efficiency and demand-response measures will reduce direct and indirect costs to consumers by decreasing environmental impacts and by avoiding or delaying the need for new generation, transmission, and distribution infrastructure. It serves the public interest to allow electric utilities to recover costs for reasonably and prudently incurred expenditures for energy efficiency and demand-response measures. As used in this Section, "cost-effective" means that the measures satisfy the total resource cost test. The low-income measures described in subsection (c) of this Section and energy efficiency measures implemented

under subsection (l) of this Section shall not be required to meet the total resource cost test. For purposes of this Section, the terms "energy-efficiency", "demand-response", "electric utility", and "total resource cost test" have the meanings set forth in the Illinois Power Agency Act. For purposes of this Section, the amount per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this Section, the total amount paid for electric service includes, without limitation, estimated amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

(a-5) This Section applies to electric utilities serving more than 500,000 retail customers in the State for those multi-year plans commencing after December 31, 2017.

(b) For purposes of this Section, electric utilities subject to this Section that serve more than 3,000,000 retail customers in the State shall be deemed to have achieved a cumulative persisting annual savings of 6.6%, or 5,777,692 megawatt-hours (MWhs), from energy efficiency measures and programs implemented during the period beginning January 1, 2012 and ending December 31, 2017, which percent is based on the deemed average weather normalized sales of electric power and energy during calendar years 2014, 2015, and 2016 of 88,000,000 MWhs. The 88,000,000 MWhs of deemed electric power and energy sales shall also serve as the baseline value for calculating the cumulative persisting annual savings in subsection (b-5). After 2017, the deemed value of cumulative persisting annual savings from energy efficiency measures and programs implemented during the period beginning January 1, 2012 and ending December 31, 2017, shall be reduced each year, as follows, and the applicable value shall be applied to and count toward the utility's achievement of the cumulative persisting annual savings goals set forth in subsection (b-5):

(1) 5.8%, or 5,071,018 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2018;

(2) 5.2%, or 4,553,371 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2019;

(3) 4.5%, or 3,998,012 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2020;

(4) 4.0%, or 3,533,219 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2021;

(5) 3.5%, or 3,108,290 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2022;

(6) 3.1%, or 2,738,689 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2023;

(7) 2.8%, or 2,463,055 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2024;

(8) 2.5%, or 2,221,716 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2025;

(9) 2.3%, or 2,017,109 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2026;

(10) 2.1%, or 1,822,754 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2027;

(11) 1.8%, or 1,624,769 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2028;

(12) 1.7%, or 1,460,039 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2029; and

(13) 1.5%, or 1,181,647 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2030.

For purposes of this Section, "cumulative persisting annual savings" means the total electric energy savings in a given year from measures installed in that year or in previous years, but no earlier than January 1, 2012, that are still operational and providing savings in that year because the measures have not yet reached the end of their useful lives.

(b-5) Beginning in 2018, electric utilities subject to this Section that serve more than 3,000,000 retail customers in the State shall achieve the following cumulative persisting annual savings goals, as modified by subsection (f) of this Section and as compared to the deemed baseline of 88,000,000 MWhs of electric power and energy sales set forth in subsection (b), as reduced by the number of MWhs equal to the sum of the annual consumption of all Self-Direct Customers that elect such status under subsection (l) of this Section as averaged across the calendar years 2014, 2015, and 2016, through the implementation of energy efficiency measures during the applicable year and in prior years, but no earlier than January 1, 2012:

(1) 7.8% cumulative persisting annual savings for the year ending December 31, 2018;

(2) 9.1% cumulative persisting annual savings for the year ending December 31, 2019;

- (3) 10.4% cumulative persisting annual savings for the year ending December 31, 2020;
- (4) 11.8% cumulative persisting annual savings for the year ending December 31, 2021;
- (5) 13.1% cumulative persisting annual savings for the year ending December 31, 2022;
- (6) 14.4% cumulative persisting annual savings for the year ending December 31, 2023;
- (7) 15.7% cumulative persisting annual savings for the year ending December 31, 2024;
- (8) 17% cumulative persisting annual savings for the year ending December 31, 2025;
- (9) 17.9% cumulative persisting annual savings for the year ending December 31, 2026;
- (10) 18.8% cumulative persisting annual savings for the year ending December 31, 2027;
- (11) 19.7% cumulative persisting annual savings for the year ending December 31, 2028;
- (12) 20.6% cumulative persisting annual savings for the year ending December 31, 2029; and
- (13) 21.5% cumulative persisting annual savings for the year ending December 31, 2030.

(b-10) For purposes of this Section, electric utilities subject to this Section that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State shall be deemed to have achieved a cumulative persisting annual savings of 6.6%, or 2,435,400 MWhs, from energy efficiency measures and programs implemented during the period beginning January 1, 2012 and ending December 31, 2017, which is based on the deemed average weather normalized sales of electric power and energy during calendar years 2014, 2015, and 2016 of 36,900,000 MWhs. The 36,900,000 MWhs of deemed electric power and energy sales shall also serve as the baseline value for calculating the cumulative persisting annual savings in subsection (b-15). After 2017, the deemed value of cumulative persisting annual savings from energy efficiency measures and programs implemented during the period beginning January 1, 2012 and ending December 31, 2017, shall be reduced each year, as follows, and the applicable value shall be applied to and count toward the utility's achievement of the cumulative persisting annual savings goals set forth in subsection (b-15):

- (1) 5.8%, or 2,140,200 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2018;
- (2) 5.2%, or 1,918,800 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2019;
- (3) 4.5%, or 1,660,500 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2020;
- (4) 4.0%, or 1,476,000 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2021;
- (5) 3.5%, or 1,291,500 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2022;
- (6) 3.1%, or 1,143,900 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2023;
- (7) 2.8%, or 1,033,200 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2024;
- (8) 2.5%, or 922,500 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2025;
- (9) 2.3%, or 848,700 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2026;
- (10) 2.1%, or 774,900 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2027;
- (11) 1.8%, or 664,200 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2028;
- (12) 1.7%, or 627,300 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2029; and
- (13) 1.5%, or 553,500 MWhs, deemed cumulative persisting annual savings for the year ending December 31, 2030.

(b-15) Beginning in 2018, electric utilities subject to this Section that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State shall achieve the following cumulative persisting annual savings goals, as modified by subsection (b-20) and subsection (f) of this Section and as compared to the deemed baseline as reduced by the number of MWhs equal to the sum of the annual consumption of all Self-Direct Customers that elect such status under subsection (l) of this Section as averaged across the calendar years 2014, 2015, and 2016, through the implementation of energy efficiency measures during the applicable year and in prior years, but no earlier than January 1, 2012:

- (1) 7.4% cumulative persisting annual savings for the year ending December 31, 2018;
- (2) 8.2% cumulative persisting annual savings for the year ending December 31, 2019;
- (3) 9.0% cumulative persisting annual savings for the year ending December 31, 2020;

[December 1, 2016]

- (4) 9.8% cumulative persisting annual savings for the year ending December 31, 2021;
- (5) 10.6% cumulative persisting annual savings for the year ending December 31, 2022;
- (6) 11.4% cumulative persisting annual savings for the year ending December 31, 2023;
- (7) 12.2% cumulative persisting annual savings for the year ending December 31, 2024;
- (8) 13% cumulative persisting annual savings for the year ending December 31, 2025;
- (9) 13.6% cumulative persisting annual savings for the year ending December 31, 2026;
- (10) 14.2% cumulative persisting annual savings for the year ending December 31, 2027;
- (11) 14.8% cumulative persisting annual savings for the year ending December 31, 2028;
- (12) 15.4% cumulative persisting annual savings for the year ending December 31, 2029; and
- (13) 16% cumulative persisting annual savings for the year ending December 31, 2030.

The difference between the cumulative persisting annual savings goal for the applicable calendar year and the cumulative persisting annual savings goal for the immediately preceding calendar year is 0.8% for the period of January 1, 2018 through December 31, 2025 and 0.6% for the period of January 1, 2026 through December 31, 2030.

(b-20) Each electric utility subject to this Section may include cost-effective voltage optimization measures in its plans submitted under subsections (f) and (g) of this Section, and the costs incurred by a utility to implement the measures under a Commission-approved plan shall be recovered under the provisions of Article IX or Section 16-108.5 of this Act. For purposes of this Section, the measure life of voltage optimization measures shall be 15 years. The measure life period is independent of the depreciation rate of the voltage optimization assets deployed.

Within 270 days after the effective date of this amendatory Act of the 99th General Assembly, an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State shall file a plan with the Commission that identifies the cost-effective voltage optimization investment the electric utility plans to undertake through December 31, 2024. The Commission, after notice and hearing, shall approve or approve with modification the plan within 120 days after the plan's filing and, in the order approving or approving with modification the plan, the Commission shall adjust the applicable cumulative persisting annual savings goals set forth in subsection (b-15) to reflect any amount of cost-effective energy savings approved by the Commission that is greater than or less than the following cumulative persisting annual savings values attributable to voltage optimization for the applicable year:

- (1) 0.0% of cumulative persisting annual savings for the year ending December 31, 2018;
- (2) 0.17% of cumulative persisting annual savings for the year ending December 31, 2019;
- (3) 0.17% of cumulative persisting annual savings for the year ending December 31, 2020;
- (4) 0.33% of cumulative persisting annual savings for the year ending December 31, 2021;
- (5) 0.5% of cumulative persisting annual savings for the year ending December 31, 2022;
- (6) 0.67% of cumulative persisting annual savings for the year ending December 31, 2023;
- (7) 0.83% of cumulative persisting annual savings for the year ending December 31, 2024; and
- (8) 1.0% of cumulative persisting annual savings for the year ending December 31, 2025.

(b-25) In the event an electric utility jointly offers an energy efficiency measure or program with a gas utility under plans approved under this Section and Section 8-104 of this Act, the electric utility may continue offering the program, including the gas energy efficiency measures, in the event the gas utility discontinues funding the program. In that event, the energy savings value associated with such other fuels shall be converted to electric energy savings on an equivalent Btu basis for the premises. However, the electric utility shall prioritize programs for low-income residential customers to the extent practicable. An electric utility may recover the costs of offering the gas energy efficiency measures under this subsection (b-25).

For those energy efficiency measures or programs that save both electricity and other fuels but are not jointly offered with a gas utility under plans approved under this Section and Section 8-104 or not offered with an affiliated gas utility under paragraph (6) of subsection (f) of Section 8-104 of this Act, the electric utility may count savings of fuels other than electricity toward the achievement of its annual savings goal, and the energy savings value associated with such other fuels shall be converted to electric energy savings on an equivalent Btu basis at the premises.

In no event shall more than 10% of each year's applicable annual incremental goal as defined in paragraph (7) of subsection (g) of this Section be met through savings of fuels other than electricity.

(c) Electric utilities shall be responsible for overseeing the design, development, and filing of energy efficiency plans with the Commission and may, as part of that implementation, outsource various aspects of program development and implementation. A minimum of 10%, for electric utilities that serve more than 3,000,000 retail customers in the State, and a minimum of 7%, for electric utilities that serve less than 3,000,000 retail customers more than 500,000 retail customers in the State, of the utility's entire portfolio funding level for a given year shall be used to procure cost-effective energy efficiency measures from units

of local government, municipal corporations, school districts, public housing, and community college districts, provided that a minimum percentage of available funds shall be used to procure energy efficiency from public housing, which percentage shall be equal to public housing's share of public building energy consumption.

The utilities shall also implement energy efficiency measures targeted at low-income households, which, for purposes of this Section, shall be defined as households at or below 80% of area median income, and expenditures to implement the measures shall be no less than \$25,000,000 per year for electric utilities that serve more than 3,000,000 retail customers in the State and no less than \$8,350,000 per year for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State.

Each electric utility shall assess opportunities to implement cost-effective energy efficiency measures and programs through a public housing authority or authorities located in its service territory. If such opportunities are identified, the utility shall propose such measures and programs to address the opportunities. Expenditures to address such opportunities shall be credited toward the minimum procurement and expenditure requirements set forth in this subsection (c).

Implementation of energy efficiency measures and programs targeted at low-income households should be contracted, when it is practicable, to independent third parties that have demonstrated capabilities to serve such households, with a preference for not-for-profit entities and government agencies that have existing relationships with or experience serving low-income communities in the State.

Each electric utility shall develop and implement reporting procedures that address and assist in determining the amount of energy savings that can be applied to the low-income procurement and expenditure requirements set forth in this subsection (c).

The electric utilities shall also convene a low-income energy efficiency advisory committee to assist in the design and evaluation of the low-income energy efficiency programs. The committee shall be comprised of the electric utilities subject to the requirements of this Section, the gas utilities subject to the requirements of Section 8-104 of this Act, the utilities' low-income energy efficiency implementation contractors, and representatives of community-based organizations.

(d) Notwithstanding any other provision of law to the contrary, a utility providing approved energy efficiency measures and, if applicable, demand-response measures in the State shall be permitted to recover all reasonable and prudently incurred costs of those measures from all retail customers, except as provided in subsection (l) of this Section, as follows, provided that nothing in this subsection (d) permits the double recovery of such costs from customers:

(1) The utility may recover its costs through an automatic adjustment clause tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case. Each year the Commission shall initiate a review to reconcile any amounts collected with the actual costs and to determine the required adjustment to the annual tariff factor to match annual expenditures. To enable the financing of the incremental capital expenditures, including regulatory assets, for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State, the utility's actual year-end capital structure that includes a common equity ratio, excluding goodwill, of up to and including 50% of the total capital structure shall be deemed reasonable and used to set rates.

(2) A utility may recover its costs through an energy efficiency formula rate approved by the Commission under a filing under subsections (f) and (g) of this Section, which shall specify the cost components that form the basis of the rate charged to customers with sufficient specificity to operate in a standardized manner and be updated annually with transparent information that reflects the utility's actual costs to be recovered during the applicable rate year, which is the period beginning with the first billing day of January and extending through the last billing day of the following December. The energy efficiency formula rate shall be implemented through a tariff filed with the Commission under subsections (f) and (g) of this Section that is consistent with the provisions of this paragraph (2) and that shall be applicable to all delivery services customers. The Commission shall conduct an investigation of the tariff in a manner consistent with the provisions of this paragraph (2), subsections (f) and (g) of this Section, and the provisions of Article IX of this Act to the extent they do not conflict with this paragraph (2). The energy efficiency formula rate approved by the Commission shall remain in effect at the discretion of the utility and shall do the following:

(A) Provide for the recovery of the utility's actual costs incurred under this Section that are prudently incurred and reasonable in amount consistent with Commission practice and law. The sole fact that a cost differs from that incurred in a prior calendar year or that an investment is different from that made in a prior calendar year shall not imply the imprudence or unreasonableness of that cost or investment.

(B) Reflect the utility's actual year-end capital structure for the applicable calendar year, excluding goodwill, subject to a determination of prudence and reasonableness consistent with Commission practice and law. To enable the financing of the incremental capital expenditures, including regulatory assets, for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State, a participating electric utility's actual year-end capital structure that includes a common equity ratio, excluding goodwill, of up to and including 50% of the total capital structure shall be deemed reasonable and used to set rates.

(C) Include a cost of equity, which shall be calculated as the sum of the following:

(i) the average for the applicable calendar year of the monthly average yields of 30-year U.S. Treasury bonds published by the Board of Governors of the Federal Reserve System in its weekly H.15 Statistical Release or successor publication; and

(ii) 580 basis points.

At such time as the Board of Governors of the Federal Reserve System ceases to include the monthly average yields of 30-year U.S. Treasury bonds in its weekly H.15 Statistical Release or successor publication, the monthly average yields of the U.S. Treasury bonds then having the longest duration published by the Board of Governors in its weekly H.15 Statistical Release or successor publication shall instead be used for purposes of this paragraph (2).

(D) Permit and set forth protocols, subject to a determination of prudence and reasonableness consistent with Commission practice and law, for the following:

(i) recovery of incentive compensation expense that is based on the achievement of operational metrics, including metrics related to budget controls, outage duration and frequency, safety, customer service, efficiency and productivity, and environmental compliance; however, this protocol shall not apply if such expense related to costs incurred under this Section is recovered under Article IX or Section 16-108.5 of this Act; incentive compensation expense that is based on net income or an affiliate's earnings per share shall not be recoverable under the energy efficiency formula rate;

(ii) recovery of pension and other post-employment benefits expense, provided that such costs are supported by an actuarial study; however, this protocol shall not apply if such expense related to costs incurred under this Section is recovered under Article IX or Section 16-108.5 of this Act;

(iii) recovery of existing regulatory assets over the periods previously authorized by the Commission;

(iv) as described in subsection (e), amortization of costs incurred under this Section; and

(v) projected, weather normalized billing determinants for the applicable rate year.

(E) Provide for an annual reconciliation, as described in paragraph (3) of this subsection (d), less any deferred taxes related to the reconciliation, with interest at an annual rate of return equal to the utility's weighted average cost of capital, including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return, of the energy efficiency revenue requirement reflected in rates for each calendar year, beginning with the calendar year in which the utility files its energy efficiency formula rate tariff under this paragraph (2), with what the revenue requirement would have been had the actual cost information for the applicable calendar year been available at the filing date.

The utility shall file, together with its tariff, the projected costs to be incurred by the utility during the rate year under the utility's multi-year plan approved under subsections (f) and (g) of this Section, including, but not limited to, the projected capital investment costs and projected regulatory asset balances with correspondingly updated depreciation and amortization reserves and expense, that shall populate the energy efficiency formula rate and set the initial rates under the formula.

The Commission shall review the proposed tariff in conjunction with its review of a proposed multi-year plan, as specified in paragraph (5) of subsection (g) of this Section. The review shall be based on the same evidentiary standards, including, but not limited to, those concerning the prudence and reasonableness of the costs incurred by the utility, the Commission applies in a hearing to review a filing for a general increase in rates under Article IX of this Act. The initial rates shall take effect beginning with the January monthly billing period following the Commission's approval.

The tariff's rate design and cost allocation across customer classes shall be consistent with the utility's automatic adjustment clause tariff in effect on the effective date of this amendatory Act of the 99th General Assembly; however, the Commission may revise the tariff's rate design and cost allocation in subsequent proceedings under paragraph (3) of this subsection (d).

If the energy efficiency formula rate is terminated, the then current rates shall remain in effect until such time as the energy efficiency costs are incorporated into new rates that are set under this subsection (d) or Article IX of this Act, subject to retroactive rate adjustment, with interest, to reconcile rates charged with actual costs.

(3) The provisions of this paragraph (3) shall only apply to an electric utility that has elected to file an energy efficiency formula rate under paragraph (2) of this subsection (d). Subsequent to the Commission's issuance of an order approving the utility's energy efficiency formula rate structure and protocols, and initial rates under paragraph (2) of this subsection (d), the utility shall file, on or before June 1 of each year, with the Chief Clerk of the Commission its updated cost inputs to the energy efficiency formula rate for the applicable rate year and the corresponding new charges, as well as the information described in paragraph (9) of subsection (g) of this Section. Each such filing shall conform to the following requirements and include the following information:

(A) The inputs to the energy efficiency formula rate for the applicable rate year shall be based on the projected costs to be incurred by the utility during the rate year under the utility's multi-year plan approved under subsections (f) and (g) of this Section, including, but not limited to, projected capital investment costs and projected regulatory asset balances with correspondingly updated depreciation and amortization reserves and expense. The filing shall also include a reconciliation of the energy efficiency revenue requirement that was in effect for the prior rate year (as set by the cost inputs for the prior rate year) with the actual revenue requirement for the prior rate year (determined using a year-end rate base) that uses amounts reflected in the applicable FERC Form 1 that reports the actual costs for the prior rate year. Any over-collection or under-collection indicated by such reconciliation shall be reflected as a credit against, or recovered as an additional charge to, respectively, with interest calculated at a rate equal to the utility's weighted average cost of capital approved by the Commission for the prior rate year, the charges for the applicable rate year. Such over-collection or under-collection shall be adjusted to remove any deferred taxes related to the reconciliation, for purposes of calculating interest at an annual rate of return equal to the utility's weighted average cost of capital approved by the Commission for the prior rate year, including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return. Each reconciliation shall be certified by the participating utility in the same manner that FERC Form 1 is certified. The filing shall also include the charge or credit, if any, resulting from the calculation required by subparagraph (E) of paragraph (2) of this subsection (d).

Notwithstanding any other provision of law to the contrary, the intent of the reconciliation is to ultimately reconcile both the revenue requirement reflected in rates for each calendar year, beginning with the calendar year in which the utility files its energy efficiency formula rate tariff under paragraph (2) of this subsection (d), with what the revenue requirement determined using a year-end rate base for the applicable calendar year would have been had the actual cost information for the applicable calendar year been available at the filing date.

For purposes of this Section, "FERC Form 1" means the Annual Report of Major Electric Utilities, Licensees and Others that electric utilities are required to file with the Federal Energy Regulatory Commission under the Federal Power Act, Sections 3, 4(a), 304 and 209, modified as necessary to be consistent with 83 Ill. Admin. Code Part 415 as of May 1, 2011. Nothing in this Section is intended to allow costs that are not otherwise recoverable to be recoverable by virtue of inclusion in FERC Form 1.

(B) The new charges shall take effect beginning on the first billing day of the following January billing period and remain in effect through the last billing day of the next December billing period regardless of whether the Commission enters upon a hearing under this paragraph (3).

(C) The filing shall include relevant and necessary data and documentation for the applicable rate year. Normalization adjustments shall not be required.

Within 45 days after the utility files its annual update of cost inputs to the energy efficiency formula rate, the Commission shall with reasonable notice, initiate a proceeding concerning whether the projected costs to be incurred by the utility and recovered during the applicable rate year, and that are reflected in the inputs to the energy efficiency formula rate, are consistent with the utility's approved multi-year plan under subsections (f) and (g) of this Section and whether the costs incurred by the utility during the prior rate year were prudent and reasonable. The Commission shall also have the authority to investigate the information and data described in paragraph (9) of subsection (g) of this Section, including the proposed adjustment to the utility's return on equity component of its weighted average cost of capital. During the course of the proceeding, each objection shall be stated with particularity and evidence provided in support thereof, after which the utility shall have the opportunity to rebut the evidence. Discovery shall be allowed consistent with the Commission's Rules of Practice, which Rules of Practice shall be enforced by the Commission or the assigned hearing examiner. The Commission shall apply the same evidentiary standards, including, but not limited to, those concerning the prudence and reasonableness of the costs incurred by the utility, during the proceeding as it would apply in a proceeding to review a filing for a general increase in rates under Article IX of this Act. The Commission shall not, however, have the authority in a proceeding under this paragraph (3) to consider or order any changes to the structure or protocols of the energy efficiency formula rate approved under paragraph (2) of this subsection (d). In a

proceeding under this paragraph (3), the Commission shall enter its order no later than the earlier of 195 days after the utility's filing of its annual update of cost inputs to the energy efficiency formula rate or December 15. The utility's proposed return on equity calculation, as described in paragraphs (7) through (9) of subsection (g) of this Section, shall be deemed the final, approved calculation on December 15 of the year in which it is filed unless the Commission enters an order on or before December 15, after notice and hearing, that modifies such calculation consistent with this Section. The Commission's determinations of the prudence and reasonableness of the costs incurred, and determination of such return on equity calculation, for the applicable calendar year shall be final upon entry of the Commission's order and shall not be subject to reopening, reexamination, or collateral attack in any other Commission proceeding, case, docket, order, rule, or regulation; however, nothing in this paragraph (3) shall prohibit a party from petitioning the Commission to rehear or appeal to the courts the order under the provisions of this Act.

(e) Beginning on the effective date of this amendatory Act of the 99th General Assembly, a utility subject to the requirements of this Section may elect to defer, as a regulatory asset, up to the full amount of its expenditures incurred under this Section for each annual period, including, but not limited to, any expenditures incurred above the funding level set by subsection (f) of this Section for a given year. The total expenditures deferred as a regulatory asset in a given year shall be amortized and recovered over a period that is equal to the weighted average of the energy efficiency measure lives implemented for that year that are reflected in the regulatory asset. The unamortized balance shall be recognized as of December 31 for a given year. The utility shall also earn a return on the total of the unamortized balances of all of the energy efficiency regulatory assets, less any deferred taxes related to those unamortized balances, at an annual rate equal to the utility's weighted average cost of capital that includes, based on a year-end capital structure, the utility's actual cost of debt for the applicable calendar year and a cost of equity, which shall be calculated as the sum of the (i) the average for the applicable calendar year of the monthly average yields of 30-year U.S. Treasury bonds published by the Board of Governors of the Federal Reserve System in its weekly H.15 Statistical Release or successor publication; and (ii) 580 basis points, including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return. Capital investment costs shall be depreciated and recovered over their useful lives consistent with generally accepted accounting principles. The weighted average cost of capital shall be applied to the capital investment cost balance, less any accumulated depreciation and accumulated deferred income taxes, as of December 31 for a given year.

When an electric utility creates a regulatory asset under the provisions of this Section, the costs are recovered over a period during which customers also receive a benefit which is in the public interest. Accordingly, it is the intent of the General Assembly that an electric utility that elects to create a regulatory asset under the provisions of this Section shall recover all of the associated costs as set forth in this Section. After the Commission has approved the prudence and reasonableness of the costs that comprise the regulatory asset, the electric utility shall be permitted to recover all such costs, and the value and recoverability through rates of the associated regulatory asset shall not be limited, altered, impaired, or reduced.

(f) Beginning in 2017, each electric utility shall file an energy efficiency plan with the Commission to meet the energy efficiency standards for the next applicable multi-year period beginning January 1 of the year following the filing, according to the schedule set forth in paragraphs (1) through (3) of this subsection (f). If a utility does not file such a plan on or before the applicable filing deadline for the plan, it shall face a penalty of \$100,000 per day until the plan is filed.

(1) No later than 30 days after the effective date of this amendatory Act of the 99th General Assembly or May 1, 2017, whichever is later, each electric utility shall file a 4-year energy efficiency plan commencing on January 1, 2018 that is designed to achieve the cumulative persisting annual savings goals specified in paragraphs (1) through (4) of subsection (b-5) of this Section or in paragraphs (1) through (4) of subsection (b-15) of this Section, as applicable, through implementation of energy efficiency measures; however, the goals may be reduced if the utility's expenditures are limited pursuant to subsection (m) of this Section or, each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate that achievement of such goals is not cost effective; and (B) the amount of energy savings achieved by the utility as determined by the independent evaluator for the most recent year for which savings have been evaluated preceding the plan filing was less than the average annual amount of savings required to achieve the goals for the applicable 4-year plan period. In no event shall annual increases in cumulative persisting annual savings goals during the applicable 4-year plan period be reduced to amounts that are less than the maximum amount of cumulative persisting annual savings that is forecast to be cost-effectively achievable during the 4-year plan period. The Commission shall review any proposed goal reduction as part of its review and approval of the utility's proposed plan.

(2) No later than March 1, 2021, each electric utility shall file a 4-year energy efficiency plan commencing on January 1, 2022 that is designed to achieve the cumulative persisting annual savings goals specified in paragraphs (5) through (8) of subsection (b-5) of this Section or in paragraphs (5) through (8) of subsection (b-15) of this Section, as applicable, through implementation of energy efficiency measures; however, the goals may be reduced if the utility's expenditures are limited pursuant to subsection (m) of this Section or, each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate that achievement of such goals is not cost effective; and (B) the amount of energy savings achieved by the utility as determined by the independent evaluator for the most recent year for which savings have been evaluated preceding the plan filing was less than the average annual amount of savings required to achieve the goals for the applicable 4-year plan period. In no event shall annual increases in cumulative persisting annual savings goals during the applicable 4-year plan period be reduced to amounts that are less than the maximum amount of cumulative persisting annual savings that is forecast to be cost-effectively achievable during the 4-year plan period. The Commission shall review any proposed goal reduction as part of its review and approval of the utility's proposed plan.

(3) No later than March 1, 2025, each electric utility shall file a 5-year energy efficiency plan commencing on January 1, 2026 that is designed to achieve the cumulative persisting annual savings goals specified in paragraphs (9) through (13) of subsection (b-5) of this Section or in paragraphs (9) through (13) of subsection (b-15) of this Section, as applicable, through implementation of energy efficiency measures; however, the goals may be reduced if the utility's expenditures are limited pursuant to subsection (m) of this Section or, each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate that achievement of such goals is not cost effective; and (B) the amount of energy savings achieved by the utility as determined by the independent evaluator for the most recent year for which savings have been evaluated preceding the plan filing was less than the average annual amount of savings required to achieve the goals for the applicable 5-year plan period. In no event shall annual increases in cumulative persisting annual savings goals during the applicable 5-year plan period be reduced to amounts that are less than the maximum amount of cumulative persisting annual savings that is forecast to be cost-effectively achievable during the 5-year plan period. The Commission shall review any proposed goal reduction as part of its review and approval of the utility's proposed plan.

Each utility's plan shall set forth the utility's proposals to meet the energy efficiency standards identified in subsection (b-5) or (b-15), as applicable and as such standards may have been modified under this subsection (f), taking into account the unique circumstances of the utility's service territory. For those plans commencing on January 1, 2018, the Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan no later than August 31, 2017, or 105 days after the effective date of this amendatory Act of the 99th General Assembly, whichever is later. For those plans commencing after December 31, 2021, the Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan within 6 months after its submission. If the Commission disapproves a plan, the Commission shall, within 30 days, describe in detail the reasons for the disapproval and describe a path by which the utility may file a revised draft of the plan to address the Commission's concerns satisfactorily. If the utility does not refile with the Commission within 60 days, the utility shall be subject to penalties at a rate of \$100,000 per day until the plan is filed. This process shall continue, and penalties shall accrue, until the utility has successfully filed a portfolio of energy efficiency and demand-response measures. Penalties shall be deposited into the Energy Efficiency Trust Fund.

(g) In submitting proposed plans and funding levels under subsection (f) of this Section to meet the savings goals identified in subsection (b-5) or (b-15) of this Section, as applicable, the utility shall:

(1) Demonstrate that its proposed energy efficiency measures will achieve the applicable requirements that are identified in subsection (b-5) or (b-15) of this Section, as modified by subsection (f) of this Section.

(2) Present specific proposals to implement new building and appliance standards that have been placed into effect.

(3) Demonstrate that its overall portfolio of measures, not including low-income programs described in subsection (c) of this Section, is cost-effective using the total resource cost test or complies with paragraphs (1) through (3) of subsection (f) of this Section and represents a diverse cross-section of opportunities for customers of all rate classes, other than those customers described in subsection (l) of this Section, to participate in the programs. Individual measures need not be cost effective.

(4) Present a third-party energy efficiency implementation program subject to the following requirements:

(A) beginning with the year commencing January 1, 2019, electric utilities that serve more than 3,000,000 retail customers in the State shall fund third-party energy efficiency programs in an amount that is no less than \$25,000,000 per year, and electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State shall fund third-party energy efficiency programs in an amount that is no less than \$8,350,000 per year;

(B) during 2018, the utility shall conduct a solicitation process for purposes of requesting proposals from third-party vendors for those third-party energy efficiency programs to be offered during one or more of the years commencing January 1, 2019, January 1, 2020, and January 1, 2021; for those multi-year plans commencing on January 1, 2022 and January 1, 2026, the utility shall conduct a solicitation process during 2021 and 2025, respectively, for purposes of requesting proposals from third-party vendors for those third-party energy efficiency programs to be offered during one or more years of the respective multi-year plan period; for each solicitation process, the utility shall identify the sector, technology, or geographical area for which it is seeking requests for proposals;

(C) the utility shall propose the bidder qualifications, performance measurement process, and contract structure, which must include a performance payment mechanism and general terms and conditions; the proposed qualifications, process, and structure shall be subject to Commission approval; and

(D) the utility shall retain an independent third party to score the proposals received through the solicitation process described in this paragraph (4), rank them according to their cost per lifetime kilowatt-hours saved, and assemble the portfolio of third-party programs.

The electric utility shall recover all costs associated with Commission-approved, third-party administered programs regardless of the success of those programs.

(4.5) Implement cost-effective demand-response measures to reduce peak demand by 0.1% over the prior year for eligible retail customers, as defined in Section 16-111.5 of this Act, and for customers that elect hourly service from the utility pursuant to Section 16-107 of this Act, provided those customers have not been declared competitive. This requirement continues until December 31, 2026.

(5) Include a proposed or revised cost-recovery tariff mechanism, as provided for under subsection (d) of this Section, to fund the proposed energy efficiency and demand-response measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs.

(6) Provide for an annual independent evaluation of the performance of the cost-effectiveness of the utility's portfolio of measures, as well as a full review of the multi-year plan results of the broader net program impacts and, to the extent practical, for adjustment of the measures on a going-forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given year.

(7) For electric utilities that serve more than 3,000,000 retail customers in the State:

(A) Through December 31, 2025, provide for an adjustment to the return on equity component of the utility's weighted average cost of capital calculated under subsection (d) of this Section:

(i) If the independent evaluator determines that the utility achieved a cumulative persisting annual savings that is less than the applicable annual incremental goal, then the return on equity component shall be reduced by a maximum of 200 basis points in the event that the utility achieved no more than 75% of such goal. If the utility achieved more than 75% of the applicable annual incremental goal but less than 100% of such goal, then the return on equity component shall be reduced by 8 basis points for each percent by which the utility failed to achieve the goal.

(ii) If the independent evaluator determines that the utility achieved a cumulative persisting annual savings that is more than the applicable annual incremental goal, then the return on equity component shall be increased by a maximum of 200 basis points in the event that the utility achieved at least 125% of such goal. If the utility achieved more than 100% of the applicable annual incremental goal but less than 125% of such goal, then the return on equity component shall be increased by 8 basis points for each percent by which the utility achieved above the goal. If the applicable annual incremental goal was reduced under paragraphs (1) or (2) of subsection (f) of this Section, then the following adjustments shall be made to the calculations described in this item (ii):

(aa) the calculation for determining achievement that is at least 125% of the applicable annual incremental goal shall use the unreduced applicable annual incremental goal to set the value; and

(bb) the calculation for determining achievement that is less than 125% but more than 100% of the applicable annual incremental goal shall use the reduced applicable annual incremental goal to set the value for 100% achievement of the goal and shall use the unreduced goal to set the value for 125% achievement. The 8 basis point value shall also be modified, as necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 125% achievement.

For purposes of this Section, the term "applicable annual incremental goal" means the difference between the cumulative persisting annual savings goal for the calendar year that is the subject of the independent evaluator's determination and the cumulative persisting annual savings goal for the immediately preceding calendar year, as such goals are defined in subsections (b-5) and (b-15) of this Section and as these goals may have been modified as provided for under subsection (b-20) and paragraphs (1) through (3) of subsection (f) of this Section. Under subsections (b), (b-5), (b-10), and (b-15) of this Section, a utility must first replace energy savings from measures that have reached the end of their measure lives and would otherwise have to be replaced to meet the applicable savings goals identified in subsection (b-5) or (b-15) of this Section before any progress towards achievement of its applicable annual incremental goal may be counted. Notwithstanding anything else set forth in this Section, the difference between the actual annual incremental savings achieved in any given year, including the replacement of energy savings from measures that have expired, and the applicable annual incremental goal shall not affect adjustments to the return on equity for subsequent calendar years under this subsection (g).

(B) For the period January 1, 2026 through December 31, 2030, provide for an adjustment to the return on equity component of the utility's weighted average cost of capital calculated under subsection (d) of this Section:

(i) If the independent evaluator determines that the utility achieved a cumulative persisting annual savings that is less than the applicable annual incremental goal, then the return on equity component shall be reduced by a maximum of 200 basis points in the event that the utility achieved no more than 66% of such goal. If the utility achieved more than 66% of the applicable annual incremental goal but less than 100% of such goal, then the return on equity component shall be reduced by 6 basis points for each percent by which the utility failed to achieve the goal.

(ii) If the independent evaluator determines that the utility achieved a cumulative persisting annual savings that is more than the applicable annual incremental goal, then the return on equity component shall be increased by a maximum of 200 basis points in the event that the utility achieved at least 134% of such goal. If the utility achieved more than 100% of the applicable annual incremental goal but less than 134% of such goal, then the return on equity component shall be increased by 6 basis points for each percent by which the utility achieved above the goal. If the applicable annual incremental goal was reduced under paragraph (3) of subsection (f) of this Section, then the following adjustments shall be made to the calculations described in this item (ii):

(aa) the calculation for determining achievement that is at least 134% of the applicable annual incremental goal shall use the unreduced applicable annual incremental goal to set the value; and

(bb) the calculation for determining achievement that is less than 134% but more than 100% of the applicable annual incremental goal shall use the reduced applicable annual incremental goal to set the value for 100% achievement of the goal and shall use the unreduced goal to set the value for 134% achievement. The 6 basis point value shall also be modified, as necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 134% achievement.

(8) For electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State:

(A) Through December 31, 2025, the applicable annual incremental goal shall be compared to the annual incremental savings as determined by the independent evaluator.

(i) The return on equity component shall be reduced by 8 basis points for each percent by which the utility did not achieve 84.4% of the applicable annual incremental goal.

(ii) The return on equity component shall be increased by 8 basis points for each percent by which the utility exceeded 100% of the applicable annual incremental goal.

(iii) The return on equity component shall not be increased or decreased if the annual incremental savings as determined by the independent evaluator is greater than 84.4% of the applicable annual incremental goal and less than 100% of the applicable annual incremental goal.

(iv) The return on equity component shall not be increased or decreased by an amount greater than 200 basis points pursuant to this subparagraph (A).

(B) For the period of January 1, 2026 through December 31, 2030, the applicable annual incremental goal shall be compared to the annual incremental savings as determined by the independent evaluator.

(i) The return on equity component shall be reduced by 6 basis points for each percent by which the utility did not achieve 100% of the applicable annual incremental goal.

(ii) The return on equity component shall be increased by 6 basis points for each percent by which the utility exceeded 100% of the applicable annual incremental goal.

(iii) The return on equity component shall not be increased or decreased by an amount greater than 200 basis points pursuant to this subparagraph (B).

[December 1, 2016]

(C) If the applicable annual incremental goal was reduced under paragraphs (1), (2) or (3) of subsection (f) of this Section, then the following adjustments shall be made to the calculations described in subparagraphs (A) and (B) of this paragraph (8):

(i) The calculation for determining achievement that is at least 125% or 134%, as applicable, of the applicable annual incremental goal or 134% of the applicable annual incremental goal shall use the unreduced applicable annual incremental goal to set the value.

(ii) For the period through December 31, 2025, the calculation for determining achievement that is less than 125% but more than 100% of the applicable annual incremental goal shall use the reduced applicable annual incremental goal to set the value for 100% achievement of the goal and shall use the unreduced goal to set the value for 125% achievement. The 8 basis point value shall also be modified, as necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 125% achievement.

(iii) For the period of January 1, 2026 through December 31, 2030, the calculation for determining achievement that is less than 134% but more than 100% of the applicable annual incremental goal shall use the reduced applicable annual incremental goal to set the value for 100% achievement of the goal and shall use the unreduced goal to set the value for 125% achievement. The 6 basis point value shall also be modified, as necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 134% achievement.

(9) The utility shall submit the energy savings data to the independent evaluator no later than 30 days after the close of the plan year. The independent evaluator shall determine the cumulative persisting annual savings for a given plan year no later than 120 days after the close of the plan year. The utility shall submit an informational filing to the Commission no later than 160 days after the close of the plan year that attaches the independent evaluator's final report identifying the cumulative persisting annual savings for the year and calculates, under paragraph (7) or (8) of this subsection (g), as applicable, any resulting change to the utility's return on equity component of the weighted average cost of capital applicable to the next plan year beginning with the January monthly billing period and extending through the December monthly billing period. However, if the utility recovers the costs incurred under this Section under paragraphs (2) and (3) of subsection (d) of this Section, then the utility shall not be required to submit such informational filing, and shall instead submit the information that would otherwise be included in the informational filing as part of its filing under paragraph (3) of such subsection (d) that is due on or before June 1 of each year.

For those utilities that must submit the informational filing, the Commission may, on its own motion or by petition, initiate an investigation of such filing, provided, however, that the utility's proposed return on equity calculation shall be deemed the final, approved calculation on December 15 of the year in which it is filed unless the Commission enters an order on or before December 15, after notice and hearing, that modifies such calculation consistent with this Section.

The adjustments to the return on equity component described in paragraphs (7) and (8) of this subsection (g) shall be applied as described in such paragraphs through a separate tariff mechanism, which shall be filed by the utility under subsections (f) and (g) of this Section.

Notwithstanding the requirements of paragraphs (7) through (9) of this subsection (g), if an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State does not achieve an applicable annual incremental goal, the utility shall nevertheless be deemed to have achieved the applicable annual incremental goal if the utility's revenue requirement associated with the energy efficiency cost recovery mechanism in effect during the year is more than 14.5% of the delivery services revenue requirement, including any reconciliation balance associated with the delivery services revenue requirement, in effect on January 1 of the year the utility files its plan with the Commission. In such event, no adjustment shall be made to the utility's return on equity component of its weighted average costs of capital.

(h) No more than 6% of energy efficiency and demand-response program revenue may be allocated for research, development, or pilot deployment of new equipment or measures.

(i) When practicable, electric utilities shall incorporate advanced metering infrastructure data into the planning, implementation, and evaluation of energy efficiency measures and programs, subject to the data privacy and confidentiality protections of applicable law.

(j) The independent evaluator shall follow the guidelines and use the savings set forth in Commission-approved energy efficiency policy manuals and technical reference manuals, as each may be updated from time to time. Until such time as measure life values for energy efficiency measures implemented for low-income households under subsection (c) of this Section are incorporated into such Commission-approved manuals, the low-income measures shall have the same measure life values that are established for same measures implemented in households that are not low-income households.

(k) Notwithstanding any provision of law to the contrary, an electric utility subject to the requirements of this Section may file a tariff cancelling an automatic adjustment clause tariff in effect under this Section or Section 8-103, which shall take effect no later than one business day after the date such tariff is filed. Thereafter, the utility shall be authorized to defer and recover its expenditures incurred under this Section through a new tariff authorized under subsection (d) of this Section or in the utility's next rate case under Article IX or Section 16-108.5 of this Act, with interest at an annual rate equal to the utility's weighted average cost of capital as approved by the Commission in such case. If the utility elects to file a new tariff under subsection (d) of this Section, the utility may file the tariff within 10 days after the effective date of this amendatory Act of the 99th General Assembly, and the cost inputs to such tariff shall be based on the projected costs to be incurred by the utility during the calendar year in which the new tariff is filed and that were not recovered under the tariff that was cancelled as provided for in this subsection. Such costs shall include those incurred or to be incurred by the utility under its multi-year plan approved under subsections (f) and (g) of this Section, including, but not limited to, projected capital investment costs and projected regulatory asset balances with correspondingly updated depreciation and amortization reserves and expense. The Commission shall, after notice and hearing, approve, or approve with modification, such tariff and cost inputs no later than 75 days after the utility filed the tariff, provided that such approval, or approval with modification, shall be consistent with the provisions of this Section to the extent they do not conflict with this subsection (k). The tariff approved by the Commission shall take effect no later than 5 days after the Commission enters its order approving the tariff.

No later than 60 days after the effective date of the tariff cancelling the utility's automatic adjustment clause tariff, the utility shall file a reconciliation that reconciles the moneys collected under its automatic adjustment clause tariff with the costs incurred during the period beginning June 1, 2016 and ending on the date that the electric utility's automatic adjustment clause tariff was cancelled. In the event the reconciliation reflects an under-collection, the utility shall recover the costs as specified in this subsection (k). If the reconciliation reflects an over-collection, the utility shall apply the amount of such over-collection as a one-time credit to retail customers' bills.

(l) Beginning with those multi-year plans commencing after December 31, 2017, any retail customers, including a customer that is a public body, of an electric utility that serves more than 3,000,000 retail customers in the State and whose total highest 30 minute demand was more than 10,000 kilowatts, or any retail customers, including a customer that is a public body, of an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State and whose total highest 15 minute demand was more than 10,000 kilowatts, and that complies with the provisions of this subsection (l) may elect to become a Self-Direct Customer. For purposes of this subsection (l), "retail customer" has the meaning set forth in Section 16-102. These criteria for determining qualification as a Self-Direct Customer shall be based on the most recent 12 consecutive billing period prior to the customer's initial election to become a Self-Direct Customer. For purposes of this subsection (l), a "public body" means all executive, legislative, and administrative bodies of the State; State universities and colleges; all units of local government, including, but not limited to, cities, villages, incorporated towns, counties, townships, special districts, school districts, community college districts, and all other municipal corporations; and any subsidiary bodies of the foregoing.

(1) For those multi-year plans commencing on January 1, 2018, a retail customer that elects to become a Self-Direct Customer shall submit its election form to the electric utility no later than 20 days after the effective date of this amendatory Act of the 99th General Assembly or April 1, 2017, whichever is later. For each multi-year plan that commences after December 31, 2021, a retail customer that elects to become a Self-Direct Customer during a multi-year plan shall submit its election form to the electric utility no later than 6 months prior to the date by which the utility must file its proposed multi-year plan under subsections (f) and (g) of this Section. However, a new retail customer shall be permitted to submit its election form within 30 days after it begins taking service from the electric utility. No later than 10 days after the effective date of this amendatory Act of the 99th General Assembly, an electric utility shall make available on its website the election form for a customer to inform the electric utility of its election to become a Self-Direct Customer. The election form shall require the customer to provide the following information:

(A) the retail customer's certification that, at the time of its submission of the form, the customer is eligible to become a Self-Direct Customer as described in this subsection (l);

(B) the retail customer's certification that it has established, or will establish prior to the date on which the utility's next multi-year plan commences subsequent to the submittal of the election form, an energy efficiency reserve account and will maintain such account;

(C) with respect to a new retail customer that elects to become a Self-Direct Customer within 30 days after commencing electric service, the customer's certification that it will establish within 60 days an energy efficiency reserve account and will maintain such account;

(D)the retail customer's certification that it will accrue funds in its energy efficiency reserve account for the purpose of funding energy efficiency measures of the customer's choosing in whole or in part, including, but not limited to, feasibility studies for energy efficiency measures and projects involving combined heat and power systems that use the same energy source both for the generation of electrical or mechanical power and the production of steam or another form of useful thermal energy or the use of combustible gas produced from biomass or both;

(E)the retail customer's certification that it will deposit in its energy efficiency reserve account, on a monthly basis, an amount equal to the amount that the customer would otherwise pay directly to the electric utility through the tariff authorized by subsection (d) of this Section if it were not a Self-Direct Customer, which amount shall be determined by, and subject to the adjustments described in, paragraph (3) of this subsection (l);

(F)in the case of retail customers who use one or more electric arc furnaces with an annual usage of greater than 50% of the customer's total annual electricity usage, the required funding levels described in subparagraph (E) of this paragraph (1) shall be based on the electricity usage not directly used by the electric arc furnaces;

(G)in the case of a retail customer described in subparagraph (F) of this paragraph (1), the customer's certification of the level of electricity usage for powering its electric arc furnaces in a typical year and that it will provide data demonstrating such level upon the request of the utility;

(H)the retail customer's certification that, pursuant to the provisions of paragraph (4) of this subsection (l), it will submit its energy efficiency savings estimates that are funded in whole or in part with funds from its energy efficiency reserve account , as well as its evaluation, measurement, and verification plan for such savings;

(I)the retail customer's certification that it will submit annual reports in accordance with paragraph (6) of this subsection (l);

(J)the retail customer's certification of its account with the electric utility to which it is submitting the form; and

(K)the retail customer's verification, signed by a plant manager or a duly authorized corporate officer, attesting to the truthfulness and accuracy of the information in the form.

(2)The electric utility shall review the election form to confirm that the retail customer provided the information described in subparagraphs (A) through (K) of paragraph (1) of this subsection (l), as applicable, and shall complete such review within 30 days after the date of receipt of the election form. If the electric utility determines that the election form does not contain the applicable information described in subparagraphs (A) through (K) of paragraph (1) of this subsection (l), it shall notify the customer of its determination and identify the information that is missing, and the customer shall provide the missing information within 30 days after the date of receipt of the notification. Upon customer's initial or corrected submission of its election form, the customer shall be considered a Self-Direct Customer for all energy efficiency plan years. A customer shall not be required to re-submit an election form prior to each energy efficiency plan year.

(3)To ensure that retail customers are depositing accurate amounts in their energy efficiency reserve accounts, the electric utility shall notify the customer of the monthly charge that the customer would have otherwise paid directly to the electric utility through the tariff authorized by subsection (d) of this Section if it were not a Self-Direct Customer. However, Self-Direct Customers shall continue to be subject to a monthly charge under the tariff placed into effect pursuant to subsection (d) of this Section, which charge shall be limited to recovering the Self-Direct customer's customer's the low-income program costs incurred under this Section, and the monthly amount to be deposited in the Self-Direct customer's energy efficiency reserve account as calculated under this paragraph (3) shall be reduced by the amount of the estimated charges under such tariff during the applicable year.

(4)A retail customer shall submit to the electric utility its estimate of the annual amount of reduction in its energy consumption due to the implementation of the energy efficiency measures described in subparagraph (D) of paragraph (1) of this subsection (l). To provide for sufficient planning, implementation, and ramp-up periods, the estimate need not propose savings in each plan year. The retail customer shall also submit a plan for the evaluation, measurement, and verification of the estimated energy savings. The evaluation, measurement, and verification plan shall describe the methodology by which energy savings are calculated and the sharing of information with the utility.

(5)By May 1 of each year, beginning no sooner than May 1, 2019, a retail customer shall report to the electric utility, for the year ending December 31 of the prior year, its reserve account balances by month; all deposits into and withdrawals from its energy efficiency reserve account during the year; a description of the energy efficiency measures undertaken by the customer and paid for in whole or in part with funds withdrawn from the energy efficiency reserve account during the year; and an estimate of the

energy saved or to be saved by the measures. The report shall also include a verification, by a plant manager or duly authorized corporate officer of the customer or by a registered professional engineer or an energy efficiency trade professional, that the funds withdrawn from the reserve account were used for the purpose of funding energy efficiency measures in whole or in part. The utility shall include the customers' reports as part of the utility's submission of the independent evaluator's reports, as set forth in paragraph (9) of subsection (g) of this Section.

(6) The electric utility's independent evaluator shall have the right to audit the information contained in the retail customer's election form: evaluation, measurement, and verification plans, and annual reports to ensure compliance with this subsection (l). If the Commission believes the retail customer is materially deficient in achieving its estimate of the annual amount of reduction in its energy consumption identified under paragraph (4) of this subsection (l), then the Commission shall notify the customer in writing of the material noncompliance and direct the customer to submit a corrective action plan within 180 days after receipt of the Commission's notice to address the deficiency. No earlier than two years after the customer's submission of its corrective action plan, the Commission may review the customer's compliance under such plan. If the Commission find, after notice and hearing, that the customer is materially deficient in satisfying its corrective action plan, then the Commission may revoke the customer's status as a Self-Direct Customer.

(7) A customer may withdraw from the Self-Direct Customer program described in this subsection (l) on the first day of any month of any multi-year plan by providing the utility with no less than 10 days' notice of its intent to withdraw. A customer that withdraws from the Self-Direct Customer program, or whose status as a Self-Direct Customer is revoked under paragraph (6) of this subsection (l), shall remit to the electric utility any unspent balance remaining in its energy efficiency reserve account on the date of such withdrawal or revocation and shall immediately be subject to the full application of the tariff placed into effect under subsection (d) of this Section.

(8) Upon request or on its own motion, the Commission may open an investigation, no more than once every three years and not before October 1, 2019, to evaluate the effectiveness of the Self-Direct Customer program described in this subsection (l).

(9) Any energy savings identified under this subsection (l) by a Self-Direct Customer shall not count towards the utility's achievement of the cumulative persisting annual savings goals identified in subsection (b-5) or (b-15) of this Section.

(m) Notwithstanding the requirements of this Section, as part of a proceeding to approve a multi-year plan under subsections (f) and (g) of this Section, the Commission shall reduce the amount of energy efficiency measures implemented for any single year, and whose costs are recovered under subsection (d) of this Section, by an amount necessary to limit the estimated average net increase due to the cost of the measures to no more than

(1) 3.5% for each of the 4 years beginning January 1, 2018,

(2) 3.75% for each of the 4 years beginning January 1, 2022, and

(3) 4% for each of the 5 years beginning January 1, 2026,

of the average amount paid per kilowatthour by residential eligible retail customers during calendar year 2015. To determine the total amount that may be spent by an electric utility in any single year, the applicable percentage of the average amount paid per kilowatthour shall be multiplied by the total amount energy delivered by such electric utility in the calendar year 2015, adjusted to reflect the proportion of the utility's load attributable to customers who have elected to participate in the program described in subsection (l) of this Section. For purposes of this Section, "eligible retail customers" shall have the meaning set forth in Section 16-111.5 of this Act. Once the Commission has approved a plan under subsections (f) and (g) of this Section, no subsequent rate impact determinations shall be made.

(220 ILCS 5/8-104)

Sec. 8-104. Natural gas energy efficiency programs.

(a) It is the policy of the State that natural gas utilities and the Department of Commerce and Economic Opportunity are required to use cost-effective energy efficiency to reduce direct and indirect costs to consumers. It serves the public interest to allow natural gas utilities to recover costs for reasonably and prudently incurred expenses for cost-effective energy efficiency measures.

(b) For purposes of this Section, "energy efficiency" means measures that reduce the amount of energy required to achieve a given end use. "Energy efficiency" also includes measures that reduce the total Btus of electricity and natural gas needed to meet the end use or uses. "Cost-effective" means that the measures satisfy the total resource cost test which, for purposes of this Section, means a standard that is met if, for an investment in energy efficiency, the benefit-cost ratio is greater than one. The benefit-cost ratio is the ratio of the net present value of the total benefits of the measures to the net present value of the total costs as calculated over the lifetime of the measures. The total resource cost test compares the sum of avoided

natural gas utility costs, representing the benefits that accrue to the system and the participant in the delivery of those efficiency measures, as well as other quantifiable societal benefits, including avoided electric utility costs, to the sum of all incremental costs of end use measures (including both utility and participant contributions), plus costs to administer, deliver, and evaluate each demand-side measure, to quantify the net savings obtained by substituting demand-side measures for supply resources. In calculating avoided costs, reasonable estimates shall be included for financial costs likely to be imposed by future regulation of emissions of greenhouse gases. The low-income programs described in item (4) of subsection (f) of this Section shall not be required to meet the total resource cost test.

(c) Natural gas utilities shall implement cost-effective energy efficiency measures to meet at least the following natural gas savings requirements, which shall be based upon the total amount of gas delivered to retail customers, other than the customers described in subsection (m) of this Section, during calendar year 2009 multiplied by the applicable percentage. Natural gas utilities may comply with this Section by meeting the annual incremental savings goal in the applicable year or by showing that total cumulative annual savings within a multi-year 3-year planning period associated with measures implemented after May 31, 2011 were equal to the sum of each annual incremental savings requirement from the first day of the multi-year planning period May 31, 2011 through the last day of the multi-year planning period end of the applicable year:

- (1) 0.2% by May 31, 2012;
- (2) an additional 0.4% by May 31, 2013, increasing total savings to .6%;
- (3) an additional 0.6% by May 31, 2014, increasing total savings to 1.2%;
- (4) an additional 0.8% by May 31, 2015, increasing total savings to 2.0%;
- (5) an additional 1% by May 31, 2016, increasing total savings to 3.0%;
- (6) an additional 1.2% by May 31, 2017, increasing total savings to 4.2%;
- (7) an additional 1.4% in the year commencing January 1, 2018 by May 31, 2018, increasing total savings to 5.6%;
- (8) an additional 1.5% in the year commencing January 1, 2019 by May 31, 2019, increasing total savings to 7.1%; and
- (9) an additional 1.5% in each 12-month period thereafter.

(d) Notwithstanding the requirements of subsection (c) of this Section, a natural gas utility shall limit the amount of energy efficiency implemented in any multi-year 3-year reporting period established by subsection (f) of Section 8-104 of this Act, by an amount necessary to limit the estimated average increase in the amounts paid by retail customers in connection with natural gas service to no more than 2% in the applicable multi-year 3-year reporting period. The energy savings requirements in subsection (c) of this Section may be reduced by the Commission for the subject plan, if the utility demonstrates by substantial evidence that it is highly unlikely that the requirements could be achieved without exceeding the applicable spending limits in any multi-year 3-year reporting period. No later than September 1, 2013, the Commission shall review the limitation on the amount of energy efficiency measures implemented pursuant to this Section and report to the General Assembly, in the report required by subsection (k) of this Section, its findings as to whether that limitation unduly constrains the procurement of energy efficiency measures.

(e) ~~The provisions of this subsection (e) apply to those multi-year plans that commence prior to January 1, 2018. Natural gas utilities shall be responsible for overseeing the design, development, and filing of their efficiency plans with the Commission.~~ The utility shall utilize 75% of the available funding associated with energy efficiency programs approved by the Commission, and may outsource various aspects of program development and implementation. The remaining 25% of available funding shall be used by the Department of Commerce and Economic Opportunity to implement energy efficiency measures that achieve no less than 20% of the requirements of subsection (c) of this Section. Such measures shall be designed in conjunction with the utility and approved by the Commission. The Department may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from local government, municipal corporations, school districts, and community college districts. Five percent of the entire portfolio of cost-effective energy efficiency measures may be granted to local government and municipal corporations for market transformation initiatives. The Department shall coordinate the implementation of these measures and shall integrate delivery of natural gas efficiency programs with electric efficiency programs delivered pursuant to Section 8-103 of this Act, unless the Department can show that integration is not feasible.

The apportionment of the dollars to cover the costs to implement the Department's share of the portfolio of energy efficiency measures shall be made to the Department once the Department has executed rebate agreements, grants, or contracts for energy efficiency measures and provided supporting documentation for those rebate agreements, grants, and contracts to the utility. The Department is authorized to adopt any

rules necessary and prescribe procedures in order to ensure compliance by applicants in carrying out the purposes of rebate agreements for energy efficiency measures implemented by the Department made under this Section.

The details of the measures implemented by the Department shall be submitted by the Department to the Commission in connection with the utility's filing regarding the energy efficiency measures that the utility implements.

The portfolio of measures, administered by both the utilities and the Department, shall, in combination, be designed to achieve the annual energy savings requirements set forth in subsection (c) of this Section, as modified by subsection (d) of this Section.

The utility and the Department shall agree upon a reasonable portfolio of measures and determine the measurable corresponding percentage of the savings goals associated with measures implemented by the Department.

No utility shall be assessed a penalty under subsection (f) of this Section for failure to make a timely filing if that failure is the result of a lack of agreement with the Department with respect to the allocation of responsibilities or related costs or target assignments. In that case, the Department and the utility shall file their respective plans with the Commission and the Commission shall determine an appropriate division of measures and programs that meets the requirements of this Section.

(e-5) The provisions of this subsection (e-5) shall be applicable to those multi-year plans that commence after December 31, 2017. Natural gas utilities shall be responsible for overseeing the design, development, and filing of their efficiency plans with the Commission and may outsource development and implementation of energy efficiency measures. A minimum of 10% of the entire portfolio of cost-effective energy efficiency measures shall be procured from local government, municipal corporations, school districts, and community college districts. Five percent of the entire portfolio of cost-effective energy efficiency measures may be granted to local government and municipal corporations for market transformation initiatives.

The utilities shall also present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level. Such programs shall be targeted to households with incomes at or below 80% of area median income.

(e-10) A utility providing approved energy efficiency measures in this State shall be permitted to recover costs of those measures through an automatic adjustment clause tariff filed with and approved by the Commission. The tariff shall be established outside the context of a general rate case and shall be applicable to the utility's customers other than the customers described in subsection (m) of this Section. Each year the Commission shall initiate a review to reconcile any amounts collected with the actual costs and to determine the required adjustment to the annual tariff factor to match annual expenditures.

(e-15) For those multi-year plans that commence prior to January 1, 2018, each utility shall include, in its recovery of costs, the costs estimated for both the utility's and the Department's implementation of energy efficiency measures. Costs collected by the utility for measures implemented by the Department shall be submitted to the Department pursuant to Section 605-323 of the Civil Administrative Code of Illinois, shall be deposited into the Energy Efficiency Portfolio Standards Fund, and shall be used by the Department solely for the purpose of implementing these measures. A utility shall not be required to advance any moneys to the Department but only to forward such funds as it has collected. The Department shall report to the Commission on an annual basis regarding the costs actually incurred by the Department in the implementation of the measures. Any changes to the costs of energy efficiency measures as a result of plan modifications shall be appropriately reflected in amounts recovered by the utility and turned over to the Department.

The portfolio of measures, administered by both the utilities and the Department, shall, in combination, be designed to achieve the annual energy savings requirements set forth in subsection (c) of this Section, as modified by subsection (d) of this Section.

The utility and the Department shall agree upon a reasonable portfolio of measures and determine the measurable corresponding percentage of the savings goals associated with measures implemented by the Department.

No utility shall be assessed a penalty under subsection (f) of this Section for failure to make a timely filing if that failure is the result of a lack of agreement with the Department with respect to the allocation of responsibilities or related costs or target assignments. In that case, the Department and the utility shall file their respective plans with the Commission and the Commission shall determine an appropriate division of measures and programs that meets the requirements of this Section.

If the Department is unable to meet performance requirements for the portion of the portfolio implemented by the Department, then the utility and the Department shall jointly submit a modified filing to the Commission explaining the performance shortfall and recommending an appropriate course going

forward, including any program modifications that may be appropriate in light of the evaluations conducted under item (8) of subsection (f) of this Section. In this case, the utility obligation to collect the Department's costs and turn over those funds to the Department under this subsection (e) shall continue only if the Commission approves the modifications to the plan proposed by the Department.

(f) No later than October 1, 2010, each gas utility shall file an energy efficiency plan with the Commission to meet the energy efficiency standards through May 31, 2014. No later than October 1, 2013, each gas utility shall file an energy efficiency plan with the Commission to meet the energy efficiency standards through May 31, 2017. Beginning in 2017 and every 4 ~~Every 3~~ years thereafter, each utility shall file, ~~no later than October 1,~~ an energy efficiency plan with the Commission to meet the energy efficiency standards for the next applicable 4-year period beginning January 1 of the year following the filing. For those multi-year plans commencing on January 1, 2018, each utility shall file its proposed energy efficiency plan no later than 30 days after the effective date of this amendatory Act of the 99th General Assembly or May 1, 2017, whichever is later. Beginning in 2021 and every 4 years thereafter, each utility shall file its energy efficiency plan no later than March 1. If a utility does not file such a plan on or before the applicable filing deadline for the plan by October 1 of the applicable year, then it shall face a penalty of \$100,000 per day until the plan is filed.

Each utility's plan shall set forth the utility's proposals to meet the utility's portion of the energy efficiency standards identified in subsection (c) of this Section, as modified by subsection (d) of this Section, taking into account the unique circumstances of the utility's service territory. For those plans commencing after December 31, 2021, the ~~The~~ Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan within 6 months after its submission. For those plans commencing on January 1, 2018, the Commission shall seek public comment on the utility's plan and shall issue an order approving or disapproving each plan no later than August 31, 2017, or 105 days after the effective date of this amendatory Act of the 99th General Assembly, whichever is later. If the Commission disapproves a plan, the Commission shall, within 30 days, describe in detail the reasons for the disapproval and describe a path by which the utility may file a revised draft of the plan to address the Commission's concerns satisfactorily. If the utility does not refile with the Commission within 60 days after the disapproval, the utility shall be subject to penalties at a rate of \$100,000 per day until the plan is filed. This process shall continue, and penalties shall accrue, until the utility has successfully filed a portfolio of energy efficiency measures. Penalties shall be deposited into the Energy Efficiency Trust Fund and the cost of any such penalties may not be recovered from ratepayers. In submitting proposed energy efficiency plans and funding levels to meet the savings goals adopted by this Act the utility shall:

- (1) Demonstrate that its proposed energy efficiency measures will achieve the requirements that are identified in subsection (c) of this Section, as modified by subsection (d) of this Section.
- (2) Present specific proposals to implement new building and appliance standards that have been placed into effect.
- (3) Present estimates of the total amount paid for gas service expressed on a per therm basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsection (c) of this Section, as modified by subsection (d) of this Section.
- (4) For those multi-year plans that commence prior to January 1, 2018, coordinate ~~Coordinate~~ with the Department to present a portfolio of energy efficiency measures proportionate to the share of total annual utility revenues in Illinois from households at or below 150% of the poverty level. Such programs shall be targeted to households with incomes at or below 80% of area median income.
- (5) Demonstrate that its overall portfolio of energy efficiency measures, not including low-income programs described in covered by item (4) of this subsection (f) and subsection (e-5) of this Section, are cost-effective using the total resource cost test and represent a diverse cross section of opportunities for customers of all rate classes to participate in the programs.
- (6) Demonstrate that a gas utility affiliated with an electric utility that is required to comply with Section 8-103 or 8-103B of this Act has integrated gas and electric efficiency measures into a single program that reduces program or participant costs and appropriately allocates costs to gas and electric ratepayers. For those multi-year plans that commence prior to January 1, 2018, the ~~The~~ Department shall integrate all gas and electric programs it delivers in any such utilities' service territories, unless the Department can show that integration is not feasible or appropriate.
- (7) Include a proposed cost recovery tariff mechanism to fund the proposed energy efficiency measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs.
- (8) Provide for quarterly status reports tracking implementation of and expenditures for

[December 1, 2016]

the utility's portfolio of measures and, if applicable, the Department's portfolio of measures, an annual independent review, and a full independent evaluation of the multi-year 3-year results of the performance and the cost-effectiveness of the utility's and, if applicable, Department's portfolios of measures and broader net program impacts and, to the extent practical, for adjustment of the measures on a going forward basis as a result of the evaluations. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given multi-year 3-year period.

(g) No more than 3% of expenditures on energy efficiency measures may be allocated for demonstration of breakthrough equipment and devices.

(h) Illinois natural gas utilities that are affiliated by virtue of a common parent company may, at the utilities' request, be considered a single natural gas utility for purposes of complying with this Section.

(i) If, after 3 years, a gas utility fails to meet the efficiency standard specified in subsection (c) of this Section as modified by subsection (d), then it shall make a contribution to the Low-Income Home Energy Assistance Program. The total liability for failure to meet the goal shall be assessed as follows:

- (1) a large gas utility shall pay \$600,000;
- (2) a medium gas utility shall pay \$400,000; and
- (3) a small gas utility shall pay \$200,000.

For purposes of this Section, (i) a "large gas utility" is a gas utility that on December 31, 2008, served more than 1,500,000 gas customers in Illinois; (ii) a "medium gas utility" is a gas utility that on December 31, 2008, served fewer than 1,500,000, but more than 500,000 gas customers in Illinois; and (iii) a "small gas utility" is a gas utility that on December 31, 2008, served fewer than 500,000 and more than 100,000 gas customers in Illinois. The costs of this contribution may not be recovered from ratepayers.

If a gas utility fails to meet the efficiency standard specified in subsection (c) of this Section, as modified by subsection (d) of this Section, in any 2 consecutive multi-year 3-year planning periods, then the responsibility for implementing the utility's energy efficiency measures shall be transferred to an independent program administrator selected by the Commission. Reasonable and prudent costs incurred by the independent program administrator to meet the efficiency standard specified in subsection (c) of this Section, as modified by subsection (d) of this Section, may be recovered from the customers of the affected gas utilities, other than customers described in subsection (m) of this Section. The utility shall provide the independent program administrator with all information and assistance necessary to perform the program administrator's duties including but not limited to customer, account, and energy usage data, and shall allow the program administrator to include inserts in customer bills. The utility may recover reasonable costs associated with any such assistance.

(j) No utility shall be deemed to have failed to meet the energy efficiency standards to the extent any such failure is due to a failure of the Department.

(k) Not later than January 1, 2012, the Commission shall develop and solicit public comment on a plan to foster statewide coordination and consistency between statutorily mandated natural gas and electric energy efficiency programs to reduce program or participant costs or to improve program performance. Not later than September 1, 2013, the Commission shall issue a report to the General Assembly containing its findings and recommendations.

(l) This Section does not apply to a gas utility that on January 1, 2009, provided gas service to fewer than 100,000 customers in Illinois.

(m) Subsections (a) through (k) of this Section do not apply to customers of a natural gas utility that have a North American Industry Classification System code number that is 22111 or any such code number beginning with the digits 31, 32, or 33 and (i) annual usage in the aggregate of 4 million therms or more within the service territory of the affected gas utility or with aggregate usage of 8 million therms or more in this State and complying with the provisions of item (l) of this subsection (m); or (ii) using natural gas as feedstock and meeting the usage requirements described in item (i) of this subsection (m), to the extent such annual feedstock usage is greater than 60% of the customer's total annual usage of natural gas.

(1) Customers described in this subsection (m) of this Section shall apply, on a form approved on or before October 1, 2009 by the Department, to the Department to be designated as a self-directing customer ("SDC") or as an exempt customer using natural gas as a feedstock from which other products are made, including, but not limited to, feedstock for a hydrogen plant, on or before the 1st day of February, 2010. Thereafter, application may be made not less than 6 months before the filing date of the gas utility energy efficiency plan described in subsection (f) of this Section; however, a new customer that commences taking service from a natural gas utility after February 1, 2010 may apply to become a SDC or exempt customer up to 30 days after beginning service. Customers described in this subsection (m) that have not already been approved by the Department may apply to be designated a self-directing customer or exempt customer, on a form approved by the Department, between September 1, 2013 and September 30, 2013. Customer applications that are approved by the Department under this

amendatory Act of the 98th General Assembly shall be considered to be a self-directing customer or exempt customer, as applicable, for the current 3-year planning period effective December 1, 2013. Such application shall contain the following:

(A) the customer's certification that, at the time of its application, it qualifies to be a SDC or exempt customer described in this subsection (m) of this Section;

(B) in the case of a SDC, the customer's certification that it has established or will establish by the beginning of the utility's multi-year ~~3-year~~ planning period commencing subsequent to the application, and will maintain for accounting purposes, an energy efficiency reserve account and that the customer will accrue funds in said account to be held for the purpose of funding, in whole or in part, energy efficiency measures of the customer's choosing, which may include, but are not limited to, projects involving combined heat and power systems that use the same energy source both for the generation of electrical or mechanical power and the production of steam or another form of useful thermal energy or the use of combustible gas produced from biomass, or both;

(C) in the case of a SDC, the customer's certification that annual funding levels for the energy efficiency reserve account will be equal to 2% of the customer's cost of natural gas, composed of the customer's commodity cost and the delivery service charges paid to the gas utility, or \$150,000, whichever is less;

(D) in the case of a SDC, the customer's certification that the required reserve account balance will be capped at 3 years' worth of accruals and that the customer may, at its option, make further deposits to the account to the extent such deposit would increase the reserve account balance above the designated cap level;

(E) in the case of a SDC, the customer's certification that by October 1 of each year, beginning no sooner than October 1, 2012, the customer will report to the Department information, for the 12-month period ending May 31 of the same year, on all deposits and reductions, if any, to the reserve account during the reporting year, and to the extent deposits to the reserve account in any year are in an amount less than \$150,000, the basis for such reduced deposits; reserve account balances by month; a description of energy efficiency measures undertaken by the customer and paid for in whole or in part with funds from the reserve account; an estimate of the energy saved, or to be saved, by the measure; and that the report shall include a verification by an officer or plant manager of the customer or by a registered professional engineer or certified energy efficiency trade professional that the funds withdrawn from the reserve account were used for the energy efficiency measures;

(F) in the case of an exempt customer, the customer's certification of the level of gas usage as feedstock in the customer's operation in a typical year and that it will provide information establishing this level, upon request of the Department;

(G) in the case of either an exempt customer or a SDC, the customer's certification that it has provided the gas utility or utilities serving the customer with a copy of the application as filed with the Department;

(H) in the case of either an exempt customer or a SDC, certification of the natural gas utility or utilities serving the customer in Illinois including the natural gas utility accounts that are the subject of the application; and

(I) in the case of either an exempt customer or a SDC, a verification signed by a plant manager or an authorized corporate officer attesting to the truthfulness and accuracy of the information contained in the application.

(2) The Department shall review the application to determine that it contains the information described in provisions (A) through (I) of item (1) of this subsection (m), as applicable. The review shall be completed within 30 days after the date the application is filed with the Department. Absent a determination by the Department within the 30-day period, the applicant shall be considered to be a SDC or exempt customer, as applicable, for all subsequent multi-year ~~3-year~~ planning periods, as of the date of filing the application described in this subsection (m). If the Department determines that the application does not contain the applicable information described in provisions (A) through (I) of item (1) of this subsection (m), it shall notify the customer, in writing, of its determination that the application does not contain the required information and identify the information that is missing, and the customer shall provide the missing information within 15 working days after the date of receipt of the Department's notification.

(3) The Department shall have the right to audit the information provided in the customer's application and annual reports to ensure continued compliance with the requirements of this subsection. Based on the audit, if the Department determines the customer is no longer in compliance with the requirements of items (A) through (I) of item (1) of this subsection (m), as applicable, the

Department shall notify the customer in writing of the noncompliance. The customer shall have 30 days to establish its compliance, and failing to do so, may have its status as a SDC or exempt customer revoked by the Department. The Department shall treat all information provided by any customer seeking SDC status or exemption from the provisions of this Section as strictly confidential.

(4) Upon request, or on its own motion, the Commission may open an investigation, no more than once every 3 years and not before October 1, 2014, to evaluate the effectiveness of the self-directing program described in this subsection (m).

Customers described in this subsection (m) that applied to the Department on January 3, 2013, were approved by the Department on February 13, 2013 to be a self-directing customer or exempt customer, and receive natural gas from a utility that provides gas service to at least 500,000 retail customers in Illinois and electric service to at least 1,000,000 retail customers in Illinois shall be considered to be a self-directing customer or exempt customer, as applicable, for the current 3-year planning period effective December 1, 2013.

(n) The applicability of this Section to customers described in subsection (m) of this Section is conditioned on the existence of the SDC program. In no event will any provision of this Section apply to such customers after January 1, 2020.

(o) Utilities' 3-year energy efficiency plans approved by the Commission on or before the effective date of this amendatory Act of the 99th General Assembly for the period June 1, 2014 through May 31, 2017 shall continue to be in force and effect through December 31, 2017 so that the energy efficiency programs set forth in those plans continue to be offered during the period June 1, 2017 through December 31, 2017. Each utility is authorized to increase, on a pro rata basis, the energy savings goals and budgets approved in its plan to reflect the additional 7 months of the plan's operation.

(Source: P.A. 97-813, eff. 7-13-12; 97-841, eff. 7-20-12; 98-90, eff. 7-15-13; 98-225, eff. 8-9-13; 98-604, eff. 12-17-13.)

(220 ILCS 5/9-107 new)

Sec. 9-107. Revenue balancing adjustments.

(a) In this Section:

"Reconciliation period" means a period beginning with the January monthly billing period and extending through the December monthly billing period.

"Rate case reconciliation revenue requirement" means the final distribution revenue requirement or requirements approved by the Commission in the utility's rate case or formula rate proceeding to set the rates initially applicable in the relevant reconciliation period after the conclusion of the period. In the event the Commission has approved more than one revenue requirement for the reconciliation period, the amount of rate case revenue under each approved revenue requirement shall be prorated based upon the number of days under which each revenue requirement was in effect.

(b) If an electric utility has a performance-based formula rate in effect under Section 16-108.5, then the utility shall be permitted to revise the formula rate and schedules to reduce the 50 basis point values to zero that would otherwise apply under paragraph (5) of subsection (c) of Section 16-108.5. Such revision and reduction shall apply beginning with the reconciliation conducted for the 2017 calendar year.

If the utility no longer has a performance-based formula in effect under Section 16-108.5, then the utility shall be permitted to implement the revenue balancing adjustment tariff described in subsection (c) of this Section.

(c) An electric utility that is authorized under subsection (b) of this Section to implement a revenue balancing adjustment tariff may file the tariff for the purpose of preventing undercollections or overcollections of distribution revenues as compared to the revenue requirement or requirements approved by the Commission on which the rates giving rise to those revenues were based. The tariff shall calculate an annual adjustment that reflects any difference between the actual delivery service revenue billed for services provided during the relevant reconciliation period and the rate case reconciliation revenue requirement for the relevant reconciliation period and shall set forth the reconciliation categories or classes, or a combination of both, in a manner determined at the utility's discretion.

(d) A utility that elects to file the tariff authorized by this Section shall file the tariff outside the context of a general rate case or formula rate proceeding, and the Commission shall, after notice and hearing, approve the tariff or approve with modification no later than 120 days after the utility files the tariff, and the tariff shall remain in effect at the discretion of the utility. The tariff shall also require that the electric utility submit an annual revenue balancing reconciliation report to the Commission reflecting the difference between the actual delivery service revenue and rate case revenue for the applicable reconciliation and identifying the charges or credits to be applied thereafter. The annual revenue balancing reconciliation report shall be filed with the Commission no later than March 20 of the year following a reconciliation period. The Commission may initiate a review of the revenue balancing reconciliation report

each year to determine if any subsequent adjustment is necessary to align actual delivery service revenue and rate case revenue. In the event the Commission elects to initiate such review, the Commission shall, after notice and hearing, enter an order approving, or approving as modified, such revenue balancing reconciliation report no later than 120 days after the utility files its report with the Commission. If the Commission does not initiate such review, the revenue balancing reconciliation report and the identified charges or credits shall be deemed accepted and approved 120 days after the utility files the report and shall not be subject to review in any other proceeding.

(220 ILCS 5/16-107)

Sec. 16-107. Real-time pricing.

(a) Each electric utility shall file, on or before May 1, 1998, a tariff or tariffs which allow nonresidential retail customers in the electric utility's service area to elect real-time pricing beginning October 1, 1998.

(b) Each electric utility shall file, on or before May 1, 2000, a tariff or tariffs which allow residential retail customers in the electric utility's service area to elect real-time pricing beginning October 1, 2000.

(b-5) Each electric utility shall file a tariff or tariffs allowing residential retail customers in the electric utility's service area to elect real-time pricing beginning January 2, 2007. The Commission may, after notice and hearing, approve the tariff or tariffs. A customer who elects real-time pricing shall remain on such rate for a minimum of 12 months. The Commission may, after notice and hearing, approve the tariff or tariffs, provided that the Commission finds that the potential for demand reductions will result in net economic benefits to all residential customers of the electric utility. In examining economic benefits from demand reductions, the Commission shall, at a minimum, consider the following: improvements to system reliability and power quality, reduction in wholesale market prices and price volatility, electric utility cost avoidance and reductions, market power mitigation, and other benefits of demand reductions, but only to the extent that the effects of reduced demand can be demonstrated to lower the cost of electricity delivered to residential customers. A tariff or tariffs approved pursuant to this subsection (b-5) shall, at a minimum, describe (i) the methodology for determining the market price of energy to be reflected in the real-time rate and (ii) the manner in which customers who elect real-time pricing will be provided with ready access to hourly market prices, including, but not limited to, day-ahead hourly energy prices. A customer who elects real-time pricing under a tariff approved under this subsection (b-5) and thereafter terminates the election shall not return to taking service under the tariff for a period of 12 months following the date on which the customer terminated real-time pricing. However, this limitation shall cease to apply on such date that the provision of electric power and energy is declared competitive under Section 16-113 of this Act for the customer group or groups to which this subsection (b-5) applies.

A proceeding under this subsection (b-5) may not exceed 120 days in length.

(b-10) Each electric utility providing real-time pricing pursuant to subsection (b-5) shall install a meter capable of recording hourly interval energy use at the service location of each customer that elects real-time pricing pursuant to this subsection.

(b-15) If the Commission issues an order pursuant to subsection (b-5), the affected electric utility shall contract with an entity not affiliated with the electric utility to serve as a program administrator to develop and implement a program to provide consumer outreach, enrollment, and education concerning real-time pricing and to establish and administer an information system and technical and other customer assistance that is necessary to enable customers to manage electricity use. The program administrator: (i) shall be selected and compensated by the electric utility, subject to Commission approval; (ii) shall have demonstrated technical and managerial competence in the development and administration of demand management programs; and (iii) may develop and implement risk management, energy efficiency, and other services related to energy use management for which the program administrator shall be compensated by participants in the program receiving such services. The electric utility shall provide the program administrator with all information and assistance necessary to perform the program administrator's duties, including, but not limited to, customer, account, and energy use data. The electric utility shall permit the program administrator to include inserts in residential customer bills 2 times per year to assist with customer outreach and enrollment.

The program administrator shall submit an annual report to the electric utility no later than April 1 of each year describing the operation and results of the program, including information concerning the number and types of customers using real-time pricing, changes in customers' energy use patterns, an assessment of the value of the program to both participants and non-participants, and recommendations concerning modification of the program and the tariff or tariffs filed under subsection (b-5). This report shall be filed by the electric utility with the Commission within 30 days of receipt and shall be available to the public on the Commission's web site.

(b-20) The Commission shall monitor the performance of programs established pursuant to subsection (b-15) and shall order the termination or modification of a program if it determines that the program is

not, after a reasonable period of time for development not to exceed 4 years, resulting in net benefits to the residential customers of the electric utility.

(b-25) An electric utility shall be entitled to recover reasonable costs incurred in complying with this Section, provided that recovery of the costs is fairly apportioned among its residential customers as provided in this subsection (b-25). The electric utility may apportion ~~greater~~ costs on the residential customers who elect real-time pricing, but may also impose some of the costs of real-time pricing on customers who do not elect real-time pricing, ~~provided that the Commission determines that the cost savings resulting from real-time pricing will exceed the costs imposed on customers for maintaining the program.~~

(c) The electric utility's tariff or tariffs filed pursuant to this Section shall be subject to Article IX.

(d) This Section does not apply to any electric utility providing service to 100,000 or fewer customers.

(Source: P.A. 94-977, eff. 6-30-06.)

(220 ILCS 5/16-107.5)

Sec. 16-107.5. Net electricity metering.

(a) The Legislature finds and declares that a program to provide net electricity metering, as defined in this Section, for eligible customers can encourage private investment in renewable energy resources, stimulate economic growth, enhance the continued diversification of Illinois' energy resource mix, and protect the Illinois environment.

(b) As used in this Section, (i) "community renewable generation project" shall have the meaning set forth in Section 1-10 of the Illinois Power Agency Act; (ii) "eligible customer" means a retail customer that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 2,000 kilowatts that is located on the customer's premises and is intended primarily to offset the customer's own electrical requirements; (iii) ~~(ii)~~ "electricity provider" means an electric utility or alternative retail electric supplier; ~~(iv)~~ ~~(iii)~~ "eligible renewable electrical generating facility" means a generator that is interconnected under rules adopted by the Commission and is powered by solar electric energy, wind, dedicated crops grown for electricity generation, agricultural residues, untreated and unadulterated wood waste, landscape trimmings, livestock manure, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy; ~~(v)~~ ~~(iv)~~ "net electricity metering" (or "net metering") means the measurement, during the billing period applicable to an eligible customer, of the net amount of electricity supplied by an electricity provider to the customer's premises or provided to the electricity provider by the customer or subscriber; (vi) "subscriber" shall have the meaning as set forth in Section 1-10 of the Illinois Power Agency Act; and (vii) "subscription" shall have the meaning set forth in Section 1-10 of the Illinois Power Agency Act.

(c) A net metering facility shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate.

(1) For eligible customers whose electric service has not been declared competitive pursuant to Section 16-113 of this Act as of July 1, 2011 and whose electric delivery service is provided and measured on a kilowatt-hour basis and electric supply service is not provided based on hourly pricing, this shall typically be accomplished through use of a single, bi-directional meter. If the eligible customer's existing electric revenue meter does not meet this requirement, the electricity provider shall arrange for the local electric utility or a meter service provider to install and maintain a new revenue meter at the electricity provider's expense, which may be the smart meter described by subsection (b) of Section 16-108.5 of this Act.

(2) For eligible customers whose electric service has not been declared competitive pursuant to Section 16-113 of this Act as of July 1, 2011 and whose electric delivery service is provided and measured on a kilowatt demand basis and electric supply service is not provided based on hourly pricing, this shall typically be accomplished through use of a dual channel meter capable of measuring the flow of electricity both into and out of the customer's facility at the same rate and ratio. If such customer's existing electric revenue meter does not meet this requirement, then the electricity provider shall arrange for the local electric utility or a meter service provider to install and maintain a new revenue meter at the electricity provider's expense, which may be the smart meter described by subsection (b) of Section 16-108.5 of this Act.

(3) For all other eligible customers, until such time as the local electric utility installs a smart meter, as described by subsection (b) of Section 16-108.5 of this Act, the electricity provider may arrange for the local electric utility or a meter service provider to install and maintain metering equipment capable of measuring the flow of electricity both into and out of the customer's facility at the same rate and ratio, typically through the use of a dual channel meter. If the eligible customer's existing electric revenue

meter does not meet this requirement, then the costs of installing such equipment shall be paid for by the customer.

(d) An electricity provider shall measure and charge or credit for the net electricity supplied to eligible customers or provided by eligible customers whose electric service has not been declared competitive pursuant to Section 16-113 of ~~this~~ the Act as of July 1, 2011 and whose electric delivery service is provided and measured on a kilowatt-hour basis and electric supply service is not provided based on hourly pricing in the following manner:

(1) If the amount of electricity used by the customer during the billing period exceeds the amount of electricity produced by the customer, the electricity provider shall charge the customer for the net electricity supplied to and used by the customer as provided in subsection (e-5) of this Section.

(2) If the amount of electricity produced by a customer during the billing period exceeds the amount of electricity used by the customer during that billing period, the electricity provider supplying that customer shall apply a 1:1 kilowatt-hour credit to a subsequent bill for service to the customer for the net electricity supplied to the electricity provider. The electricity provider shall continue to carry over any excess kilowatt-hour credits earned and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until the end of the annualized period.

(3) At the end of the year or annualized over the period that service is supplied by means of net metering, or in the event that the retail customer terminates service with the electricity provider prior to the end of the year or the annualized period, any remaining credits in the customer's account shall expire.

(d-5) An electricity provider shall measure and charge or credit for the net electricity supplied to eligible customers or provided by eligible customers whose electric service has not been declared competitive pursuant to Section 16-113 of this Act as of July 1, 2011 and whose electric delivery service is provided and measured on a kilowatt-hour basis and electric supply service is provided based on hourly pricing in the following manner:

(1) If the amount of electricity used by the customer during any hourly period exceeds the amount of electricity produced by the customer, the electricity provider shall charge the customer for the net electricity supplied to and used by the customer according to the terms of the contract or tariff to which the same customer would be assigned to or be eligible for if the customer was not a net metering customer.

(2) If the amount of electricity produced by a customer during any hourly period exceeds the amount of electricity used by the customer during that hourly period, the energy provider shall apply a credit for the net kilowatt-hours produced in such period. The credit shall consist of an energy credit and a delivery service credit. The energy credit shall be valued at the same price per kilowatt-hour as the electric service provider would charge for kilowatt-hour energy sales during that same hourly period. The delivery credit shall be equal to the net kilowatt-hours produced in such hourly period times a credit that reflects all kilowatt-hour based charges in the customer's electric service rate, excluding energy charges.

(e) An electricity provider shall measure and charge or credit for the net electricity supplied to eligible customers whose electric service has not been declared competitive pursuant to Section 16-113 of this Act as of July 1, 2011 and whose electric delivery service is provided and measured on a kilowatt demand basis and electric supply service is not provided based on hourly pricing in the following manner:

(1) If the amount of electricity used by the customer during the billing period exceeds the amount of electricity produced by the customer, then the electricity provider shall charge the customer for the net electricity supplied to and used by the customer as provided in subsection (e-5) of this Section. The customer shall remain responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the net amount of electricity used by the customer.

(2) If the amount of electricity produced by a customer during the billing period exceeds the amount of electricity used by the customer during that billing period, then the electricity provider supplying that customer shall apply a 1:1 kilowatt-hour credit that reflects the kilowatt-hour based charges in the customer's electric service rate to a subsequent bill for service to the customer for the net electricity supplied to the electricity provider. The electricity provider shall continue to carry over any excess kilowatt-hour credits earned and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until the end of the annualized period.

(3) At the end of the year or annualized over the period that service is supplied by

means of net metering, or in the event that the retail customer terminates service with the electricity provider prior to the end of the year or the annualized period, any remaining credits in the customer's account shall expire.

(e-5) An electricity provider shall provide electric service to eligible customers who utilize net metering at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that the customer would be charged if not a net metering customer. An electricity provider shall not charge net metering customers any fee or charge or require additional equipment, insurance, or any other requirements not specifically authorized by interconnection standards authorized by the Commission, unless the fee, charge, or other requirement would apply to other similarly situated customers who are not net metering customers. The customer will remain responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the net amount of electricity used by the customer. Subsections (c) through (e) of this Section shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth different prices, terms, and conditions for the provision of net metering service, including, but not limited to, the provision of the appropriate metering equipment for non-residential customers.

(f) Notwithstanding the requirements of subsections (c) through (e-5) of this Section, an electricity provider must require dual-channel metering for customers operating eligible renewable electrical generating facilities with a nameplate rating up to 2,000 kilowatts and to whom the provisions of neither subsection (d), (d-5), nor (e) of this Section apply. In such cases, electricity charges and credits shall be determined as follows:

(1) The electricity provider shall assess and the customer remains responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the gross amount of kilowatt-hours supplied to the eligible customer by the electricity provider.

(2) Each month that service is supplied by means of dual-channel metering, the electricity provider shall compensate the eligible customer for any excess kilowatt-hour credits at the electricity provider's avoided cost of electricity supply over the monthly period or as otherwise specified by the terms of a power-purchase agreement negotiated between the customer and electricity provider.

(3) For all eligible net metering customers taking service from an electricity provider under contracts or tariffs employing hourly or time of use rates, any monthly consumption of electricity shall be calculated according to the terms of the contract or tariff to which the same customer would be assigned to or be eligible for if the customer was not a net metering customer. When those same customer-generators are net generators during any discrete hourly or time of use period, the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour as the electric service provider would charge for retail kilowatt-hour sales during that same time of use period.

(g) For purposes of federal and State laws providing renewable energy credits or greenhouse gas credits, the eligible customer shall be treated as owning and having title to the renewable energy attributes, renewable energy credits, and greenhouse gas emission credits related to any electricity produced by the qualified generating unit. The electricity provider may not condition participation in a net metering program on the signing over of a customer's renewable energy credits; provided, however, this subsection (g) shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth the ownership or title of the credits.

(h) Within 120 days after the effective date of this amendatory Act of the 95th General Assembly, the Commission shall establish standards for net metering and, if the Commission has not already acted on its own initiative, standards for the interconnection of eligible renewable generating equipment to the utility system. The interconnection standards shall address any procedural barriers, delays, and administrative costs associated with the interconnection of customer-generation while ensuring the safety and reliability of the units and the electric utility system. The Commission shall consider the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547 and the issues of (i) reasonable and fair fees and costs, (ii) clear timelines for major milestones in the interconnection process, (iii) nondiscriminatory terms of agreement, and (iv) any best practices for interconnection of distributed generation.

(i) All electricity providers shall begin to offer net metering no later than April 1, 2008.

(j) An electricity provider shall provide net metering to eligible customers until the load of its net metering customers equals 5% of the total peak demand supplied by that electricity provider during the previous year. After such time as the load of the electricity provider's net metering customers equals 5% of the total peak demand supplied by that electricity provider during the previous year, eligible customers that begin taking net metering shall only be eligible for netting of energy. Electricity providers are authorized to offer net metering beyond the 5% level if they so choose.

(k) Each electricity provider shall maintain records and report annually to the Commission the total number of net metering customers served by the provider, as well as the type, capacity, and energy sources

of the generating systems used by the net metering customers. Nothing in this Section shall limit the ability of an electricity provider to request the redaction of information deemed by the Commission to be confidential business information. ~~Each electricity provider shall notify the Commission when the total generating capacity of its net metering customers is equal to or in excess of the 5% cap specified in subsection (j) of this Section.~~

~~(1)(L) Notwithstanding the definition of "eligible customer" in item (ii) (j) of subsection (b) of this Section, each electricity provider shall consider whether to allow meter aggregation for the purposes of net metering as set forth in this subsection (l) and for the following projects on:~~

~~(A) (4) properties owned or leased by multiple customers that contribute to the operation of an eligible renewable electrical generating facility through an ownership or leasehold interest of at least 200 watts in such facility, such as a community-owned wind project, a community-owned biomass project, a community-owned solar project, or a community methane digester processing livestock waste from multiple sources, provided that the facility is also located within the utility's service territory; and~~

~~(B) (2) individual units, apartments, or properties located in a single building that are owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility, such as an office or apartment building, a shopping center or strip mall served by photovoltaic panels on the roof; and -~~

~~(C) subscriptions to community renewable generation projects.~~

In addition, the nameplate capacity of the eligible renewable electric generating facility that serves the demand of the properties, units, or apartments identified in paragraphs (1) and (2) of this subsection (l) shall not exceed 2,000 kilowatts in nameplate capacity in total. Any eligible renewable electrical generating facility or community renewable generation project that is powered by photovoltaic electric energy and installed after the effective date of this amendatory Act of the 99th General Assembly must be installed by a qualified person in compliance with the requirements of Section 16-128A of the Public Utilities Act and any rules or regulations adopted thereunder.

(2) Notwithstanding anything to the contrary, an electricity provider shall provide credits for the electricity produced by the projects described in paragraph (1) of this subsection (l). The electricity provider shall provide credits at the subscriber's energy supply rate on the subscriber's monthly bill equal to the subscriber's share of the production of electricity from the project, as determined by paragraph (3) of this subsection (l).

(3) For the purposes of facilitating net metering, the owner or operator of the eligible renewable electrical generating facility or community renewable generation project shall be responsible for determining the amount of the credit that each customer or subscriber participating in a project under this subsection (l) is to receive in the following manner: this subsection (4), "meter aggregation" means the combination of reading and billing on a pro rata basis for the types of eligible customers described in this Section.

(A) The owner or operator shall, on a monthly basis, provide to the electric utility the kilowatthours of generation attributable to each of the utility's retail customers and subscribers participating in projects under this subsection (l) in accordance with the customer's or subscriber's share of the eligible renewable electric generating facility's or community renewable generation project's output of power and energy for such month. The owner or operator shall electronically transmit such calculations and associated documentation to the electric utility, in a format or method set forth in the applicable tariff, on a monthly basis so that the electric utility can reflect the monetary credits on customers' and subscribers' electric utility bills. The electric utility shall be permitted to revise its tariffs to implement the provisions of this amendatory Act of the 99th General Assembly. The owner or operator shall separately provide the electric utility with the documentation detailing the calculations supporting the credit in the manner set forth in the applicable tariff.

(B) For those participating customers and subscribers who receive their energy supply from an alternative retail electric supplier, the electric utility shall remit to the applicable alternative retail electric supplier the information provided under subparagraph (A) of this paragraph (3) for such customers and subscribers in a manner set forth in such alternative retail electric supplier's net metering program, or as otherwise agreed between the utility and the alternative retail electric supplier. The alternative retail electric supplier shall then submit to the utility the amount of the charges for power and energy to be applied to such customers and subscribers, including the amount of the credit associated with net metering.

(C) A participating customer or subscriber may provide authorization as required by applicable law that directs the electric utility to submit information to the owner or operator of the eligible renewable electrical generating facility or community renewable generation project to which the customer or

subscriber has an ownership or leasehold interest or a subscription. Such information shall be limited to the components of the net metering credit calculated under this subsection (l), including the bill credit rate, total kilowatt-hours, and total monetary credit value applied to the customer's or subscriber's bill for the monthly billing period.

(l-5) Within 90 days after the effective date of this amendatory Act of the 99th General Assembly, each electric utility subject to this Section shall file a tariff to implement the provisions of subsection (l) of this Section, which shall, consistent with the provisions of subsection (l), describe the terms and conditions under which owners or operators of qualifying properties, units, or apartments may participate in net metering. The Commission shall approve, or approve with modification, the tariff within 120 days after the effective date of this amendatory Act of the 99th General Assembly.

(m) Nothing in this Section shall affect the right of an electricity provider to continue to provide, or the right of a retail customer to continue to receive service pursuant to a contract for electric service between the electricity provider and the retail customer in accordance with the prices, terms, and conditions provided for in that contract. Either the electricity provider or the customer may require compliance with the prices, terms, and conditions of the contract.

(n) At such time, if any, that the load of the electricity provider's net metering customers equals 5% of the total peak demand supplied by that electricity provider during the previous year, as specified in subsection (j) of this Section, the net metering services described in subsections (d), (d-5), (e), (e-5), and (f) of this Section shall no longer be offered, except as to those retail customers that are receiving net metering service under these subsections at the time the net metering services under those subsections are no longer offered. Those retail customers that begin taking net metering service after the date that net metering services are no longer offered under such subsections shall be subject to the provisions set forth in the following paragraphs (1) through (3) of this subsection (n):

(1) An electricity provider shall charge or credit for the net electricity supplied to eligible customers or provided by eligible customers whose electric supply service is not provided based on hourly pricing in the following manner:

(A) If the amount of electricity used by the customer during the billing period exceeds the amount of electricity produced by the customer, then the electricity provider shall charge the customer for the net kilowatt-hour based electricity charges reflected in the customer's electric service rate supplied to and used by the customer as provided in paragraph (3) of this subsection (n).

(B) If the amount of electricity produced by a customer during the billing period exceeds the amount of electricity used by the customer during that billing period, then the electricity provider supplying that customer shall apply a 1:1 kilowatt-hour energy credit that reflects the kilowatt-hour based energy charges in the customer's electric service rate to a subsequent bill for service to the customer for the net electricity supplied to the electricity provider. The electricity provider shall continue to carry over any excess kilowatt-hour energy credits earned and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until the end of the annualized period.

(C) At the end of the year or annualized over the period that service is supplied by means of net metering, or in the event that the retail customer terminates service with the electricity provider prior to the end of the year or the annualized period, any remaining credits in the customer's account shall expire.

(2) An electricity provider shall charge or credit for the net electricity supplied to eligible customers or provided by eligible customers whose electric supply service is provided based on hourly pricing in the following manner:

(A) If the amount of electricity used by the customer during any hourly period exceeds the amount of electricity produced by the customer, then the electricity provider shall charge the customer for the net electricity supplied to and used by the customer as provided in paragraph (3) of this subsection (n).

(B) If the amount of electricity produced by a customer during any hourly period exceeds the amount of electricity used by the customer during that hourly period, the energy provider shall calculate an energy credit for the net kilowatt-hours produced in such period. The value of the energy credit shall be calculated using the same price per kilowatt-hour as the electric service provider would charge for kilowatt-hour energy sales during that same hourly period.

(3) An electricity provider shall provide electric service to eligible customers who utilize net metering at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that the customer would be charged if not a net metering customer. An electricity provider shall charge the customer for the net electricity supplied to and used by the customer according to the terms of the contract or tariff to which the same customer would be assigned or be eligible for if the customer was not a net metering customer. An electricity provider shall not charge net metering customers any fee or charge or require additional equipment, insurance, or any other requirements not

specifically authorized by interconnection standards authorized by the Commission, unless the fee, charge, or other requirement would apply to other similarly situated customers who are not net metering customers. The charge or credit that the customer receives for net electricity shall be at a rate equal to the customer's energy supply rate. The customer remains responsible for the gross amount of delivery services charges, supply-related charges that are kilowatt based, and all taxes and fees related to such charges. The customer also remains responsible for all taxes and fees that would otherwise be applicable to the net amount of electricity used by the customer. Paragraphs (1) and (2) of this subsection (n) shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth different prices, terms, and conditions for the provision of net metering service, including, but not limited to, the provision of the appropriate metering equipment for non-residential customers. Nothing in this paragraph (3) shall be interpreted to mandate that a utility that is only required to provide delivery services to a given customer must also sell electricity to such customer.

(Source: P.A. 97-616, eff. 10-26-11; 97-646, eff. 12-30-11; 97-824, eff. 7-18-12.)

(220 ILCS 5/16-107.6 new)

Sec. 16-107.6. Distributed generation rebate.

(a) In this Section:

"Smart inverter" means a device that converts direct current into alternating current and can autonomously contribute to grid support during excursions from normal operating voltage and frequency conditions by providing each of the following: dynamic reactive and real power support, voltage and frequency ride-through, ramp rate controls, communication systems with ability to accept external commands, and other functions from the electric utility.

"Subscriber" has the meaning set forth in Section 1-10 of the Illinois Power Agency Act.

"Subscription" has the meaning set forth in Section 1-10 of the Illinois Power Agency Act.

"Threshold date" means the date on which the load of an electricity provider's net metering customers equals 5% of the total peak demand supplied by that electricity provider during the previous year, as specified under subsection (j) of Section 16-107.5 of this Act.

(b) An electric utility that serves more than 200,000 customers in the State shall file a petition with the Commission requesting approval of the utility's tariff to provide a rebate to a retail customer who owns or operates distributed generation that meets the following criteria:

(1) has a nameplate generating capacity no greater than 2,000 kilowatts and is designed not to exceed the peak load of the customer's premises;

(2) is located on the customer's premises, for the customer's own use, and not for commercial use or sales, including, but not limited to, wholesale sales of electric power and energy;

(3) is located in the electric utility's service territory; and

(4) is interconnected under rules adopted by the Commission by means of the inverter or smart inverter required by this Section, as applicable.

For purposes of this Section, "distributed generation" shall satisfy the definition of distributed renewable energy generation device set forth in Section 1-10 of the Illinois Power Agency Act to the extent such definition does not conflict with the requirements of this Section.

In addition, any new photovoltaic distributed generation that is installed after the effective date of this amendatory Act of the 99th General Assembly must be installed by a qualified person, as defined by subsection (i) of Section 1-56 of the Illinois Power Agency Act.

The tariff shall provide that the utility shall be permitted to operate and control the smart inverter associated with the distributed generation that is the subject of the rebate for the purpose of preserving reliability during distribution system reliability events and shall address the terms and conditions of the operation and the compensation associated with the operation. Nothing in this Section shall negate or supersede Institute of Electrical and Electronics Engineers interconnection requirements or standards or other similar standards or requirements. The tariff shall also provide for additional uses of the smart inverter that shall be separately compensated and which may include, but are not limited to, voltage and VAR support, regulation, and other grid services. As part of the proceeding described in subsection (e) of this Section, the Commission shall review and determine whether smart inverters can provide any additional uses or services. If the Commission determines that an additional use or service would be beneficial, the Commission shall determine the terms and conditions of the operation and how the use or service should be separately compensated.

(c) The proposed tariff authorized by subsection (b) of this Section shall include the following participation terms and formulae to calculate the value of the rebates to be applied under this Section for distributed generation that satisfies the criteria set forth in subsection (b) of this Section:

(1) Until the utility files its tariff or tariffs to place into effect the rebate values established by the Commission under subsection (e) of this Section, non-residential customers that are taking service under

a net metering program offered by an electricity provider under the terms of Section 16-107.5 of this Act may apply for a rebate as provided for in this Section. The value of the rebate shall be \$500 per kilowatt of nameplate generating capacity, measured as nominal DC power output, of a non-residential customer's distributed generation.

(2)After the utility's tariff or tariffs setting the new rebate values established under subsection (d) of this Section take effect, retail customers may, as applicable, make the following elections:

(A) Residential customers that are taking service under a net metering program offered by an electricity provider under the terms of Section 16-107.5 of this Act on the threshold date may elect to either continue to take such service under the terms of such program as in effect on such threshold date for the useful life of the customer's eligible renewable electric generating facility as defined in such Section, or file an application to receive a rebate under the terms of this Section, provided that such application must be submitted within 6 months after the effective date of the tariff approved under subsection (d) of this Section. The value of the rebate shall be the amount established by the Commission and reflected in the utility's tariff pursuant to subsection (e) of this Section.

(B)Non-residential customers that are taking service under a net metering program offered by an electricity provider under the terms of Section 16-107.5 of this Act on the threshold date may apply for a rebate as provided for in this Section. The value of the rebate shall be the amount established by the Commission and reflected in the utility's tariff pursuant to subsection (e) of this Section.

(3)Upon approval of a rebate application submitted under this subsection (c), the retail customer shall no longer be entitled to receive any delivery service credits for the excess electricity generated by its facility and shall be subject to the provisions of subsection (n) of Section 16-107.5 of this Act.

(4)To be eligible for a rebate described in this subsection (c), customers who begin taking service after the effective date of this amendatory Act of the 99th General Assembly under a net metering program offered by an electricity provider under the terms of Section 16-107.5 of this Act must have a smart inverter associated with the customer's distributed generation.

(d)The Commission shall review the proposed tariff submitted under subsections (b) and (c) of this Section and may make changes to the tariff that are consistent with this Section and with the Commission's authority under Article IX of this Act, subject to notice and hearing. Following notice and hearing, the Commission shall issue an order approving, or approving with modification, such tariff no later than 240 days after the utility files its tariff.

(e)When the total generating capacity of the electricity provider's net metering customers is equal to 3%, the Commission shall open an investigation into an annual process and formula for calculating the value of rebates for the retail customers described in subsections (b) and (f) of this Section that submit rebate applications after the threshold date for an electric utility that elected to file a tariff pursuant to this Section. The investigation shall include diverse sets of stakeholders, calculations based on best practices for valuing distributed energy resource benefits to the grid, and assessments of present and future technological capabilities of distributed energy resources. The value of such rebates shall reflect the value of the distributed generation to the distribution system at the location at which it is interconnected, taking into account the geographic, time-based, and performance-based benefits, as well as technological capabilities and present and future grid needs. No later than 10 days after the Commission enters its final order under this subsection (e), the utility shall file its tariff or tariffs in compliance with the order, and the Commission shall approve, or approve with modification, the tariff or tariffs within 45 days after the utility's filing. For those rebate applications filed after the threshold date but before the utility's tariff or tariffs filed pursuant to this subsection (e) take effect, the value of the rebate shall remain at the value established in subsection (c) of this Section until the tariff is approved.

(f)Notwithstanding any provision of this Act to the contrary, the owner, developer, or subscriber of a generation facility that is part of a net metering program provided under subsection (l) of Section 16-107.5 shall also be eligible to apply for the rebate described in this Section. A subscriber to the generation facility may apply for a rebate in the amount of the subscriber's subscription only if the owner, developer, or previous subscriber to the same panel or panels has not already submitted an application, and, regardless of whether the subscriber is a residential or non-residential customer, may be allowed the amount identified in paragraph (1) of subsection (c) or in subsection (e) of this Section applicable to such customer on the date that the application is submitted. An application for a rebate for a portion of a project described in this subsection (f) may be submitted at or after the time that a related request for net metering is made.

(g)No later than 180 days after the utility receives an application for a rebate under its tariff approved under subsection (d) or (e) of this Section, the utility shall issue a rebate to the applicant under the terms of the tariff. In the event the application is incomplete or the utility is otherwise unable to calculate the payment based on the information provided by the owner, the utility shall issue the payment no later than 180 days after the application is complete or all requested information is received.

(h) An electric utility shall recover from its retail customers all of the costs of the rebates made under a tariff or tariffs placed into effect under this Section, including, but not limited to, the value of the rebates and all costs incurred by the utility to comply with and implement this Section, consistent with the following provisions:

(1) The utility shall defer the full amount of its costs incurred under this Section as a regulatory asset. The total costs deferred as a regulatory asset shall be amortized over a 15-year period. The unamortized balance shall be recognized as of December 31 for a given year. The utility shall also earn a return on the total of the unamortized balance of the regulatory assets, less any deferred taxes related to the unamortized balance, at an annual rate equal to the utility's weighted average cost of capital that includes, based on a year-end capital structure, the utility's actual cost of debt for the applicable calendar year and a cost of equity, which shall be calculated as the sum of (i) the average for the applicable calendar year of the monthly average yields of 30-year U.S. Treasury bonds published by the Board of Governors of the Federal Reserve System in its weekly H.15 Statistical Release or successor publication; and (ii) 580 basis points, including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return.

When an electric utility creates a regulatory asset under the provisions of this Section, the costs are recovered over a period during which customers also receive a benefit, which is in the public interest. Accordingly, it is the intent of the General Assembly that an electric utility that elects to create a regulatory asset under the provisions of this Section shall recover all of the associated costs, including, but not limited to, its cost of capital as set forth in this Section. After the Commission has approved the prudence and reasonableness of the costs that comprise the regulatory asset, the electric utility shall be permitted to recover all such costs, and the value and recoverability through rates of the associated regulatory asset shall not be limited, altered, impaired, or reduced. To enable the financing of the incremental capital expenditures, including regulatory assets, for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State, the utility's actual year-end capital structure that includes a common equity ratio, excluding goodwill, of up to and including 50% of the total capital structure shall be deemed reasonable and used to set rates.

(2) The utility, at its election, may recover all of the costs it incurs under this Section as part of a filing for a general increase in rates under Article IX of this Act, as part of an annual filing to update a performance-based formula rate under subsection (d) of Section 16-108.5 of this Act, or through an automatic adjustment clause tariff, provided that nothing in this paragraph (2) permits the double recovery of such costs from customers. If the utility elects to recover the costs it incurs under this Section through an automatic adjustment clause tariff, the utility may file its proposed tariff together with the tariff it files under subsection (b) of this Section or at a later time. The proposed tariff shall provide for an annual reconciliation, less any deferred taxes related to the reconciliation, with interest at an annual rate of return equal to the utility's weighted average cost of capital as calculated under paragraph (1) of this subsection (h), including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return, of the revenue requirement reflected in rates for each calendar year, beginning with the calendar year in which the utility files its automatic adjustment clause tariff under this subsection (h), with what the revenue requirement would have been had the actual cost information for the applicable calendar year been available at the filing date. The Commission shall review the proposed tariff and may make changes to the tariff that are consistent with this Section and with the Commission's authority under Article IX of this Act, subject to notice and hearing. Following notice and hearing, the Commission shall issue an order approving, or approving with modification, such tariff no later than 240 days after the utility files its tariff.

(i) No later than 90 days after the Commission enters an order, or order on rehearing, whichever is later, approving an electric utility's proposed tariff under subsection (d) of this Section, the electric utility shall provide notice of the availability of rebates under this Section. Subsequent to the utility's notice, any entity that offers in the State, for sale or lease, distributed generation and estimates the dollar saving attributable to such distributed generation shall provide estimates based on both delivery service credits and the rebates available under this Section.

(220 ILCS 5/16-108)

Sec. 16-108. Recovery of costs associated with the provision of delivery and other services.

(a) An electric utility shall file a delivery services tariff with the Commission at least 210 days prior to the date that it is required to begin offering such services pursuant to this Act. An electric utility shall provide the components of delivery services that are subject to the jurisdiction of the Federal Energy Regulatory Commission at the same prices, terms and conditions set forth in its applicable tariff as approved or allowed into effect by that Commission. The Commission shall otherwise have the authority pursuant to Article IX to review, approve, and modify the prices, terms and conditions of those components

of delivery services not subject to the jurisdiction of the Federal Energy Regulatory Commission, including the authority to determine the extent to which such delivery services should be offered on an unbundled basis. In making any such determination the Commission shall consider, at a minimum, the effect of additional unbundling on (i) the objective of just and reasonable rates, (ii) electric utility employees, and (iii) the development of competitive markets for electric energy services in Illinois.

(b) The Commission shall enter an order approving, or approving as modified, the delivery services tariff no later than 30 days prior to the date on which the electric utility must commence offering such services. The Commission may subsequently modify such tariff pursuant to this Act.

(c) The electric utility's tariffs shall define the classes of its customers for purposes of delivery services charges. Delivery services shall be priced and made available to all retail customers electing delivery services in each such class on a nondiscriminatory basis regardless of whether the retail customer chooses the electric utility, an affiliate of the electric utility, or another entity as its supplier of electric power and energy. Charges for delivery services shall be cost based, and shall allow the electric utility to recover the costs of providing delivery services through its charges to its delivery service customers that use the facilities and services associated with such costs. Such costs shall include the costs of owning, operating and maintaining transmission and distribution facilities. The Commission shall also be authorized to consider whether, and if so to what extent, the following costs are appropriately included in the electric utility's delivery services rates: (i) the costs of that portion of generation facilities used for the production and absorption of reactive power in order that retail customers located in the electric utility's service area can receive electric power and energy from suppliers other than the electric utility, and (ii) the costs associated with the use and redispatch of generation facilities to mitigate constraints on the transmission or distribution system in order that retail customers located in the electric utility's service area can receive electric power and energy from suppliers other than the electric utility. Nothing in this subsection shall be construed as directing the Commission to allocate any of the costs described in (i) or (ii) that are found to be appropriately included in the electric utility's delivery services rates to any particular customer group or geographic area in setting delivery services rates.

(d) The Commission shall establish charges, terms and conditions for delivery services that are just and reasonable and shall take into account customer impacts when establishing such charges. In establishing charges, terms and conditions for delivery services, the Commission shall take into account voltage level differences. A retail customer shall have the option to request to purchase electric service at any delivery service voltage reasonably and technically feasible from the electric facilities serving that customer's premises provided that there are no significant adverse impacts upon system reliability or system efficiency. A retail customer shall also have the option to request to purchase electric service at any point of delivery that is reasonably and technically feasible provided that there are no significant adverse impacts on system reliability or efficiency. Such requests shall not be unreasonably denied.

(e) Electric utilities shall recover the costs of installing, operating or maintaining facilities for the particular benefit of one or more delivery services customers, including without limitation any costs incurred in complying with a customer's request to be served at a different voltage level, directly from the retail customer or customers for whose benefit the costs were incurred, to the extent such costs are not recovered through the charges referred to in subsections (c) and (d) of this Section.

(f) An electric utility shall be entitled but not required to implement transition charges in conjunction with the offering of delivery services pursuant to Section 16-104. If an electric utility implements transition charges, it shall implement such charges for all delivery services customers and for all customers described in subsection (h), but shall not implement transition charges for power and energy that a retail customer takes from cogeneration or self-generation facilities located on that retail customer's premises, if such facilities meet the following criteria:

(i) the cogeneration or self-generation facilities serve a single retail customer and are located on that retail customer's premises (for purposes of this subparagraph and subparagraph (ii), an industrial or manufacturing retail customer and a third party contractor that is served by such industrial or manufacturing customer through such retail customer's own electrical distribution facilities under the circumstances described in subsection (vi) of the definition of "alternative retail electric supplier" set forth in Section 16-102, shall be considered a single retail customer);

(ii) the cogeneration or self-generation facilities either (A) are sized pursuant to generally accepted engineering standards for the retail customer's electrical load at that premises (taking into account standby or other reliability considerations related to that retail customer's operations at that site) or (B) if the facility is a cogeneration facility located on the retail customer's premises, the retail customer is the thermal host for that facility and the facility has been designed to meet that retail customer's thermal energy requirements resulting in electrical output beyond that retail customer's electrical demand at that premises, comply with the operating and efficiency standards applicable to

"qualifying facilities" specified in title 18 Code of Federal Regulations Section 292.205 as in effect on the effective date of this amendatory Act of 1999;

(iii) the retail customer on whose premises the facilities are located either has an exclusive right to receive, and corresponding obligation to pay for, all of the electrical capacity of the facility, or in the case of a cogeneration facility that has been designed to meet the retail customer's thermal energy requirements at that premises, an identified amount of the electrical capacity of the facility, over a minimum 5-year period; and

(iv) if the cogeneration facility is sized for the retail customer's thermal load at that premises but exceeds the electrical load, any sales of excess power or energy are made only at wholesale, are subject to the jurisdiction of the Federal Energy Regulatory Commission, and are not for the purpose of circumventing the provisions of this subsection (f).

If a generation facility located at a retail customer's premises does not meet the above criteria, an electric utility implementing transition charges shall implement a transition charge until December 31, 2006 for any power and energy taken by such retail customer from such facility as if such power and energy had been delivered by the electric utility. Provided, however, that an industrial retail customer that is taking power from a generation facility that does not meet the above criteria but that is located on such customer's premises will not be subject to a transition charge for the power and energy taken by such retail customer from such generation facility if the facility does not serve any other retail customer and either was installed on behalf of the customer and for its own use prior to January 1, 1997, or is both predominantly fueled by byproducts of such customer's manufacturing process at such premises and sells or offers an average of 300 megawatts or more of electricity produced from such generation facility into the wholesale market. Such charges shall be calculated as provided in Section 16-102, and shall be collected on each kilowatt-hour delivered under a delivery services tariff to a retail customer from the date the customer first takes delivery services until December 31, 2006 except as provided in subsection (h) of this Section. Provided, however, that an electric utility, other than an electric utility providing service to at least 1,000,000 customers in this State on January 1, 1999, shall be entitled to petition for entry of an order by the Commission authorizing the electric utility to implement transition charges for an additional period ending no later than December 31, 2008. The electric utility shall file its petition with supporting evidence no earlier than 16 months, and no later than 12 months, prior to December 31, 2006. The Commission shall hold a hearing on the electric utility's petition and shall enter its order no later than 8 months after the petition is filed. The Commission shall determine whether and to what extent the electric utility shall be authorized to implement transition charges for an additional period. The Commission may authorize the electric utility to implement transition charges for some or all of the additional period, and shall determine the mitigation factors to be used in implementing such transition charges; provided, that the Commission shall not authorize mitigation factors less than 110% of those in effect during the 12 months ended December 31, 2006. In making its determination, the Commission shall consider the following factors: the necessity to implement transition charges for an additional period in order to maintain the financial integrity of the electric utility; the prudence of the electric utility's actions in reducing its costs since the effective date of this amendatory Act of 1997; the ability of the electric utility to provide safe, adequate and reliable service to retail customers in its service area; and the impact on competition of allowing the electric utility to implement transition charges for the additional period.

(g) The electric utility shall file tariffs that establish the transition charges to be paid by each class of customers to the electric utility in conjunction with the provision of delivery services. The electric utility's tariffs shall define the classes of its customers for purposes of calculating transition charges. The electric utility's tariffs shall provide for the calculation of transition charges on a customer-specific basis for any retail customer whose average monthly maximum electrical demand on the electric utility's system during the 6 months with the customer's highest monthly maximum electrical demands equals or exceeds 3.0 megawatts for electric utilities having more than 1,000,000 customers, and for other electric utilities for any customer that has an average monthly maximum electrical demand on the electric utility's system of one megawatt or more, and (A) for which there exists data on the customer's usage during the 3 years preceding the date that the customer became eligible to take delivery services, or (B) for which there does not exist data on the customer's usage during the 3 years preceding the date that the customer became eligible to take delivery services, if in the electric utility's reasonable judgment there exists comparable usage information or a sufficient basis to develop such information, and further provided that the electric utility can require customers for which an individual calculation is made to sign contracts that set forth the transition charges to be paid by the customer to the electric utility pursuant to the tariff.

(h) An electric utility shall also be entitled to file tariffs that allow it to collect transition charges from retail customers in the electric utility's service area that do not take delivery services but that take electric power or energy from an alternative retail electric supplier or from an electric utility other than the electric

utility in whose service area the customer is located. Such charges shall be calculated, in accordance with the definition of transition charges in Section 16-102, for the period of time that the customer would be obligated to pay transition charges if it were taking delivery services, except that no deduction for delivery services revenues shall be made in such calculation, and usage data from the customer's class shall be used where historical usage data is not available for the individual customer. The customer shall be obligated to pay such charges on a lump sum basis on or before the date on which the customer commences to take service from the alternative retail electric supplier or other electric utility, provided, that the electric utility in whose service area the customer is located shall offer the customer the option of signing a contract pursuant to which the customer pays such charges ratably over the period in which the charges would otherwise have applied.

(i) An electric utility shall be entitled to add to the bills of delivery services customers charges pursuant to Sections 9-221, 9-222 (except as provided in Section 9-222.1), and Section 16-114 of this Act, Section 5-5 of the Electricity Infrastructure Maintenance Fee Law, Section 6-5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, and Section 13 of the Energy Assistance Act.

(j) If a retail customer that obtains electric power and energy from cogeneration or self-generation facilities installed for its own use on or before January 1, 1997, subsequently takes service from an alternative retail electric supplier or an electric utility other than the electric utility in whose service area the customer is located for any portion of the customer's electric power and energy requirements formerly obtained from those facilities (including that amount purchased from the utility in lieu of such generation and not as standby power purchases, under a cogeneration displacement tariff in effect as of the effective date of this amendatory Act of 1997), the transition charges otherwise applicable pursuant to subsections (f), (g), or (h) of this Section shall not be applicable in any year to that portion of the customer's electric power and energy requirements formerly obtained from those facilities, provided, that for purposes of this subsection (j), such portion shall not exceed the average number of kilowatt-hours per year obtained from the cogeneration or self-generation facilities during the 3 years prior to the date on which the customer became eligible for delivery services, except as provided in subsection (f) of Section 16-110.

(k) The electric utility shall be entitled to recover through tariffed charges all of the costs associated with the purchase of zero emission credits from zero emission facilities to meet the requirements of subsection (d-5) of Section 1-75 of the Illinois Power Agency Act. Such costs shall include the costs of procuring the zero emission credits, as well as the reasonable costs that the utility incurs as part of the procurement processes and to implement and comply with plans and processes approved by the Commission under such subsection (d-5). The costs shall be allocated across all retail customers through a single, uniform cents per kilowatt-hour charge applicable to all retail customers, which shall appear as a separate line item on each customer's bill. Beginning June 1, 2017, the electric utility shall be entitled to recover through tariffed charges all of the costs associated with the purchase of renewable energy resources to meet the renewable energy resource standards of subsection (c) of Section 1-75 of the Illinois Power Agency Act, under procurement plans as approved in accordance with that Section and Section 16-111.5 of this Act. Such costs shall include the costs of procuring the renewable energy resources, as well as the reasonable costs that the utility incurs as part of the procurement processes and to implement and comply with plans and processes approved by the Commission under such Sections. The costs associated with the purchase of renewable energy resources shall be allocated across all retail customers in proportion to the amount of renewable energy resources the utility procures for such customers through a single, uniform cents per kilowatt-hour charge applicable to such retail customers, which shall appear as a separate line item on each such customer's bill.

Notwithstanding whether the Commission has approved the initial long-term renewable resources procurement plan as of June 1, 2017, an electric utility shall place new tariffed charges into effect beginning with the June 2017 monthly billing period, to the extent practicable, to begin recovering the costs of procuring renewable energy resources, as those charges are calculated under the limitations described in subparagraph (E) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act. Notwithstanding the date on which the utility places such new tariffed charges into effect, the utility shall be permitted to collect the charges under such tariff as if the tariff had been in effect beginning with the first day of the June 2017 monthly billing period. For the delivery years commencing June 1, 2017, June 1, 2018, and June 1, 2019, the electric utility shall deposit into a separate interest bearing account of a financial institution the monies collected under the tariffed charges. Any interest earned shall be credited back to retail customers under the reconciliation proceeding provided for in this subsection (k), provided that the electric utility shall first be reimbursed from the interest for the administrative costs that it incurs to administer and manage the account. Any taxes due on the funds in the account, or interest earned on it, will be paid from the account or, if insufficient monies are available in the account, from the monies collected under the tariffed charges to recover the costs of procuring renewable energy resources.

Monies deposited in the account shall be subject to the review, reconciliation, and true-up process described in this subsection (k) that is applicable to the funds collected and costs incurred for the procurement of renewable energy resources.

The electric utility shall be entitled to recover all of the costs identified in this subsection (k) through automatic adjustment clause tariffs applicable to all of the utility's retail customers that allow the electric utility to adjust its tariffed charges consistent with this subsection (k). The determination as to whether any excess funds were collected during a given delivery year for the purchase of renewable energy resources, and the crediting of any excess funds back to retail customers, shall not be made until after the close of the delivery year, which will ensure that the maximum amount of funds is available to implement the approved long-term renewable resources procurement plan during a given delivery year. The electric utility's collections under such automatic adjustment clause tariffs to recover the costs of renewable energy resources and zero emission credits from zero emission facilities shall be subject to separate annual review, reconciliation, and true-up against actual costs by the Commission under a procedure that shall be specified in the electric utility's automatic adjustment clause tariffs and that shall be approved by the Commission in connection with its approval of such tariffs. The procedure shall provide that any difference between the electric utility's collections under the automatic adjustment charges for an annual period and the electric utility's actual costs of renewable energy resources and zero emission credits from zero emission facilities for that same annual period shall be refunded to or collected from, as applicable, the electric utility's retail customers in subsequent periods.

Nothing in this subsection (k) is intended to affect, limit, or change the right of the electric utility to recover the costs associated with the procurement of renewable energy resources for periods commencing before, on, or after June 1, 2017, as otherwise provided in the Illinois Power Agency Act.

Notwithstanding anything to the contrary, the Commission shall not conduct an annual review, reconciliation, and true-up associated with renewable energy resources' collections and costs for the delivery years commencing June 1, 2017, June 1, 2018, June 1, 2019, and June 1, 2020, and shall instead conduct a single review, reconciliation, and true-up associated with renewable energy resources' collections and costs for the 4-year period beginning June 1, 2017 and ending May 31, 2021, provided that the review, reconciliation, and true-up shall not be initiated until after August 31, 2021. During the 4-year period, the utility shall be permitted to collect and retain funds under this subsection (k) and to purchase renewable energy resources under an approved long-term renewable resources procurement plan using those funds regardless of the delivery year in which the funds were collected during the 4-year period.

If the amount of funds collected during the delivery year commencing June 1, 2017, exceeds the costs incurred during that delivery year, then up to half of this excess amount, as calculated on June 1, 2018, may be used to fund the programs under subsection (b) of Section 1-56 of the Illinois Power Agency Act in the same proportion the programs are funded under that subsection (b). However, any amount identified under this subsection (k) to fund programs under subsection (b) of Section 1-56 of the Illinois Power Agency Act shall be reduced if it exceeds the funding shortfall. For purposes of this Section, "funding shortfall" means the difference between \$200,000,000 and the amount appropriated by the General Assembly to the Illinois Power Agency Renewable Energy Resources Fund during the period that commences on the effective date of this amendatory act of the 99th General Assembly and ends on August 1, 2018.

If the amount of funds collected during the delivery year commencing June 1, 2018, exceeds the costs incurred during that delivery year, then up to half of this excess amount, as calculated on June 1, 2019, may be used to fund the programs under subsection (b) of Section 1-56 of the Illinois Power Agency Act in the same proportion the programs are funded under that subsection (b). However, any amount identified under this subsection (k) to fund programs under subsection (b) of Section 1-56 of the Illinois Power Agency Act shall be reduced if it exceeds the funding shortfall.

If the amount of funds collected during the delivery year commencing June 1, 2019, exceeds the costs incurred during that delivery year, then up to half of this excess amount, as calculated on June 1, 2020, may be used to fund the programs under subsection (b) of Section 1-56 of the Illinois Power Agency Act in the same proportion the programs are funded under that subsection (b). However, any amount identified under this subsection (k) to fund programs under subsection (b) of Section 1-56 of the Illinois Power Agency Act shall be reduced if it exceeds the funding shortfall.

The funding available under this subsection (k), if any, for the programs described under subsection (b) of Section 1-56 of the Illinois Power Agency Act shall not reduce the amount of funding for the programs described in subparagraph (O) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act. If funding is available under this subsection (k) for programs described under subsection (b) of Section 1-56 of the Illinois Power Agency Act, then the long-term renewable resources plan shall

provide for the Agency to procure contracts in an amount that does not exceed the funding, and the contracts approved by the Commission shall be executed by the applicable utility or utilities.

(l) A utility that has terminated any contract executed under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act shall be entitled to recover any remaining balance associated with the purchase of zero emission credits prior to such termination, and such utility shall also apply a credit to its retail customer bills in the event of any over-collection.

(Source: P.A. 91-50, eff. 6-30-99; 92-690, eff. 7-18-02.)

(220 ILCS 5/16-108.5)

Sec. 16-108.5. Infrastructure investment and modernization; regulatory reform.

(a) (Blank).

(b) For purposes of this Section, "participating utility" means an electric utility or a combination utility serving more than 1,000,000 customers in Illinois that voluntarily elects and commits to undertake (i) the infrastructure investment program consisting of the commitments and obligations described in this subsection (b) and (ii) the customer assistance program consisting of the commitments and obligations described in subsection (b-10) of this Section, notwithstanding any other provisions of this Act and without obtaining any approvals from the Commission or any other agency other than as set forth in this Section, regardless of whether any such approval would otherwise be required. "Combination utility" means a utility that, as of January 1, 2011, provided electric service to at least one million retail customers in Illinois and gas service to at least 500,000 retail customers in Illinois. A participating utility shall recover the expenditures made under the infrastructure investment program through the ratemaking process, including, but not limited to, the performance-based formula rate and process set forth in this Section.

During the infrastructure investment program's peak program year, a participating utility other than a combination utility shall create 2,000 full-time equivalent jobs in Illinois, and a participating utility that is a combination utility shall create 450 full-time equivalent jobs in Illinois related to the provision of electric service. These jobs shall include direct jobs, contractor positions, and induced jobs, but shall not include any portion of a job commitment, not specifically contingent on an amendatory Act of the 97th General Assembly becoming law, between a participating utility and a labor union that existed on December 30, 2011 (the effective date of Public Act 97-646) and that has not yet been fulfilled. A portion of the full-time equivalent jobs created by each participating utility shall include incremental personnel hired subsequent to December 30, 2011 (the effective date of Public Act 97-646). For purposes of this Section, "peak program year" means the consecutive 12-month period with the highest number of full-time equivalent jobs that occurs between the beginning of investment year 2 and the end of investment year 4.

A participating utility shall meet one of the following commitments, as applicable:

(1) Beginning no later than 180 days after a participating utility other than a combination utility files a performance-based formula rate tariff pursuant to subsection (c) of this Section, or, beginning no later than January 1, 2012 if such utility files such performance-based formula rate tariff within 14 days of October 26, 2011 (the effective date of Public Act 97-616), the participating utility shall, except as provided in subsection (b-5):

(A) over a 5-year period, invest an estimated \$1,300,000,000 in electric system upgrades, modernization projects, and training facilities, including, but not limited to:

(i) distribution infrastructure improvements totaling an estimated

\$1,000,000,000, including underground residential distribution cable injection and replacement and mainline cable system refurbishment and replacement projects;

(ii) training facility construction or upgrade projects totaling an estimated

\$10,000,000, provided that, at a minimum, one such facility shall be located in a municipality having a population of more than 2 million residents and one such facility shall be located in a municipality having a population of more than 150,000 residents but fewer than 170,000 residents; any such new facility located in a municipality having a population of more than 2 million residents must be designed for the purpose of obtaining, and the owner of the facility shall apply for, certification under the United States Green Building Council's Leadership in Energy Efficiency Design Green Building Rating System;

(iii) wood pole inspection, treatment, and replacement programs;

(iv) an estimated \$200,000,000 for reducing the susceptibility of certain

circuits to storm-related damage, including, but not limited to, high winds, thunderstorms, and ice storms; improvements may include, but are not limited to, overhead to underground conversion and other engineered outcomes for circuits; the participating utility shall prioritize the selection of circuits based on each circuit's historical susceptibility to storm-related damage and the ability to provide the greatest customer benefit upon completion of the improvements; to be eligible for

improvement, the participating utility's ability to maintain proper tree clearances surrounding the overhead circuit must not have been impeded by third parties; and

(B) over a 10-year period, invest an estimated \$1,300,000,000 to upgrade and modernize its transmission and distribution infrastructure and in Smart Grid electric system upgrades, including, but not limited to:

- (i) additional smart meters;
- (ii) distribution automation;
- (iii) associated cyber secure data communication network; and
- (iv) substation micro-processor relay upgrades.

(2) Beginning no later than 180 days after a participating utility that is a combination utility files a performance-based formula rate tariff pursuant to subsection (c) of this Section, or, beginning no later than January 1, 2012 if such utility files such performance-based formula rate tariff within 14 days of October 26, 2011 (the effective date of Public Act 97-616), the participating utility shall, except as provided in subsection (b-5):

(A) over a 10-year period, invest an estimated \$265,000,000 in electric system upgrades, modernization projects, and training facilities, including, but not limited to:

(i) distribution infrastructure improvements totaling an estimated \$245,000,000, which may include bulk supply substations, transformers, reconductoring, and rebuilding overhead distribution and sub-transmission lines, underground residential distribution cable injection and replacement and mainline cable system refurbishment and replacement projects;

(ii) training facility construction or upgrade projects totaling an estimated \$1,000,000; any such new facility must be designed for the purpose of obtaining, and the owner of the facility shall apply for, certification under the United States Green Building Council's Leadership in Energy Efficiency Design Green Building Rating System; and

(iii) wood pole inspection, treatment, and replacement programs; and

(B) over a 10-year period, invest an estimated \$360,000,000 to upgrade and modernize its transmission and distribution infrastructure and in Smart Grid electric system upgrades, including, but not limited to:

- (i) additional smart meters;
- (ii) distribution automation;
- (iii) associated cyber secure data communication network; and
- (iv) substation micro-processor relay upgrades.

For purposes of this Section, "Smart Grid electric system upgrades" shall have the meaning set forth in subsection (a) of Section 16-108.6 of this Act.

The investments in the infrastructure investment program described in this subsection (b) shall be incremental to the participating utility's annual capital investment program, as defined by, for purposes of this subsection (b), the participating utility's average capital spend for calendar years 2008, 2009, and 2010 as reported in the applicable Federal Energy Regulatory Commission (FERC) Form 1; provided that where one or more utilities have merged, the average capital spend shall be determined using the aggregate of the merged utilities' capital spend reported in FERC Form 1 for the years 2008, 2009, and 2010. A participating utility may add reasonable construction ramp-up and ramp-down time to the investment periods specified in this subsection (b). For each such investment period, the ramp-up and ramp-down time shall not exceed a total of 6 months.

Within 60 days after filing a tariff under subsection (c) of this Section, a participating utility shall submit to the Commission its plan, including scope, schedule, and staffing, for satisfying its infrastructure investment program commitments pursuant to this subsection (b). The submitted plan shall include a schedule and staffing plan for the next calendar year. The plan shall also include a plan for the creation, operation, and administration of a Smart Grid test bed as described in subsection (c) of Section 16-108.8. The plan need not allocate the work equally over the respective periods, but should allocate material increments throughout such periods commensurate with the work to be undertaken. No later than April 1 of each subsequent year, the utility shall submit to the Commission a report that includes any updates to the plan, a schedule for the next calendar year, the expenditures made for the prior calendar year and cumulatively, and the number of full-time equivalent jobs created for the prior calendar year and cumulatively. If the utility is materially deficient in satisfying a schedule or staffing plan, then the report must also include a corrective action plan to address the deficiency. The fact that the plan, implementation of the plan, or a schedule changes shall not imply the imprudence or unreasonableness of the infrastructure investment program, plan, or schedule. Further, no later than 45 days following the last day of the first, second, and third quarters of each year of the plan, a participating utility shall submit to the Commission

a verified quarterly report for the prior quarter that includes (i) the total number of full-time equivalent jobs created during the prior quarter, (ii) the total number of employees as of the last day of the prior quarter, (iii) the total number of full-time equivalent hours in each job classification or job title, (iv) the total number of incremental employees and contractors in support of the investments undertaken pursuant to this subsection (b) for the prior quarter, and (v) any other information that the Commission may require by rule.

With respect to the participating utility's peak job commitment, if, after considering the utility's corrective action plan and compliance thereunder, the Commission enters an order finding, after notice and hearing, that a participating utility did not satisfy its peak job commitment described in this subsection (b) for reasons that are reasonably within its control, then the Commission shall also determine, after consideration of the evidence, including, but not limited to, evidence submitted by the Department of Commerce and Economic Opportunity and the utility, the deficiency in the number of full-time equivalent jobs during the peak program year due to such failure. The Commission shall notify the Department of any proceeding that is initiated pursuant to this paragraph. For each full-time equivalent job deficiency during the peak program year that the Commission finds as set forth in this paragraph, the participating utility shall, within 30 days after the entry of the Commission's order, pay \$6,000 to a fund for training grants administered under Section 605-800 of the Department of Commerce and Economic Opportunity Law, which shall not be a recoverable expense.

With respect to the participating utility's investment amount commitments, if, after considering the utility's corrective action plan and compliance thereunder, the Commission enters an order finding, after notice and hearing, that a participating utility is not satisfying its investment amount commitments described in this subsection (b), then the utility shall no longer be eligible to annually update the performance-based formula rate tariff pursuant to subsection (d) of this Section. In such event, the then current rates shall remain in effect until such time as new rates are set pursuant to Article IX of this Act, subject to retroactive adjustment, with interest, to reconcile rates charged with actual costs.

If the Commission finds that a participating utility is no longer eligible to update the performance-based formula rate tariff pursuant to subsection (d) of this Section, or the performance-based formula rate is otherwise terminated, then the participating utility's voluntary commitments and obligations under this subsection (b) shall immediately terminate, except for the utility's obligation to pay an amount already owed to the fund for training grants pursuant to a Commission order.

In meeting the obligations of this subsection (b), to the extent feasible and consistent with State and federal law, the investments under the infrastructure investment program should provide employment opportunities for all segments of the population and workforce, including minority-owned and female-owned business enterprises, and shall not, consistent with State and federal law, discriminate based on race or socioeconomic status.

(b-5) Nothing in this Section shall prohibit the Commission from investigating the prudence and reasonableness of the expenditures made under the infrastructure investment program during the annual review required by subsection (d) of this Section and shall, as part of such investigation, determine whether the utility's actual costs under the program are prudent and reasonable. The fact that a participating utility invests more than the minimum amounts specified in subsection (b) of this Section or its plan shall not imply imprudence or unreasonableness.

If the participating utility finds that it is implementing its plan for satisfying the infrastructure investment program commitments described in subsection (b) of this Section at a cost below the estimated amounts specified in subsection (b) of this Section, then the utility may file a petition with the Commission requesting that it be permitted to satisfy its commitments by spending less than the estimated amounts specified in subsection (b) of this Section. The Commission shall, after notice and hearing, enter its order approving, or approving as modified, or denying each such petition within 150 days after the filing of the petition.

In no event, absent General Assembly approval, shall the capital investment costs incurred by a participating utility other than a combination utility in satisfying its infrastructure investment program commitments described in subsection (b) of this Section exceed \$3,000,000,000 or, for a participating utility that is a combination utility, \$720,000,000. If the participating utility's updated cost estimates for satisfying its infrastructure investment program commitments described in subsection (b) of this Section exceed the limitation imposed by this subsection (b-5), then it shall submit a report to the Commission that identifies the increased costs and explains the reason or reasons for the increased costs no later than the year in which the utility estimates it will exceed the limitation. The Commission shall review the report and shall, within 90 days after the participating utility files the report, report to the General Assembly its findings regarding the participating utility's report. If the General Assembly does not amend the limitation imposed by this subsection (b-5), then the utility may modify its plan so as not to exceed the limitation

imposed by this subsection (b-5) and may propose corresponding changes to the metrics established pursuant to subparagraphs (5) through (8) of subsection (f) of this Section, and the Commission may modify the metrics and incremental savings goals established pursuant to subsection (f) of this Section accordingly.

(b-10) All participating utilities shall make contributions for an energy low-income and support program in accordance with this subsection. Beginning no later than 180 days after a participating utility files a performance-based formula rate tariff pursuant to subsection (c) of this Section, or beginning no later than January 1, 2012 if such utility files such performance-based formula rate tariff within 14 days of December 30, 2011 (the effective date of Public Act 97-646), and without obtaining any approvals from the Commission or any other agency other than as set forth in this Section, regardless of whether any such approval would otherwise be required, a participating utility other than a combination utility shall pay \$1,000,000 per year for 5 years and a participating utility that is a combination utility shall pay \$1,000,000 per year for 10 years to the energy low-income and support program, which is intended to fund customer assistance programs with the primary purpose being avoidance of imminent disconnection. Such programs may include:

(1) a residential hardship program that may partner with community-based organizations, including senior citizen organizations, and provides grants to low-income residential customers, including low-income senior citizens, who demonstrate a hardship;

(2) a program that provides grants and other bill payment concessions to veterans with disabilities who demonstrate a hardship and members of the armed services or reserve forces of the United States or members of the Illinois National Guard who are on active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor and who demonstrate a hardship;

(3) a budget assistance program that provides tools and education to low-income senior citizens to assist them with obtaining information regarding energy usage and effective means of managing energy costs;

(4) a non-residential special hardship program that provides grants to non-residential customers such as small businesses and non-profit organizations that demonstrate a hardship, including those providing services to senior citizen and low-income customers; and

(5) a performance-based assistance program that provides grants to encourage residential customers to make on-time payments by matching a portion of the customer's payments or providing credits towards arrearages.

The payments made by a participating utility pursuant to this subsection (b-10) shall not be a recoverable expense. A participating utility may elect to fund either new or existing customer assistance programs, including, but not limited to, those that are administered by the utility.

Programs that use funds that are provided by a participating utility to reduce utility bills may be implemented through tariffs that are filed with and reviewed by the Commission. If a utility elects to file tariffs with the Commission to implement all or a portion of the programs, those tariffs shall, regardless of the date actually filed, be deemed accepted and approved, and shall become effective on December 30, 2011 (the effective date of Public Act 97-646). The participating utilities whose customers benefit from the funds that are disbursed as contemplated in this Section shall file annual reports documenting the disbursement of those funds with the Commission. The Commission has the authority to audit disbursement of the funds to ensure they were disbursed consistently with this Section.

If the Commission finds that a participating utility is no longer eligible to update the performance-based formula rate tariff pursuant to subsection (d) of this Section, or the performance-based formula rate is otherwise terminated, then the participating utility's voluntary commitments and obligations under this subsection (b-10) shall immediately terminate.

(c) A participating utility may elect to recover its delivery services costs through a performance-based formula rate approved by the Commission, which shall specify the cost components that form the basis of the rate charged to customers with sufficient specificity to operate in a standardized manner and be updated annually with transparent information that reflects the utility's actual costs to be recovered during the applicable rate year, which is the period beginning with the first billing day of January and extending through the last billing day of the following December. In the event the utility recovers a portion of its costs through automatic adjustment clause tariffs on October 26, 2011 (the effective date of Public Act 97-616), the utility may elect to continue to recover these costs through such tariffs, but then these costs shall not be recovered through the performance-based formula rate. In the event the participating utility, prior to December 30, 2011 (the effective date of Public Act 97-646), filed electric delivery services tariffs with the Commission pursuant to Section 9-201 of this Act that are related to the recovery of its electric delivery services costs that are still pending on December 30, 2011 (the effective date of Public Act 97-

646), the participating utility shall, at the time it files its performance-based formula rate tariff with the Commission, also file a notice of withdrawal with the Commission to withdraw the electric delivery services tariffs previously filed pursuant to Section 9-201 of this Act. Upon receipt of such notice, the Commission shall dismiss with prejudice any docket that had been initiated to investigate the electric delivery services tariffs filed pursuant to Section 9-201 of this Act, and such tariffs and the record related thereto shall not be the subject of any further hearing, investigation, or proceeding of any kind related to rates for electric delivery services.

The performance-based formula rate shall be implemented through a tariff filed with the Commission consistent with the provisions of this subsection (c) that shall be applicable to all delivery services customers. The Commission shall initiate and conduct an investigation of the tariff in a manner consistent with the provisions of this subsection (c) and the provisions of Article IX of this Act to the extent they do not conflict with this subsection (c). Except in the case where the Commission finds, after notice and hearing, that a participating utility is not satisfying its investment amount commitments under subsection (b) of this Section, the performance-based formula rate shall remain in effect at the discretion of the utility. The performance-based formula rate approved by the Commission shall do the following:

(1) Provide for the recovery of the utility's actual costs of delivery services that are

prudently incurred and reasonable in amount consistent with Commission practice and law. The sole fact that a cost differs from that incurred in a prior calendar year or that an investment is different from that made in a prior calendar year shall not imply the imprudence or unreasonableness of that cost or investment.

(2) Reflect the utility's actual year-end capital structure for the applicable calendar year, excluding goodwill, subject to a determination of prudence and reasonableness consistent with Commission practice and law. To enable the financing of the incremental capital expenditures, including regulatory assets, for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State, a participating electric utility's actual year-end capital structure that includes a common equity ratio, excluding goodwill, of up to and including 50% of the total capital structure shall be deemed reasonable and used to set rates.

(3) Include a cost of equity, which shall be calculated as the sum of the following:

(A) the average for the applicable calendar year of the monthly average yields of

30-year U.S. Treasury bonds published by the Board of Governors of the Federal Reserve System in its weekly H.15 Statistical Release or successor publication; and

(B) 580 basis points.

At such time as the Board of Governors of the Federal Reserve System ceases to include the monthly average yields of 30-year U.S. Treasury bonds in its weekly H.15 Statistical Release or successor publication, the monthly average yields of the U.S. Treasury bonds then having the longest duration published by the Board of Governors in its weekly H.15 Statistical Release or successor publication shall instead be used for purposes of this paragraph (3).

(4) Permit and set forth protocols, subject to a determination of prudence and reasonableness consistent with Commission practice and law, for the following:

(A) recovery of incentive compensation expense that is based on the achievement of operational metrics, including metrics related to budget controls, outage duration and frequency, safety, customer service, efficiency and productivity, and environmental compliance. Incentive compensation expense that is based on net income or an affiliate's earnings per share shall not be recoverable under the performance-based formula rate;

(B) recovery of pension and other post-employment benefits expense, provided that such costs are supported by an actuarial study;

(C) recovery of severance costs, provided that if the amount is over \$3,700,000 for a participating utility that is a combination utility or \$10,000,000 for a participating utility that serves more than 3 million retail customers, then the full amount shall be amortized consistent with subparagraph (F) of this paragraph (4);

(D) investment return at a rate equal to the utility's weighted average cost of long-term debt, on the pension assets as, and in the amount, reported in Account 186 (or in such other Account or Accounts as such asset may subsequently be recorded) of the utility's most recently filed FERC Form 1, net of deferred tax benefits;

(E) recovery of the expenses related to the Commission proceeding under this subsection (c) to approve this performance-based formula rate and initial rates or to subsequent proceedings related to the formula, provided that the recovery shall be amortized over a 3-year period; recovery of expenses related to the annual Commission proceedings under subsection (d) of this

Section to review the inputs to the performance-based formula rate shall be expensed and recovered through the performance-based formula rate;

(F) amortization over a 5-year period of the full amount of each charge or credit that exceeds \$3,700,000 for a participating utility that is a combination utility or \$10,000,000 for a participating utility that serves more than 3 million retail customers in the applicable calendar year and that relates to a workforce reduction program's severance costs, changes in accounting rules, changes in law, compliance with any Commission-initiated audit, or a single storm or other similar expense, provided that any unamortized balance shall be reflected in rate base. For purposes of this subparagraph (F), changes in law includes any enactment, repeal, or amendment in a law, ordinance, rule, regulation, interpretation, permit, license, consent, or order, including those relating to taxes, accounting, or to environmental matters, or in the interpretation or application thereof by any governmental authority occurring after October 26, 2011 (the effective date of Public Act 97-616);

(G) recovery of existing regulatory assets over the periods previously authorized by the Commission;

(H) historical weather normalized billing determinants; and

(I) allocation methods for common costs.

(5) Provide that if the participating utility's earned rate of return on common equity related to the provision of delivery services for the prior rate year (calculated using costs and capital structure approved by the Commission as provided in subparagraph (2) of this subsection (c), consistent with this Section, in accordance with Commission rules and orders, including, but not limited to, adjustments for goodwill, and after any Commission-ordered disallowances and taxes) is more than 50 basis points higher than the rate of return on common equity calculated pursuant to paragraph (3) of this subsection (c) (after adjusting for any penalties to the rate of return on common equity applied pursuant to the performance metrics provision of subsection (f) of this Section), then the participating utility shall apply a credit through the performance-based formula rate that reflects an amount equal to the value of that portion of the earned rate of return on common equity that is more than 50 basis points higher than the rate of return on common equity calculated pursuant to paragraph (3) of this subsection (c) (after adjusting for any penalties to the rate of return on common equity applied pursuant to the performance metrics provision of subsection (f) of this Section) for the prior rate year, adjusted for taxes. If the participating utility's earned rate of return on common equity related to the provision of delivery services for the prior rate year (calculated using costs and capital structure approved by the Commission as provided in subparagraph (2) of this subsection (c), consistent with this Section, in accordance with Commission rules and orders, including, but not limited to, adjustments for goodwill, and after any Commission-ordered disallowances and taxes) is more than 50 basis points less than the return on common equity calculated pursuant to paragraph (3) of this subsection (c) (after adjusting for any penalties to the rate of return on common equity applied pursuant to the performance metrics provision of subsection (f) of this Section), then the participating utility shall apply a charge through the performance-based formula rate that reflects an amount equal to the value of that portion of the earned rate of return on common equity that is more than 50 basis points less than the rate of return on common equity calculated pursuant to paragraph (3) of this subsection (c) (after adjusting for any penalties to the rate of return on common equity applied pursuant to the performance metrics provision of subsection (f) of this Section) for the prior rate year, adjusted for taxes.

(6) Provide for an annual reconciliation, as described in subsection (d) of this Section, with interest, of the revenue requirement reflected in rates for each calendar year, beginning with the calendar year in which the utility files its performance-based formula rate tariff pursuant to subsection (c) of this Section, with what the revenue requirement would have been had the actual cost information for the applicable calendar year been available at the filing date.

The utility shall file, together with its tariff, final data based on its most recently filed FERC Form 1, plus projected plant additions and correspondingly updated depreciation reserve and expense for the calendar year in which the tariff and data are filed, that shall populate the performance-based formula rate and set the initial delivery services rates under the formula. For purposes of this Section, "FERC Form 1" means the Annual Report of Major Electric Utilities, Licensees and Others that electric utilities are required to file with the Federal Energy Regulatory Commission under the Federal Power Act, Sections 3, 4(a), 304 and 209, modified as necessary to be consistent with 83 Ill. Admin. Code Part 415 as of May 1, 2011. Nothing in this Section is intended to allow costs that are not otherwise recoverable to be recoverable by virtue of inclusion in FERC Form 1.

After the utility files its proposed performance-based formula rate structure and protocols and initial rates, the Commission shall initiate a docket to review the filing. The Commission shall enter an order approving, or approving as modified, the performance-based formula rate, including the initial rates, as

just and reasonable within 270 days after the date on which the tariff was filed, or, if the tariff is filed within 14 days after October 26, 2011 (the effective date of Public Act 97-616), then by May 31, 2012. Such review shall be based on the same evidentiary standards, including, but not limited to, those concerning the prudence and reasonableness of the costs incurred by the utility, the Commission applies in a hearing to review a filing for a general increase in rates under Article IX of this Act. The initial rates shall take effect within 30 days after the Commission's order approving the performance-based formula rate tariff.

Until such time as the Commission approves a different rate design and cost allocation pursuant to subsection (e) of this Section, rate design and cost allocation across customer classes shall be consistent with the Commission's most recent order regarding the participating utility's request for a general increase in its delivery services rates.

Subsequent changes to the performance-based formula rate structure or protocols shall be made as set forth in Section 9-201 of this Act, but nothing in this subsection (c) is intended to limit the Commission's authority under Article IX and other provisions of this Act to initiate an investigation of a participating utility's performance-based formula rate tariff, provided that any such changes shall be consistent with paragraphs (1) through (6) of this subsection (c). Any change ordered by the Commission shall be made at the same time new rates take effect following the Commission's next order pursuant to subsection (d) of this Section, provided that the new rates take effect no less than 30 days after the date on which the Commission issues an order adopting the change.

A participating utility that files a tariff pursuant to this subsection (c) must submit a one-time \$200,000 filing fee at the time the Chief Clerk of the Commission accepts the filing, which shall be a recoverable expense.

In the event the performance-based formula rate is terminated, the then current rates shall remain in effect until such time as new rates are set pursuant to Article IX of this Act, subject to retroactive rate adjustment, with interest, to reconcile rates charged with actual costs. At such time that the performance-based formula rate is terminated, the participating utility's voluntary commitments and obligations under subsection (b) of this Section shall immediately terminate, except for the utility's obligation to pay an amount already owed to the fund for training grants pursuant to a Commission order issued under subsection (b) of this Section.

(d) Subsequent to the Commission's issuance of an order approving the utility's performance-based formula rate structure and protocols, and initial rates under subsection (c) of this Section, the utility shall file, on or before May 1 of each year, with the Chief Clerk of the Commission its updated cost inputs to the performance-based formula rate for the applicable rate year and the corresponding new charges. Each such filing shall conform to the following requirements and include the following information:

(1) The inputs to the performance-based formula rate for the applicable rate year shall

be based on final historical data reflected in the utility's most recently filed annual FERC Form 1 plus projected plant additions and correspondingly updated depreciation reserve and expense for the calendar year in which the inputs are filed. The filing shall also include a reconciliation of the revenue requirement that was in effect for the prior rate year (as set by the cost inputs for the prior rate year) with the actual revenue requirement for the prior rate year (determined using a year-end rate base) that uses amounts reflected in the applicable FERC Form 1 that reports the actual costs for the prior rate year. Any over-collection or under-collection indicated by such reconciliation shall be reflected as a credit against, or recovered as an additional charge to, respectively, with interest calculated at a rate equal to the utility's weighted average cost of capital approved by the Commission for the prior rate year, the charges for the applicable rate year. Provided, however, that the first such reconciliation shall be for the calendar year in which the utility files its performance-based formula rate tariff pursuant to subsection (c) of this Section and shall reconcile (i) the revenue requirement or requirements established by the rate order or orders in effect from time to time during such calendar year (weighted, as applicable) with (ii) the revenue requirement determined using a year-end rate base for that calendar year calculated pursuant to the performance-based formula rate using (A) actual costs for that year as reflected in the applicable FERC Form 1, and (B) for the first such reconciliation only, the cost of equity, which shall be calculated as the sum of 590 basis points plus the average for the applicable calendar year of the monthly average yields of 30-year U.S. Treasury bonds published by the Board of Governors of the Federal Reserve System in its weekly H.15 Statistical Release or successor publication. The first such reconciliation is not intended to provide for the recovery of costs previously excluded from rates based on a prior Commission order finding of imprudence or unreasonableness. Each reconciliation shall be certified by the participating utility in the same manner that FERC Form 1 is certified. The filing shall also include the charge or credit, if any, resulting from the calculation required by paragraph (6) of subsection (c) of this Section.

Notwithstanding anything that may be to the contrary, the intent of the reconciliation is to ultimately reconcile the revenue requirement reflected in rates for each calendar year, beginning with the calendar year in which the utility files its performance-based formula rate tariff pursuant to subsection (c) of this Section, with what the revenue requirement determined using a year-end rate base for the applicable calendar year would have been had the actual cost information for the applicable calendar year been available at the filing date.

(2) The new charges shall take effect beginning on the first billing day of the following January billing period and remain in effect through the last billing day of the next December billing period regardless of whether the Commission enters upon a hearing pursuant to this subsection (d).

(3) The filing shall include relevant and necessary data and documentation for the applicable rate year that is consistent with the Commission's rules applicable to a filing for a general increase in rates or any rules adopted by the Commission to implement this Section. Normalization adjustments shall not be required. Notwithstanding any other provision of this Section or Act or any rule or other requirement adopted by the Commission, a participating utility that is a combination utility with more than one rate zone shall not be required to file a separate set of such data and documentation for each rate zone and may combine such data and documentation into a single set of schedules.

Within 45 days after the utility files its annual update of cost inputs to the performance-based formula rate, the Commission shall have the authority, either upon complaint or its own initiative, but with reasonable notice, to enter upon a hearing concerning the prudence and reasonableness of the costs incurred by the utility to be recovered during the applicable rate year that are reflected in the inputs to the performance-based formula rate derived from the utility's FERC Form 1. During the course of the hearing, each objection shall be stated with particularity and evidence provided in support thereof, after which the utility shall have the opportunity to rebut the evidence. Discovery shall be allowed consistent with the Commission's Rules of Practice, which Rules shall be enforced by the Commission or the assigned hearing examiner. The Commission shall apply the same evidentiary standards, including, but not limited to, those concerning the prudence and reasonableness of the costs incurred by the utility, in the hearing as it would apply in a hearing to review a filing for a general increase in rates under Article IX of this Act. The Commission shall not, however, have the authority in a proceeding under this subsection (d) to consider or order any changes to the structure or protocols of the performance-based formula rate approved pursuant to subsection (c) of this Section. In a proceeding under this subsection (d), the Commission shall enter its order no later than the earlier of 240 days after the utility's filing of its annual update of cost inputs to the performance-based formula rate or December 31. The Commission's determinations of the prudence and reasonableness of the costs incurred for the applicable calendar year shall be final upon entry of the Commission's order and shall not be subject to reopening, reexamination, or collateral attack in any other Commission proceeding, case, docket, order, rule or regulation, provided, however, that nothing in this subsection (d) shall prohibit a party from petitioning the Commission to rehear or appeal to the courts the order pursuant to the provisions of this Act.

In the event the Commission does not, either upon complaint or its own initiative, enter upon a hearing within 45 days after the utility files the annual update of cost inputs to its performance-based formula rate, then the costs incurred for the applicable calendar year shall be deemed prudent and reasonable, and the filed charges shall not be subject to reopening, reexamination, or collateral attack in any other proceeding, case, docket, order, rule, or regulation.

A participating utility's first filing of the updated cost inputs, and any Commission investigation of such inputs pursuant to this subsection (d) shall proceed notwithstanding the fact that the Commission's investigation under subsection (c) of this Section is still pending and notwithstanding any other law, order, rule, or Commission practice to the contrary.

(e) Nothing in subsections (c) or (d) of this Section shall prohibit the Commission from investigating, or a participating utility from filing, revenue-neutral tariff changes related to rate design of a performance-based formula rate that has been placed into effect for the utility. Following approval of a participating utility's performance-based formula rate tariff pursuant to subsection (c) of this Section, the utility shall make a filing with the Commission within one year after the effective date of the performance-based formula rate tariff that proposes changes to the tariff to incorporate the findings of any final rate design orders of the Commission applicable to the participating utility and entered subsequent to the Commission's approval of the tariff. The Commission shall, after notice and hearing, enter its order approving, or approving with modification, the proposed changes to the performance-based formula rate tariff within 240 days after the utility's filing. Following such approval, the utility shall make a filing with the Commission during each subsequent 3-year period that either proposes revenue-neutral tariff changes

or re-files the existing tariffs without change, which shall present the Commission with an opportunity to suspend the tariffs and consider revenue-neutral tariff changes related to rate design.

(f) Within 30 days after the filing of a tariff pursuant to subsection (c) of this Section, each participating utility shall develop and file with the Commission multi-year metrics designed to achieve, ratably (i.e., in equal segments) over a 10-year period, improvement over baseline performance values as follows:

(1) Twenty percent improvement in the System Average Interruption Frequency Index, using a baseline of the average of the data from 2001 through 2010.

(2) Fifteen percent improvement in the system Customer Average Interruption Duration Index, using a baseline of the average of the data from 2001 through 2010.

(3) For a participating utility other than a combination utility, 20% improvement in the System Average Interruption Frequency Index for its Southern Region, using a baseline of the average of the data from 2001 through 2010. For purposes of this paragraph (3), Southern Region shall have the meaning set forth in the participating utility's most recent report filed pursuant to Section 16-125 of this Act.

(3.5) For a participating utility other than a combination utility, 20% improvement in the System Average Interruption Frequency Index for its Northeastern Region, using a baseline of the average of the data from 2001 through 2010. For purposes of this paragraph (3.5), Northeastern Region shall have the meaning set forth in the participating utility's most recent report filed pursuant to Section 16-125 of this Act.

(4) Seventy-five percent improvement in the total number of customers who exceed the service reliability targets as set forth in subparagraphs (A) through (C) of paragraph (4) of subsection (b) of 83 Ill. Admin. Code Part 411.140 as of May 1, 2011, using 2010 as the baseline year.

(5) Reduction in issuance of estimated electric bills: 90% improvement for a participating utility other than a combination utility, and 56% improvement for a participating utility that is a combination utility, using a baseline of the average number of estimated bills for the years 2008 through 2010.

(6) Consumption on inactive meters: 90% improvement for a participating utility other than a combination utility, and 56% improvement for a participating utility that is a combination utility, using a baseline of the average unbilled kilowatt-hours for the years 2009 and 2010.

(7) Unaccounted for energy: 50% improvement for a participating utility other than a combination utility using a baseline of the non-technical line loss unaccounted for energy kilowatt-hours for the year 2009.

(8) Uncollectible expense: reduce uncollectible expense by at least \$30,000,000 for a participating utility other than a combination utility and by at least \$3,500,000 for a participating utility that is a combination utility, using a baseline of the average uncollectible expense for the years 2008 through 2010.

(9) Opportunities for minority-owned and female-owned business enterprises: design a performance metric regarding the creation of opportunities for minority-owned and female-owned business enterprises consistent with State and federal law using a base performance value of the percentage of the participating utility's capital expenditures that were paid to minority-owned and female-owned business enterprises in 2010.

The definitions set forth in 83 Ill. Admin. Code Part 411.20 as of May 1, 2011 shall be used for purposes of calculating performance under paragraphs (1) through (3.5) of this subsection (f), provided, however, that the participating utility may exclude up to 9 extreme weather event days from such calculation for each year, and provided further that the participating utility shall exclude 9 extreme weather event days when calculating each year of the baseline period to the extent that there are 9 such days in a given year of the baseline period. For purposes of this Section, an extreme weather event day is a 24-hour calendar day (beginning at 12:00 a.m. and ending at 11:59 p.m.) during which any weather event (e.g., storm, tornado) caused interruptions for 10,000 or more of the participating utility's customers for 3 hours or more. If there are more than 9 extreme weather event days in a year, then the utility may choose no more than 9 extreme weather event days to exclude, provided that the same extreme weather event days are excluded from each of the calculations performed under paragraphs (1) through (3.5) of this subsection (f).

The metrics shall include incremental performance goals for each year of the 10-year period, which shall be designed to demonstrate that the utility is on track to achieve the performance goal in each category at the end of the 10-year period. The utility shall elect when the 10-year period shall commence for the metrics set forth in subparagraphs (1) through (4) and (9) of this subsection (f), provided that it begins no later than 14 months following the date on which the utility begins investing pursuant to subsection (b) of this Section, and when the 10-year period shall commence for the metrics set forth in subparagraphs (5)

through (8) of this subsection (f), provided that it begins no later than 14 months following the date on which the Commission enters its order approving the utility's Advanced Metering Infrastructure Deployment Plan pursuant to subsection (c) of Section 16-108.6 of this Act.

The metrics and performance goals set forth in subparagraphs (5) through (8) of this subsection (f) are based on the assumptions that the participating utility may fully implement the technology described in subsection (b) of this Section, including utilizing the full functionality of such technology and that there is no requirement for personal on-site notification. If the utility is unable to meet the metrics and performance goals set forth in subparagraphs (5) through (8) of this subsection (f) for such reasons, and the Commission so finds after notice and hearing, then the utility shall be excused from compliance, but only to the limited extent achievement of the affected metrics and performance goals was hindered by the less than full implementation.

(f-5) The financial penalties applicable to the metrics described in subparagraphs (1) through (8) of subsection (f) of this Section, as applicable, shall be applied through an adjustment to the participating utility's return on equity of no more than a total of 30 basis points in each of the first 3 years, of no more than a total of 34 basis points in each of the 3 years thereafter, and of no more than a total of 38 basis points in each of the 4 years thereafter, as follows:

(1) With respect to each of the incremental annual performance goals established pursuant to paragraph (1) of subsection (f) of this Section,

(A) for each year that a participating utility other than a combination utility does not achieve the annual goal, the participating utility's return on equity shall be reduced as follows: during years 1 through 3, by 5 basis points; during years 4 through 6, by 6 basis points; and during years 7 through 10, by 7 basis points; and

(B) for each year that a participating utility that is a combination utility does not achieve the annual goal, the participating utility's return on equity shall be reduced as follows: during years 1 through 3, by 10 basis points; during years 4 through 6, by 12 basis points; and during years 7 through 10, by 14 basis points.

(2) With respect to each of the incremental annual performance goals established pursuant to paragraph (2) of subsection (f) of this Section, for each year that the participating utility does not achieve each such goal, the participating utility's return on equity shall be reduced as follows: during years 1 through 3, by 5 basis points; during years 4 through 6, by 6 basis points; and during years 7 through 10, by 7 basis points.

(3) With respect to each of the incremental annual performance goals established pursuant to paragraphs (3) and (3.5) of subsection (f) of this Section, for each year that a participating utility other than a combination utility does not achieve both such goals, the participating utility's return on equity shall be reduced as follows: during years 1 through 3, by 5 basis points; during years 4 through 6, by 6 basis points; and during years 7 through 10, by 7 basis points.

(4) With respect to each of the incremental annual performance goals established pursuant to paragraph (4) of subsection (f) of this Section, for each year that the participating utility does not achieve each such goal, the participating utility's return on equity shall be reduced as follows: during years 1 through 3, by 5 basis points; during years 4 through 6, by 6 basis points; and during years 7 through 10, by 7 basis points.

(5) With respect to each of the incremental annual performance goals established pursuant to subparagraph (5) of subsection (f) of this Section, for each year that the participating utility does not achieve at least 95% of each such goal, the participating utility's return on equity shall be reduced by 5 basis points for each such unachieved goal.

(6) With respect to each of the incremental annual performance goals established pursuant to paragraphs (6), (7), and (8) of subsection (f) of this Section, as applicable, which together measure non-operational customer savings and benefits relating to the implementation of the Advanced Metering Infrastructure Deployment Plan, as defined in Section 16-108.6 of this Act, the performance under each such goal shall be calculated in terms of the percentage of the goal achieved. The percentage of goal achieved for each of the goals shall be aggregated, and an average percentage value calculated, for each year of the 10-year period. If the utility does not achieve an average percentage value in a given year of at least 95%, the participating utility's return on equity shall be reduced by 5 basis points.

The financial penalties shall be applied as described in this subsection (f-5) for the 12-month period in which the deficiency occurred through a separate tariff mechanism, which shall be filed by the utility together with its metrics. In the event the formula rate tariff established pursuant to subsection (c) of this Section terminates, the utility's obligations under subsection (f) of this Section and this subsection (f-5) shall also terminate, provided, however, that the tariff mechanism established pursuant to subsection (f)

of this Section and this subsection (f-5) shall remain in effect until any penalties due and owing at the time of such termination are applied.

The Commission shall, after notice and hearing, enter an order within 120 days after the metrics are filed approving, or approving with modification, a participating utility's tariff or mechanism to satisfy the metrics set forth in subsection (f) of this Section. On June 1 of each subsequent year, each participating utility shall file a report with the Commission that includes, among other things, a description of how the participating utility performed under each metric and an identification of any extraordinary events that adversely impacted the utility's performance. Whenever a participating utility does not satisfy the metrics required pursuant to subsection (f) of this Section, the Commission shall, after notice and hearing, enter an order approving financial penalties in accordance with this subsection (f-5). The Commission-approved financial penalties shall be applied beginning with the next rate year. Nothing in this Section shall authorize the Commission to reduce or otherwise obviate the imposition of financial penalties for failing to achieve one or more of the metrics established pursuant to subparagraph (1) through (4) of subsection (f) of this Section.

(g) On or before July 31, 2014, each participating utility shall file a report with the Commission that sets forth the average annual increase in the average amount paid per kilowattour for residential eligible retail customers, exclusive of the effects of energy efficiency programs, comparing the 12-month period ending May 31, 2012; the 12-month period ending May 31, 2013; and the 12-month period ending May 31, 2014. For a participating utility that is a combination utility with more than one rate zone, the weighted average aggregate increase shall be provided. The report shall be filed together with a statement from an independent auditor attesting to the accuracy of the report. The cost of the independent auditor shall be borne by the participating utility and shall not be a recoverable expense. "The average amount paid per kilowattour" shall be based on the participating utility's tariffed rates actually in effect and shall not be calculated using any hypothetical rate or adjustments to actual charges (other than as specified for energy efficiency) as an input.

In the event that the average annual increase exceeds 2.5% as calculated pursuant to this subsection (g), then Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act, other than this subsection, shall be inoperative as they relate to the utility and its service area as of the date of the report due to be submitted pursuant to this subsection and the utility shall no longer be eligible to annually update the performance-based formula rate tariff pursuant to subsection (d) of this Section. In such event, the then current rates shall remain in effect until such time as new rates are set pursuant to Article IX of this Act, subject to retroactive adjustment, with interest, to reconcile rates charged with actual costs, and the participating utility's voluntary commitments and obligations under subsection (b) of this Section shall immediately terminate, except for the utility's obligation to pay an amount already owed to the fund for training grants pursuant to a Commission order issued under subsection (b) of this Section.

In the event that the average annual increase is 2.5% or less as calculated pursuant to this subsection (g), then the performance-based formula rate shall remain in effect as set forth in this Section.

For purposes of this Section, the amount per kilowattour means the total amount paid for electric service expressed on a per kilowattour basis, and the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes exclusive of any increases in taxes or new taxes imposed after October 26, 2011 (the effective date of Public Act 97-616). For purposes of this Section, "eligible retail customers" shall have the meaning set forth in Section 16-111.5 of this Act.

The fact that this Section becomes inoperative as set forth in this subsection shall not be construed to mean that the Commission may reexamine or otherwise reopen prudence or reasonableness determinations already made.

~~(h) Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act, other than this subsection, are inoperative after December 31, 2019 for every participating utility, after which time a participating utility shall no longer be eligible to annually update the performance-based formula rate tariff pursuant to subsection (d) of this Section. At such time, the then current rates shall remain in effect until such time as new rates are set pursuant to Article IX of this Act, subject to retroactive adjustment, with interest, to reconcile rates charged with actual costs.~~

By December 31, 2017, the Commission shall prepare and file with the General Assembly a report on the infrastructure program and the performance-based formula rate. The report shall include the change in the average amount per kilowattour paid by residential customers between June 1, 2011 and May 31, 2017. If the change in the total average rate paid exceeds 2.5% compounded annually, the Commission shall include in the report an analysis that shows the portion of the change due to the delivery services component and the portion of the change due to the supply component of the rate. The report shall include separate sections for each participating utility.

[December 1, 2016]

~~In the event Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act, other than this subsection (h), do not become inoperative after December 31, 2019, then these Sections are inoperative after December 31, 2022 for every participating utility, after which time a participating utility shall no longer be eligible to annually update the performance-based formula rate tariff pursuant to subsection (d) of this Section. At such time, the then current rates shall remain in effect until such time as new rates are set pursuant to Article IX of this Act, subject to retroactive adjustment, with interest, to reconcile rates charged with actual costs.~~

The fact that this Section becomes inoperative as set forth in this subsection shall not be construed to mean that the Commission may reexamine or otherwise reopen prudence or reasonableness determinations already made.

(i) While a participating utility may use, develop, and maintain broadband systems and the delivery of broadband services, voice-over-internet-protocol services, telecommunications services, and cable and video programming services for use in providing delivery services and Smart Grid functionality or application to its retail customers, including, but not limited to, the installation, implementation and maintenance of Smart Grid electric system upgrades as defined in Section 16-108.6 of this Act, a participating utility is prohibited from offering to its retail customers broadband services or the delivery of broadband services, voice-over-internet-protocol services, telecommunications services, or cable or video programming services, unless they are part of a service directly related to delivery services or Smart Grid functionality or applications as defined in Section 16-108.6 of this Act, and from recovering the costs of such offerings from retail customers.

(j) Nothing in this Section is intended to legislatively overturn the opinion issued in Commonwealth Edison Co. v. Ill. Commerce Comm'n, Nos. 2-08-0959, 2-08-1037, 2-08-1137, 1-08-3008, 1-08-3030, 1-08-3054, 1-08-3313 cons. (Ill. App. Ct. 2d Dist. Sept. 30, 2010). Public Act 97-616 shall not be construed as creating a contract between the General Assembly and the participating utility, and shall not establish a property right in the participating utility.

(k) The changes made in subsections (c) and (d) of this Section by Public Act 98-15 are intended to be a restatement and clarification of existing law, and intended to give binding effect to the provisions of House Resolution 1157 adopted by the House of Representatives of the 97th General Assembly and Senate Resolution 821 adopted by the Senate of the 97th General Assembly that are reflected in paragraph (3) of this subsection. In addition, Public Act 98-15 preempts and supersedes any final Commission orders entered in Docket Nos. 11-0721, 12-0001, 12-0293, and 12-0321 to the extent inconsistent with the amendatory language added to subsections (c) and (d).

(1) No earlier than 5 business days after May 22, 2013 (the effective date of Public

Act 98-15), each participating utility shall file any tariff changes necessary to implement the amendatory language set forth in subsections (c) and (d) of this Section by Public Act 98-15 and a revised revenue requirement under the participating utility's performance-based formula rate. The Commission shall enter a final order approving such tariff changes and revised revenue requirement within 21 days after the participating utility's filing.

(2) Notwithstanding anything that may be to the contrary, a participating utility may file a tariff to retroactively recover its previously unrecovered actual costs of delivery service that are no longer subject to recovery through a reconciliation adjustment under subsection (d) of this Section. This retroactive recovery shall include any derivative adjustments resulting from the changes to subsections (c) and (d) of this Section by Public Act 98-15. Such tariff shall allow the utility to assess, on current customer bills over a period of 12 monthly billing periods, a charge or credit related to those unrecovered costs with interest at the utility's weighted average cost of capital during the period in which those costs were unrecovered. A participating utility may file a tariff that implements a retroactive charge or credit as described in this paragraph for amounts not otherwise included in the tariff filing provided for in paragraph (1) of this subsection (k). The Commission shall enter a final order approving such tariff within 21 days after the participating utility's filing.

(3) The tariff changes described in paragraphs (1) and (2) of this subsection (k) shall relate only to, and be consistent with, the following provisions of Public Act 98-15: paragraph (2) of subsection (c) regarding year-end capital structure, subparagraph (D) of paragraph (4) of subsection (c) regarding pension assets, and subsection (d) regarding the reconciliation components related to year-end rate base and interest calculated at a rate equal to the utility's weighted average cost of capital.

(4) Nothing in this subsection is intended to effect a dismissal of or otherwise affect an appeal from any final Commission orders entered in Docket Nos. 11-0721, 12-0001, 12-0293, and 12-0321 other than to the extent of the amendatory language contained in subsections (c) and (d) of this Section of Public Act 98-15.

(l) Each participating utility shall be deemed to have been in full compliance with all requirements of subsection (b) of this Section, subsection (c) of this Section, Section 16-108.6 of this Act, and all Commission orders entered pursuant to Sections 16-108.5 and 16-108.6 of this Act, up to and including May 22, 2013 (the effective date of Public Act 98-15). The Commission shall not undertake any investigation of such compliance and no penalty shall be assessed or adverse action taken against a participating utility for noncompliance with Commission orders associated with subsection (b) of this Section, subsection (c) of this Section, and Section 16-108.6 of this Act prior to such date. Each participating utility other than a combination utility shall be permitted, without penalty, a period of 12 months after such effective date to take actions required to ensure its infrastructure investment program is in compliance with subsection (b) of this Section and with Section 16-108.6 of this Act. Provided further, the following subparagraphs shall apply to a participating utility other than a combination utility:

(A) if the Commission has initiated a proceeding pursuant to subsection (e) of Section 16-108.6 of this Act that is pending as of May 22, 2013 (the effective date of Public Act 98-15), then the order entered in such proceeding shall, after notice and hearing, accelerate the commencement of the meter deployment schedule approved in the final Commission order on rehearing entered in Docket No. 12-0298;

(B) if the Commission has entered an order pursuant to subsection (e) of Section 16-108.6 of this Act prior to May 22, 2013 (the effective date of Public Act 98-15) that does not accelerate the commencement of the meter deployment schedule approved in the final Commission order on rehearing entered in Docket No. 12-0298, then the utility shall file with the Commission, within 45 days after such effective date, a plan for accelerating the commencement of the utility's meter deployment schedule approved in the final Commission order on rehearing entered in Docket No. 12-0298; the Commission shall reopen the proceeding in which it entered its order pursuant to subsection (e) of Section 16-108.6 of this Act and shall, after notice and hearing, enter an amendatory order that approves or approves as modified such accelerated plan within 90 days after the utility's filing; or

(C) if the Commission has not initiated a proceeding pursuant to subsection (e) of Section 16-108.6 of this Act prior to May 22, 2013 (the effective date of Public Act 98-15), then the utility shall file with the Commission, within 45 days after such effective date, a plan for accelerating the commencement of the utility's meter deployment schedule approved in the final Commission order on rehearing entered in Docket No. 12-0298 and the Commission shall, after notice and hearing, approve or approve as modified such plan within 90 days after the utility's filing.

Any schedule for meter deployment approved by the Commission pursuant to this subsection (l) shall take into consideration procurement times for meters and other equipment and operational issues. Nothing in Public Act 98-15 shall shorten or extend the end dates for the 5-year or 10-year periods set forth in subsection (b) of this Section or Section 16-108.6 of this Act. Nothing in this subsection is intended to address whether a participating utility has, or has not, satisfied any or all of the metrics and performance goals established pursuant to subsection (f) of this Section.

(m) The provisions of Public Act 98-15 are severable under Section 1.31 of the Statute on Statutes. (Source: P.A. 98-15, eff. 5-22-13; 98-1175, eff. 6-1-15; 99-143, eff. 7-27-15; 99-642, eff. 7-28-16.)

(220 ILCS 5/16-108.9 new)

Sec. 16-108.9. Microgrid pilot.

(a) The General Assembly finds that the electric industry is undergoing rapid transformation, including fundamental changes regarding how electricity is generated, procured, and delivered and how customers are choosing to participate in the supply and delivery of electricity to and from the electric grid. Building upon the State's goals to increase the procurement of electricity from renewable energy resources and distributed generation, the General Assembly finds that it is now necessary to study how the electric grid could be enhanced through reliance on the diverse supply options being connected to the grid by traditional suppliers and new market participants, such as the utility's customers. Specifically, the General Assembly finds that these developments present unprecedented opportunities to strengthen the resilience and security of the electric grid, particularly with respect to the grid's support of the State's critical infrastructure dedicated to public safety and health purposes. The General Assembly therefore finds that it is beneficial to undertake the microgrid pilot described in this Section to explore a variety of objectives, including, but not limited to, (i) alternatives to upgrading the conventional electric grid, (ii) ways to improve electric grid resiliency, security, and outage management for critical facilities and customers and thus reduce the frequency, duration, and cost of major outages, (iii) how to improve the safety and security of critical electric infrastructure, including cyber security, for the benefit of the public, (iv) innovative approaches to facilitating high penetration levels of distributed energy resources and new distributed energy technologies, and (v) the opportunity for new technology business models, customer awareness, smart city

and community of the future applications, network communication capabilities, energy efficiency and demand management efforts, and other energy consumer-based and utility approaches.

(b) An electric utility serving more than 3,000,000 retail customers in Illinois may invest an estimated \$50,000,000 to develop, construct, and install a microgrid in its service territory over a 5-year period that commences upon the date of the Commission's approval of the plan, or approval of the plan on rehearing, whichever is later, submitted under subsection (d) of this Section. Notwithstanding such investment amount, a utility that elects to undertake the investment described in this subsection (b) shall also be authorized to study, operate, and maintain such microgrid.

An electric utility serving 3,000,000 or less retail customers but more than 500,000 retail customers in Illinois may invest a maximum of \$20,000,000 to develop, construct, and install one microgrid in its service territory over a 5-year period that commences upon the date of the Commission's approval of the plan, or approval of the plan on rehearing, whichever is later, submitted under subsection (d) of this Section. Notwithstanding such investment amount, a utility that elects to undertake the investment described in this subsection (b) shall also be authorized to study, operate, and maintain such microgrid.

For purposes of this Section, "microgrid" means a group of interconnected loads and distributed energy resources with clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid and can connect and disconnect from the grid to enable it to operate in both grid-connected or island modes.

(1) The locations selected to be served by the microgrids shall include critical public health and safety facilities and critical infrastructure and transportation facilities that provide opportunities to study the operation and benefits of the microgrid. Facilities and locations may include, but are not limited to, the following: military; fire fighting; police; aviation; medical and health; HazMat; civil defense and public safety warning services; communications; radiological, chemical and other special weapons defense; water pumping and treatment facilities; and energy delivery. Nothing in this Section shall be interpreted to limit the utility's ability to coordinate with governmental agencies regarding the selection of locations and facilities to be served. Consistent with the provisions of this paragraph (1), an electric utility serving more than 3,000,000 retail customers in Illinois that elects to undertake the investment described in this Section may develop, construct, operate, maintain, and study a microgrid located at or within the Bronzeville community of Chicago, whose boundaries are approximately Cermak Road to the north, Washington Park to the south, Federal Street to the west, and Lake Michigan to the east.

If the site approved by the Commission under subsection (d) of this Section becomes unsuitable or unavailable to accommodate a microgrid project, the electric utility may select an alternative site consistent with the provisions of this paragraph (1). If the utility selects an alternative site, the utility shall submit an amended plan to the Commission that identifies the alternative site within 90 days after such selection.

(2) Notwithstanding any law, rule, or order to the contrary, an electric utility that undertakes the investment authorized by this subsection (b):

(A) shall study electric generating plant and facilities and electric storage plant and facilities that are part of the microgrid, which may include, but shall not be limited to, the construction, installation, leasing, or ownership of the following technologies: (i) solar photovoltaic facilities; (ii) fuel cells; (iii) natural gas generation, including generation that utilizes combined heat and power; (iv) an electricity storage plant and facilities; (v) geothermal technologies; and (vi) wind turbines; however, if the electric generating plant and facilities or electric storage plant and facilities are powered by new fossil-fueled generation that does not utilize combined heat and power, then the electric utility shall only be permitted to lease, and not own, those facilities;

(B) shall be permitted to use the plant or facilities described in subparagraph (A) of this paragraph (2) as follows: (i) for distribution system purposes, (ii) as a source of power, energy, and ancillary services for retail customers located within the boundaries of the microgrid during interruptions of services on the distribution system serving the microgrid or such customers, provided that the use of the plant and facilities during these periods and the delivery of electric power and energy that they produce shall be considered and treated as a distribution system reliability function and not as a retail sale of power, and (iii) for sales of energy, power, heat, steam, ancillary services, and other related products and services into any available markets, including, but not limited to, wholesale markets, provided that such sales do not compromise operation of the microgrid; a utility's decision to make or refrain from making such sales in order to maintain the integrity of the microgrid shall not be an unreasonable or imprudent decision;

(C) may upgrade the delivery facilities in and supporting the areas served by and in the vicinity of the microgrid, including, but not limited to, constructing, installing, operating, and maintaining (i) multiple feeders to provide service within and to the microgrid, (ii) distribution automation and other smart grid facilities, which shall be incremental to the investment amounts set forth in Section 16-108.5 of this Act, and (iii) placing underground distribution facilities within and providing service to the microgrid;

(D) shall not be required to obtain any certificates of public convenience and necessity under Section 8-406 of this Act or any approvals under Sections 9-212, 9-213, or 16-111.5 of this Act, for facilities and projects associated with the microgrid investment under this Section. No electric utility shall seek to condemn private property under the Eminent Domain Act for the construction or installation of any facilities or projects associated with the microgrid investment under this Section unless the utility first obtains a certificate of public convenience and necessity under Section 8-406 of this Act; and

(E) shall competitively bid the materials and professional engineering services required to be procured as part of the investment under this Section.

(c) An electric utility that elects to undertake the investment described in subsection (b) of this Section may, at its election, recover the actual costs of such investment through an automatic adjustment clause tariff or through a delivery services charge regardless of how the costs are classified on the utility's books and records of account, provided that nothing in this subsection (c) permits the double recovery of such costs from customers. Regardless of which cost recovery mechanism the electric utility elects, the utility shall earn a return on the balance of the related plant investment as of December 31 for a given year, less any related accumulated depreciation and any related deferred taxes, at an annual rate equal to the utility's weighted average cost of capital that includes, based on a year-end capital structure, the utility's actual cost of debt for the applicable calendar year and a cost of equity, which shall be calculated as the sum of the (i) the average for the applicable calendar year of the monthly average yields of 30-year U.S. Treasury bonds published by the Board of Governors of the Federal Reserve System in its weekly H.15 Statistical Release or successor publication and (ii) 580 basis points, including a revenue conversion factor calculated to recover or refund all additional income taxes that may be payable or receivable as a result of that return.

If the utility elects to file an automatic adjustment clause tariff, the tariff may be filed and established outside the context of a general rate case filing or a filing under subsection (c) or (d) of Section 16-108.5. The tariff shall provide that the utility shall file a petition with the Commission annually seeking initiation of an annual review to reconcile all amounts collected with the actual costs incurred in the prior period. The Commission shall review and, after notice and hearing, by order approve or approve with modification the proposed tariff no later than 180 days after the filing of the tariff. A utility may elect to reflect the charges recovered through the tariff as a separate line item on customers' bills, but shall not be required to do so. A tariff approved and placed into effect under this Section shall remain in effect at the discretion of the utility, and the utility may elect to withdraw the tariff at any time. At such time as the tariff ceases to be in effect, the utility shall recover its costs incurred under this Section through a delivery services charge regardless of how the costs are categorized or classified on the utility's books and records of account. To enable the financing of the incremental capital expenditures, including regulatory assets, for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State, the utility's actual year-end capital structure that includes a common equity ratio, excluding goodwill, of up to and including 50% of the total capital structure shall be deemed reasonable and used to set rates.

An electric utility that elects to undertake the investment described in subsection (b) of this Section shall also recover the actual costs it incurs to study, operate, and maintain the microgrid project under this Section and may, at its election, recover such costs through an automatic adjustment clause tariff placed into effect under this Section, if applicable, or through its delivery services charges.

(d) If an electric utility elects to undertake the investment authorized by subsection (b) of this Section, then the utility shall submit to the Commission the utility's plan for developing, constructing, operating, and analyzing each microgrid site in its service territory for the 5-year period commencing upon the plan's approval, or approval of the plan on rehearing, whichever is later. Such plan shall describe:

(1) the utility's current projections for scope, microgrid location and boundaries, schedule, expenditures, and staffing;

(2) the utility's projections regarding the sale into wholesale markets of power generated under the plant or facilities described in subparagraph (A) of paragraph (2) of subsection (b) of this Section, including how such sales will be executed and revenues applied to offset the costs of the microgrid pilot by reducing the amount of costs that the utility would otherwise recover from retail customers;

(3) the utility's projections, if any, regarding the sale of renewable energy credits generated by the plant or facilities described in subparagraph (A) of paragraph (2) of subsection (b) of this Section, including how any of those sales will be executed and revenues applied to offset the costs of the microgrid pilot by reducing the amount of costs that the utility would otherwise recover from retail customers;

(4) how the utility will work with stakeholders, including residents of communities in which a microgrid pilot is proposed, to ensure the pilot's goals are being met;

(5) any utility services, rates, programs, or other offerings which are being tested;

(6) the criteria, including specific performance metrics, for evaluating the extent to which the microgrids developed under this Section achieved the objectives set out in subsection (a) of this Section; and

(7) the proposed independent evaluation of the plan and the final evaluation shall be submitted in conjunction with the utility's final report.

Within 120 days after the utility files its plan under this subsection (d), the Commission shall review and, after notice and hearing, enter an order approving the plan if it finds that the plan conforms to the requirements of this Section or, if the Commission finds that the plan does not conform to the requirements of this Section, the Commission must enter an order describing in detail the reasons for not approving the plan. The utility may resubmit its plan to address the Commission's concerns, and the Commission shall expeditiously review and by order approve the revised plan if it finds that the plan conforms to the requirements of this Section, provided that such order shall be entered no later than 90 days after the utility resubmits its plan.

No later than 90 days after the close of each plan year, the utility shall submit a report to the Commission that includes any updates to the plan, a schedule for the development of any proposed microgrids for the next plan year, the expenditures made for the prior plan year and cumulatively, an evaluation of the extent to which the objectives of this microgrid pilot are being achieved, and the number of full-time equivalent jobs created for the prior plan year and cumulatively. Within 60 days after the utility files its annual report, the Commission may enter into an investigation of the report. If the Commission commences an investigation, it must, after notice and hearing, enter an order approving the report or approving the report with modification necessary to bring it into compliance with this Section no later than 180 days after the utility files such report. If the Commission does not initiate an investigation within 60 days after the utility files its annual report, then the filing shall be deemed accepted by the Commission.

The utility may continue operating, maintaining, and studying the microgrid developed and constructed under this Section following the end of the 5-year plan period, and the costs incurred by the utility regarding such continued operation, maintenance and studying and to comply with the requirements of this Section shall continue to be recoverable following the end of the 5-year plan period through the automatic adjustment clause tariff authorized by this Section or other cost recovery mechanism elected by the utility. However, any generating or storage facility that becomes inoperable after the initial 5-year period may not be replaced without the approval of the Commission unless the facility will be used solely for the purposes described in subparagraph (B) of paragraph (2) of subsection (b) of this Section.

To the extent feasible and consistent with State and federal law, the investments made under this Section should provide employment opportunities for all segments of the population and workforce, including minority-owned, female-owned, and locally-owned business enterprises, and shall not, consistent with State and federal law, discriminate based on race or socioeconomic status. Revenues from all sales of generation, ancillary service, or a renewable energy credit shall be used to offset the costs of the microgrid pilot by reducing the amount of costs that the utility would otherwise recover from retail customers.

(e) No later than 365 days following the end of the 5-year plan period, the electric utility shall submit its final report to the Commission evaluating the extent to which the objectives of this microgrid pilot have been achieved, reporting on its performance under the metrics established in the plan, and proposing any additional study or action required to continue the further development of microgrids in the electric utility's service territory. Thereafter, the Commission shall convene a workshop or workshops to discuss the results of the evaluation reflected in the final report. In addition, an electric utility that serves more than 3,000,000 retail customers in the State shall demonstrate, on average, that the microgrid project created, in total, 50 full-time equivalent jobs in Illinois during the 5-year period. The jobs shall include direct jobs, contractor positions, and induced jobs. If the Commission enters an order finding, after notice and hearing, that the utility did not satisfy its job commitment described in this subsection (e) for reasons that are reasonably within its control, then the Commission shall also determine, after consideration of the evidence, including, but not limited to, evidence submitted by the Department of Commerce and Economic Opportunity and the utility, the deficiency in the number of full-time equivalent jobs due to such failure. The Commission shall notify the Department of any proceeding that is initiated under this subsection (e). For each full-time equivalent job deficiency that the Commission finds as set forth in this subsection (e), the utility shall, within 30 days after the entry of the Commission's order, pay \$6,000 to a fund for training grants administered under Section 605-800 of the Department of Commerce and Economic Opportunity Law, which shall not be a recoverable expense.

In addition, an electric utility that serves 3,000,000 or less retail customers but more than 500,000 retail customers in the State shall demonstrate that it created an average of 50 full-time equivalent jobs in Illinois during the construction of the microgrid. The jobs shall include direct jobs and contractor positions. If the Commission enters an order finding, after notice and hearing, that the utility did not satisfy its job

commitment described in this subsection (e) for reasons that are reasonably within its control, then the Commission shall also determine, after consideration of the evidence, including, but not limited to, evidence submitted by the Department of Commerce and Economic Opportunity and the utility, the deficiency in the number of full-time equivalent jobs due to such failure. The Commission shall notify the Department of any proceeding that is initiated under this subsection (e). For each full-time equivalent job deficiency that the Commission finds as set forth in this subsection (e), the utility shall, within 30 days after the entry of the Commission's order, pay \$6,000 to a fund for training grants administered under Section 605-800 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, which shall not be a recoverable expense.

No later than 365 days following the date on which the utility submits its final report under this subsection (e), the Commission shall submit a report to the General Assembly evaluating the extent to which the objectives of the microgrid pilot have been achieved, reporting on the utility's performance under the metrics established in its plan, and proposing any additional study or action required to continue the further development of microgrids in the utility's service territory.

(f) Within 90 days of the effective date of this Amendatory Act of the 99th General Assembly, the Commission shall issue a report that addresses whether and if so, the circumstances under which, electric utilities should construct additional microgrids to protect critical infrastructure and in other locations. The report shall consider the need for, effectiveness and appropriateness of, and security, reliability and resiliency benefits of microgrids constructed by electric utilities. The report shall include how the Commission would determine whether there are sufficient public benefits to authorize the construction of additional microgrids, how the location of any such microgrids would be determined, and the appropriate costs of such microgrids. The report shall include recommendations for how a utility would conduct competitive bidding for materials and engineering, along with any other matters the ICC believes are relevant. The Commission shall hold at least one public hearing, shall solicit public comment on these issues and may consider such other information as it determines to be relevant.

The report shall be filed with the General Assembly and the Governor and shall be publicly available.

(g) All facilities and equipment installed under this Section shall be considered and functionalized for ratemaking purposes as distribution facilities and equipment for purposes of Articles IX and XVI of this Act, and the expense of operating, maintaining, and studying such facilities shall be considered and functionalized for ratemaking purposes as distribution expense regardless of how the facilities, equipment, and costs are categorized or classified on the utility's books and records of account.

(h) Nothing in this Section is intended to limit the ability of an electric utility to undertake investments, other than microgrid investments, related to the reliability, resilience, and security of its distribution facilities and equipment.

(h-5) Nothing in this Section is intended to limit or expand the ability of any other entity to develop, construct, or install a microgrid. In addition, nothing in this Section is intended to limit, expand, or alter otherwise applicable interconnection requirements.

(i) An electric utility serving more than 3,000,000 retail customers in Illinois may implement a 5-year innovation accelerator program, which shall facilitate the testing of programs, technologies, business models, and other activities related to enhancing the reliability and efficiency of the electric grid, enabling the management of energy use and demand, and demonstrating the potential benefits to customers of new applications or tools for energy management, which shall be subject to the following requirements:

(1) The program may include 3 key components:

(A) An Innovation Center, which shall be located within the site described in subparagraph (A) of paragraph (1) of subsection (b) of this Section; the costs of the facility may not exceed \$10,000,000.

(B) An Innovation Accelerator Test Bed, which shall be located within the site described in subparagraph (A) of paragraph (1) of subsection (b) of this Section.

(C) Funding of projects located at the sites described in subparagraphs (A) and (B) of this paragraph (1), unless otherwise approved by the utility and Council as set forth in paragraph (4) of this subsection (i), and approved under this subsection (i); the funding shall not exceed \$2,500,000 per year over a 5-year period; the funding may be used for smart city and community of the future projects, programs, technologies, and services that enable customers to more efficiently and directly manage their energy use and demand; and no single project, including costs related to utility interconnection, shall receive funding in excess of \$500,000.

(2) A utility that elects to undertake the program described in this subsection (i) shall notify the Commission of its election, and the date on which the 5-year program will commence, in the annual report submitted under subsection (d) of this Section that precedes the date on which the program will commence.

(3) Within 90 days after the utility provides notice under paragraph (2) of this subsection (i), the Innovation Accelerator Advisory Council shall be established to assist in the establishment of award

criteria and review of projects located at sites described in subparagraphs (A) and (B) of paragraph (1) of this subsection (i) and approved under this subsection (i). The Council shall consist of up to 11 total voting members with each member possessing either technical, business or consumer expertise in electric grid issues, 3 of whom may be appointed by the Governor, one of whom may be appointed by the Speaker of the House of Representatives, one of whom may be appointed by the Minority Leader of the House of Representatives, one of whom may be appointed by the President of the Senate, one of whom may be appointed by the Minority Leader of the Senate, 3 of whom may be selected by the utility that provided such notice, and one of whom may be selected by the mayor of the City of Chicago, provided that any nomination of voting members by the persons listed in this paragraph (3) shall be made within 90 days after the effective date of this amendatory Act of the 99th General Assembly. A voting member may not be a member of the General Assembly. If a voting member is nominated by any of the persons listed in this paragraph (3) within the 90-day period, then such voting member shall be eligible to participate on the Council. If the Governor appoints 3 voting members to the Council, then: (i) at least one must represent a non-profit membership organization whose mission is to cultivate innovation and technology-based economic development in this State by fostering public-private partnerships to develop and execute research and development projects, advocating for funding for research and development initiatives, and collaborating with public and private partners to attract and retain research and development resources and talent in Illinois; and (ii) at least one must represent a non-profit public body corporate and politic created by law that has a duty to represent and protect residential utility consumers in this State.

The Governor shall designate one of the members of the Council to serve as chairman, and that person shall serve as the chairman at the pleasure of the Governor.

All members with financial expertise shall be entitled to compensation for their services as members. However, a member that is an employee of the electric utility that provided the notice under this paragraph (3) shall not receive any compensation for his or her services as a member, the compensation to the chairman of the Council shall not exceed \$25,000 annually, and the compensation to any other member shall not exceed \$20,000 annually. All members shall be entitled to reimbursement for reasonable expenses incurred on behalf of the Council in the performance of their duties as members. All such compensation and reimbursements shall be paid from the monies available under subparagraph (C) of paragraph (1) of this subsection (i).

(4) The utility, in conjunction with the Innovation Accelerator Advisory Council, shall establish the application criteria, processes, and procedures applicable to the use of the Innovation Center and Innovation Accelerator Test Bed and disbursement of the annual funding available under the program. The criteria shall be consistent with the goal of offering the program to qualified entities seeking to test commercially viable programs, technologies, business models, and other grid-related activities, especially those likely to support the economic development goals of this State. Projects shall be located at or within the sites described in subparagraphs (A) and (B) of paragraph (1) of this subsection (i), unless the utility and Council approve a project that is located outside of these sites or that is a technology that is not site specific, provided that the projects are interconnected at the distribution system level of the utility. The utility shall retain control of its grid and operations, and may reject any proposal that threatens its reliability, safety, security, or operations.

(5) The trust or foundation established under Section 16-108.7 of this Act shall conduct marketing and promotional activities on behalf of the program described in this subsection (i), consistent with the criteria, processes, and procedures established in paragraph (4) of this subsection (i), and all applications described in paragraph (4) of this subsection (i) shall be submitted to the trust or foundation. The trust or foundation shall analyze the applications consistent with this subsection (i) and the criteria, processes, and procedures established under paragraph (4) of this subsection (i). Following its review, the trust or foundation shall recommend to the Council whether an application should be approved. Once approved, the trust or foundation may provide mentoring and advisory services to any projects approved by the Council. The trust or foundation shall be permitted to remit to the Council, on a monthly basis, invoices for the work performed under this paragraph (5); however, the amount of those invoices shall not exceed \$600,000 per year. The Council shall review each invoice and, if approved, the utility shall pay the invoice, which amounts shall be fully recoverable by the utility. Expenses incurred by the trust or foundation under this subsection (i) shall not be deemed administrative expenses within the meaning of paragraph (7) of subsection (c) of Section 16-108.7 of this Act.

If the trust or foundation established under Section 16-108.7 of this Act is unable to perform the services described in this paragraph (5), the Council shall direct that the utility retain a third-party consultant to perform the services, subject to the same payment limitations and procedures described in this paragraph (5).

(6) The utility may recover all costs associated with the Innovation Accelerator program incurred under this subsection (i) that are prudent and reasonable. Such costs may be recovered under the provisions of Article IX or Section 16-108.5 of this Act.

(220 ILCS 5/16-108.10 new)

Sec. 16-108.10. Energy low-income and support program. Beginning in 2017, without obtaining any approvals from the Commission or any other agency, regardless of whether any such approval would otherwise be required, a participating utility that is not a combination utility, as defined by Section 16-108.5 of this Act, shall contribute \$10,000,000 per year for 5 years to the energy low-income and support program, which is intended to fund customer assistance programs with the primary purpose being avoidance of imminent disconnection and reconnecting customers who have been disconnected for non-payment. Such programs may include:

(1) a residential hardship program that may partner with community-based organizations, including senior citizen organizations, and provides grants to low-income residential customers, including low-income senior citizens, who demonstrate a hardship;

(2) a program that provides grants and other bill payment concessions to disabled veterans who demonstrate a hardship and members of the armed services or reserve forces of the United States or members of the Illinois National Guard who are on active duty under an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor and who demonstrate a hardship;

(3) a budget assistance program that provides tools and education to low-income senior citizens to assist them with obtaining information regarding energy usage and effective means of managing energy costs;

(4) a non-residential special hardship program that provides grants to non-residential customers, such as small businesses and non-profit organizations, that demonstrate a hardship, including those providing services to senior citizen and low-income customers; and

(5) a performance-based assistance program that provides grants to encourage residential customers to make on-time payments by matching a portion of the customer's payments or providing credits towards arrearages.

The payments made by a participating utility under this Section shall not be a recoverable expense. A participating utility may elect to fund either new or existing customer assistance programs, including, but not limited to, those that are administered by the utility.

Programs that use funds that are provided by an electric utility to reduce utility bills may be implemented through tariffs that are filed with and reviewed by the Commission. If a utility elects to file tariffs with the Commission to implement all or a portion of the programs, those tariffs shall, regardless of the date actually filed, be deemed accepted and approved and shall become effective on the first business day after they are filed. The electric utilities whose customers benefit from the funds that are disbursed as contemplated in this Section shall file annual reports documenting the disbursement of those funds with the Commission. The Commission may audit disbursement of the funds to ensure they were disbursed consistently with this Section.

If the Commission finds that a participating utility is no longer eligible to update the performance-based formula rate tariff under subsection (d) of Section 16-108.5 of this Act or the performance-based formula rate is otherwise terminated, then the participating utility's obligations under this Section shall immediately terminate.

(220 ILCS 5/16-108.11 new)

Sec. 16-108.11. Employment opportunities. To the extent feasible and consistent with State and federal law, the procurement of contracted labor, materials, and supplies by electric utilities in connection with the offering of delivery services under Article XVI of this Act should provide employment opportunities for all segments of the population and workforce, including minority-owned and female-owned business enterprises, and shall not, consistent with State and federal law, discriminate based on race or socioeconomic status.

(220 ILCS 5/16-108.12 new)

Sec. 16-108.12. Utility job training program.

An electric utility that serves more than 3,000,000 customers in the State shall spend \$10,000,000 per year over 5 years to fund the programs described in this Section.

(1) The utility shall fund a solar training pipeline program in the amount of \$3,000,000 annually over 5 years. The utility may administer the program or contract with another entity to administer the program. The program shall be designed to establish a solar installer training pipeline for projects authorized under Section 1-56 of the Illinois Power Agency Act and to establish a pool of trained installers who will be able to install solar projects authorized under subsection (c) of Section 1-75 of the Illinois Power Agency Act

and otherwise. The program may include single event training programs. The program described in this paragraph (1) shall be designed to ensure that entities that offer training are located in, and trainees are recruited from, the same communities that the program aims to serve and that the program provides trainees with the opportunity to obtain real-world experience. The program described in this paragraph (1) shall also be designed to assist trainees so that they can obtain applicable certifications or participate in an apprenticeship program. The utility or administrator shall include funding for programs that provide training to individuals who are or were foster children or that target qualified persons with a record who are transitioning with job training and job placement programs. The program may include an incentive to facilitate an increase of hiring of qualified individuals who are or were foster children and persons with a record. It is a goal of the program described in this paragraph (1) that at least 50% of the trainees in this program come from within environmental justice communities.

(2) The utility shall fund a craft apprenticeship program in the amount of \$3,000,000 annually over 5 years. The program shall be an accredited or otherwise recognized apprenticeship program over a period not to exceed 5 years, for particular crafts, trades, or skills in the electric industry that may, but need not, be related to solar installation.

(3) The utility shall fund multi-cultural jobs programs in the amount of \$4,000,000 annually over 5 years. The funding shall be allocated annually to individual programs as set forth in subparagraphs (A) through (E) of this paragraph (3) and may, but need not, be related to solar installation, over a period not to exceed 5 years, by diversity-focused community organizations that have a record of successfully delivering job training.

(A) \$1,000,000 to a community-based civil rights and human services not-for-profit organization that provides economic development, human capital, and education program services.

(B) \$500,000 to a not-for-profit organization that is also an education institution that offers training programs approved by the Illinois State Board of Education and United States Department of Education with the goal of providing workforce initiatives leading to economic independence.

(C) \$500,000 to a not-for-profit organization dedicated to developing the educational and leadership capacity of minority youth through the operation of schools, youth leadership clubs and youth development centers.

(D) \$1,000,000 to a not-for-profit organization dedicated to providing equal access to opportunities in the construction industry that offer training programs that include Occupational Safety and Health Administration 10 and 30 certifications, Environmental Protection Agency Renovation, Repair and Painting Certification and Leadership in Energy and Environmental Design Accredited Green Associate Exam preparation courses.

(E) \$1,000,000 to a non-profit organization that has a proven record of successfully implementing utility industry training programs, with expertise in creating programs that strengthen the economics of communities including technical training workshops and economic development through community and financial partners.

For the purposes of this Section, "qualified person with a record" means any person who (1) has been convicted of a crime in this State or of an offense in any other jurisdiction, not including an offense or attempted offense that would subject a person to registration under the Sex Offender Registration Act; (2) has a record of an arrest or an arrest that did not result in conviction for any crime in this State or of an offense in any other jurisdiction; or (3) has a juvenile delinquency adjudication.

(b) Within 60 days after the effective date of this amendatory Act of the 99th General Assembly, an electric utility that serves more than 3,000,000 customers in the State shall file with the Commission a plan to implement this Section. Within 60 days after the plan is filed, the Commission shall enter an order approving the plan if it is consistent with this Section or, if the plan is not consistent with this Section, the Commission shall explain the deficiencies, after which time the utility shall file a new plan. The utility's expenditures to implement Commission-approved programs under this Section shall be recovered under the provisions of Article IX or Section 16-108.5 of this Act.

(220 ILCS 5/16-111.1)

Sec. 16-111.1. Illinois Clean Energy Community Trust.

(a) An electric utility which has sold or transferred generating facilities in a transaction to which subsection (k) of Section 16-111 applies is authorized to establish an Illinois clean energy community trust or foundation for the purposes of providing financial support and assistance to entities, public or private, within the State of Illinois including, but not limited to, units of State and local government, educational institutions, corporations, and charitable, educational, environmental and community organizations, for programs and projects that benefit the public by improving energy efficiency, developing renewable energy resources, supporting other energy related projects that improve the State's environmental quality, and supporting projects and programs intended to preserve or enhance the natural habitats and wildlife

areas of the State. Provided, however, that the trust or foundation funds shall not be used for the remediation of environmentally impaired property. The trust or foundation may also assist in identifying other energy and environmental grant opportunities.

(b) Such trust or foundation shall be governed by a declaration of trust or articles of incorporation and bylaws which shall, at a minimum, provide that:

(1) There shall be 6 voting trustees of the trust or foundation, one of whom shall be appointed by the Governor, one of whom shall be appointed by the President of the Illinois Senate, one of whom shall be appointed by the Minority Leader of the Illinois Senate, one of whom shall be appointed by the Speaker of the Illinois House of Representatives, one of whom shall be appointed by the Minority Leader of the Illinois House of Representatives, and one of whom shall be appointed by the electric utility establishing the trust or foundation, provided that the voting trustee appointed by the utility shall be a representative of a recognized environmental action group selected by the utility. The Governor shall designate one of the 6 voting trustees to serve as chairman of the trust or foundation, who shall serve as chairman of the trust or foundation at the pleasure of the Governor. In addition, there shall be 5 non-voting trustees, one of whom shall be appointed by the Director of Commerce and Economic Opportunity, one of whom shall be appointed by the Director of the Illinois Environmental Protection Agency, one of whom shall be appointed by the Director of Natural Resources, and one of whom shall be appointed by the electric utility establishing the trust or foundation, provided that the non-voting trustee appointed by the utility shall bring financial expertise to the trust or foundation and shall have appropriate credentials therefor.

(2) All voting trustees and the non-voting trustee with financial expertise shall be entitled to compensation for their services as trustees, provided, however, that no member of the General Assembly and no employee of the electric utility establishing the trust or foundation serving as a voting trustee shall receive any compensation for his or her services as a trustee, and provided further that the compensation to the chairman of the trust shall not exceed \$25,000 annually and the compensation to any other trustee shall not exceed \$20,000 annually. All trustees shall be entitled to reimbursement for reasonable expenses incurred on behalf of the trust in the performance of their duties as trustees. All such compensation and reimbursements shall be paid out of the trust.

(3) Trustees shall be appointed within 30 days after the creation of the trust or foundation and shall serve for a term of 5 years commencing upon the date of their respective appointments, until their respective successors are appointed and qualified.

(4) A vacancy in the office of trustee shall be filled by the person holding the office responsible for appointing the trustee whose death or resignation creates the vacancy, and a trustee appointed to fill a vacancy shall serve the remainder of the term of the trustee whose resignation or death created the vacancy.

(5) The trust or foundation shall have an indefinite term, and shall terminate at such time as no trust assets remain.

(6) The trust or foundation shall be funded in the minimum amount of \$250,000,000, with the allocation and disbursement of funds for the various purposes for which the trust or foundation is established to be determined by the trustees in accordance with the declaration of trust or the articles of incorporation and bylaws; provided, however, that this amount may be reduced by up to \$25,000,000 if, at the time the trust or foundation is funded, a corresponding amount is contributed by the electric utility establishing the trust or foundation to the Board of Trustees of Southern Illinois University for the purpose of funding programs or projects related to clean coal and provided further that \$25,000,000 of the amount contributed to the trust or foundation shall be available to fund programs or projects related to clean coal.

(7) The trust or foundation shall be authorized to employ an executive director and other employees, to enter into leases, contracts and other obligations on behalf of the trust or foundation, and to incur expenses that the trustees deem necessary or appropriate for the fulfillment of the purposes for which the trust or foundation is established, provided, however, that salaries and administrative expenses incurred on behalf of the trust or foundation shall not exceed \$500,000 in the first fiscal year after the trust or foundation is established and shall not exceed \$1,000,000 in each subsequent fiscal year.

(8) The trustees may create and appoint advisory boards or committees to assist them with the administration of the trust or foundation, and to advise and make recommendations to them regarding the contribution and disbursement of the trust or foundation funds.

(c)(1) In addition to the allocation and disbursement of funds for the purposes set forth in subsection (a) of this Section, the trustees of the trust or foundation shall annually contribute funds in amounts set forth in subparagraph (2) of this subsection to the Citizens Utility Board created by the

Citizens Utility Board Act; provided, however, that any such funds shall be used solely for the representation of the interests of utility consumers before the Illinois Commerce Commission, the Federal Energy Regulatory Commission, and the Federal Communications Commission and for the provision of consumer education on utility service and prices and on benefits and methods of energy conservation. Provided, however, that no part of such funds shall be used to support (i) any lobbying activity, (ii) activities related to fundraising, (iii) advertising or other marketing efforts regarding a particular utility, or (iv) solicitation of support for, or advocacy of, a particular position regarding any specific utility or a utility's docketed proceeding.

(2) In the calendar year in which the trust or foundation is first funded, the trustees shall contribute \$1,000,000 to the Citizens Utility Board within 60 days after such trust or foundation is established; provided, however, that such contribution shall be made after December 31, 1999. In each of the 6 calendar years subsequent to the first contribution, if the trust or foundation is in existence, the trustees shall contribute to the Citizens Utility Board an amount equal to the total expenditures by such organization in the prior calendar year, as set forth in the report filed by the Citizens Utility Board with the chairman of such trust or foundation as required by subparagraph (3) of this subsection. Such subsequent contributions shall be made within 30 days of submission by the Citizens Utility Board of such report to the Chairman of the trust or foundation, but in no event shall any annual contribution by the trustees to the Citizens Utility Board exceed \$1,000,000. Following such 7-year period, an Illinois statutory consumer protection agency may petition the trust or foundation for contributions to fund expenditures of the type identified in paragraph (1), but in no event shall annual contributions by the trust or foundation for such expenditures exceed \$1,000,000.

(3) The Citizens Utility Board shall file a report with the chairman of such trust or foundation for each year in which it expends any funds received from the trust or foundation setting forth the amount of any expenditures (regardless of the source of funds for such expenditures) for: (i) the representation of the interests of utility consumers before the Illinois Commerce Commission, the Federal Energy Regulatory Commission, and the Federal Communications Commission, and (ii) the provision of consumer education on utility service and prices and on benefits and methods of energy conservation. Such report shall separately state the total amount of expenditures for the purposes or activities identified by items (i) and (ii) of this paragraph, the name and address of the external recipient of any such expenditure, if applicable, and the specific purposes or activities (including internal purposes or activities) for which each expenditure was made. Any report required by this subsection shall be filed with the chairman of such trust or foundation no later than March 31 of the year immediately following the year for which the report is required.

(d) In addition to any other allocation and disbursement of funds in this Section, the trustees of the trust or foundation shall contribute an amount up to \$125,000,000 (1) for deposit into the General Obligation Bond Retirement and Interest Fund held in the State treasury to assist in the repayment on general obligation bonds issued under subsection (d) of Section 7 of the General Obligation Bond Act, and (2) for deposit into funds administered by agencies with responsibility for environmental activities to assist in payment for environmental programs. The amount required to be contributed shall be provided to the trustees in a certification letter from the Director of the Bureau of the Budget that shall be provided no later than August 1, 2003. The payment from the trustees shall be paid to the State no later than December 31st following the receipt of the letter.

(Source: P.A. 93-32, eff. 6-20-03; 94-793, eff. 5-19-06.)

(220 ILCS 5/16-111.5)

Sec. 16-111.5. Provisions relating to procurement.

(a) An electric utility that on December 31, 2005 served at least 100,000 customers in Illinois shall procure power and energy for its eligible retail customers in accordance with the applicable provisions set forth in Section 1-75 of the Illinois Power Agency Act and this Section. Beginning with the delivery year commencing on June 1, 2017, such electric utility shall also procure zero emission credits from zero emission facilities in accordance with the applicable provisions set forth in Section 1-75 of the Illinois Power Agency Act, and, for years beginning on or after June 1, 2017, the utility shall procure renewable energy resources in accordance with the applicable provisions set forth in Section 1-75 of the Illinois Power Agency Act and this Section. A small multi-jurisdictional electric utility that on December 31, 2005 served less than 100,000 customers in Illinois may elect to procure power and energy for all or a portion of its eligible Illinois retail customers in accordance with the applicable provisions set forth in this Section and Section 1-75 of the Illinois Power Agency Act. This Section shall not apply to a small multi-jurisdictional utility until such time as a small multi-jurisdictional utility requests the Illinois Power Agency to prepare a procurement plan for its eligible retail customers. "Eligible retail customers" for the purposes of this Section means those retail customers that purchase power and energy from the electric

utility under fixed-price bundled service tariffs, other than those retail customers whose service is declared or deemed competitive under Section 16-113 and those other customer groups specified in this Section, including self-generating customers, customers electing hourly pricing, or those customers who are otherwise ineligible for fixed-price bundled tariff service. For those Those customers that are excluded from the definition of "eligible retail customers" shall not be included in the procurement plan's electric supply service plan load requirements, and the utility shall procure any supply requirements, including capacity, ancillary services, and hourly priced energy, in the applicable markets as needed to serve those customers, provided that the utility may include in its procurement plan load requirements for the load that is associated with those retail customers whose service has been declared or deemed competitive pursuant to Section 16-113 of this Act to the extent that those customers are purchasing power and energy during one of the transition periods identified in subsection (b) of Section 16-113 of this Act.

(b) A procurement plan shall be prepared for each electric utility consistent with the applicable requirements of the Illinois Power Agency Act and this Section. For purposes of this Section, Illinois electric utilities that are affiliated by virtue of a common parent company are considered to be a single electric utility. Small multi-jurisdictional utilities may request a procurement plan for a portion of or all of its Illinois load. Each procurement plan shall analyze the projected balance of supply and demand for those retail customers to be included in the plan's electric supply service requirements eligible retail customers over a 5-year period, with the first planning year beginning on June 1 of the year following the year in which the plan is filed. The plan shall specifically identify the wholesale products to be procured following plan approval, and shall follow all the requirements set forth in the Public Utilities Act and all applicable State and federal laws, statutes, rules, or regulations, as well as Commission orders. Nothing in this Section precludes consideration of contracts longer than 5 years and related forecast data. Unless specified otherwise in this Section, in the procurement plan or in the implementing tariff, any procurement occurring in accordance with this plan shall be competitively bid through a request for proposals process. Approval and implementation of the procurement plan shall be subject to review and approval by the Commission according to the provisions set forth in this Section. A procurement plan shall include each of the following components:

(1) Hourly load analysis. This analysis shall include:

- (i) multi-year historical analysis of hourly loads;
- (ii) switching trends and competitive retail market analysis;
- (iii) known or projected changes to future loads; and
- (iv) growth forecasts by customer class.

(2) Analysis of the impact of any demand side and renewable energy initiatives. This analysis shall include:

- (i) the impact of demand response programs and energy efficiency programs, both current and projected; for small multi-jurisdictional utilities, the impact of demand response and energy efficiency programs approved pursuant to Section 8-408 of this Act, both current and projected; and
- (ii) supply side needs that are projected to be offset by purchases of renewable energy resources, if any.

(3) A plan for meeting the expected load requirements that will not be met through preexisting contracts. This plan shall include:

(i) definitions of the different Illinois retail customer classes for which supply is being purchased;

(ii) the proposed mix of demand-response products for which contracts will be executed during the next year. For small multi-jurisdictional electric utilities that on December 31, 2005 served fewer than 100,000 customers in Illinois, these shall be defined as demand-response products offered in an energy efficiency plan approved pursuant to Section 8-408 of this Act. The cost-effective demand-response measures shall be procured whenever the cost is lower than procuring comparable capacity products, provided that such products shall:

(A) be procured by a demand-response provider from those eligible retail customers included in the plan's electric supply service requirements;

(B) at least satisfy the demand-response requirements of the regional transmission organization market in which the utility's service territory is located, including, but not limited to, any applicable capacity or dispatch requirements;

(C) provide for customers' participation in the stream of benefits produced by the demand-response products;

(D) provide for reimbursement by the demand-response provider of the utility for

any costs incurred as a result of the failure of the supplier of such products to perform its obligations thereunder; and

(E) meet the same credit requirements as apply to suppliers of capacity, in the applicable regional transmission organization market;

(iii) monthly forecasted system supply requirements, including expected minimum, maximum, and average values for the planning period;

(iv) the proposed mix and selection of standard wholesale products for which contracts will be executed during the next year, separately or in combination, to meet that portion of its load requirements not met through pre-existing contracts, including but not limited to monthly 5 x 16 peak period block energy, monthly off-peak wrap energy, monthly 7 x 24 energy, annual 5 x 16 energy, annual off-peak wrap energy, annual 7 x 24 energy, monthly capacity, annual capacity, peak load capacity obligations, capacity purchase plan, and ancillary services;

(v) proposed term structures for each wholesale product type included in the proposed procurement plan portfolio of products; and

(vi) an assessment of the price risk, load uncertainty, and other factors that are associated with the proposed procurement plan; this assessment, to the extent possible, shall include an analysis of the following factors: contract terms, time frames for securing products or services, fuel costs, weather patterns, transmission costs, market conditions, and the governmental regulatory environment; the proposed procurement plan shall also identify alternatives for those portfolio measures that are identified as having significant price risk.

(4) Proposed procedures for balancing loads. The procurement plan shall include, for load requirements included in the procurement plan, the process for (i) hourly balancing of supply and demand and (ii) the criteria for portfolio re-balancing in the event of significant shifts in load.

(5) Long-Term Renewable Resources Procurement Plan. The Agency shall prepare a long-term renewable resources procurement plan for the procurement of renewable energy credits under Sections 1-56 and 1-75 of the Illinois Power Agency Act for delivery beginning in the 2017 delivery year.

(i) The initial long-term renewable resources procurement plan and all subsequent revisions shall be subject to review and approval by the Commission. For the purposes of this Section, "delivery year" has the same meaning as in Section 1-10 of the Illinois Power Agency Act. For purposes of this Section, "Agency" shall mean the Illinois Power Agency.

(ii) The long-term renewable resources planning process shall be conducted as follows:

(A) Electric utilities shall provide a range of load forecasts to the Illinois Power Agency within 45 days of the Agency's request for forecasts, which request shall specify the length and conditions for the forecasts including, but not limited to, the quantity of distributed generation expected to be interconnected for each year.

(B) The Agency shall publish for comment the initial long-term renewable resources procurement plan no later than 120 days after the effective date of this amendatory Act of the 99th General Assembly and shall review, and may revise, the plan at least every 2 years thereafter. To the extent practicable, the Agency shall review and propose any revisions to the long-term renewable energy resources procurement plan in conjunction with the Agency's other planning and approval processes conducted under this Section. The initial long-term renewable resources procurement plan shall:

(aa) Identify the procurement programs and competitive procurement events consistent with the applicable requirements of the Illinois Power Agency Act and shall be designed to achieve the goals set forth in subsection (c) of Section 1-75 of that Act.

(bb) Include a schedule for procurements for renewable energy credits from utility-scale wind projects, utility-scale solar projects, and brownfield site photovoltaic projects consistent with subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act.

(cc) Identify the process whereby the Agency will submit to the Commission for review and approval the proposed contracts to implement the programs required by such plan.

Copies of the initial long-term renewable resources procurement plan and all subsequent revisions shall be posted and made publicly available on the Agency's and Commission's websites, and copies shall also be provided to each affected electric utility. An affected utility and other interested parties shall have 45 days following the date of posting to provide comment to the Agency on the initial long-term renewable resources procurement plan and all subsequent revisions. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. During this 45-day comment period, the Agency shall hold at least one public hearing within each utility's service area that is subject to the requirements of this paragraph (5) for the purpose of receiving public comment. Within 21 days following the end of

the 45-day review period, the Agency may revise the long-term renewable resources procurement plan based on the comments received and shall file the plan with the Commission for review and approval.

(C) Within 14 days after the filing of the initial long-term renewable resources procurement plan or any subsequent revisions, any person objecting to the plan may file an objection with the Commission. Within 21 days after the filing of the plan, the Commission shall determine whether a hearing is necessary. The Commission shall enter its order confirming or modifying the initial long-term renewable resources procurement plan or any subsequent revisions within 120 days after the filing of the plan by the Illinois Power Agency.

(D) The Commission shall approve the initial long-term renewable resources procurement plan and any subsequent revisions, including expressly the forecast used in the plan and taking into account that funding will be limited to the amount of revenues actually collected by the utilities, if the Commission determines that the plan will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act. The Commission shall also approve the process for the submission, review, and approval of the proposed contracts to procure renewable energy credits or implement the programs authorized by the Commission pursuant to a long-term renewable resources procurement plan approved under this Section.

(iii) The Agency or third parties contracted by the Agency shall implement all programs authorized by the Commission in an approved long-term renewable resources procurement plan without further review and approval by the Commission. Third parties shall not begin implementing any programs or receive any payment under this Section until the Commission has approved the contract or contracts under the process authorized by the Commission in item (D) of subparagraph (ii) of paragraph (5) of this subsection (b) and the third party and the Agency or utility, as applicable, have executed the contract. For those renewable energy credits subject to procurement through a competitive bid process under the plan or under the initial forward procurements for wind and solar resources described in subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act, the Agency shall follow the procurement process specified in the provisions relating to electricity procurement in subsections (e) through (i) of this Section.

(iv) An electric utility shall recover its costs associated with the procurement of renewable energy credits under this Section through an automatic adjustment clause tariff under subsection (k) of Section 16-108 of this Act. A utility shall not be required to advance any payment or pay any amounts under this Section that exceed the actual amount of revenues collected by the utility under paragraph (6) of subsection (c) of Section 1-75 of the Illinois Power Agency Act and subsection (k) of Section 16-108 of this Act, and contracts executed under this Section shall expressly incorporate this limitation.

(v) For the public interest, safety, and welfare, the Agency and the Commission may adopt rules to carry out the provisions of this Section on an emergency basis immediately following the effective date of this amendatory Act of the 99th General Assembly.

(vi) On or before July 1 of each year, the Commission shall hold an informal hearing for the purpose of receiving comments on the prior year's procurement process and any recommendations for change.

(c) The procurement process set forth in Section 1-75 of the Illinois Power Agency Act and subsection (e) of this Section shall be administered by a procurement administrator and monitored by a procurement monitor.

(1) The procurement administrator shall:

(i) design the final procurement process in accordance with Section 1-75 of the Illinois Power Agency Act and subsection (e) of this Section following Commission approval of the procurement plan;

(ii) develop benchmarks in accordance with subsection (e)(3) to be used to evaluate bids; these benchmarks shall be submitted to the Commission for review and approval on a confidential basis prior to the procurement event;

(iii) serve as the interface between the electric utility and suppliers;

(iv) manage the bidder pre-qualification and registration process;

(v) obtain the electric utilities' agreement to the final form of all supply contracts and credit collateral agreements;

(vi) administer the request for proposals process;

(vii) have the discretion to negotiate to determine whether bidders are willing to lower the price of bids that meet the benchmarks approved by the Commission; any post-bid negotiations with bidders shall be limited to price only and shall be completed within 24 hours after opening the sealed bids and shall be conducted in a fair and unbiased manner; in conducting the negotiations, there shall be no disclosure of any information derived from proposals submitted by

competing bidders; if information is disclosed to any bidder, it shall be provided to all competing bidders;

(viii) maintain confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(ix) submit a confidential report to the Commission recommending acceptance or rejection of bids;

(x) notify the utility of contract counterparties and contract specifics; and

(xi) administer related contingency procurement events.

(2) The procurement monitor, who shall be retained by the Commission, shall:

(i) monitor interactions among the procurement administrator, suppliers, and utility;

(ii) monitor and report to the Commission on the progress of the procurement process;

(iii) provide an independent confidential report to the Commission regarding the results of the procurement event;

(iv) assess compliance with the procurement plans approved by the Commission for each utility that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for each small multi-jurisdictional utility that on December 31, 2005 served less than 100,000 customers in Illinois;

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

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

(vii) consult with the procurement administrator regarding the development and use of benchmark criteria, standard form contracts, credit policies, and bid documents.

(d) Except as provided in subsection (j), the planning process shall be conducted as follows:

(1) Beginning in 2008, each Illinois utility procuring power pursuant to this Section shall annually provide a range of load forecasts to the Illinois Power Agency by July 15 of each year, or such other date as may be required by the Commission or Agency. The load forecasts shall cover the 5-year procurement planning period for the next procurement plan and shall include hourly data representing a high-load, low-load, and expected-load scenario for the load of those the eligible retail customers included in the plan's electric supply service requirements. The utility shall provide supporting data and assumptions for each of the scenarios.

(2) Beginning in 2008, the Illinois Power Agency shall prepare a procurement plan by August 15th of each year, or such other date as may be required by the Commission. The procurement plan shall identify the portfolio of demand-response and power and energy products to be procured. Cost-effective demand-response measures shall be procured as set forth in item (iii) of subsection (b) of this Section. Copies of the procurement plan shall be posted and made publicly available on the Agency's and Commission's websites, and copies shall also be provided to each affected electric utility. An affected utility shall have 30 days following the date of posting to provide comment to the Agency on the procurement plan. Other interested entities also may comment on the procurement plan. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. During this 30-day comment period, the Agency shall hold at least one public hearing within each utility's service area for the purpose of receiving public comment on the procurement plan. Within 14 days following the end of the 30-day review period, the Agency shall revise the procurement plan as necessary based on the comments received and file the procurement plan with the Commission and post the procurement plan on the websites.

(3) Within 5 days after the filing of the procurement plan, any person objecting to the procurement plan shall file an objection with the Commission. Within 10 days after the filing, the Commission shall determine whether a hearing is necessary. The Commission shall enter its order confirming or modifying the procurement plan within 90 days after the filing of the procurement plan by the Illinois Power Agency.

(4) The Commission shall approve the procurement plan, including expressly the forecast used in the procurement plan, if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

(e) The procurement process shall include each of the following components:

(1) Solicitation, pre-qualification, and registration of bidders. The procurement

administrator shall disseminate information to potential bidders to promote a procurement event, notify potential bidders that the procurement administrator may enter into a post-bid price negotiation with bidders that meet the applicable benchmarks, provide supply requirements, and otherwise explain the competitive procurement process. In addition to such other publication as the procurement administrator determines is appropriate, this information shall be posted on the Illinois Power Agency's and the Commission's websites. The procurement administrator shall also administer the prequalification process, including evaluation of credit worthiness, compliance with procurement rules, and agreement to the standard form contract developed pursuant to paragraph (2) of this subsection (e). The procurement administrator shall then identify and register bidders to participate in the procurement event.

(2) Standard contract forms and credit terms and instruments. The procurement administrator, in consultation with the utilities, the Commission, and other interested parties and subject to Commission oversight, shall develop and provide standard contract forms for the supplier contracts that meet generally accepted industry practices. Standard credit terms and instruments that meet generally accepted industry practices shall be similarly developed. The procurement administrator shall make available to the Commission all written comments it receives on the contract forms, credit terms, or instruments. If the procurement administrator cannot reach agreement with the applicable electric utility as to the contract terms and conditions, the procurement administrator must notify the Commission of any disputed terms and the Commission shall resolve the dispute. The terms of the contracts shall not be subject to negotiation by winning bidders, and the bidders must agree to the terms of the contract in advance so that winning bids are selected solely on the basis of price.

(3) Establishment of a market-based price benchmark. As part of the development of the procurement process, the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor, shall establish benchmarks for evaluating the final prices in the contracts for each of the products that will be procured through the procurement process. The benchmarks shall be based on price data for similar products for the same delivery period and same delivery hub, or other delivery hubs after adjusting for that difference. The price benchmarks may also be adjusted to take into account differences between the information reflected in the underlying data sources and the specific products and procurement process being used to procure power for the Illinois utilities. The benchmarks shall be confidential but shall be provided to, and will be subject to Commission review and approval, prior to a procurement event.

(4) Request for proposals competitive procurement process. The procurement administrator shall design and issue a request for proposals to supply electricity in accordance with each utility's procurement plan, as approved by the Commission. The request for proposals shall set forth a procedure for sealed, binding commitment bidding with pay-as-bid settlement, and provision for selection of bids on the basis of price.

(5) A plan for implementing contingencies in the event of supplier default or failure of the procurement process to fully meet the expected load requirement due to insufficient supplier participation, Commission rejection of results, or any other cause.

(i) Event of supplier default: In the event of supplier default, the utility shall

review the contract of the defaulting supplier to determine if the amount of supply is 200 megawatts or greater, and if there are more than 60 days remaining of the contract term. If both of these conditions are met, and the default results in termination of the contract, the utility shall immediately notify the Illinois Power Agency that a request for proposals must be issued to procure replacement power, and the procurement administrator shall run an additional procurement event. If the contracted supply of the defaulting supplier is less than 200 megawatts or there are less than 60 days remaining of the contract term, the utility shall procure power and energy from the applicable regional transmission organization market, including ancillary services, capacity, and day-ahead or real time energy, or both, for the duration of the contract term to replace the contracted supply; provided, however, that if a needed product is not available through the regional transmission organization market it shall be purchased from the wholesale market.

(ii) Failure of the procurement process to fully meet the expected load requirement:

If the procurement process fails to fully meet the expected load requirement due to insufficient supplier participation or due to a Commission rejection of the procurement results, the procurement administrator, the procurement monitor, and the Commission staff shall meet within 10 days to analyze potential causes of low supplier interest or causes for the Commission decision. If changes are identified that would likely result in increased supplier participation, or that would address concerns causing the Commission to reject the results of the prior procurement event, the procurement administrator may implement those changes and rerun the request for proposals process according to

a schedule determined by those parties and consistent with Section 1-75 of the Illinois Power Agency Act and this subsection. In any event, a new request for proposals process shall be implemented by the procurement administrator within 90 days after the determination that the procurement process has failed to fully meet the expected load requirement.

(iii) In all cases where there is insufficient supply provided under contracts awarded through the procurement process to fully meet the electric utility's load requirement, the utility shall meet the load requirement by procuring power and energy from the applicable regional transmission organization market, including ancillary services, capacity, and day-ahead or real time energy, or both; provided, however, that if a needed product is not available through the regional transmission organization market it shall be purchased from the wholesale market.

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

(f) Within 2 business days after opening the sealed bids, the procurement administrator shall submit a confidential report to the Commission. The report shall contain the results of the bidding for each of the products along with the procurement administrator's recommendation for the acceptance and rejection of bids based on the price benchmark criteria and other factors observed in the process. The procurement monitor also shall submit a confidential report to the Commission within 2 business days after opening the sealed bids. The report shall contain the procurement monitor's assessment of bidder behavior in the process as well as an assessment of the procurement administrator's compliance with the procurement process and rules. The Commission shall review the confidential reports submitted by the procurement administrator and procurement monitor, and shall accept or reject the recommendations of the procurement administrator within 2 business days after receipt of the reports.

(g) Within 3 business days after the Commission decision approving the results of a procurement event, the utility shall enter into binding contractual arrangements with the winning suppliers using the standard form contracts; except that the utility shall not be required either directly or indirectly to execute the contracts if a tariff that is consistent with subsection (l) of this Section has not been approved and placed into effect for that utility.

(h) The names of the successful bidders and the load weighted average of the winning bid prices for each contract type and for each contract term shall be made available to the public at the time of Commission approval of a procurement event. The Commission, the procurement monitor, the procurement administrator, the Illinois Power Agency, and all participants in the procurement process shall maintain the confidentiality of all other supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs. Confidential information, including the confidential reports submitted by the procurement administrator and procurement monitor pursuant to subsection (f) of this Section, shall not be made publicly available and shall not be discoverable by any party in any proceeding, absent a compelling demonstration of need, nor shall those reports be admissible in any proceeding other than one for law enforcement purposes.

(i) Within 2 business days after a Commission decision approving the results of a procurement event or such other date as may be required by the Commission from time to time, the utility shall file for informational purposes with the Commission its actual or estimated retail supply charges, as applicable, by customer supply group reflecting the costs associated with the procurement and computed in accordance with the tariffs filed pursuant to subsection (l) of this Section and approved by the Commission.

(j) Within 60 days following August 28, 2007 (the effective date of Public Act 95-481) ~~this amendatory Act~~, each electric utility that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois shall prepare and file with the Commission an initial procurement plan, which shall conform in all material respects to the requirements of the procurement plan set forth in subsection (b); provided, however, that the Illinois Power Agency Act shall not apply to the initial procurement plan prepared pursuant to this subsection. The initial procurement plan shall identify the portfolio of power and energy products to be procured and delivered for the period June 2008 through May 2009, and shall identify the proposed procurement administrator, who shall have the same experience and expertise as is required of a procurement administrator hired pursuant to Section 1-75 of the Illinois Power Agency Act. Copies of the procurement plan shall be posted and made publicly available on the Commission's website. The initial procurement plan may include contracts for renewable resources that extend beyond May 2009.

(i) Within 14 days following filing of the initial procurement plan, any person may file a detailed objection with the Commission contesting the procurement plan submitted by the electric utility. All objections to the electric utility's plan shall be specific, supported by data or other detailed analyses. The electric utility may file a response to any objections to its procurement plan within 7 days after the date objections are due to be filed. Within 7 days after the date the utility's response is due, the Commission shall determine whether a hearing is necessary. If it determines that a hearing is necessary,

it shall require the hearing to be completed and issue an order on the procurement plan within 60 days after the filing of the procurement plan by the electric utility.

(ii) The order shall approve or modify the procurement plan, approve an independent procurement administrator, and approve or modify the electric utility's tariffs that are proposed with the initial procurement plan. The Commission shall approve the procurement plan if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.

(k)(Blank). In order to promote price stability for residential and small commercial customers during the transition to competition in Illinois, and notwithstanding any other provision of this Act, each electric utility subject to this Section shall enter into one or more multi-year financial swap contracts that become effective on the effective date of this amendatory Act. These contracts may be executed with generators and power marketers, including affiliated interests of the electric utility. These contracts shall be for a term of no more than 5 years and shall, for each respective utility or for any Illinois electric utilities that are affiliated by virtue of a common parent company and that are thereby considered a single electric utility for purposes of this subsection (k), not exceed in the aggregate 3,000 megawatts for any hour of the year. The contracts shall be financial contracts and not energy sales contracts. The contracts shall be executed as transactions under a negotiated master agreement based on the form of master agreement for financial swap contracts sponsored by the International Swaps and Derivatives Association, Inc. and shall be considered pre-existing contracts in the utilities' procurement plans for residential and small commercial customers. Costs incurred pursuant to a contract authorized by this subsection (k) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs filed with the Commission.

(k-5) (Blank). In order to promote price stability for residential and small commercial customers during the infrastructure investment program described in subsection (b) of Section 16-108.5 of this Act, and notwithstanding any other provision of this Act or the Illinois Power Agency Act, for each electric utility that serves more than one million retail customers in Illinois, the Illinois Power Agency shall conduct a procurement event within 120 days after October 26, 2011 (the effective date of Public Act 97-616) and may procure contracts for energy and renewable energy credits for the period June 1, 2013 through December 31, 2017 that satisfy the requirements of this subsection (k-5), including the benchmarks described in this subsection. These contracts shall be entered into as the result of a competitive procurement event, and, to the extent that any provisions of this Section or the Illinois Power Agency Act do not conflict with this subsection (k-5), such provisions shall apply to the procurement event. The energy contracts shall be for 24 hour by 7 day supply over a term that runs from the first delivery year through December 31, 2017. For a utility that serves over 2 million customers, the energy contracts shall be multi-year with pricing escalating at 2.5% per annum. The energy contracts may be designed as financial swaps or may require physical delivery.

Within 30 days of October 26, 2011 (the effective date of Public Act 97-616), each such utility shall submit to the Agency updated load forecasts for the period June 1, 2013 through December 31, 2017. The megawatt volume of the contracts shall be based on the updated load forecasts of the minimum monthly on-peak or off-peak average load requirements shown in the forecasts, taking into account any existing energy contracts in effect as well as the expected migration of the utility's customers to alternative retail electric suppliers. The renewable energy credit volume shall be based on the number of credits that would satisfy the requirements of subsection (c) of Section 1-75 of the Illinois Power Agency Act, subject to the rate impact caps and other provisions of subsection (c) of Section 1-75 of the Illinois Power Agency Act. The evaluation of contract bids in the competitive procurement events for energy and for renewable energy credits shall incorporate price benchmarks set collaboratively by the Agency, the procurement administrator, the staff of the Commission, and the procurement monitor. If the contracts are swap contracts, then they shall be executed as transactions under a negotiated master agreement based on the form of master agreement for financial swap contracts sponsored by the International Swaps and Derivatives Association, Inc. Costs incurred pursuant to a contract authorized by this subsection (k-5) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs filed with the Commission.

The cost of administering the procurement event described in this subsection (k-5) shall be paid by the winning supplier or suppliers to the procurement administrator through a supplier fee. In the event that there is no winning supplier for a particular utility, such utility will pay the procurement administrator for the costs associated with the procurement event, and those costs shall not be a recoverable expense. Nothing in this subsection (k-5) is intended to alter the recovery of costs for any other procurement event.

(l) An electric utility shall recover its costs incurred under this Section, including, but not limited to, the costs of procuring power and energy demand-response resources under this Section. The utility shall file

with the initial procurement plan its proposed tariffs through which its costs of procuring power that are incurred pursuant to a Commission-approved procurement plan and those other costs identified in this subsection (l), will be recovered. The tariffs shall include a formula rate or charge designed to pass through both the costs incurred by the utility in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or return on the price paid by the utility for that supply, plus any just and reasonable costs that the utility incurs in arranging and providing for the supply of electric power and energy. The formula rate or charge shall also contain provisions that ensure that its application does not result in over or under recovery due to changes in customer usage and demand patterns, and that provide for the correction, on at least an annual basis, of any accounting errors that may occur. A utility shall recover through the tariff all reasonable costs incurred to implement or comply with any procurement plan that is developed and put into effect pursuant to Section 1-75 of the Illinois Power Agency Act and this Section, including any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs. The electric utility shall also recover its full costs of procuring electric supply for which it contracted before the effective date of this Section in conjunction with the provision of full requirements service under fixed-price bundled service tariffs subsequent to December 31, 2006. All such costs shall be deemed to have been prudently incurred. The pass-through tariffs that are filed and approved pursuant to this Section shall not be subject to review under, or in any way limited by, Section 16-111(i) of this Act. All of the costs incurred by the electric utility associated with the purchase of zero emission credits in accordance with subsection (d-5) of Section 1-75 of the Illinois Power Agency Act and, beginning June 1, 2017, all of the costs incurred by the electric utility associated with the purchase of renewable energy resources in accordance with Sections 1-56 and 1-75 of the Illinois Power Agency Act, shall be recovered through the electric utility's tariffed charges applicable to all of its retail customers, as specified in subsection (k) of Section 16-108 of this Act, and shall not be recovered through the electric utility's tariffed charges for electric power and energy supply to its eligible retail customers.

(m) The Commission has the authority to adopt rules to carry out the provisions of this Section. For the public interest, safety, and welfare, the Commission also has authority to adopt rules to carry out the provisions of this Section on an emergency basis immediately following August 28, 2007 (the effective date of Public Act 95-481) ~~this amendatory Act.~~

(n) Notwithstanding any other provision of this Act, any affiliated electric utilities that submit a single procurement plan covering their combined needs may procure for those combined needs in conjunction with that plan, and may enter jointly into power supply contracts, purchases, and other procurement arrangements, and allocate capacity and energy and cost responsibility therefor among themselves in proportion to their requirements.

(o) On or before June 1 of each year, the Commission shall hold an informal hearing for the purpose of receiving comments on the prior year's procurement process and any recommendations for change.

(p) An electric utility subject to this Section may propose to invest, lease, own, or operate an electric generation facility as part of its procurement plan, provided the utility demonstrates that such facility is the least-cost option to provide electric service to those eligible retail customers included in the plan's electric supply service requirements. If the facility is shown to be the least-cost option and is included in a procurement plan prepared in accordance with Section 1-75 of the Illinois Power Agency Act and this Section, then the electric utility shall make a filing pursuant to Section 8-406 of this Act, and may request of the Commission any statutory relief required thereunder. If the Commission grants all of the necessary approvals for the proposed facility, such supply shall thereafter be considered as a pre-existing contract under subsection (b) of this Section. The Commission shall in any order approving a proposal under this subsection specify how the utility will recover the prudently incurred costs of investing in, leasing, owning, or operating such generation facility through just and reasonable rates charged to those eligible retail customers included in the plan's electric supply service requirements. Cost recovery for facilities included in the utility's procurement plan pursuant to this subsection shall not be subject to review under or in any way limited by the provisions of Section 16-111(i) of this Act. Nothing in this Section is intended to prohibit a utility from filing for a fuel adjustment clause as is otherwise permitted under Section 9-220 of this Act.

(q) If the Illinois Power Agency filed with the Commission, under Section 16-111.5 of this Act, its proposed procurement plan for the period commencing June 1, 2017, and the Commission has not yet entered its final order approving the plan on or before the effective date of this amendatory Act of the 99th General Assembly, then the Illinois Power Agency shall file a notice of withdrawal with the Commission, after the effective date of this amendatory Act of the 99th General Assembly, to withdraw the proposed procurement of renewable energy resources to be approved under the plan, other than the procurement of renewable energy credits from distributed renewable energy generation devices using funds previously collected from electric utilities' retail customers that take service pursuant to electric utilities' hourly

pricing tariff or tariffs and, for an electric utility that serves less than 100,000 retail customers in the State, other than the procurement of renewable energy credits from distributed renewable energy generation devices. Upon receipt of the notice, the Commission shall enter an order that approves the withdrawal of the proposed procurement of renewable energy resources from the plan. The initially proposed procurement of renewable energy resources shall not be approved or be the subject of any further hearing, investigation, proceeding, or order of any kind.

This amendatory Act of the 99th General Assembly preempts and supersedes any order entered by the Commission that approved the Illinois Power Agency's procurement plan for the period commencing June 1, 2017, to the extent it is inconsistent with the provisions of this amendatory Act of the 99th General Assembly. To the extent any previously entered order approved the procurement of renewable energy resources, the portion of that order approving the procurement shall be void, other than the procurement of renewable energy credits from distributed renewable energy generation devices using funds previously collected from electric utilities' retail customers that take service under electric utilities' hourly pricing tariff or tariffs.

(Source: P.A. 97-325, eff. 8-12-11; 97-616, eff. 10-26-11; 97-813, eff. 7-13-12; revised 9-14-16.)
(220 ILCS 5/16-111.5B)

Sec. 16-111.5B. Provisions relating to energy efficiency procurement.

(a) Procurement Beginning in 2012, procurement plans prepared and filed pursuant to Section 16-111.5 of this Act during the years 2012 through 2015 shall be subject to the following additional requirements:

(1) The analysis included pursuant to paragraph (2) of subsection (b) of Section

16-111.5 shall also include the impact of energy efficiency building codes or appliance standards, both current and projected.

(2) The procurement plan components described in subsection (b) of Section 16-111.5

shall also include an assessment of opportunities to expand the programs promoting energy efficiency measures that have been offered under plans approved pursuant to Section 8-103 of this Act or to implement additional cost-effective energy efficiency programs or measures.

(3) In addition to the information provided pursuant to paragraph (1) of subsection (d)

of Section 16-111.5 of this Act, each Illinois utility procuring power pursuant to that Section shall annually provide to the Illinois Power Agency by July 15 of each year, or such other date as may be required by the Commission or Agency, an assessment of cost-effective energy efficiency programs or measures that could be included in the procurement plan. The assessment shall include the following:

(A) A comprehensive energy efficiency potential study for the utility's service territory that was completed within the past 3 years.

(B) Beginning in 2014, the most recent analysis submitted pursuant to Section 8-103A of this Act and approved by the Commission under subsection (f) of Section 8-103 of this Act.

(C) Identification of new or expanded cost-effective energy efficiency programs or measures that are incremental to those included in energy efficiency and demand-response plans approved by the Commission pursuant to Section 8-103 of this Act and that would be offered to all retail customers whose electric service has not been declared competitive under Section 16-113 of this Act and who are eligible to purchase power and energy from the utility under fixed-price bundled service tariffs, regardless of whether such customers actually do purchase such power and energy from the utility.

(D) Analysis showing that the new or expanded cost-effective energy efficiency programs or measures would lead to a reduction in the overall cost of electric service.

(E) Analysis of how the cost of procuring additional cost-effective energy efficiency measures compares over the life of the measures to the prevailing cost of comparable supply.

(F) An energy savings goal, expressed in megawatt-hours, for the year in which the measures will be implemented.

(G) For each expanded or new program, the estimated amount that the program may reduce the agency's need to procure supply.

In preparing such assessments, a utility shall conduct an annual solicitation process for purposes of requesting proposals from third-party vendors, the results of which shall be provided to the Agency as part of the assessment, including documentation of all bids received. The utility shall develop requests for proposals consistent with the manner in which it develops requests for proposals under plans approved pursuant to Section 8-103 of this Act, which considers input from the Agency and interested stakeholders.

(4) The Illinois Power Agency shall include in the procurement plan prepared pursuant to

paragraph (2) of subsection (d) of Section 16-111.5 of this Act energy efficiency programs and measures it determines are cost-effective and the associated annual energy savings goal included in the annual solicitation process and assessment submitted pursuant to paragraph (3) of this subsection (a).

(5) Pursuant to paragraph (4) of subsection (d) of Section 16-111.5 of this Act, the Commission shall also approve the energy efficiency programs and measures included in the procurement plan, including the annual energy savings goal, if the Commission determines they fully capture the potential for all achievable cost-effective savings, to the extent practicable, and otherwise satisfy the requirements of Section 8-103 of this Act.

In the event the Commission approves the procurement of additional energy efficiency, it shall reduce the amount of power to be procured under the procurement plan to reflect the additional energy efficiency and shall direct the utility to undertake the procurement of such energy efficiency, which shall not be subject to the requirements of subsection (e) of Section 16-111.5 of this Act. The utility shall consider input from the Agency and interested stakeholders on the procurement and administration process. The requirements set forth in paragraphs (1) through (5) of this subsection (a) shall terminate after the filing of the procurement plan in 2015, and no energy efficiency shall be procured by the Agency thereafter. Energy efficiency programs approved previously under this Section shall terminate no later than December 31, 2017.

(6) An electric utility shall recover its costs incurred under this Section related to the implementation of energy efficiency programs and measures approved by the Commission in its order approving the procurement plan under Section 16-111.5 of this Act, including, but not limited to, all costs associated with complying with this Section and all start-up and administrative costs and the costs for any evaluation, measurement, and verification of the measures, from all retail customers whose electric service has not been declared competitive under Section 16-113 of this Act and who are eligible to purchase power and energy from the utility under fixed-price bundled service tariffs, regardless of whether such customers actually do purchase such power and energy from the utility through the automatic adjustment clause tariff established pursuant to Section 8-103 of this Act, provided, however, that the limitations described in subsection (d) of that Section shall not apply to the costs incurred pursuant to this Section or Section 16-111.7 of this Act.

(b) For purposes of this Section, the term "energy efficiency" shall have the meaning set forth in Section 1-10 of the Illinois Power Agency Act, and the term "cost-effective" shall have the meaning set forth in subsection (a) of Section 8-103 of this Act.

(c) The changes to this Section made by this amendatory Act of the 99th General Assembly shall not interfere with existing contracts executed under a Commission order entered under this Section.

(d)(1) For those electric utilities subject to the requirements of Section 8-103B of this Act, the contracts governing the energy efficiency programs and measures approved by the Commission in its order approving the procurement plan for the period June 1, 2016 through May 31, 2017 may be extended through December 31, 2017 so that the energy efficiency programs subject to such contracts and approved in such plan continue to be offered during the period June 1, 2017 through December 31, 2017. Each such utility is authorized to increase, on a pro rata basis, the energy savings goals and budgets approved under this Section to reflect the additional 7 months of implementation of the energy efficiency programs and measures.

(2) If the Illinois Power Agency filed with the Commission, under Section 16-111.5 of this Act, its proposed procurement plan for the period commencing June 1, 2017, and the Commission has not yet entered its final order approving such plan on or before the effective date of this amendatory Act of the 99th General Assembly, then the Illinois Power Agency shall file a notice of withdrawal with the Commission to withdraw the proposed energy efficiency programs to be approved under such plan. Upon receipt of such notice, the Commission shall enter an order that approves the withdrawal of all proposed energy efficiency programs from the plan. The initially proposed energy efficiency programs shall not be approved or be the subject of any further hearing, investigation, proceeding, or order of any kind.

(3) This amendatory Act of the 99th General Assembly preempts and supersedes any order entered by the Commission that approved the Illinois Power Agency's procurement plan for the period commencing June 1, 2017, to the extent inconsistent with the provisions of this amendatory Act of the 99th General Assembly. To the extent any such previously entered order approved energy efficiency programs under this Section, the portion of such order approving such programs shall be void, and the provisions of paragraph (1) of this subsection (d) shall apply.

(Source: P.A. 97-616, eff. 10-26-11; 97-824, eff. 7-18-12.)

(220 ILCS 5/16-111.7)

Sec. 16-111.7. On-bill financing program; electric utilities.

(a) The Illinois General Assembly finds that Illinois homes and businesses have the potential to save energy through conservation and cost-effective energy efficiency measures. Programs created pursuant to this Section will allow utility customers to purchase cost-effective energy efficiency measures, including measures set forth in a Commission-approved energy efficiency and demand-response plan under Section 8-103 or 8-103B of this Act, with no required initial upfront payment, and to pay the cost of those products and services over time on their utility bill.

(b) Notwithstanding any other provision of this Act, an electric utility serving more than 100,000 customers on January 1, 2009 shall offer a Commission-approved on-bill financing program ("program") that allows its eligible retail customers, as that term is defined in Section 16-111.5 of this Act, who own a residential single family home, duplex, or other residential building with 4 or less units, or condominium at which the electric service is being provided (i) to borrow funds from a third party lender in order to purchase electric energy efficiency measures approved under the program for installation in such home or condominium without any required upfront payment and (ii) to pay back such funds over time through the electric utility's bill. Based upon the process described in subsection (b-5) of this Section, small commercial customers who own the premises at which electric service is being provided may be included in such program. After receiving a request from an electric utility for approval of a proposed program and tariffs pursuant to this Section, the Commission shall render its decision within 120 days. If no decision is rendered within 120 days, then the request shall be deemed to be approved.

Beginning no later than December 31, 2013, an electric utility subject to this subsection (b) shall also offer its program to eligible retail customers that own multifamily residential or mixed-use buildings with no more than 50 residential units, provided, however, that such customers must either be a residential customer or small commercial customer and may not use the program in such a way that repayment of the cost of energy efficiency measures is made through tenants' utility bills. An electric utility may impose a per site loan limit not to exceed \$150,000. The program, and loans issued thereunder, shall only be offered to customers of the utility that meet the requirements of this Section and that also have an electric service account at the premises where the energy efficiency measures being financed shall be installed. Beginning no later than 2 years after the effective date of this amendatory Act of the 99th General Assembly, the 50 residential unit limitation described in this paragraph shall no longer apply, and the utility shall replace the per site loan limit of \$150,000 with a loan limit that correlates to a maximum monthly payment that does not exceed 50% of the customer's average utility bill over the prior 12-month period.

Beginning no later than 2 years after the effective date of this amendatory Act of the 99th General Assembly, an electric utility subject to this subsection (b) shall also offer its program to eligible retail customers that are Unit Owners' Associations, as defined in subsection (o) of Section 2 of the Condominium Property Act, or Master Associations, as defined in subsection (u) of the Condominium Property Act. However, such customers must either be residential customers or small commercial customers and may not use the program in such a way that repayment of the cost of energy efficiency measures is made through unit owners' utility bills. The program and loans issued under the program shall only be offered to customers of the utility that meet the requirements of this Section and that also have an electric service account at the premises where the energy efficiency measures being financed shall be installed.

For purposes of this Section, "small commercial customer" means, for an electric utility serving more than 3,000,000 retail customers, those customers having peak demand of less than 100 kilowatts, and, for an electric utility serving less than 3,000,000 retail customers, those customers having peak demand of less than 150 kilowatts; provided, however, that in the event the Commission, after the effective date of this amendatory Act of the 98th General Assembly, approves changes to a utility's tariffs that reflects new or revised demand criteria for the utility's customer rate classifications, then the utility may file a petition with the Commission to revise the applicable definition of a small commercial customer to reflect the new or revised demand criteria for the purposes of this Section. After notice and hearing, the Commission shall enter an order approving, or approving with modification, the revised definition within 60 days after the utility files the petition.

(b-5) Within 30 days after the effective date of this amendatory Act of the 96th General Assembly, the Commission shall convene a workshop process during which interested participants may discuss issues related to the program, including program design, eligible electric energy efficiency measures, vendor qualifications, and a methodology for ensuring ongoing compliance with such qualifications, financing, sample documents such as request for proposals, contracts and agreements, dispute resolution, pre-installment and post-installment verification, and evaluation. The workshop process shall be completed within 150 days after the effective date of this amendatory Act of the 96th General Assembly.

(c) Not later than 60 days following completion of the workshop process described in subsection (b-5) of this Section, each electric utility subject to subsection (b) of this Section shall submit a proposed program to the Commission that contains the following components:

(1) A list of recommended electric energy efficiency measures that will be eligible for on-bill financing. An eligible electric energy efficiency measure ("measure") shall be a product or service for which one or more of the following is true:

(A) (blank);

(B) the projected electricity savings (determined by rates in effect at the time of purchase) are sufficient to cover the costs of implementing the measures, including finance charges and any program fees not recovered pursuant to subsection (f) of this Section; or

(C) the product or service is included in a Commission-approved energy efficiency and demand-response plan under Section 8-103 or 8-103B of this Act.

(1.5) Beginning no later than 2 years after the effective date of this amendatory Act of the 99th General Assembly, an eligible electric energy efficiency measure (measure) shall be a product or service that qualifies under subparagraph (B) or (C) of paragraph (1) of this subsection (c) or for which one or more of the following is true:

(A) a building energy assessment, performed by an energy auditor who is certified by the Building Performance Institute or who holds a similar certification, has recommended the product or service as likely to be cost effective over the course of its installed life for the building in which the measure is to be installed; or

(B) the product or service is necessary to safely or correctly install to code or industry standard an efficiency measure, including, but not limited to, installation work; changes needed to plumbing or electrical connections; upgrades to wiring or fixtures; removal of hazardous materials; correction of leaks; changes to thermostats, controls, or similar devices; and changes to venting or exhaust necessitated by the measure. However, the costs of the product or service described in this subparagraph (B) shall not exceed 25% of the total cost of installing the measure.

(2) The electric utility shall issue a request for proposals ("RFP") to lenders for purposes of providing financing to participants to pay for approved measures. The RFP criteria shall include, but not be limited to, the interest rate, origination fees, and credit terms. The utility shall select the winning bidders based on its evaluation of these criteria, with a preference for those bids containing the rates, fees, and terms most favorable to participants;

(3) The utility shall work with the lenders selected pursuant to the RFP process, and with vendors, to establish the terms and processes pursuant to which a participant can purchase eligible electric energy efficiency measures using the financing obtained from the lender. The vendor shall explain and offer the approved financing packaging to those customers identified in subsection (b) of this Section and shall assist customers in applying for financing. As part of the process, vendors shall also provide to participants information about any other incentives that may be available for the measures.

(4) The lender shall conduct credit checks or undertake other appropriate measures to limit credit risk, and shall review and approve or deny financing applications submitted by customers identified in subsection (b) of this Section. Following the lender's approval of financing and the participant's purchase of the measure or measures, the lender shall forward payment information to the electric utility, and the utility shall add as a separate line item on the participant's utility bill a charge showing the amount due under the program each month.

(5) A loan issued to a participant pursuant to the program shall be the sole responsibility of the participant, and any dispute that may arise concerning the loan's terms, conditions, or charges shall be resolved between the participant and lender. Upon transfer of the property title for the premises at which the participant receives electric service from the utility or the participant's request to terminate service at such premises, the participant shall pay in full its electric utility bill, including all amounts due under the program, provided that this obligation may be modified as provided in subsection (g) of this Section. Amounts due under the program shall be deemed amounts owed for residential and, as appropriate, small commercial electric service.

(6) The electric utility shall remit payment in full to the lender each month on behalf of the participant. In the event a participant defaults on payment of its electric utility bill, the electric utility shall continue to remit all payments due under the program to the lender, and the utility shall be entitled to recover all costs related to a participant's nonpayment through the automatic adjustment clause tariff established pursuant to Section 16-111.8 of this Act. In addition, the electric utility shall retain a security interest in the measure or measures purchased under the program, and the utility retains its right to disconnect a participant that defaults on the payment of its utility bill.

(7) The total outstanding amount financed under the program in this subsection and subsection (c-5) of this Section shall not exceed \$2.5 million for an electric utility or electric utilities under a single holding company, provided that the electric utility or electric utilities may petition the Commission for an increase in such amount. Beginning after the effective date of this amendatory Act of the 99th General Assembly, the total maximum outstanding amount financed under the program in this subsection and subsections (c-5) and (c-10) of this Section shall increase by \$5,000,000 per year until such time as the total maximum outstanding amount financed reaches \$20,000,000. For purposes of this Section, "maximum outstanding amount financed" means the sum of all principal that has been loaned and not yet repaid.

(c-5) Within 120 days after the effective date of this amendatory Act of the 98th General Assembly, each electric utility subject to the requirements of this Section shall submit an informational filing to the Commission that describes its plan for implementing the provisions of this amendatory Act of the 98th General Assembly on or before December 31, 2013. Such filing shall also describe how the electric utility shall coordinate its program with any gas utility or utilities that provide gas service to buildings within the electric utility's service territory so that it is practical and feasible for the owner of a multifamily building to make a single application to access loans for both gas and electric energy efficiency measures in any individual building.

(c-10) No later than 365 days after the effective date of this amendatory Act of the 99th General Assembly, each electric utility subject to the requirements of this Section shall submit an informational filing to the Commission that describes its plan for implementing the provisions of this amendatory Act of the 99th General Assembly that were incorporated into this Section. Such filing shall also include the criteria to be used by the program for determining if measures to be financed are eligible electric energy efficiency measures, as defined by paragraph (1.5) of subsection (c) of this Section.

(d) A program approved by the Commission shall also include the following criteria and guidelines for such program:

- (1) guidelines for financing of measures installed under a program, including, but not limited to, RFP criteria and limits on both individual loan amounts and the duration of the loans;
- (2) criteria and standards for identifying and approving measures;
- (3) qualifications of vendors that will market or install measures, as well as a methodology for ensuring ongoing compliance with such qualifications;
- (4) sample contracts and agreements necessary to implement the measures and program; and
- (5) the types of data and information that utilities and vendors participating in the

program shall collect for purposes of preparing the reports required under subsection (g) of this Section.

(e) The proposed program submitted by each electric utility shall be consistent with the provisions of this Section that define operational, financial and billing arrangements between and among program participants, vendors, lenders, and the electric utility.

(f) An electric utility shall recover all of the prudently incurred costs of offering a program approved by the Commission pursuant to this Section, including, but not limited to, all start-up and administrative costs and the costs for program evaluation. All prudently incurred costs under this Section shall be recovered from the residential and small commercial retail customer classes eligible to participate in the program through the automatic adjustment clause tariff established pursuant to Section 8-103 or 8-103B of this Act.

(g) An independent evaluation of a program shall be conducted after 3 years of the program's operation. The electric utility shall retain an independent evaluator who shall evaluate the effects of the measures installed under the program and the overall operation of the program, including, but not limited to, customer eligibility criteria and whether the payment obligation for permanent electric energy efficiency measures that will continue to provide benefits of energy savings should attach to the meter location. As part of the evaluation process, the evaluator shall also solicit feedback from participants and interested stakeholders. The evaluator shall issue a report to the Commission on its findings no later than 4 years after the date on which the program commenced, and the Commission shall issue a report to the Governor and General Assembly including a summary of the information described in this Section as well as its recommendations as to whether the program should be discontinued, continued with modification or modifications or continued without modification, provided that any recommended modifications shall only apply prospectively and to measures not yet installed or financed.

(h) An electric utility offering a Commission-approved program pursuant to this Section shall not be required to comply with any other statute, order, rule, or regulation of this State that may relate to the offering of such program, provided that nothing in this Section is intended to limit the electric utility's obligation to comply with this Act and the Commission's orders, rules, and regulations, including Part 280 of Title 83 of the Illinois Administrative Code.

(i) The source of a utility customer's electric supply shall not disqualify a customer from participation in the utility's on-bill financing program. Customers of alternative retail electric suppliers may participate in the program under the same terms and conditions applicable to the utility's supply customers. (Source: P.A. 97-616, eff. 10-26-11; 98-586, eff. 8-27-13.)

(220 ILCS 5/16-115D)

Sec. 16-115D. Renewable portfolio standard for alternative retail electric suppliers and electric utilities operating outside their service territories.

(a) An alternative retail electric supplier shall be responsible for procuring cost-effective renewable energy resources as required under item (5) of subsection (d) of Section 16-115 of this Act as outlined herein:

(1) The definition of renewable energy resources contained in Section 1-10 of the

Illinois Power Agency Act applies to all renewable energy resources required to be procured by alternative retail electric suppliers.

(2) Through May 31, 2017, the ~~The~~ quantity of renewable energy resources shall be measured as a percentage of the

actual amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the 12-month period June 1 through May 31, commencing June 1, 2009, and the comparable 12-month period in each year thereafter except as provided in item (6) of this subsection (a).

(3) Through May 31, 2017, the ~~The~~ quantity of renewable energy resources shall be in amounts at least equal to the

annual percentages set forth in item (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act. At least 60% of the renewable energy resources procured pursuant to items (1) and through (3) of subsection (b) of this Section shall come from wind generation and, starting June 1, 2015, at least 6% of the renewable energy resources procured pursuant to items (1) and through (3) of subsection (b) of this Section shall come from solar photovoltaics. If, in any given year, an alternative retail electric supplier does not purchase at least these levels of renewable energy resources, then the alternative retail electric supplier shall make alternative compliance payments, as described in subsection (d) of this Section.

(3.5) For the delivery year commencing June 1, 2017, the quantity of renewable energy resources shall be at least 13.0% of the uncovered amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the delivery year, which uncovered amount shall equal 50% of such metered electricity delivered by the alternative retail electric supplier. For the delivery year commencing June 1, 2018, the quantity of renewable energy resources shall be at least 14.5% of the uncovered amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the delivery year, which uncovered amount shall equal 25% of such metered electricity delivered by the alternative retail electric supplier. At least 32% of the renewable energy resources procured by the alternative retail electric supplier for its uncovered portion under this paragraph (3.5) shall come from wind or photovoltaic generation. The renewable energy resources procured under this paragraph (3.5) shall not include any resources from a facility whose costs were being recovered through rates regulated by any state or states on or after January 1, 2017.

(4) The quantity and source of renewable energy resources shall be independently verified through the PJM Environmental Information System Generation Attribute Tracking System (PJM-GATS) or the Midwest Renewable Energy Tracking System (M-RETS), which shall document the location of generation, resource type, month, and year of generation for all qualifying renewable energy resources that an alternative retail electric supplier uses to comply with this Section. No later than June 1, 2009, the Illinois Power Agency shall provide PJM-GATS, M-RETS, and alternative retail electric suppliers with all information necessary to identify resources located in Illinois, within states that adjoin Illinois or within portions of the PJM and MISO footprint in the United States that qualify under the definition of renewable energy resources in Section 1-10 of the Illinois Power Agency Act for compliance with this Section 16-115D. Alternative retail electric suppliers shall not be subject to the requirements in item (3) of subsection (c) of Section 1-75 of the Illinois Power Agency Act.

(5) All renewable energy credits used to comply with this Section shall be permanently retired.

(6) The required procurement of renewable energy resources by an alternative retail electric supplier shall apply to all metered electricity delivered to Illinois retail customers by the alternative retail electric supplier pursuant to contracts executed or extended after March 15, 2009.

(b) Compliance obligations.

(1) Through May 31, 2017, an alternative retail electric supplier shall comply with the renewable energy portfolio

standards by making an alternative compliance payment, as described in subsection (d) of this Section, to cover at least one-half of the alternative retail electric supplier's compliance obligation for the period prior to June 1, 2017.

(2) For the delivery years beginning June 1, 2017 and June 1, 2018, an alternative retail electric supplier need not make any alternative compliance payment to meet any portion of its compliance obligation, as set forth in paragraph (3.5) of subsection (a) of this Section.

(3) An alternative retail electric supplier shall use any one or combination of the following means to cover the remainder of the alternative retail electric supplier's compliance obligation, as set forth in paragraphs (3) and (3.5) of subsection (a) of this Section, not covered by an alternative compliance payment made under paragraphs (1) and (2) of this subsection (b) of this Section:

(A) (4) Generating electricity using renewable energy resources identified pursuant to item (4) of subsection (a) of this Section.

(B) (2) Purchasing electricity generated using renewable energy resources identified pursuant to item (4) of subsection (a) of this Section through an energy contract.

(C) (3) Purchasing renewable energy credits from renewable energy resources identified pursuant to item (4) of subsection (a) of this Section.

(D) (4) Making an alternative compliance payment as described in subsection (d) of this Section.

(c) Use of renewable energy credits.

(1) Renewable energy credits that are not used by an alternative retail electric supplier to comply with a renewable portfolio standard in a compliance year may be banked and carried forward up to 2 12-month compliance periods after the compliance period in which the credit was generated for the purpose of complying with a renewable portfolio standard in those 2 subsequent compliance periods. For the 2009-2010 and 2010-2011 compliance periods, an alternative retail electric supplier may use renewable credits generated after December 31, 2008 and before June 1, 2009 to comply with this Section.

(2) An alternative retail electric supplier is responsible for demonstrating that a renewable energy credit used to comply with a renewable portfolio standard is derived from a renewable energy resource and that the alternative retail electric supplier has not used, traded, sold, or otherwise transferred the credit.

(3) The same renewable energy credit may be used by an alternative retail electric supplier to comply with a federal renewable portfolio standard and a renewable portfolio standard established under this Act. An alternative retail electric supplier that uses a renewable energy credit to comply with a renewable portfolio standard imposed by any other state may not use the same credit to comply with a renewable portfolio standard established under this Act.

(d) Alternative compliance payments.

(1) The Commission shall establish and post on its website, within 5 business days after entering an order approving a procurement plan pursuant to Section 1-75 of the Illinois Power Agency Act, maximum alternative compliance payment rates, expressed on a per kilowatt-hour basis, that will be applicable in the first compliance period following the plan approval. A separate maximum alternative compliance payment rate shall be established for the service territory of each electric utility that is subject to subsection (c) of Section 1-75 of the Illinois Power Agency Act. Each maximum alternative compliance payment rate shall be equal to the maximum allowable annual estimated average net increase due to the costs of the utility's purchase of renewable energy resources included in the amounts paid by eligible retail customers in connection with electric service, as described in item (2) of subsection (c) of Section 1-75 of the Illinois Power Agency Act for the compliance period, and as established in the approved procurement plan. Following each procurement event through which renewable energy resources are purchased for one or more of these utilities for the compliance period, the Commission shall establish and post on its website estimates of the alternative compliance payment rates, expressed on a per kilowatt-hour basis, that shall apply for that compliance period. Posting of the estimates shall occur no later than 10 business days following the procurement event, however, the Commission shall not be required to establish and post such estimates more often than once per calendar month. By July 1 of each year, the Commission shall establish and post on its website the actual alternative compliance payment rates for the preceding compliance year. For compliance years beginning prior to June 1, 2014, each alternative compliance payment rate shall be equal to the total amount of dollars that the utility contracted to spend on renewable resources, excepting the additional

incremental cost attributable to solar resources, for the compliance period divided by the forecasted load of eligible retail customers, at the customers' meters, as previously established in the Commission-approved procurement plan for that compliance year. For compliance years commencing on or after June 1, 2014, each alternative compliance payment rate shall be equal to the total amount of dollars that the utility contracted to spend on all renewable resources for the compliance period divided by the forecasted load of eligible retail customers for which the utility is procuring renewable energy resources in a given delivery year, at the customers' meters, as previously established in the Commission-approved procurement plan for that compliance year. The actual alternative compliance payment rates may not exceed the maximum alternative compliance payment rates established for the compliance period. For purposes of this subsection (d), the term "eligible retail customers" has the same meaning as found in Section 16-111.5 of this Act.

(2) In any given compliance year, an alternative retail electric supplier may elect to use alternative compliance payments to comply with all or a part of the applicable renewable portfolio standard. In the event that an alternative retail electric supplier elects to make alternative compliance payments to comply with all or a part of the applicable renewable portfolio standard, such payments shall be made by September 1, 2010 for the period of June 1, 2009 to May 1, 2010 and by September 1 of each year thereafter for the subsequent compliance period, in the manner and form as determined by the Commission. Any election by an alternative retail electric supplier to use alternative compliance payments is subject to review by the Commission under subsection (e) of this Section.

(3) An alternative retail electric supplier's alternative compliance payments shall be computed separately for each electric utility's service territory within which the alternative retail electric supplier provided retail service during the compliance period, provided that the electric utility was subject to subsection (c) of Section 1-75 of the Illinois Power Agency Act. For each service territory, the alternative retail electric supplier's alternative compliance payment shall be equal to (i) the actual alternative compliance payment rate established in item (1) of this subsection (d), multiplied by (ii) the actual amount of metered electricity delivered by the alternative retail electric supplier to retail customers for which the supplier has a compliance obligation within the service territory during the compliance period, multiplied by (iii) the result of one minus the ratios of the quantity of renewable energy resources used by the alternative retail electric supplier to comply with the requirements of this Section within the service territory to the product of the percentage of renewable energy resources required under item (3) or (3.5) of subsection (a) of this Section and the actual amount of metered electricity delivered by the alternative retail electrical electric supplier to retail customers for which the supplier has a compliance obligation within the service territory during the compliance period.

(4) Through May 31, 2017, all ~~the~~ alternative compliance payments by alternative retail electric suppliers shall be deposited in the Illinois Power Agency Renewable Energy Resources Fund and used to purchase renewable energy credits, in accordance with Section 1-56 of the Illinois Power Agency Act. Beginning April 1, 2012 and by April 1 of each year thereafter, the Illinois Power Agency shall submit an annual report to the General Assembly, the Commission, and alternative retail electric suppliers that shall include, but not be limited to:

(A) the total amount of alternative compliance payments received in aggregate from alternative retail electric suppliers by planning year for all previous planning years in which the alternative compliance payment was in effect;

(B) the amount of those payments utilized to purchased renewable energy credits itemized by the date of each procurement in which the payments were utilized; and

(C) the unused and remaining balance in the Agency Renewable Energy Resources Fund attributable to those payments.

(4.5) Beginning with the delivery year commencing June 1, 2017, all alternative compliance payments by alternative retail electric suppliers shall be remitted to the applicable electric utility. To facilitate this remittance, each electric utility shall file a tariff with the Commission no later than 30 days following the effective date of this amendatory Act of the 99th General Assembly, which the Commission shall approve, after notice and hearing, no later than 45 days after its filing. The Illinois Power Agency shall use such payments to increase the amount of renewable energy resources otherwise to be procured under subsection (c) of Section 1-75 of the Illinois Power Agency Act.

(5) The Commission, in consultation with the Illinois Power Agency, shall establish a process or proceeding to consider the impact of a federal renewable portfolio standard, if enacted, on the operation of the alternative compliance mechanism, which shall include, but not be limited to, developing, to the extent permitted by the applicable federal statute, an appropriate methodology to apportion renewable energy credits retired as a result of alternative compliance

payments made in accordance with this Section. The Commission shall commence any such process or proceeding within 35 days after enactment of a federal renewable portfolio standard.

(e) Each alternative retail electric supplier shall, by September 1, 2010 and by September 1 of each year thereafter, prepare and submit to the Commission a report, in a format to be specified by the Commission ~~on or before December 31, 2009~~, that provides information certifying compliance by the alternative retail electric supplier with this Section, including copies of all PJM-GATS and M-RETS reports, and documentation relating to banking, retiring renewable energy credits, and any other information that the Commission determines necessary to ensure compliance with this Section.

An alternative retail electric supplier may file commercially or financially sensitive information or trade secrets with the Commission as provided under the rules of the Commission. To be filed confidentially, the information shall be accompanied by an affidavit that sets forth both the reasons for the confidentiality and a public synopsis of the information.

(f) The Commission may initiate a contested case to review allegations that the alternative retail electric supplier has violated this Section, including an order issued or rule promulgated under this Section. In any such proceeding, the alternative retail electric supplier shall have the burden of proof. If the Commission finds, after notice and hearing, that an alternative retail electric supplier has violated this Section, then the Commission shall issue an order requiring the alternative retail electric supplier to:

(1) immediately comply with this Section; and

(2) if the violation involves a failure to procure the requisite quantity of renewable energy resources or pay the applicable alternative compliance payment by the annual deadline, the Commission shall require the alternative retail electric supplier to double the applicable alternative compliance payment that would otherwise be required to bring the alternative retail electric supplier into compliance with this Section.

If an alternative retail electric supplier fails to comply with the renewable energy resource portfolio requirement in this Section more than once in a 5-year period, then the Commission shall revoke the alternative electric supplier's certificate of service authority. The Commission shall not accept an application for a certificate of service authority from an alternative retail electric supplier that has lost certification under this subsection (f), or any corporate affiliate thereof, for at least one year after the date of revocation.

(g) All of the provisions of this Section apply to electric utilities operating outside their service area except under item (2) of subsection (a) of this Section the quantity of renewable energy resources shall be measured as a percentage of the actual amount of electricity (megawatt-hours) supplied in the State outside of the utility's service territory during the 12-month period June 1 through May 31, commencing June 1, 2009, and the comparable 12-month period in each year thereafter except as provided in item (6) of subsection (a) of this Section.

If any such utility fails to procure the requisite quantity of renewable energy resources by the annual deadline, then the Commission shall require the utility to double the alternative compliance payment that would otherwise be required to bring the utility into compliance with this Section.

If any such utility fails to comply with the renewable energy resource portfolio requirement in this Section more than once in a 5-year period, then the Commission shall order the utility to cease all sales outside of the utility's service territory for a period of at least one year.

(h) The provisions of this Section and the provisions of subsection (d) of Section 16-115 of this Act relating to procurement of renewable energy resources shall not apply to an alternative retail electric supplier that operates a combined heat and power system in this State or that has a corporate affiliate that operates such a combined heat and power system in this State that supplies electricity primarily to or for the benefit of: (i) facilities owned by the supplier, its subsidiary, or other corporate affiliate; (ii) facilities electrically integrated with the electrical system of facilities owned by the supplier, its subsidiary, or other corporate affiliate; or (iii) facilities that are adjacent to the site on which the combined heat and power system is located.

(i) The obligations of alternative retail electric suppliers and electric utilities operating outside their service territories to procure renewable energy resources, make alternative compliance payments, and file annual reports, and the obligations of the Commission to determine and post alternative compliance payment rates, shall terminate after May 31, 2019, provided that alternative retail electric suppliers and electric utilities operating outside their service territories shall be obligated to make all alternative compliance payments that they were obligated to pay for periods through and including May 31, 2019, but were not paid as of that date. The Commission shall continue to enforce the payment of unpaid alternative compliance payments in accordance with subsections (f) and (g) of this Section. All alternative compliance payments made after May 31, 2016 shall be remitted to the applicable electric utility and used to purchase renewable energy credits, in accordance with Section 1-75 of the Illinois Power Agency Act.

This subsection (i) is intended to accommodate the transition to the procurement of renewable energy resources for all retail customers in the amounts specified under subsection (c) of Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of this Act, including but not limited to the transition to a single charge applicable to all retail customers to recover the costs of these resources. Each alternative retail electric supplier shall certify in its annual reports filed pursuant to subsection (e) of this Section after May 31, 2019, that its retail customers are not paying the costs of alternative compliance payments or renewable energy resources that the alternative retail electric supplier is not required to remit or purchase under this Section. The Commission shall have the authority to initiate an emergency rulemaking to adopt rules regarding such certification.

(Source: P.A. 96-33, eff. 7-10-09; 96-159, eff. 8-10-09; 96-1437, eff. 8-17-10; 97-658, eff. 1-13-12.)

(220 ILCS 5/16-119A)

Sec. 16-119A. Functional separation.

(a) Within 90 days after the effective date of this amendatory Act of 1997, the Commission shall open a rulemaking proceeding to establish standards of conduct for every electric utility described in subsection (b). To create efficient competition between suppliers of generating services and sellers of such services at retail and wholesale, the rules shall allow all customers of a public utility that distributes electric power and energy to purchase electric power and energy from the supplier of their choice in accordance with the provisions of Section 16-104. In addition, the rules shall address relations between providers of any 2 services described in subsection (b) to prevent undue discrimination and promote efficient competition. Provided, however, that a proposed rule shall not be published prior to May 15, 1999.

(b) The Commission shall also have the authority to investigate the need for, and adopt rules requiring, functional separation between the generation services and the delivery services of those electric utilities whose principal service area is in Illinois as necessary to meet the objective of creating efficient competition between suppliers of generating services and sellers of such services at retail and wholesale. After January 1, 2003, the Commission shall also have the authority to investigate the need for, and adopt rules requiring, functional separation between an electric utility's competitive and non-competitive services.

(b-5) If there is a change in ownership of a majority of the voting capital stock of an electric utility or the ownership or control of any entity that owns or controls a majority of the voting capital stock of an electric utility, the electric utility shall have the right to file with the Commission a new plan. The newly filed plan shall supersede any plan previously approved by the Commission pursuant to this Section for that electric utility, subject to Commission approval. This subsection only applies to the extent that the Commission rules for the functional separation of delivery services and generation services provide an electric utility with the ability to select from 2 or more options to comply with this Section. The electric utility may file its revised plan with the Commission up to one calendar year after the conclusion of the sale, purchase, or any other transfer of ownership described in this subsection. In all other respects, an electric utility must comply with the Commission rules in effect under this Section. The Commission may promulgate rules to implement this subsection. This subsection shall have no legal effect after January 1, 2005.

(c) In establishing or considering the need for rules under subsections (a) and (b), the Commission shall take into account the effects on the cost and reliability of service and the obligation of the utility to provide bundled service under this Act. The Commission shall adopt rules that are a cost effective means to ensure compliance with this Section.

(d) Nothing in this Section shall be construed as imposing any requirements or obligations that are in conflict with federal law.

(e) Notwithstanding anything to the contrary, an electric utility may market and promote the services, rates and programs authorized by Sections 16-107, and 16-108.6 of this Act.

(Source: P.A. 92-756, eff. 8-2-02.)

(220 ILCS 5/16-127)

Sec. 16-127. Environmental disclosure.

(a) Effective January 1, 2013, every electric utility and alternative retail electric supplier shall provide the following information, to the maximum extent practicable, to its customers on a quarterly basis:

(i) the known sources of electricity supplied, broken-out by percentages, of biomass power, coal-fired power, hydro power, natural gas-fired power, nuclear power, oil-fired power, solar power, wind power and other resources, respectively;

(ii) a ~~pie chart~~ ~~pie-chart~~ that graphically depicts the percentages of the sources of the electricity supplied as set forth in subparagraph (i) of this subsection; and

(iii) a ~~pie chart~~ ~~pie-chart~~ that graphically depicts the quantity of renewable energy resources procured

pursuant to Section 1-75 of the Illinois Power Agency Act as a percentage of electricity supplied to serve eligible retail customers as defined in Section 16-111.5(a) of this Act; and -

(iv) after May 31, 2017, a pie chart that graphically depicts the quantity of zero emission credits from zero emission facilities procured under Section 1-75 of the Illinois Power Agency Act as a percentage of the actual load of retail customers within its service area.

(b) In addition, every electric utility and alternative retail electric supplier shall provide, to the maximum extent practicable, to its customers on a quarterly basis, a standardized chart in a format to be determined by the Commission in a rule following notice and hearings which provides the amounts of carbon dioxide, nitrogen oxides and sulfur dioxide emissions and nuclear waste attributable to the known sources of electricity supplied as set forth in subparagraph (i) of subsection (a) of this Section.

(c) The electric utilities and alternative retail electric suppliers may provide their customers with such other information as they believe relevant to the information required in subsections (a) and (b) of this Section. All of the information required in subsections (a) and (b) of this Section shall be made available by the electric utilities or alternative retail electric suppliers either in an electronic medium, such as on a website or by electronic mail, or through the U.S. Postal Service.

(d) For the purposes of subsection (a) of this Section, "biomass" means dedicated crops grown for energy production and organic wastes.

(e) All of the information provided in subsections (a) and (b) of this Section shall be presented to the Commission for inclusion in its World Wide Web Site.

(Source: P.A. 97-1092, eff. 1-1-13.)

Section 20. The Energy Assistance Act is amended by changing Sections 13 and 18 as follows:
(305 ILCS 20/13)

(Section scheduled to be repealed on December 31, 2018)

Sec. 13. Supplemental Low-Income Energy Assistance Fund.

(a) The Supplemental Low-Income Energy Assistance Fund is hereby created as a special fund in the State Treasury. The Supplemental Low-Income Energy Assistance Fund is authorized to receive moneys from voluntary donations from individuals, foundations, corporations, and other sources, moneys received pursuant to Section 17, and, by statutory deposit, the moneys collected pursuant to this Section. The Fund is also authorized to receive voluntary donations from individuals, foundations, corporations, and other sources, as well as contributions made in accordance with Section 507MM of the Illinois Income Tax Act. Subject to appropriation, the Department shall use moneys from the Supplemental Low-Income Energy Assistance Fund for payments to electric or gas public utilities, municipal electric or gas utilities, and electric cooperatives on behalf of their customers who are participants in the program authorized by Sections 4 and 18 of this Act, for the provision of weatherization services and for administration of the Supplemental Low-Income Energy Assistance Fund. The yearly expenditures for weatherization may not exceed 10% of the amount collected during the year pursuant to this Section. The yearly administrative expenses of the Supplemental Low-Income Energy Assistance Fund may not exceed 10% of the amount collected during that year pursuant to this Section, except when unspent funds from the Supplemental Low-Income Energy Assistance Fund are reallocated from a previous year; any unspent balance of the 10% administrative allowance may be utilized for administrative expenses in the year they are reallocated.

(b) Notwithstanding the provisions of Section 16-111 of the Public Utilities Act but subject to subsection (k) of this Section, each public utility, electric cooperative, as defined in Section 3.4 of the Electric Supplier Act, and municipal utility, as referenced in Section 3-105 of the Public Utilities Act, that is engaged in the delivery of electricity or the distribution of natural gas within the State of Illinois shall, effective January 1, 1998, assess each of its customer accounts a monthly Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund. The delivering public utility, municipal electric or gas utility, or electric or gas cooperative for a self-assessing purchaser remains subject to the collection of the fee imposed by this Section. The monthly charge shall be as follows:

- (1) \$0.48 per month on each account for residential electric service;
- (2) \$0.48 per month on each account for residential gas service;
- (3) \$4.80 per month on each account for non-residential electric service which had less than 10 megawatts of peak demand during the previous calendar year;
- (4) \$4.80 per month on each account for non-residential gas service which had distributed to it less than 4,000,000 therms of gas during the previous calendar year;
- (5) \$360 per month on each account for non-residential electric service which had 10 megawatts or greater of peak demand during the previous calendar year; and
- (6) \$360 per month on each account for non-residential gas service which had 4,000,000 or more therms of gas distributed to it during the previous calendar year.

[December 1, 2016]

The incremental change to such charges imposed by this amendatory Act of the 96th General Assembly shall not (i) be used for any purpose other than to directly assist customers and (ii) be applicable to utilities serving less than 100,000 customers in Illinois on January 1, 2009.

In addition, electric and gas utilities have committed, and shall contribute, a one-time payment of \$22 million to the Fund, within 10 days after the effective date of the tariffs established pursuant to Sections 16-111.8 and 19-145 of the Public Utilities Act to be used for the Department's cost of implementing the programs described in Section 18 of this amendatory Act of the 96th General Assembly, the Arrearage Reduction Program described in Section 18, and the programs described in Section 8-105 of the Public Utilities Act. If a utility elects not to file a rider within 90 days after the effective date of this amendatory Act of the 96th General Assembly, then the contribution from such utility shall be made no later than February 1, 2010.

(c) For purposes of this Section:

(1) "residential electric service" means electric utility service for household purposes delivered to a dwelling of 2 or fewer units which is billed under a residential rate, or electric utility service for household purposes delivered to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit;

(2) "residential gas service" means gas utility service for household purposes distributed to a dwelling of 2 or fewer units which is billed under a residential rate, or gas utility service for household purposes distributed to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit;

(3) "non-residential electric service" means electric utility service which is not residential electric service; and

(4) "non-residential gas service" means gas utility service which is not residential gas service.

(d) Within 30 days after the effective date of this amendatory Act of the 96th General Assembly, each public utility engaged in the delivery of electricity or the distribution of natural gas shall file with the Illinois Commerce Commission tariffs incorporating the Energy Assistance Charge in other charges stated in such tariffs, which shall become effective no later than the beginning of the first billing cycle following such filing.

(e) The Energy Assistance Charge assessed by electric and gas public utilities shall be considered a charge for public utility service.

(f) By the 20th day of the month following the month in which the charges imposed by the Section were collected, each public utility, municipal utility, and electric cooperative shall remit to the Department of Revenue all moneys received as payment of the Energy Assistance Charge on a return prescribed and furnished by the Department of Revenue showing such information as the Department of Revenue may reasonably require; provided, however, that a utility offering an Arrearage Reduction Program or Supplemental Arrearage Reduction Program pursuant to Section 18 of this Act shall be entitled to net those amounts necessary to fund and recover the costs of such ~~Programs~~ Program as authorized by that Section that is no more than the incremental change in such Energy Assistance Charge authorized by Public Act 96-33 ~~this amendatory Act of the 96th General Assembly~~. If a customer makes a partial payment, a public utility, municipal utility, or electric cooperative may elect either: (i) to apply such partial payments first to amounts owed to the utility or cooperative for its services and then to payment for the Energy Assistance Charge or (ii) to apply such partial payments on a pro-rata basis between amounts owed to the utility or cooperative for its services and to payment for the Energy Assistance Charge.

(g) The Department of Revenue shall deposit into the Supplemental Low-Income Energy Assistance Fund all moneys remitted to it in accordance with subsection (f) of this Section; provided, however, that the amounts remitted by each utility shall be used to provide assistance to that utility's customers. The utilities shall coordinate with the Department to establish an equitable and practical methodology for implementing this subsection (g) beginning with the 2010 program year.

(h) On or before December 31, 2002, the Department shall prepare a report for the General Assembly on the expenditure of funds appropriated from the Low-Income Energy Assistance Block Grant Fund for the program authorized under Section 4 of this Act.

(i) The Department of Revenue may establish such rules as it deems necessary to implement this Section.

(j) The Department of Commerce and Economic Opportunity may establish such rules as it deems necessary to implement this Section.

(k) The charges imposed by this Section shall only apply to customers of municipal electric or gas utilities and electric or gas cooperatives if the municipal electric or gas utility or electric or gas cooperative makes an affirmative decision to impose the charge. If a municipal electric or gas utility or an electric

cooperative makes an affirmative decision to impose the charge provided by this Section, the municipal electric or gas utility or electric cooperative shall inform the Department of Revenue in writing of such decision when it begins to impose the charge. If a municipal electric or gas utility or electric or gas cooperative does not assess this charge, the Department may not use funds from the Supplemental Low-Income Energy Assistance Fund to provide benefits to its customers under the program authorized by Section 4 of this Act.

In its use of federal funds under this Act, the Department may not cause a disproportionate share of those federal funds to benefit customers of systems which do not assess the charge provided by this Section.

This Section is repealed on January 1, 2025 effective December 31, 2018 unless renewed by action of the General Assembly. The General Assembly shall consider the results of the evaluations described in Section 8 in its deliberations.

(Source: P.A. 98-429, eff. 8-16-13; 99-457, eff. 1-1-16.)

(305 ILCS 20/18)

Sec. 18. Financial assistance; payment plans.

(a) The Percentage of Income Payment Plan (PIPP or PIP Plan) is hereby created as a mandatory bill payment assistance program for low-income residential customers of utilities serving more than 100,000 retail customers as of January 1, 2009. The PIP Plan will:

- (1) bring participants' gas and electric bills into the range of affordability;
- (2) provide incentives for participants to make timely payments;
- (3) encourage participants to reduce usage and participate in conservation and energy efficiency measures that reduce the customer's bill and payment requirements; and
- (4) identify participants whose homes are most in need of weatherization.

(b) For purposes of this Section:

(1) "LIHEAP" means the energy assistance program established under the Illinois Energy Assistance Act and the Low-Income Home Energy Assistance Act of 1981.

(2) "Plan participant" is an eligible participant who is also eligible for the PIPP and who will receive either a percentage of income payment credit under the PIPP criteria set forth in this Act or a benefit pursuant to Section 4 of this Act. Plan participants are a subset of eligible participants.

(3) "Pre-program arrears" means the amount a plan participant owes for gas or electric service at the time the participant is determined to be eligible for the PIPP or the program set forth in Section 4 of this Act.

(4) "Eligible participant" means any person who has applied for, been accepted and is receiving residential service from a gas or electric utility and who is also eligible for LIHEAP.

(c) The PIP Plan shall be administered as follows:

(1) The Department shall coordinate with Local Administrative Agencies (LAAs), to determine eligibility for the Illinois Low Income Home Energy Assistance Program (LIHEAP) pursuant to the Energy Assistance Act, provided that eligible income shall be no more than 150% of the poverty level. Applicants will be screened to determine whether the applicant's projected payments for electric service or natural gas service over a 12-month period exceed the criteria established in this Section. To maintain the financial integrity of the program, the Department may limit eligibility to households with income below 125% of the poverty level.

(2) The Department shall establish the percentage of income formula to determine the amount of a monthly credit, not to exceed \$150 per month per household, not to exceed \$1,800 annually, that will be applied to PIP Plan participants' utility bills based on the portion of the bill that is the responsibility of the participant provided that the percentage shall be no more than a total of 6% of the relevant income for gas and electric utility bills combined, but in any event no less than \$10 per month, unless the household does not pay directly for heat, in which case its payment shall be 2.4% of income but in any event no less than \$5 per month. The Department may establish a minimum credit amount based on the cost of administering the program and may deny credits to otherwise eligible participants if the cost of administering the credit exceeds the actual amount of any monthly credit to a participant. If the participant takes both gas and electric service, 66.67% of the credit shall be allocated to the entity that provides the participant's primary energy supply for heating. Each participant shall enter into a levelized payment plan for, as applicable, gas and electric service and such plans shall be implemented by the utility so that a participant's usage and required payments are reviewed and adjusted regularly, but no more frequently than quarterly. Nothing in this Section is intended to prohibit a customer, who is otherwise eligible for LIHEAP, from participating in the program described in Section 4 of this Act. Eligible participants who receive such a benefit shall be considered plan participants and shall be eligible to participate in the Arrearage Reduction Program described in item (5) of this subsection (c).

(3) The Department shall remit, through the LAAs, to the utility or participating alternative supplier that portion of the plan participant's bill that is not the responsibility of the participant. In the event that the Department fails to timely remit payment to the utility, the utility shall be entitled to recover all costs related to such nonpayment through the automatic adjustment clause tariffs established pursuant to Section 16-111.8 and Section 19-145 of the Public Utilities Act. For purposes of this item (3) of this subsection (c), payment is due on the date specified on the participant's bill. The Department, the Department of Revenue and LAAs shall adopt processes that provide for the timely payment required by this item (3) of this subsection (c).

(4) A plan participant is responsible for all actual charges for utility service in excess of the PIPP credit. Pre-program arrears that are included in the Arrearage Reduction Program described in item (5) of this subsection (c) shall not be included in the calculation of the leveled payment plan. Emergency or crisis assistance payments shall not affect the amount of any PIPP credit to which a participant is entitled.

(5) Electric and gas utilities subject to this Section shall implement an Arrearage Reduction Program (ARP) for plan participants as follows: for each month that a plan participant timely pays his or her utility bill, the utility shall apply a credit to a portion of the participant's pre-program arrears, if any, equal to one-twelfth of such arrearage provided that the total amount of arrearage credits shall equal no more than \$1,000 annually for each participant for gas and no more than \$1,000 annually for each participant for electricity. In the third year of the PIPP, the Department, in consultation with the Policy Advisory Council established pursuant to Section 5 of this Act, shall determine by rule an appropriate per participant total cap on such amounts, if any. Those plan participants participating in the ARP shall not be subject to the imposition of any additional late payment fees on pre-program arrears covered by the ARP. In all other respects, the utility shall bill and collect the monthly bill of a plan participant pursuant to the same rules, regulations, programs and policies as applicable to residential customers generally. Participation in the Arrearage Reduction Program shall be limited to the maximum amount of funds available as set forth in subsection (f) of Section 13 of this Act. In the event any donated funds under Section 13 of this Act are specifically designated for the purpose of funding the ARP, the Department shall remit such amounts to the utilities upon verification that such funds are needed to fund the ARP. Nothing in this Section shall preclude a utility from continuing to implement, and apply credits under, an ARP in the event that the PIPP or LIHEAP is suspended due to lack of funding such that the plan participant does not receive a benefit under either the PIPP or LIHEAP.

(5.5) In addition to the ARP described in paragraph (5) of this subsection (c), utilities may also implement a Supplemental Arrearage Reduction Program (SARP) for eligible participants who are not able to become plan participants due to PIPP timing or funding constraints. If a utility elects to implement a SARP, it shall be administered as follows: for each month that a SARP participant timely pays his or her utility bill, the utility shall apply a credit to a portion of the participant's pre-program arrears, if any, equal to one-twelfth of such arrearage, provided that the utility may limit the total amount of arrearage credits to no more than \$1,000 annually for each participant for gas and no more than \$1,000 annually for each participant for electricity. SARP participants shall not be subject to the imposition of any additional late payment fees on pre-program arrears covered by the SARP. In all other respects, the utility shall bill and collect the monthly bill of a SARP participant under the same rules, regulations, programs, and policies as applicable to residential customers generally. Participation in the SARP shall be limited to the maximum amount of funds available as set forth in subsection (f) of Section 13 of this Act. In the event any donated funds under Section 13 of this Act are specifically designated for the purpose of funding the SARP, the Department shall remit such amounts to the utilities upon verification that such funds are needed to fund the SARP.

(6) The Department may terminate a plan participant's eligibility for the PIP Plan upon notification by the utility that the participant's monthly utility payment is more than 45 days past due.

(7) The Department, in consultation with the Policy Advisory Council, may adjust the number of PIP Plan participants annually, if necessary, to match the availability of funds ~~from LIHEAP~~. Any plan participant who qualifies for a PIPP credit under a utility's PIPP shall be entitled to participate in and receive a credit under such utility's ARP for so long as such utility has ARP funds available, regardless of whether the customer's participation under another utility's PIPP or ARP has been curtailed or limited because of a lack of funds.

(8) The Department shall fully implement the PIPP at the earliest possible date it is able to effectively administer the PIPP. Within 90 days of the effective date of this amendatory Act of the 96th General Assembly, the Department shall, in consultation with utility companies, participating alternative suppliers, LAAs and the Illinois Commerce Commission (Commission), issue a detailed implementation plan which shall include detailed testing protocols and analysis of the capacity for

implementation by the LAAs and utilities. Such consultation process also shall address how to implement the PIPP in the most cost-effective and timely manner, and shall identify opportunities for relying on the expertise of utilities, LAAs and the Commission. Following the implementation of the testing protocols, the Department shall issue a written report on the feasibility of full or gradual implementation. The PIPP shall be fully implemented by September 1, 2011, but may be phased in prior to that date.

(9) As part of the screening process established under item (1) of this subsection (c), the Department and LAAs shall assess whether any energy efficiency or demand response measures are available to the plan participant at no cost, and if so, the participant shall enroll in any such program for which he or she is eligible. The LAAs shall assist the participant in the applicable enrollment or application process.

(10) Each alternative retail electric and gas supplier serving residential customers shall elect whether to participate in the PIPP or ARP described in this Section. Any such supplier electing to participate in the PIPP shall provide to the Department such information as the Department may require, including, without limitation, information sufficient for the Department to determine the proportionate allocation of credits between the alternative supplier and the utility. If a utility in whose service territory an alternative supplier serves customers contributes money to the ARP fund which is not recovered from ratepayers, then an alternative supplier which participates in ARP in that utility's service territory shall also contribute to the ARP fund in an amount that is commensurate with the number of alternative supplier customers who elect to participate in the program.

(d) The Department, in consultation with the Policy Advisory Council, shall develop and implement a program to educate customers about the PIP Plan and about their rights and responsibilities under the percentage of income component. The Department, in consultation with the Policy Advisory Council, shall establish a process that LAAs shall use to contact customers in jeopardy of losing eligibility due to late payments. The Department shall ensure that LAAs are adequately funded to perform all necessary educational tasks.

(e) The PIPP shall be administered in a manner which ensures that credits to plan participants will not be counted as income or as a resource in other means-tested assistance programs for low-income households or otherwise result in the loss of federal or State assistance dollars for low-income households.

(f) In order to ensure that implementation costs are minimized, the Department and utilities shall work together to identify cost-effective ways to transfer information electronically and to employ available protocols that will minimize their respective administrative costs as follows:

(1) The Commission may require utilities to provide such information on customer usage and billing and payment information as required by the Department to implement the PIP Plan and to provide written notices and communications to plan participants.

(2) Each utility and participating alternative supplier shall file annual reports with the Department and the Commission that cumulatively summarize and update program information as required by the Commission's rules. The reports shall track implementation costs and contain such information as is necessary to evaluate the success of the PIPP.

(3) The Department and the Commission shall have the authority to promulgate rules and regulations necessary to execute and administer the provisions of this Section.

(g) Each utility shall be entitled to recover reasonable administrative and operational costs incurred to comply with this Section from the Supplemental Low Income Energy Assistance Fund. The utility may net such costs against monies it would otherwise remit to the Funds, and each utility shall include in the annual report required under subsection (f) of this Section an accounting for the funds collected.

(Source: P.A. 96-33, eff. 7-10-09.)

Section 97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

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

AMENDMENT NO. 4 TO SENATE BILL 2814

AMENDMENT NO. 4. Amend Senate Bill 2814, AS AMENDED, with reference to page and line numbers of House Amendment No. 3 as follows:

on page 2, line 23, after the semicolon, by inserting "and"; and

[December 1, 2016]

on page 3, line 3, by replacing ";" and" with "."; and

on page 3, by deleting lines 4 through 11; and

on page 3, by replacing lines 12 through 26 with the following:

"(b) The General Assembly finds that low-income customers should be included within the State's efforts to expand the use of distributed generation technologies and devices."; and

on page 4, by deleting lines 1 and 2; and

on page 18, line 22, after "16-115D" by inserting ", subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B"; and

on page 22, by replacing lines 23 through 25 with the following:

"(B) Conduct ~~the~~ competitive procurement processes identified in this Act ~~to procure the supply resources identified in the procurement plan.~~"; and

on page 27, line 22, after "Section", by inserting "that owns or operates electric distribution facilities"; and

on page 29, line 26, after "Section", by inserting "that owns or operates electric distribution facilities"; and

on page 37, lines 9 and 10, by deleting "the planning process for"; and

on page 45, by replacing line 25 with "solar projects that are procured under procurement processes authorized by the long-term"; and

on page 46, by replacing lines 8 and 9 with "Renewable Energy Resources Fund. Each contract that provides for the installation of solar facilities shall provide that the solar facilities will produce energy"; and

on page 46, line 13, after "Fund", by inserting "and not otherwise committed to contracts executed under subsection (i) of this Section"; and

on page 48, line 6, before the period, by inserting ", and shall endeavor to coordinate with the job training programs described in paragraph (1) of subsection (a) of Section 16-108.12 of the Public Utilities Act"; and

on page 50, line 3, by replacing "use" with "uses"; and

on page 52, line 23, by replacing "than they would otherwise be" with "than the prices from programs offered under subsection (c) of Section 1-75 of this Act"; and

on page 55, line 12, after "participants", by inserting "and organizations"; and

on page 55, line 19, after the semicolon, by inserting "the number of jobs or job opportunities created"; and

on page 56, by deleting lines 13 through 16; and

on page 56, line 18, by replacing "program" with "long-term renewable resources procurement plan"; and

on page 60, line 17, after the period, by inserting "Fees collected from bidders shall be deposited into the Renewable Energy Resources Fund"; and

on page 73, line 5, by deleting "the planning process for"; and

on page 73, line 8, after "(a)", by inserting ", except as provided in subsection (q) of Section 16-111.5 of the Public Utilities Act"; and

on page 82, line 21, before the period, by inserting "and that the project was installed by qualified persons in compliance with the requirements of Section 16-128A of the Public Utilities Act and any rules or regulations adopted thereunder"; and

on page 83, line 3, before the period, by inserting "and that the project was installed by qualified persons in compliance with the requirements of Section 16-128A of the Public Utilities Act and any rules or regulations adopted thereunder"; and

on page 83, by replacing lines 8 through 11 with the following:

"For purposes of this Section, "prevailing wage" means the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works."; and

on page 87, lines 8 and 23, by replacing "The" each time it appears with "Notwithstanding whether a long-term renewable resources procurement plan has been approved, the"; and

on page 95, by replacing lines 8 through 19 with "located in this State. If the resources are not available in Illinois, the Agency shall further qualify renewable energy credits from facilities located in (i) any adjacent state, or (ii) if they are generated from facilities located in another state from which facilities transmission is contracted for with a direct current electric transmission facility that has a direct current to alternative current conversion facility located in Illinois, if the generator demonstrates and the Agency determines that the facility's location in an adjacent state or the facility's transmission contracts permit it to efficiently deliver electricity to Illinois residents and to promote the State's interest in the health, safety, and welfare of its residents based on the public interest criteria described above. To ensure that the public interest criteria are applied to the procurement and given full effect, the Agency's long-term procurement plan shall describe in detail how each public interest factor shall be considered and weighted for facilities located in states adjacent to Illinois or from facilities located in other states."; and

on page 96, line 22, by deleting "either"; and

on page 96, lines 22 and 23, by deleting "or Section 16-108.9 of the Public Utilities Act"; and

on page 97, line 12, by replacing "declining block" with "Adjustable Block"; and

on page 103, line 12, by replacing "including" with "to ensure robust participation opportunities for"; and

on page 105, line 10, before the period, by inserting "; provided that for the delivery years beginning June 1, 2017, June 1, 2021, and June 1, 2025, the long-term renewable resources procurement plan shall allocate 10% of the funds available under the plan for the applicable delivery year, or \$20,000,000 per delivery year, whichever is greater, and \$10,000,000 of such funds in such year shall be used by an electric utility that serves more than 3,000,000 retail customers in the State to implement a Commission-approved plan under Section 16-108.12 of the Public Utilities Act"; and

on page 107, line 21, by replacing "(Blank)." with "The owner of renewable energy facilities that are located in Illinois and that are energized after June 1, 2017, must certify that not less than the prevailing wage was or will be paid to employees who are engaged in construction activities associated with the project before the renewable energy facility may participate in a procurement event under this subsection (c)"; and

on page 133, line 26, before the period, by inserting "ending May 31, 2027"; and

on page 148, lines 13 and 14, by replacing "rolling 4-year period" with "delivery year"; and

on page 148, line 14, after "volume" by inserting "receiving payments in such year"; and

on page 148, by replacing lines 16 and 17 with "net increase that delivery year to the costs of those credits included in"; and

[December 1, 2016]

on page 149, line 1, by replacing "procured" with "paid"; and

on page 148, line 6, after the period, by inserting "Unpaid contractual volume for any delivery year shall be paid in any subsequent delivery year in which such payments can be made without exceeding the amount specified in this paragraph (2)."; and

on page 149, line 9, by replacing "procured" with "be paid"; and

on page 151, lines 21 and 22, by replacing "of Section 16-108 of the Public Utilities Act." with "and (m) of Section 16-108 of the Public Utilities Act, and the contracts executed under this subsection (d-5) shall provide that the utilities' payment obligations under such contracts shall be reduced if an adjustment is required under subsection (m) of Section 16-108 of the Public Utilities Act."; and

on page 156, line 1, before "subsections", by inserting "Section 1-56."; and

on page 162, line 14, after "Sections" by inserting "5-117."; and

on page 162, line 16, by replacing "and 16-127" with "16-127, and 16-128A"; and

on page 162, line 17, by deleting "16-108.9"; and

on page 162, line 17, by replacing "and 16-108.12" with "16-108.12, 16-108.15, and 16-108.16"; and

on page 162, immediately below line 18, by inserting the following:

"(220 ILCS 5/5-117)

Sec. 5-117. Supplier diversity goals.

(a) The public policy of this State is to collaboratively work with companies that serve Illinois residents to improve their supplier diversity in a non-antagonistic manner.

(b) The Commission shall require all gas, electric, and water companies with at least 100,000 customers under its authority, as well as suppliers of wind energy, solar energy, hydroelectricity, nuclear energy, and any other supplier of energy within this State. to submit an annual report by April 15, 2015 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year. These goals shall be expressed as a percentage of the total work performed by the entity submitting the report, and the actual spending for all female-owned, minority-owned, veteran-owned, and small business enterprises shall also be expressed as a percentage of the total work performed by the entity submitting the report.

(c) Each participating company in its annual report shall include the following information:

- (1) an explanation of the plan for the next year to increase participation;
- (2) an explanation of the plan to increase the goals;
- (3) the areas of procurement each company shall be actively seeking more participation in in the next year;
- (4) an outline of the plan to alert and encourage potential vendors in that area to seek business from the company;
- (5) an explanation of the challenges faced in finding quality vendors and offer any suggestions for what the Commission could do to be helpful to identify those vendors;
- (6) a list of the certifications the company recognizes;
- (7) the point of contact for any potential vendor who wishes to do business with the company and explain the process for a vendor to enroll with the company as a minority-owned, women-owned, or veteran-owned company; and
- (8) any particular success stories to encourage other companies to emulate best practices.

(d) Each annual report shall include as much State-specific data as possible. If the submitting entity does not submit State-specific data, then the company shall include any national data it does have and explain why it could not submit State-specific data and how it intends to do so in future reports, if possible.

(e) Each annual report shall include the rules, regulations, and definitions used for the procurement goals in the company's annual report.

(f) The Commission and all participating entities shall hold an annual workshop open to the public in 2015 and every year thereafter on the state of supplier diversity to collaboratively seek solutions to structural impediments to achieving stated goals, including testimony from each participating entity as well as subject matter experts and advocates. The Commission shall publish a database on its website of the point of contact for each participating entity for supplier diversity, along with a list of certifications each company recognizes from the information submitted in each annual report. The Commission shall publish each annual report on its website and shall maintain each annual report for at least 5 years. (Source: P.A. 98-1056, eff. 8-26-14.); and

on page 178, lines 24 and 25, by deleting "and energy efficiency measures implemented under subsection (l) of this Section"; and

on page 179, by replacing lines 5 through 10 with "Agency Act"; and

on page 179, by replacing lines 17 and 18 with "cumulative persisting annual savings of 6.6% from energy efficiency measures and"; and

on page 179, line 23, by replacing "The" with "For the purposes of this subsection (b) and subsection (b-5), the"; and

on page 179, by replacing lines 24 through 26 with "and energy sales shall be reduced by the number of MWhs equal to the sum of the annual consumption of customers that are exempt from subsections (a) through (j) of this Section under subsection (l) of this Section, as averaged across the calendar years 2014, 2015, and 2016. After 2017, the deemed value of cumulative"; and

on page 180, line 7, by deleting ", or 5,071,018 MWhs."; and

on page 180, line 10, by deleting ", or 4,553,371 MWhs."; and

on page 180, line 13, by deleting ", or 3,998,012 MWhs."; and

on page 180, line 16, by deleting ", or 3,533,219 MWhs."; and

on page 180, line 19, by deleting ", or 3,108,290 MWhs."; and

on page 180, line 22, by deleting ", or 2,738,689 MWhs."; and

on page 180, line 25, by deleting ", or 2,463,055 MWhs."; and

on page 181, line 2, by deleting ", or 2,221,716 MWhs."; and

on page 181, line 5, by deleting ", or 2,017,109 MWhs."; and

on page 181, line 8, by deleting ", or 1,822,754 MWhs."; and

on page 181, line 11, by deleting ", or 1,624,769 MWhs."; and

on page 181, line 14, by deleting ", or 1,460,039 MWhs."; and

on page 181, line 17, by deleting ", or 1,181,647 MWhs."; and

on page 182, line 7, by replacing "all Self-Direct Customers that elect such status" with "customers that are exempt from subsections (a) through (j) of this Section"; and

on page 183, line 16, by deleting ", or 2,435,400 MWhs."; and

on page 183, line 21, by replacing "The" with "For the purposes of this subsection (b-10) and subsection (b-15), the"; and

[December 1, 2016]

on page 183, by replacing lines 22 through 24 with "and energy sales shall be reduced by the number of MWhs equal to the sum of the annual consumption of customers that are exempt from subsections (a) through (j) of this Section under subsection (l) of this Section, as averaged across the calendar years 2014, 2015, and 2016. After 2017, the deemed value of cumulative"; and

on page 184, line 5, by deleting ", or 2,140,200 MWhs."; and

on page 184, line 8, by deleting ", or 1,918,800 MWhs."; and

on page 184, line 11, by deleting ", or 1,660,500 MWhs."; and

on page 184, line 14, by deleting ", or 1,476,000 MWhs."; and

on page 184, line 17, by deleting ", or 1,291,500 MWhs."; and

on page 184, line 20, by deleting ", or 1,143,900 MWhs."; and

on page 184, line 23, by deleting ", or 1,033,200 MWhs."; and

on page 184, line 26, by deleting ", or 922,500 MWhs."; and

on page 185, line 3, by deleting ", or 848,700 MWhs."; and

on page 185, line 6, by deleting ", or 774,900 MWhs."; and

on page 185, line 9, by deleting ", or 664,200 MWhs."; and

on page 185, line 12, by deleting ", or 627,300 MWhs."; and

on page 185, line 15, by deleting ", or 553,500 MWhs."; and

on page 185, line 25, by replacing "all Self-Direct Customers that elect such status" with "customers that are exempt from subsections (a) through (j) of this Section"; and

on page 206, line 10, after the comma, by inserting "for a utility that serves less than 3,000,000 retail customers, if"; and

on page 206, line 19, by replacing "In no event shall" with "Except as provided in subsection (m) of this Section."; and

on page 206, line 21, after "period" by inserting "shall not"; and

on page 207, line 19, by replacing "In no event shall" with "Except as provided in subsection (m) of this Section."; and

on page 207, line 21, after "period" by inserting "shall not"; and

on page 208, line 20, by replacing "In no event shall" with "Except as provided in subsection (m) of this Section."; and

on page 208, line 22, after "period" by inserting "shall not"; and

by deleting line 12 on page 215 through line 9 on page 216; and

on page 218, immediately below line 8, by inserting the following:

"(7.5) For purposes of this Section, the term "applicable annual incremental goal" means the difference between the cumulative persisting annual savings goal for the calendar year that is the subject of the independent evaluator's determination and the cumulative persisting annual savings goal for the immediately preceding calendar year, as such goals are defined in subsections (b-5) and (b-15) of this

Section and as these goals may have been modified as provided for under subsection (b-20) and paragraphs (1) through (3) of subsection (f) of this Section. Under subsections (b), (b-5), (b-10), and (b-15) of this Section, a utility must first replace energy savings from measures that have reached the end of their measure lives and would otherwise have to be replaced to meet the applicable savings goals identified in subsection (b-5) or (b-15) of this Section before any progress towards achievement of its applicable annual incremental goal may be counted. Notwithstanding anything else set forth in this Section, the difference between the actual annual incremental savings achieved in any given year, including the replacement of energy savings from measures that have expired, and the applicable annual incremental goal shall not affect adjustments to the return on equity for subsequent calendar years under this subsection (g)."; and

on page 220, by replacing lines 6 and 7 with "goal shall use the unreduced applicable annual"; and

by replacing line 21 on page 220 through line 3 on page 221 with the following:

"(iii) For the period of January 1, 2026 through December 31, 2030, the calculation for determining achievement that is less than 134% but more than 100% of the applicable annual incremental goal shall use the reduced applicable annual incremental goal to set the value for 100% achievement of the goal and shall use the unreduced goal to set the value for 125% achievement. The 6 basis point value shall also be modified, as necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 134% achievement."; and

by deleting line 18 on page 222 through line 7 on page 223; and

by replacing line 20 on page 225 through line 4 on page 234 with the following:

"(l) For the calendar years covered by a multi-year plan commencing after December 31, 2017, subsections (a) through (j) of this Section do not apply to any retail customers of an electric utility that serves more than 3,000,000 retail customers in the State and whose total highest 30 minute demand was more than 10,000 kilowatts, or any retail customers of an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State and whose total highest 15 minute demand was more than 10,000 kilowatts. For purposes of this subsection (l), "retail customer" has the meaning set forth in Section 16-102 of this Act. A determination of whether this subsection is applicable to a customer shall be made for each multi-year plan beginning after December 31, 2017. The criteria for determining whether a this subsection (l) is applicable to a retail customer shall be based on the 12 consecutive billing periods prior to the start of the first year of each such multi-year plan."; and

on page 234, line 24, after "amount", by inserting "of"; and

by replacing line 26 on page 234 through line 1 on page 235 with "utility's load attributable to customers who are exempt from subsections (a) through (j) of this Section under subsection (l) of this"; and

on page 235, line 2, by replacing "Section." with "For purposes of this subsection (m), the amount paid per kilowatthour includes, without limitation, estimated amounts paid for supply, transmission, distribution, surcharges, and add-on taxes."; and

on page 284, by replacing lines 15 and 16 with "2,000 kilowatts and is primarily used to offset that customer's electricity load."; and

on page 285, lines 3 and 4 by replacing "does not conflict" with "is consistent"; and

on page 286, line 17, by replacing "\$500" with "\$250"; and

on page 286, line 20, by replacing "(2)After" with "(2) After"; and

on page 287, line 14, by replacing "(B)Non-residential" with "(B) Non-residential"; and

on page 287, line 22, by replacing "(3)Upon" with "(3) Upon"; and

on page 288, line 2, by replacing "(4)To" with "(4) To"; and

on page 288, line 9, by replacing "(d)The" with "(d) The"; and

[December 1, 2016]

on page 288, line 17, by replacing "(e)When" with "(e) When"; and

on page 288, line 25, by deleting "based on best practices"; and

on page 288, line 26, after "grid", by inserting "based on best practices"; and

on page 289, line 18, by replacing "(f)Notwithstanding" with "(f) Notwithstanding"; and

on page 290, line 8, by replacing "(g)No later than 180 days" with "(g) No later than 60 days"; and

on page 290, line 15, by replacing "180" with "60"; and

on page 310, immediately below line 23, by inserting the following:

"(m)(1) An electric utility that recovers its costs of procuring zero emission credits from zero emission facilities through a cents-per-kilowatthour charge under to subsection (k) of this Section shall be subject to the requirements of this subsection (m). Notwithstanding anything to the contrary, such electric utility shall, beginning on April 30, 2018, and each April 30 thereafter until April 30, 2026, calculate whether any reduction must be applied to such cents-per-kilowatthour charge that is paid by retail customers of the electric utility that are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B. Such charge shall be reduced for such customers for the next delivery year commencing on June 1 based on the amount necessary, if any, to limit the annual estimated average net increase for the prior calendar year due to the future energy investment costs to no more than 1.3% of 5.98 cents per kilowatt-hour, which is the average amount paid per kilowatthour for electric service during the year ending December 31, 2015 by Illinois industrial retail customers, as reported to the Edison Electric Institute.

The calculations required by this subsection (m) shall be made only once for each year, and no subsequent rate impact determinations shall be made.

(2) For purposes of this Section, "future energy investment costs" shall be calculated by subtracting the cents-per-kilowatthour charge identified in subparagraph (A) of this paragraph (2) from the sum of the cents-per-kilowatthour charges identified in subparagraph (B) of this paragraph (2):

(A) The cents-per-kilowatthour charge identified in the electric utility's tariff placed into effect under Section 8-103 of the Public Utilities Act that, on December 1, 2016, was applicable to those retail customers that are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B.

(B) The sum of the following cents-per-kilowatthour charges applicable to those retail customers that are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B, provided that if one or more of the following charges has been in effect and applied to such customers for more than one calendar year, then each charge shall be equal to the average of the charges applied over a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation required by this subsection (m):

(i) the cents-per-kilowatthour charge to recover the costs incurred by the utility under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act, adjusted for any reductions required under this subsection (m); and

(ii) the cents-per-kilowatthour charge to recover the costs incurred by the utility under Section 16-107.6 of the Public Utilities Act.

If no charge was applied for a given calendar year under item (i) or (ii) of this subparagraph (B), then the value of the charge for that year shall be zero.

(3) If a reduction is required by the calculation performed under this subsection (m), then the amount of the reduction shall be multiplied by the number of years reflected in the averages calculated under subparagraph (B) of paragraph (2) of this subsection (m). Such reduction shall be applied to the cents-per-kilowatthour charge that is applicable to those retail customers that are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B beginning with the next delivery year commencing after the date of the calculation required by this subsection (m).

(4) The electric utility shall file a notice with the Commission on May 1 of 2018 and each May 1 thereafter until May 1, 2026 containing the reduction, if any, which must be applied for the delivery year which begins in the year of the filing. The notice shall contain the calculations made pursuant to this section. By October 1 of each year beginning in 2018, each electric utility shall notify the Commission if

it appears, based on an estimate of the calculation required in this subsection (m), that a reduction will be required in the next year."; and

by deleting line 24 on page 358 through line 20 on page 380; and

on page 383, by replacing lines 18 through 20 with the following:

"(a) An electric utility that serves more than 3,000,000 customers in the State shall spend \$10,000,000 per year in 2017, 2021, and 2025 to fund the programs described in this Section."; and

on page 383, line 22, by deleting "annually over 5 years"; and

on page 384, line 19, by deleting "qualified"; and

on page 384, line 20, by replacing "may" with "shall"; and

on page 384, line 22, by replacing "individuals" with "persons"; and

on page 384, line 26, after "communities", by inserting "and that 2,000 jobs are created for persons who are or were foster children and persons with a record"; and

on page 385, line 2, by deleting "annually over 5 years"; and

on page 385, line 4, by replacing "5" with "4"; and

on page 385, line 9, by deleting "annually over 5 years"; and

on page 385, line 10, by replacing "annually" with "in the applicable year"; and

on page 385, line 11, by replacing "(E)" with "(F)"; and

on page 385, line 13, by replacing "5" with "4"; and

on page 385, line 14, by replacing "\$1,000,000" with "\$500,000"; and

on page 385, immediately below line 20, by inserting the following:

"(F) \$500,000 to a nonprofit organization that provides family services, housing education, job and career education opportunities that has successfully partnered with the utility on electric industry job training."; and

on page 386, line 21, by deleting "qualified"; and

on page 387, line 4, by replacing "(b)Within" with "(b) Within"; and

on page 387, by replacing lines 12 through 15 with "which time the utility shall file a new plan. The utility shall use the funds described in subparagraph (O) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act to pay for the Commission approved programs under this Section."; and

on page 387, immediately below line 15, by inserting the following:

"(220 ILCS 5/16-108.15 new)

Sec. 16-108.15. Rate impacts.

(a) Each electric utility that serves more than 500,000 retail customers in the State shall file with the Commission the reports required by this Section, which shall identify the actual and projected average monthly increases in residential retail customers' electric bills due to future energy investment costs for the applicable period or periods.

(b) The average monthly increase calculation shall be comprised of the following components:

(1) Beginning with the 2017 calendar year, the average monthly amount paid by residential retail customers, expressed on a cents-per-kilowatt-hour basis, to recover future energy investment costs, which include the charges to recover the costs incurred by the utility under the following provisions:

(A) Sections 8-103, Section 8-103B, and 16-111.5B of this Act, as applicable, and as such costs may be recovered under Sections 8-103, 8-103B, 16-111.5B or Section 16-108.5 of this Act;

(B) subsection (d-5) of Section 1-75 of the Illinois Power Agency Act, as such costs may be recovered under subsection (k) of Section 16-108 of this Act; and

(C) Section 16-107.6 of this Act.

Beginning with the 2018 calendar year, each of the average monthly charges calculated in subparagraphs (A) through (C) of this paragraph (1) shall be equal to the average of each such charge applied over a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation or calculations required by this Section.

(2) The sum of the following:

(A) net energy savings to residential retail customers that are attributable to the implementation of voltage optimization measures under Section 8-103B of this Act, expressed on a cents-per-kilowattour basis, which are estimated energy and capacity benefits for residential retail customers minus the measure costs recovered from those customers, divided by the total number of residential retail customers, which quotient shall be divided by the months in the relevant period; notwithstanding this subparagraph (A), a utility may elect not to include an estimate of net energy savings as described in this subparagraph (A), in which case the value under this subparagraph (A) shall be zero; and

(B) for an electric utility that serves more than 3,000,000 retail customers in the State, the benefits of the programs described in Section 16-108.10 of this Act, which are \$0.00030 per kilowattour for the 2017, 2018, 2019, 2020, and 2021 calendar years.

Beginning with the 2018 calendar year, each of the values identified in subparagraphs (A) and (B) of this paragraph (2) shall be equal to the average of each such value during a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation or calculations required by this Section.

(3) For an electric utility that serves more than 3,000,000 retail customers in the State, the residential retail customer energy efficiency charges shall be \$2.33 per month for the 2017 calendar year, provided that such charge shall be increased by 4% per year thereafter; for an electric utility that serves more than 500,000 but less than 3,000,000 retail customers in the State, the residential retail customer energy efficiency charges shall be \$3.94 per month for the 2017 calendar year, provided that such charge shall be increased by 4% per year thereafter. Beginning with the 2018 calendar year, this charge shall be equal to the average of the charges applied over a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation or calculations required by this Section.

(c)(1) No later than June 30, 2017, an electric utility subject to this Section shall submit a report to the Commission that sets forth the utility's rolling 10-year projection of the values of each of the components described in paragraphs (1) through (3) of subsection (b) of this Section. No later than February 15, 2018 and every February 15 thereafter until February 15, 2031, each utility shall submit a report to the Commission that identifies the value of the actual charges applied during the immediately preceding calendar year and updates its rolling 10-year projection based on such actual charges. Each report submitted under this subsection (c) shall calculate the actual average monthly increase in residential retail customers' electric bills due to future energy investment costs during the immediately preceding calendar year and shall also calculate the projected average monthly increase in residential retail customers' electric bills due to such costs over the rolling 10-year period. Such calculations shall be performed by subtracting the sum of paragraph (2) of subsection (b) of this Section from the sum of paragraph (1) of such subsection (b), multiplying such difference by, as applicable, the actual or forecasted average monthly kilowattour consumption for the residential retail customer class for the applicable period, and subtracting from such product the applicable value identified under paragraph (3) of such subsection (b).

If the actual or projected average monthly increase for residential retail customers of electric utility that serves more than 3 million retail customers in the State exceeds \$0.25, or the actual or projected average monthly increase for residential retail customers of an electric utility that serves more than 500,000 but less than 3 million retail customers in the State exceeds \$0.35, then the applicable utility shall comply with the provisions of paragraphs (2) through (4) of this subsection (c), as applicable.

(2) If the projected average monthly increase for residential retail customers during a calendar year exceeds the applicable limitation set forth in paragraph (1) of this subsection (c), then the utility shall comply with the following provisions, as applicable:

(A) If an exceedance is projected during the first four calendar year of the rolling 10-year projection, then the utility shall include in its report submitted under paragraph (1) of this subsection (c) the utility's proposal or proposals to decrease the future energy investment costs described in paragraph

(1) of subsection (b) of this Section to ensure that the limitation set forth in such paragraph (1) is not exceeded. The Commission shall, after notice and hearing, enter an order directing the utility to implement one or more proposals, as such proposals may be modified by the Commission. The Commission shall have the authority under this subparagraph (A) to approve modifications to the contracts executed under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act. If the Commission approves modifications to such contracts, then the supplier shall have the option of accepting the modifications or terminating the modified contract or contracts, subject to the termination requirements and notice provisions set forth in item (i) of subparagraph (B) of paragraph (4) of this Section.

(B) If an exceedance is projected during any calendar year during the last 6 years of the 10-year projection, then the utility shall demonstrate in its report submitted under paragraph (1) of this subsection (c) how the utility will reduce the future energy investment costs described in paragraph (1) of subsection (b) of this Section to ensure that the limitation set forth in such paragraph (1) is not exceeded.

(3) If the actual average monthly increase for residential retail customers during a calendar year exceeded the limitation set forth in paragraph (1) of this subsection (c), then the utility shall prepare and file with the Commission, at the time it submits its report under paragraph (1) of this subsection (c), a corrective action plan that identifies how the utility will immediately reduce expenditures so that the utility will be in compliance with such limitation beginning on January 1 of the next calendar year. The Commission shall initiate an investigation to determine the factors that contributed to the actual average monthly increase exceeding such limitation for the applicable calendar year, and shall, after notice and hearing, enter an order approving, or approving with modification, the utility's corrective action plan within 120 days after the utility files such plan. The Commission shall also submit a report to the General Assembly no later than 30 days after it enters such order, and the report shall explain the results of the Commission's investigation and findings and conclusions of its order.

(4) If the actual average monthly increase for residential retail customers during a calendar year exceeds the limitation set forth in paragraph (1) of this subsection (c) for two consecutive years, then the utility shall indicate in its report filed under paragraph (1) of this subsection (c) whether the utility will proceed with or terminate the future energy investments described and authorized under subsection (d-5) of the Illinois Power Agency Act and Sections 8-103B and 16-107.6 of this Act. The utility shall be subject to the requirements of subparagraph (A) or (B) of this paragraph (4), as applicable.

(A) If the utility indicates that it will proceed with the future energy investments, then it shall be subject to the corrective action plan requirements set forth in paragraph (3) of this subsection (c). In addition, the utility must commit to apply a credit to residential retail customers' bills if the actual average monthly increase for such customers exceeds the limitation set forth in paragraph (1) of this subsection (c) for the year in which the utility files its corrective action plan, which credit shall be in an amount that equals the portion by which the increase exceeds such limitation. The Commission shall initiate an investigation to determine the factors that contributed to the actual average monthly increase exceeding such limitation for the applicable calendar year, including an analysis of the factors contributing to the limitation being exceeded for two consecutive years, and shall, after notice and hearing, enter an order approving, or approving with modification, the utility's corrective action plan within 120 days after the utility files such plan. The Commission shall also submit a supplemental report to the General Assembly no later than 30 days after it enters such order, and the report shall explain the results of the Commission's investigation and findings and conclusions of its order.

(B) If the utility indicates that it will terminate future energy investments, then the Commission shall, notwithstanding anything to the contrary:

(i) Order the utility to terminate the contract or contracts executed under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act, pursuant to the contract termination provisions set forth in such subsection (d-5), provided that notice of such termination must be made at least 3 years and 75 days prior to the effective date of such termination. In the event that only a portion of the contracts executed under such subsection (d-5) are terminated for a particular zero emission facility, then the zero emission facility may elect to terminate all of the contracts executed for that facility under such subsection (d-5).

(ii) Within 30 days after the utility submits its report indicates that it will terminate future energy investments, initiate a proceeding to approve the process for terminating future expenditures under Section 16-107.6 of the Public Utilities Act. The Commission shall, after notice and hearing, enter its order approving such process no later than 120 days after initiating such proceeding.

(iii) Within 30 days after the utility submits its report indicates that it will terminate future energy investments, initiate a proceeding under Section 8-103B of this Act to reduce the cumulative persisting annual savings goals previously approved by the Commission under such Section to ensure just and reasonable rates. The Commission shall, after notice and hearing, enter its order approving such goal reductions no later than 120 days after initiating such proceeding.

Notwithstanding the termination of future energy investments pursuant to this subparagraph (B), the utility shall be permitted to continue to recover the costs of such investments that were incurred prior to such termination, including but not limited to all costs that are recovered through regulatory assets created under Sections 8-103B and 16-107.6 of this Act. Nothing in this Section shall limit the utility's ability to fully recover such costs. The utility shall also be permitted to continue to recover the costs of all payments made under contracts executed under subsection (d-5) until the effective date of the contract's termination.

(220 ILCS 5/16-108.16 new)

Sec. 16-108.16. Commercial Rate Impacts.

(a) Each electric utility that serves more than 500,000 retail customers in the State shall file with the Commission the reports required by this Section, which shall identify the annual average increases due to future energy investment costs for the applicable period or periods in electric bills to commercial and industrial retail customers. For purposes of this Section, "commercial and industrial retail customers" means non-residential retail customers other than those customers who are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B.

(b) The increase determination required by subsection (a) of this Section shall be based on a calculation comprised of the following components:

(1) Beginning with the 2017 calendar year, the average annual amount paid by commercial and industrial retail customers, expressed on a cents-per-kilowatt-hour basis, to recover future energy investment costs, which include the charges to recover the costs incurred by the utility under the following provisions:

(A) Sections 8-103, Section 8-103B, and 16-111.5B of this Act, as applicable, and as such costs may be recovered under Sections 8-103, 8-103B, 16-111.5B or Section 16-108.5 of this Act;

(B) subsection (d-5) of Section 1-75 of the Illinois Power Agency Act, as such costs may be recovered under subsection (k) of Section 16-108 of this Act; and

(C) Section 16-107.6 of this Act.

Beginning with the 2018 calendar year, each of the average annual charges calculated in subparagraphs (A) through (C) of this paragraph (1) shall be equal to the average of each such charge applied over a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation or calculations required by this Section.

(2) The sum of the following:

(A) annual net energy savings to commercial and industrial retail customers that are attributable to the implementation of voltage optimization measures under Section 8-103B of this Act, expressed on a cents-per-kilowatt-hour basis, which are estimated energy and capacity benefits for commercial and industrial retail customers minus the measure costs recovered from those customers, divided by the average annual kilowatt-hour consumption of commercial and industrial retail customers; notwithstanding this subparagraph (A), a utility may elect not to include an estimate of net energy savings as described in this subparagraph (A), in which case the value under this subparagraph (A) shall be zero;

(B) the average annual cents-per-kilowatt-hour charge applied under Section 8-103 of this Act to commercial and industrial retail customers during calendar year 2016 to recover the costs authorized by such Section; and

(C) incremental energy efficiency savings, which shall be calculated by subtracting the value determined in item (ii) of this subparagraph (C) from the value determined in item (i) of this subparagraph and dividing the difference by the value identified in item (iii) of this subparagraph:

(i) Total value, in dollars, of the cumulative persisting annual saving achieved from the installation or implementation of all energy efficiency measures for commercial and industrial retail customers under Sections 8-103, 8-103B and 16-111.5 of this Act, net of the cumulative annual percentage savings in kilowatt-hours, if any, calculated under subparagraph (A) of this paragraph (2).

(ii) 2016 value, which shall equal the value calculated under item (i) of this subparagraph (C) multiplied by the quotient of (aa) the cumulative persisting annual savings, in kilowatt-hours, achieved from the installation or implementation of all energy efficiency measures for commercial and industrial retail customers under Sections 8-103, 8-103B and 16-111.5B of this Act as of December 31, 2016, divided by (bb) the cumulative persisting annual savings, in kilowatt-hours, from the installation or implementation of all energy efficiency measures for commercial and industrial retail customers under Sections 8-103, 8-103B and 16-111.5 of this Act, net of the cumulative annual percentage savings in kilowatt-hours, if any, calculated under subparagraph (A) of this paragraph (2).

(iii) The average annual kilowatt-hour consumption of those commercial and industrial retail customers that installed or implemented energy efficiency measures under energy efficiency programs or plans approved pursuant to Sections 8-103, 8-103B or 16-111.5B of this Act.

Beginning with the 2018 calendar year, each of the values identified in subparagraphs (A) and (C) of this paragraph (2) shall be equal to the average of each such value during a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation or calculations required by this Section.

For purposes of this Section, cumulative persisting annual savings shall have the meaning set forth in Section 8-103B of this Act, and energy efficiency measures shall have the meaning set forth in Section 1-10 of the Illinois Power Agency Act.

(c)(1) No later than June 30, 2017, and every June 30 thereafter until June 30, 2027, an electric utility subject to this Section shall submit a report to the Commission that sets forth the utility's 10-year projection of the values of each of the components described in paragraphs (1) and (2) of subsection (b) of this Section. Each utility's report to the Commission shall identify the result of the computation performed under this Section for the immediately preceding calendar year and update its 10-year projection. Such calculations shall be performed by subtracting the sum of paragraph (2) of subsection (b) of this Section from the sum of paragraph (1) of such subsection (b).

In the event that the actual or projected average annual increase for commercial and industrial retail customers exceeds 1.3% of 8.90 cents-per-kilowatt-hour, which is the average amount paid per kilowatt-hour for electric service during the year ending December 31, 2015 by Illinois commercial retail customers, as reported to the Edison Electric Institute, then the applicable utility shall comply with the provisions of paragraphs (2) through (4) of this subsection (c), as applicable.

(2) In the event that the projected average annual increase for commercial and industrial retail customers during a calendar year exceeds the applicable limitation set forth in paragraph (1) of this subsection (c), then the utility shall comply with the following provisions, as applicable:

(A) If an exceedance is projected during the first four calendar years of the 10-year projection, then the utility shall include in its report submitted under paragraph (1) of this subsection (c) the utility's proposal or proposals to decrease the future energy investment costs described in paragraph (1) of subsection (b) of this Section to ensure that the limitation set forth in such paragraph (1) is not exceeded. The Commission shall, after notice and hearing, enter an order directing the utility to implement one or more proposals, as such proposals may be modified by the Commission. The Commission shall have the authority under this subparagraph (A) to approve modifications to the contracts executed under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act. If the Commission approves modifications to such contracts that are in an amount that reduces the quantities to be procured under such contracts by more than 7%, then the supplier shall have the option of accepting the modifications or terminating the modified contract or contracts, subject to the termination requirements and notice provisions set forth in item (i) of subparagraph (B) of paragraph (4) of this Section.

(B) If an exceedance is projected during any calendar year during the last 6 years of the 10-year projection, then the utility shall demonstrate in its report submitted under paragraph (1) of this subsection (c) how the utility will reduce the future energy investment costs described in paragraph (1) of subsection (b) of this Section to ensure that the limitation set forth in such paragraph (1) is not exceeded.

(3) If the actual average annual increase for commercial and industrial retail customers during a calendar year exceeded the limitation set forth in paragraph (1) of this subsection (c), then the utility shall prepare and file with the Commission, at the time it submits its report under paragraph (1) of this subsection (c), a corrective action plan. The Commission shall initiate an investigation to determine the factors that contributed to the actual average annual increase exceeding such limitation for the applicable calendar year, and shall, after notice and hearing, enter an order approving, or approving with modification, the utility's corrective action plan within 120 days after the utility files such plan. The Commission shall also submit a report to the General Assembly no later than 30 days after it enters such order, and the report shall explain the results of the Commission's investigation and findings and conclusions of its order.

(4) If the actual average annual increase for commercial and industrial retail customers during a calendar year exceeds the limitation set forth in paragraph (1) of this subsection (c) for two consecutive years, then the utility shall indicate in its report filed under paragraph (1) of this subsection (c) whether the utility will proceed with or terminate the future energy investments described and authorized under subsection (d-5) of the Illinois Power Agency Act and Sections 8-103B and 16-107.6 of this Act. The utility's election shall be subject to the requirements of subparagraph (A) or (B) of this paragraph (4), as applicable.

(A) If the utility elects to proceed with the future energy investments, then it shall be subject to the corrective action plan requirements set forth in paragraph (3) of this subsection (c). In addition, the utility must commit to apply a credit to commercial and industrial retail customers' bills if the actual average annual increase for such customers exceeds the limitation set forth in paragraph (1) of this subsection (c) for the year in which the utility files its corrective action plan, which credit shall be in an amount that

equals the portion by which the increase exceeds such limitation. The Commission shall initiate an investigation to determine the factors that contributed to the actual average annual increase exceeding such limitation for the applicable calendar year, including an analysis of the factors contributing to the limitation being exceeded for two consecutive years, and shall, after notice and hearing, enter an order approving, or approving with modification, the utility's corrective action plan within 120 days after the utility files such plan. The Commission shall also submit a supplemental report to the General Assembly no later than 30 days after it enters such order, and the report shall explain the results of the Commission's investigation and findings and conclusions of its order.

(B) If the utility elects to terminate future energy investments, then the Commission shall, notwithstanding anything to the contrary:

(i) Order the utility to terminate the contract or contracts executed under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act, pursuant to the contract termination provisions set forth in such subsection (d-5), provided that notice of such termination must be made at least 3 years and 75 days prior to the effective date of such termination. In the event that only a portion of the contracts executed under such subsection (d-5) are terminated for a particular zero emission facility, then the zero emission facility may elect to terminate all of the contracts executed for that facility under such subsection (d-5).

(ii) Within 30 days of the utility's report identifying its election to terminate future energy investments, initiate a proceeding to approve the process for terminating future expenditures under Sections 16-107.6 of the Public Utilities Act. The Commission shall, after notice and hearing, enter its order approving such process no later than 120 days after initiating such proceeding.

(iii) Within 30 days of the utility's report identifying its election to terminate future energy investments, initiate a proceeding under Section 8-103B of this Act to reduce the cumulative persisting annual savings goals previously approved by the Commission under such Section to ensure just and reasonable rates. The Commission shall, after notice and hearing, enter its order approving such goal reductions no later than 120 days after initiating such proceeding.

Notwithstanding the termination of future energy investments pursuant to this subparagraph (B), the utility shall be permitted to continue to recover the costs of such investments that were incurred prior to such termination, including but not limited to all costs that are recovered through regulatory assets created under Sections 8-103B and 16-107.6 of this Act. Nothing in this Section shall limit the utility's ability to fully recover such costs. The utility shall also be permitted to continue to recover the costs of all payments made under contracts executed under subsection (d-5) until the effective date of the contract's termination.

(5) Notwithstanding anything to the contrary, if, under this Section or subsection (m) of Section 16-108 of this Act, modifications to the contracts executed under subsection (d-5) of Section 1-75 of the Illinois Power Agency Act are, in total, in an amount that reduces the quantities to procured under such contracts by more than 10%, then the supplier shall have the option of accepting the modifications or terminating the modified contract or contracts, subject to the termination requirements and notice provisions set forth in item (i) of subparagraph (B) of paragraph (4) of this Section."; and

on page 389, line 10, by replacing "one" with "2 one"; and

on page 428, line 19, by replacing the period with "and, for an electric utility that serves less than 100,000 retail customers in the State, other than the procurement of renewable energy credits for distributed renewable energy generation devices."; and

on page 467, immediately below line 3, by inserting the following:

"(220 ILCS 5/16-128A)

Sec. 16-128A. Certification of installers, maintainers, or repairers.

(a) Within 18 months of the effective date of this amendatory Act of the 97th General Assembly, the Commission shall adopt rules, including emergency rules, establishing certification requirements ensuring that entities installing distributed generation facilities are in compliance with the requirements of subsection (a) of Section 16-128 of this Act.

For purposes of this Section, the phrase "entities installing distributed generation facilities" shall include, but not be limited to, all entities that are exempt from the definition of "alternative retail electric supplier" under item (v) of Section 16-102 of this Act. For purposes of this Section, the phrase "self-installer" means an individual who (i) leases or purchases a cogeneration facility for his or her own personal use and (ii) installs such cogeneration or self-generation facility on his or her own premises without the assistance of any other person.

(b) In addition to any authority granted to the Commission under this Act, the Commission is also authorized to: (1) determine which entities are subject to certification under this Section; (2) impose reasonable certification fees and penalties; (3) adopt disciplinary procedures; (4) investigate any and all activities subject to this Section, including violations thereof; (5) adopt procedures to issue or renew, or to refuse to issue or renew, a certification or to revoke, suspend, place on probation, reprimand, or otherwise discipline a certified entity under this Act or take other enforcement action against an entity subject to this Section; and (6) prescribe forms to be issued for the administration and enforcement of this Section.

(c) No electric utility shall provide a retail customer with net metering service related to interconnection of that customer's distributed generation facility unless the customer provides the electric utility with (i) a certification that the customer installing the distributed generation facility was a self-installer or (ii) evidence that the distributed generation facility was installed by an entity certified under this Section that is also in good standing with the Commission. For purposes of this subsection, a retail customer includes that customer's employees, officers, and agents. An electric utility shall file a tariff or tariffs with the Commission setting forth the documentation, as specified by Commission rule, that a retail customer must provide to an electric utility. The provisions of this subsection (c) shall apply on or after the effective date of the Commission's rules prescribed pursuant to subsection (a) of this Section.

(d) Within 180 days after the effective date of this amendatory Act of the 97th General Assembly, the Commission shall initiate a rulemaking proceeding to establish certification requirements that shall be applicable to persons or entities that install, maintain, or repair electric vehicle charging stations. The notification and certification requirements of this Section shall only be applicable to individuals or entities that perform work on or within an electric vehicle charging station, including, but not limited to, connection of power to an electric vehicle charging station.

For the purposes of this Section "electric vehicle charging station" means any facility or equipment that is used to charge a battery or other energy storage device of an electric vehicle.

Rules regulating the installation, maintenance, or repair of electric vehicle charging stations, in which the Commission may establish separate requirements based upon the characteristics of electric vehicle charging stations, so long as it is in accordance with the requirements of subsection (a) of Section 16-128 and Section 16-128A of this Act, shall:

(1) establish a certification process for persons or entities that install, maintain, or repair of electric vehicle charging stations;

(2) require persons or entities that install, maintain, or repair electric vehicle charging stations to be certified to do business and to be bonded in the State;

(3) ensure that persons or entities that install, maintain, or repair electric vehicle charging stations have the requisite knowledge, skills, training, experience, and competence to perform functions in a safe and reliable manner as required under subsection (a) of Section 16-128 of this Act;

(4) impose reasonable certification fees and penalties on persons or entities that install, maintain, or repair of electric vehicle charging stations for noncompliance of the rules adopted under this subsection;

(5) ensure that all persons or entities that install, maintain, or repair electric vehicle charging stations conform to applicable building and electrical codes;

(6) ensure that all electric vehicle charging stations meet recognized industry standards as the Commission deems appropriate, such as the National Electric Code (NEC) and standards developed or created by the Institute of Electrical and Electronics Engineers (IEEE), the Electric Power Research Institute (EPRI), the Detroit Edison Institute (DTE), the Underwriters Laboratory (UL), the Society of Automotive Engineers (SAE), and the National Institute of Standards and Technology (NIST);

(7) include any additional requirements that the Commission deems reasonable to ensure that persons or entities that install, maintain, or repair electric vehicle charging stations meet adequate training, financial, and competency requirements;

(8) ensure that the obligations required under this Section and subsection (a) of Section 16-128 of this Act are met prior to the interconnection of any electric vehicle charging station;

(9) ensure electric vehicle charging stations installed by a self-installer are not used for any commercial purpose;

(10) establish an inspection procedure for the conversion of electric vehicle charging stations installed by a self-installer if it is determined that the self-installed electric vehicle charging station is being used for commercial purposes;

(11) establish the requirement that all persons or entities that install electric

vehicle charging stations shall notify the servicing electric utility in writing of plans to install an electric vehicle charging station and shall notify the servicing electric utility in writing when installation is complete;

(12) ensure that all persons or entities that install, maintain, or repair electric vehicle charging stations obtain certificates of insurance in sufficient amounts and coverages that the Commission so determines and, if necessary as determined by the Commission, names the affected public utility as an additional insured; and

(13) identify and determine the training or other programs by which persons or entities may obtain the requisite training, skills, or experience necessary to achieve and maintain compliance with the requirements set forth in this subsection and subsection (a) of Section 16-128 to install, maintain, or repair electric vehicle charging stations.

Within 18 months after the effective date of this amendatory Act of the 97th General Assembly, the Commission shall adopt rules, and may, if it deems necessary, adopt emergency rules, for the installation, maintenance, or repair of electric vehicle charging stations.

All retail customers who own, maintain, or repair an electric vehicle charging station shall provide the servicing electric utility (i) a certification that the customer installing the electric vehicle charging station was a self-installer or (ii) evidence that the electric vehicle charging station was installed by an entity certified under this subsection (d) that is also in good standing with the Commission. For purposes of this subsection (d), a retail customer includes that retail customer's employees, officers, and agents. If the electric vehicle charging station was not installed by a self-installer, then the person or entity that plans to install the electric vehicle charging station shall provide notice to the servicing electric utility prior to installation and when installation is complete and provide any other information required by the Commission's rules established under subsection (d) of this Section. An electric utility shall file a tariff or tariffs with the Commission setting forth the documentation, as specified by Commission rule, that a retail customer who owns, uses, operates, or maintains an electric vehicle charging station must provide to an electric utility.

For the purposes of this subsection, an electric vehicle charging station shall constitute a distribution facility or equipment as that term is used in subsection (a) of Section 16-128 of this Act. The phrase "self-installer" means an individual who (i) leases or purchases an electric vehicle charging station for his or her own personal use and (ii) installs an electric vehicle charging station on his or her own premises without the assistance of any other person.

(e) Fees and penalties collected under this Section shall be deposited into the Public Utility Fund and used to fund the Commission's compliance with the obligations imposed by this Section.

(f) The rules established under subsection (d) of this Section shall specify the initial dates for compliance with the rules.

(g) Within 18 months of the effective date of this amendatory Act of the 99th General Assembly, the Commission shall adopt rules, including emergency rules, establishing a process for entities installing a new utility-scale wind project or a new utility-scale solar project to certify compliance with the requirements of this Section. For purposes of this Section, the phrase "entities installing a new utility-scale wind project or a new utility-scale solar project" shall include, but is not limited to, any entity installing new wind projects or new photovoltaic projects as such terms are defined in subsection (c) of Section 1-75 of the Illinois Power Agency Act.

The process shall include an option to complete the certification electronically by completing forms online. An entity installing a new utility-scale wind project or a new utility-scale solar project shall be permitted to complete certification after the subject work has been completed. The Commission shall maintain on its website a list of entities installing new utility-scale wind projects or new utility-scale solar projects measures that have successfully completed the certification process.

(h) In addition to any authority granted to the Commission under this Act, the Commission is also authorized to: (1) determine which entities are subject to certification under subsection (g) of this Section; (2) impose reasonable certification fees and penalties; (3) adopt disciplinary procedures; (4) investigate any and all activities subject to subsection (g) or this subsection (h) of this Section, including violations thereof; (5) adopt procedures to issue or renew, or to refuse to issue or renew, a certification or to revoke, suspend, place on probation, reprimand, or otherwise discipline a certified entity under subsection (g) of this Section or take other enforcement action against an entity subject to subsection (g) or this subsection (h) of this Section; (6) prescribe forms to be issued for the administration and enforcement of subsection (g) and this subsection (h) of this Section; and (7) establish requirements to ensure that entities installing a new wind project or a new photovoltaic project have the requisite knowledge, skills, training, experience, and competence to perform in a safe and reliable manner as required by subsection (a) of Section 16-128 of this Act.

The certification of persons or entities that install, maintain, or repair new wind projects, new photovoltaic projects, distributed generation facilities, and electric vehicle charging stations as set forth in this Section is an exclusive power and function of the State. A home rule unit or other units of local government authority may subject persons or entities that install, maintain, or repair new wind projects, new photovoltaic projects, distributed generation facilities, or electric vehicle charging stations as set forth in this Section to any applicable local licensing, siting, and permitting requirements otherwise permitted under law so long as only Commission-certified persons or entities are authorized to install, maintain, or repair new wind projects, new photovoltaic projects, distributed generation facilities, or electric vehicle charging stations. This Section is a limitation under subsection (h) of Section 6 of Article VII of the Illinois Constitution on the exercise by home rule units of powers and functions exclusively exercised by the State. (Source: P.A. 97-616, eff. 10-26-11; 97-1128, eff. 8-28-12.)

(220 ILCS 5/16-128B new)

Sec. 16-128B. Qualified energy efficiency installers.

(a) Within 18 months after the effective date of this amendatory Act of the 99th General Assembly, the Commission shall adopt rules, including emergency rules, establishing a process for entities installing energy efficiency measures to certify compliance with the requirements of this Section.

The process shall include an option to complete the certification electronically by completing forms online. An entity installing energy efficiency measures shall be permitted to complete the certification after the subject work has been completed.

The Commission shall maintain on its website a list of entities installing energy efficiency measures that have successfully completed the certification process.

(b) In addition to any authority granted to the Commission under this Act, the Commission may:

(1) determine which entities are subject to certification under this Section;

(2) impose reasonable certification fees and penalties;

(3) adopt disciplinary procedures;

(4) investigate any and all activities subject to this Section, including violations thereof;

(5) adopt procedures to issue or renew, or to refuse to issue or renew, a certification or to revoke, suspend, place on probation, reprimand, or otherwise discipline a certified entity under this Act or take other enforcement action against an entity subject to this Section; and

(6) prescribe forms to be issued for the administration and enforcement of this Section.

(c) An electric utility may not provide a retail customer with a rebate or other energy efficiency incentive for a measure that exceeds a minimal amount determined by the Commission unless the customer provides the electric utility with (1) a certification that the person installing the energy efficiency measure was a self-installer; or (2) evidence that the energy efficiency measure was installed by an entity certified under this Section that is also in good standing with the Commission.

(d) The Commission shall:

(1) require entities installing energy efficiency measures to be certified to do business and to be bonded in this State;

(2) ensure that entities installing energy efficiency measures have the requisite knowledge, skill, training, experience, and competence to perform functions in a safe and reliable manner as required under subsection (a) of Section 16-128 of this Act;

(3) ensure that entities installing energy efficiency measures conform to applicable building and electrical codes;

(4) ensure that all entities installing energy efficiency measures meet recognized industry standards as the Commission deems appropriate;

(5) include any additional requirements that the Commission deems reasonable to ensure that entities installing energy efficiency measures meet adequate training, financial, and competency requirements;

(6) ensure that all entities installing energy efficiency measures obtain certificates of insurance in sufficient amounts and coverages that the Commission so determines; and

(7) identify and determine the training or other programs by which persons or entities may obtain the requisite training, skill, or experience necessary to achieve and maintain compliance with the requirements of this Section.

(e) Fees and penalties collected under this Section shall be deposited into the Public Utility Fund and used to fund the Commission's compliance with the obligations imposed by this Section.

(f) The rules adopted under this Section shall specify the initial dates for compliance with the rules.

(g) For purposes of this Section, entities installing energy efficiency measures shall endeavor to support the diversity goals of this State by attracting, developing, retaining, and providing opportunities to employees of all backgrounds and by supporting female-owned, minority-owned, veteran-owned, and small businesses."

AMENDMENT NO. 5 TO SENATE BILL 2814

AMENDMENT NO. 5. Amend Senate Bill 2814, AS AMENDED, by inserting the following Section in its proper numeric sequence as follows:

"Section 85. The Public Utilities Act is amended by changing Section 2-202 as follows:

(220 ILCS 5/2-202) (from Ch. 111 2/3, par. 2-202)

Sec. 2-202. Policy; Public Utility Fund; tax.

(a) It is declared to be the public policy of this State that in order to maintain and foster the effective regulation of public utilities under this Act in the interests of the People of the State of Illinois and the public utilities as well, the public utilities subject to regulation under this Act and which enjoy the privilege of operating as public utilities in this State, shall bear the expense of administering this Act by means of a tax on such privilege measured by the annual gross revenue of such public utilities in the manner provided in this Section. For purposes of this Section, "expense of administering this Act" includes any costs incident to studies, whether made by the Commission or under contract entered into by the Commission, concerning environmental pollution problems caused or contributed to by public utilities and the means for eliminating or abating those problems. Such proceeds shall be deposited in the Public Utility Fund in the State treasury.

(b) All of the ordinary and contingent expenses of the Commission incident to the administration of this Act shall be paid out of the Public Utility Fund except the compensation of the members of the Commission which shall be paid from the General Revenue Fund. Notwithstanding other provisions of this Act to the contrary, the ordinary and contingent expenses of the Commission incident to the administration of the Illinois Commercial Transportation Law may be paid from appropriations from the Public Utility Fund through the end of fiscal year 1986.

(c) A tax is imposed upon each public utility subject to the provisions of this Act equal to .08% of its gross revenue for each calendar year commencing with the calendar year beginning January 1, 1982, except that the Commission may, by rule, establish a different rate no greater than 0.1%. For purposes of this Section, "gross revenue" shall not include revenue from the production, transmission, distribution, sale, delivery, or furnishing of electricity. "Gross revenue" shall not include amounts paid by telecommunications retailers under the Telecommunications Infrastructure Maintenance Fee Act.

(d) Annual gross revenue returns shall be filed in accordance with paragraph (1) or (2) of this subsection (d).

(1) Except as provided in paragraph (2) of this subsection (d), on or before January 10 of each year each public utility subject to the provisions of this Act shall file with the Commission an estimated annual gross revenue return containing an estimate of the amount of its gross revenue for the calendar year commencing January 1 of said year and a statement of the amount of tax due for said calendar year on the basis of that estimate. Public utilities may also file revised returns containing updated estimates and updated amounts of tax due during the calendar year. These revised returns, if filed, shall form the basis for quarterly payments due during the remainder of the calendar year. In addition, on or before March 31 of each year, each public utility shall file an amended return showing the actual amount of gross revenues shown by the company's books and records as of December 31 of the previous year. Forms and instructions for such estimated, revised, and amended returns shall be devised and supplied by the Commission.

(2) Beginning with returns due after January 1, 2002, the requirements of paragraph (1) of this subsection (d) shall not apply to any public utility in any calendar year for which the total tax the public utility owes under this Section is less than \$10,000. For such public utilities with respect to such years, the public utility shall file with the Commission, on or before March 31 of the following year, an annual gross revenue return for the year and a statement of the amount of tax due for that year on the basis of such a return. Forms and instructions for such returns and corrected returns shall be devised and supplied by the Commission.

(e) All returns submitted to the Commission by a public utility as provided in this subsection (e) or subsection (d) of this Section shall contain or be verified by a written declaration by an appropriate officer of the public utility that the return is made under the penalties of perjury. The Commission may audit each such return submitted and may, under the provisions of Section 5-101 of this Act, take such measures as are necessary to ascertain the correctness of the returns submitted. The Commission has the power to direct the filing of a corrected return by any utility which has filed an incorrect return and to direct the filing of a return by any utility which has failed to submit a return. A taxpayer's signing a fraudulent return under this Section is perjury, as defined in Section 32-2 of the Criminal Code of 2012.

[December 1, 2016]

(f) (1) For all public utilities subject to paragraph (1) of subsection (d), at least one quarter of the annual amount of tax due under subsection (c) shall be paid to the Commission on or before the tenth day of January, April, July, and October of the calendar year subject to tax. In the event that an adjustment in the amount of tax due should be necessary as a result of the filing of an amended or corrected return under subsection (d) or subsection (e) of this Section, the amount of any deficiency shall be paid by the public utility together with the amended or corrected return and the amount of any excess shall, after the filing of a claim for credit by the public utility, be returned to the public utility in the form of a credit memorandum in the amount of such excess or be refunded to the public utility in accordance with the provisions of subsection (k) of this Section. However, if such deficiency or excess is less than \$1, then the public utility need not pay the deficiency and may not claim a credit.

(2) Any public utility subject to paragraph (2) of subsection (d) shall pay the amount of tax due under subsection (c) on or before March 31 next following the end of the calendar year subject to tax. In the event that an adjustment in the amount of tax due should be necessary as a result of the filing of a corrected return under subsection (e), the amount of any deficiency shall be paid by the public utility at the time the corrected return is filed. Any excess tax payment by the public utility shall be returned to it after the filing of a claim for credit, in the form of a credit memorandum in the amount of the excess. However, if such deficiency or excess is less than \$1, the public utility need not pay the deficiency and may not claim a credit.

(g) Each installment or required payment of the tax imposed by subsection (c) becomes delinquent at midnight of the date that it is due. Failure to make a payment as required by this Section shall result in the imposition of a late payment penalty, an underestimation penalty, or both, as provided by this subsection. The late payment penalty shall be the greater of:

(1) \$25 for each month or portion of a month that the installment or required payment is unpaid or

(2) an amount equal to the difference between what should have been paid on the due date, based upon the most recently filed estimated, annual, or amended return, and what was actually paid, times 1%, for each month or portion of a month that the installment or required payment goes unpaid. This penalty may be assessed as soon as the installment or required payment becomes delinquent.

The underestimation penalty shall apply to those public utilities subject to paragraph (1) of subsection (d) and shall be calculated after the filing of the amended return. It shall be imposed if the amount actually paid on any of the dates specified in subsection (f) is not equal to at least one-fourth of the amount actually due for the year, and shall equal the greater of:

(1) \$25 for each month or portion of a month that the amount due is unpaid or

(2) an amount equal to the difference between what should have been paid, based on the amended return, and what was actually paid as of the date specified in subsection (f), times a percentage equal to 1/12 of the sum of 10% and the percentage most recently established by the Commission for interest to be paid on customer deposits under 83 Ill. Adm. Code 280.70(e)(1), for each month or portion of a month that the amount due goes unpaid, except that no underestimation penalty shall be assessed if the amount actually paid on or before each of the dates specified in subsection (f) was based on an estimate of gross revenues at least equal to the actual gross revenues for the previous year. The Commission may enforce the collection of any delinquent installment or payment, or portion thereof by legal action or in any other manner by which the collection of debts due the State of Illinois may be enforced under the laws of this State. The executive director or his designee may excuse the payment of an assessed penalty or a portion of an assessed penalty if he determines that enforced collection of the penalty as assessed would be unjust.

(h) All sums collected by the Commission under the provisions of this Section shall be paid promptly after the receipt of the same, accompanied by a detailed statement thereof, into the Public Utility Fund in the State treasury.

(i) During the month of October of each odd-numbered year the Commission shall:

(1) determine the amount of all moneys deposited in the Public Utility Fund during the preceding fiscal biennium plus the balance, if any, in that fund at the beginning of that biennium;

(2) determine the sum total of the following items: (A) all moneys expended or obligated against appropriations made from the Public Utility Fund during the preceding fiscal biennium, plus (B) the sum of the credit memoranda then outstanding against the Public Utility Fund, if any; and

(3) determine the amount, if any, by which the sum determined as provided in item (1) exceeds the amount determined as provided in item (2).

If the amount determined as provided in item (3) of this subsection exceeds 50% of the previous fiscal year's appropriation level, the Commission shall then compute the proportionate amount, if any, which (x)

the tax paid hereunder by each utility during the preceding biennium, and (y) the amount paid into the Public Utility Fund during the preceding biennium by the Department of Revenue pursuant to Sections 2-9 and 2-11 of the Electricity Excise Tax Law, bears to the difference between the amount determined as provided in item (3) of this subsection (i) and 50% of the previous fiscal year's appropriation level. The Commission shall cause the proportionate amount determined with respect to payments made under the Electricity Excise Tax Law to be transferred into the General Revenue Fund in the State Treasury, and notify each public utility that it may file during the 3 month period after the date of notification a claim for credit for the proportionate amount determined with respect to payments made hereunder by the public utility. If the proportionate amount is less than \$10, no notification will be sent by the Commission, and no right to a claim exists as to that amount. Upon the filing of a claim for credit within the period provided, the Commission shall issue a credit memorandum in such amount to such public utility. Any claim for credit filed after the period provided for in this Section is void.

(i-5) During the month of October of each year the Commission shall:

(1) determine the amount of all moneys expected to be deposited in the Public Utility Fund during the current fiscal year, plus the balance, if any, in that fund at the beginning of that year;

(2) determine the total of all moneys expected to be expended or obligated against appropriations made from the Public Utility Fund during the current fiscal year; and

(3) determine the amount, if any, by which the amount determined in paragraph (2) exceeds the amount determined as provided in paragraph (1).

If the amount determined as provided in paragraph (3) of this subsection (i-5) results in a deficit, the Commission may assess electric utilities and gas utilities for the difference between the amount appropriated for the ordinary and contingent expenses of the Commission and the amount derived under paragraph (1) of this subsection (i-5). Such proceeds shall be deposited in the Public Utility Fund in the State treasury. The Commission shall apportion that difference among those public utilities on the basis of each utility's share of the total intrastate gross revenues of the utilities subject to this subsection (i-5). Payments required under this subsection (i-5) shall be made in the time and manner directed by the Commission. The Commission shall permit utilities to recover Illinois Commerce Commission assessments effective pursuant to this subsection through an automatic adjustment mechanism that is incorporated into an existing tariff that recovers costs associated with this Section, or through a supplemental customer charge.

Within 6 months after the first time assessments are made under this subsection (i-5), the Commission shall initiate a docketed proceeding in which it shall consider, in addition to assessments from electric and gas utilities subject to this subsection, the raising of assessments from, or the payment of fees by, water and sewer utilities, entities possessing certificates of service authority as alternative retail electric suppliers under Section 16-115 of this Act, entities possessing certificates of service authority as alternative gas suppliers under Section 19-110 of this Act, and telecommunications carriers providing local exchange telecommunications service or interexchange telecommunications service under sections 13-204 or 13-205 of this Act. The amounts so determined shall be based on the costs to the agency of the exercise of its regulatory and supervisory functions with regard to the different industries and service providers subject to the proceeding. No less often than every 3 years after the end of a proceeding under this subsection (i-5), the Commission shall initiate another proceeding for that purpose.

The Commission may use this apportionment method until the docketed proceeding in which the Commission considers the raising of assessments from other entities subject to its jurisdiction under this Act has concluded. No credit memoranda shall be issued pursuant to subsection (i) if the amount determined as provided in paragraph (3) of this subsection (i-5) results in a deficit.

(j) Credit memoranda issued pursuant to subsection (f) and credit memoranda issued after notification and filing pursuant to subsection (i) may be applied for the 2 year period from the date of issuance, against the payment of any amount due during that period under the tax imposed by subsection (c), or, subject to reasonable rule of the Commission including requirement of notification, may be assigned to any other public utility subject to regulation under this Act. Any application of credit memoranda after the period provided for in this Section is void.

(k) The chairman or executive director may make refund of fees, taxes or other charges whenever he shall determine that the person or public utility will not be liable for payment of such fees, taxes or charges during the next 24 months and he determines that the issuance of a credit memorandum would be unjust. (Source: P.A. 97-1150, eff. 1-25-13)."

AMENDMENT NO. 8. Amend Senate Bill 2814, AS AMENDED, with reference to page and line numbers of House Amendment No. 3 as follows:

on page 18, line 26, by replacing "30" with "180"; and

on page 50, by replacing lines 5 through 9 with "at public buildings."; and

on page 50, by replacing lines 12 through 15 with "located in environmental justice communities. Contracts entered into under"; and

on page 56, immediately below line 12, by inserting the following:

"As used in this subsection (b), "low-income households" means persons and families whose income does not exceed 80% of area median income, adjusted for family size and revised every 5 years."; and

on page 77, line 21, by replacing "120" with "160"; and

on page 82, by deleting lines 17 through 21; and

by replacing line 24 on page 82 through line 3 on page 83 with "after June 1, 2017."; and

on page 83, by deleting lines 8 through 11; and

on page 87, line 10, by replacing "120" with "160"; and

on page 177, line 8, before the period, by inserting ", provided that such increase shall also incorporate reductions to goals and budgets to reflect the proportion of the utility's load attributable to customers who are exempt from this Section under subsection (m) of this Section"; and

on page 178, immediately below line 5, by inserting the following:

"(m) Notwithstanding anything to the contrary, after May 31, 2017, this Section does not apply to any retail customers of an electric utility that serves more than 3,000,000 retail customers in the State and whose total highest 30 minute demand was more than 10,000 kilowatts, or any retail customers of an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State and whose total highest 15 minute demand was more than 10,000 kilowatts. For purposes of this subsection (m), "retail customer" has the meaning set forth in Section 16-102 of this Act. The criteria for determining whether this subsection (m) is applicable to a retail customer shall be based on the 12 consecutive billing periods prior to the start of the first year of each such multi-year plan."; and

on page 386, line 14, by replacing "\$1,000,000" with "\$500,000".

AMENDMENT NO. 9 TO SENATE BILL 2814

AMENDMENT NO. 9. Amend Senate Bill 2814, AS AMENDED, with reference to page and line numbers of House Amendment No. 4 as follows:

on page 5, line 1, by replacing "For purposes of this Section, "prevailing"" with the following:
"(Blank)."; and

on page 5, by deleting lines 2 through 8; and

on page 5, line 9, by deleting "similar character on public works."; and

on page 5, line 13, by replacing "located in" with the following:

"located in this State. The Agency may qualify renewable energy credits from facilities located in states adjacent to Illinois if the generator demonstrates and the Agency determines that the operation of such facility or facilities will help promote the State's interest in the health, safety, and welfare of its residents based on the public interest criteria described above. To ensure that the public interest criteria are applied to the procurement and given full effect, the Agency's long-term procurement plan shall describe in detail

how each public interest factor shall be considered and weighted for facilities located in states adjacent to Illinois."; and

on page 5, by deleting lines 14 through 24; and

on page 6, by deleting lines 1 through 7; and

on page 6, line 8, by deleting "facilities located in other states."; and

on page 7, line 5, by replacing "The owner" with "(Blank)."; and

on page 7, by deleting lines 6 through 10; and

on page 7, line 11, by deleting "a procurement event under this subsection (c)."; and

on page 18, line 21, by deleting "a"; and

on page 29, line 26, before the period, by inserting "provided that, beginning with the February 15, 2021 report and for each report thereafter, the period of time covered by such projection shall not extend beyond December 31, 2030"; and

on page 56, line 10, before "The", by inserting "(i)".

AMENDMENT NO. 10 TO SENATE BILL 2814

AMENDMENT NO. 10. Amend Senate Bill 2814, AS AMENDED, by deleting Section 99.

Under the rules, the foregoing **Senate Bill No. 2814**, with House Amendments numbered 1, 3, 4, 5, 8, 9 and 10, was referred to the Secretary's Desk.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bill listed below have been filed with the Secretary and referred to the Committee on Assignments:

Motion to Concur in House Amendment 1 to Senate Bill 2814
 Motion to Concur in House Amendment 3 to Senate Bill 2814
 Motion to Concur in House Amendment 4 to Senate Bill 2814
 Motion to Concur in House Amendment 5 to Senate Bill 2814
 Motion to Concur in House Amendment 8 to Senate Bill 2814
 Motion to Concur in House Amendment 9 to Senate Bill 2814
 Motion to Concur in House Amendment 10 to Senate Bill 2814

REPORT FROM COMMITTEE ON ASSIGNMENTS

Senator Clayborne, Chairperson of the Committee on Assignments, during its December 1, 2016 meeting, to which was referred **Senate Bill No. 2574** on July 31, 2016, pursuant to Rule 3-9(b), reported that the Committee recommends that the bill be approved for consideration and returned to the calendar in its former position.

The report of the Committee was concurred in.

And **Senate Bill No. 2574** was returned to the order of second reading.

Senator Clayborne, Chairperson of the Committee on Assignments, during its December 1, 2016 meeting, reported that the following Legislative Measure has been approved for consideration:

Motion to Concur in House Amendments 1, 3, 4, 5, 8, 9 and 10 to Senate Bill 2814

[December 1, 2016]

The foregoing concurrence was placed on the Secretary's Desk.

READING BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator McConnaughay, **House Bill No. 6418** having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote:

YEAS 49; NAYS None.

The following voted in the affirmative:

Althoff	Cunningham	McCarter	Rose
Anderson	Forby	McConchie	Sandoval
Aquino	Haine	McConnaughay	Silverstein
Barickman	Hastings	McGuire	Stadelman
Bennett	Holmes	Mulroe	Sullivan
Biss	Hunter	Muñoz	Syverson
Bivins	Koehler	Murphy, L.	Trotter
Brady	Landek	Nybo	Van Pelt
Bush	Lightford	Radogno	Weaver
Clayborne	Link	Raoul	Mr. President
Collins	Luechtefeld	Rezin	
Connelly	Manar	Righter	
Cullerton, T.	Martinez	Rooney	

This bill, having received the vote of three-fifths of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof.

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS ON SECRETARY'S DESK

On motion of Senator Rose, **Senate Bill No. 2814**, with House Amendments numbered 1, 3, 4, 5, 8, 9 and 10 on the Secretary's Desk, was taken up for immediate consideration.

Senator Rose moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 32; NAYS 18.

The following voted in the affirmative:

Althoff	Forby	McGuire	Sandoval
Anderson	Hastings	Mulroe	Stadelman
Aquino	Holmes	Muñoz	Trotter
Barickman	Hunter	Murphy, L.	Van Pelt
Bennett	Hutchinson	Nybo	Mr. President
Biss	Koehler	Radogno	
Brady	Landek	Raoul	
Clayborne	Lightford	Rezin	
Cunningham	Martinez	Rose	

The following voted in the negative:

[December 1, 2016]

Bivins	Haine	McConchie	Silverstein
Bush	Link	McConnaughay	Sullivan
Collins	Luechtefeld	Morrison	Weaver
Connelly	Manar	Righter	
Cullerton, T.	McCarter	Rooney	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1, 3, 4, 5, 8, 9 and 10 to **Senate Bill No. 2814**.

Ordered that the Secretary inform the House of Representatives thereof.

RESOLUTIONS CONSENT CALENDAR

SENATE RESOLUTION NO. 2420

Offered by Senator Link and all Senators:

Mourns the death of Raymond H. Beyer of Lindenhurst.

SENATE RESOLUTION NO. 2421

Offered by Senator Link and all Senators:

Mourns the death of Francis "Frank" Deppe of Saddlebrook.

SENATE RESOLUTION NO. 2422

Offered by Senator Link and all Senators:

Mourns the death of Mildred Foster of North Chicago.

SENATE RESOLUTION NO. 2423

Offered by Senator Link and all Senators:

Mourns the death of former State Representative John S. Matijevich of North Chicago.

SENATE RESOLUTION NO. 2424

Offered by Senator Link and all Senators:

Mourns the death of Joan Lee Robison.

SENATE RESOLUTION NO. 2425

Offered by Senator Link and all Senators:

Mourns the death of Diane Skorpinski of Waukegan.

SENATE RESOLUTION NO. 2426

Offered by Senator Link and all Senators:

Mourns the death of Michael Richard Valinoti of Vernon Hills.

SENATE RESOLUTION NO. 2427

Offered by Senator Bennett and all Senators:

Mourns the death of Darius Dean Harms of Flatville.

SENATE RESOLUTION NO. 2428

Offered by Senator Bennett and all Senators:

Mourns the death of Gene Vanderport of Champaign.

SENATE RESOLUTION NO. 2429

Offered by Senator Bennett and all Senators:

Mourns the death of Michael Gutteridge.

SENATE RESOLUTION NO. 2430

Offered by Senator Bennett and all Senators:

Mourns the death of Jeremiah David Sullivan of Urbana.

SENATE RESOLUTION NO. 2431

Offered by Senator Bennett and all Senators:
Mourns the death of Earl G. Weichel of Rantoul.

SENATE RESOLUTION NO. 2432

Offered by Senator Bennett and all Senators:
Mourns the death of Klaus Schulten.

SENATE RESOLUTION NO. 2434

Offered by Senator Manar and all Senators:
Mourns the death of Vivian Marie Johnson-Avery of Springfield.

SENATE RESOLUTION NO. 2436

Offered by Senator Harmon and all Senators:
Mourns the death of Robert H. "Bob" Farley, Sr., of Chicago.

SENATE RESOLUTION NO. 2437

Offered by Senator Harmon and all Senators:
Mourns the death of Hiram Wurf.

SENATE RESOLUTION NO. 2438

Offered by Senator Lightford and all Senators:
Mourns the death of Louvenia Peters.

SENATE RESOLUTION NO. 2440

Offered by Senator Haine and all Senators:
Mourns the death of Carol Joanne Ontis of Alton.

SENATE RESOLUTION NO. 2441

Offered by Senator Link and all Senators:
Mourns the death of Deloris Mae Lindal of Waukegan.

SENATE RESOLUTION NO. 2442

Offered by Senator Link and all Senators:
Mourns the death of Angel Melendez of Zion.

SENATE RESOLUTION NO. 2443

Offered by Senator Link and all Senators:
Mourns the death of Robert J. Nimits of Waukegan.

SENATE RESOLUTION NO. 2444

Offered by Senator Koehler and all Senators:
Mourns the death of James K. Polk of Peoria.

SENATE RESOLUTION NO. 2445

Offered by Senator Koehler and all Senators:
Mourns the death of Arturo Silva, Jr., of Mapleton.

SENATE RESOLUTION NO. 2446

Offered by Senator Manar and all Senators:
Mourns the death of Harry Gerecke of Bunker Hill.

SENATE RESOLUTION NO. 2447

Offered by Senator Harmon and all Senators:
Mourns the death of Lena Vasile.

SENATE RESOLUTION NO. 2448

Offered by Senator Manar and all Senators:
Mourns the death of the Reverend Rollin Gordon Oswald.

SENATE RESOLUTION NO. 2449

Offered by Senator Manar and all Senators:
Mourns the death of Jimmie Dale Spencer of Dorchester.

SENATE RESOLUTION NO. 2450

Offered by Senator Rose and all Senators:
Mourns the death of Carl Wayne Miller of Shelbyville.

SENATE RESOLUTION NO. 2451

Offered by Senator Rose and all Senators:
Mourns the death of Wayne N. "Buck" Meyer of Tuscola.

SENATE RESOLUTION NO. 2452

Offered by Senator McGuire and all Senators:
Mourns the death of Edna C. "Katie" Gruber of Joliet.

SENATE RESOLUTION NO. 2453

Offered by Senator T. Cullerton and all Senators:
Mourns the death of Thomas A. Fosnot.

SENATE RESOLUTION NO. 2455

Offered by Senator Morrison and all Senators:
Mourns the death of Arlene Feiger.

SENATE RESOLUTION NO. 2456

Offered by Senator Koehler and all Senators:
Mourns the death of Sgt. Douglas J. Riney of Fairview.

SENATE RESOLUTION NO. 2458

Offered by Senator Haine and all Senators:
Mourns the death of John Dale Stobbs.

SENATE RESOLUTION NO. 2459

Offered by Senator L. Murphy and all Senators:
Mourns the death of Philip Guentert.

SENATE RESOLUTION NO. 2460

Offered by Senator Harmon and all Senators:
Mourns the death of John J. Spillane.

SENATE RESOLUTION NO. 2461

Offered by Senator Harmon and all Senators:
Mourns the death of Patricia Ann (Kellher) Gullo.

SENATE RESOLUTION NO. 2463

Offered by Senator Clayborne and all Senators:
Mourns the death of Alfonzy Williams.

SENATE RESOLUTION NO. 2464

Offered by Senator Anderson and all Senators:
Mourns the death of Warren Wayne Booker, Sr., of Milan.

SENATE RESOLUTION NO. 2465

Offered by Senator Anderson and all Senators:
Mourns the death of George W. "Bud" Benner of Rock Island.

SENATE RESOLUTION NO. 2466

Offered by Senator Anderson and all Senators:

Mourns the death of Clyde H. Degeeter of Moline.

SENATE RESOLUTION NO. 2467

Offered by Senator Anderson and all Senators:
Mourns the death of Eugene J. "Gene" Desaunoy of Milan.

SENATE RESOLUTION NO. 2468

Offered by Senator Anderson and all Senators:
Mourns the death of Albert M. Aubry of Moline.

SENATE RESOLUTION NO. 2469

Offered by Senator Anderson and all Senators:
Mourns the death of Ardon R. "Ardie" Thompson of Silvis.

SENATE RESOLUTION NO. 2470

Offered by Senator Anderson and all Senators:
Mourns the death of Max S. Davis of East Moline.

SENATE RESOLUTION NO. 2471

Offered by Senator Anderson and all Senators:
Mourns the death of Charles G. Van De Sempel, Sr., of Milan.

SENATE RESOLUTION NO. 2472

Offered by Senator McCann and all Senators:
Mourns the death of James Howard Schackmann of Springfield.

SENATE RESOLUTION NO. 2473

Offered by Senator McCann and all Senators:
Mourns the death of Theresa W. Fraley.

SENATE RESOLUTION NO. 2474

Offered by Senator McCann and all Senators:
Mourns the death of William Paul Sonneborn of Hettick.

SENATE RESOLUTION NO. 2475

Offered by Senator McCann and all Senators:
Mourns the death of Peggy J. Salmon of Springfield.

SENATE RESOLUTION NO. 2476

Offered by Senator McCann and all Senators:
Mourns the death of Orland Eugene "Gene" Rubemeyer.

SENATE RESOLUTION NO. 2477

Offered by Senator McCann and all Senators:
Mourns the death of Helen A. Ballantyne of Springfield.

SENATE RESOLUTION NO. 2478

Offered by Senator Koehler and all Senators:
Mourns the death of Jim Mamer of East Peoria.

SENATE RESOLUTION NO. 2479

Offered by Senator Link and all Senators:
Mourns the death of Robert D. Kantola of Waukegan.

SENATE RESOLUTION NO. 2480

Offered by Senator Harmon and all Senators:
Mourns the death of Joan Hetta Barlow Van Note.

SENATE RESOLUTION NO. 2481

Offered by Senator Hunter and all Senators:
Mourns the death of Jovan Alexander Jordan Wilson.

SENATE RESOLUTION NO. 2482

Offered by Senator Hunter and all Senators:
Mourns the death of Dr. Paul Michael Green of Chicago.

SENATE RESOLUTION NO. 2483

Offered by Senator Hunter and all Senators:
Mourns the death of Carrie Mae Hilderbrand.

The Chair moved the adoption of the Resolutions Consent Calendar.
The motion prevailed, and the resolutions were adopted.

MESSAGE FROM THE HOUSE

A message from the House by
Mr. Mapes, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 169

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that when the House of Representatives adjourns on Thursday, December 1, 2016, it stands adjourned until Monday, January 9, 2017 at 12:00 o'clock noon, or until the call of the Speaker; and when the Senate adjourns on Thursday, December 1, 2016, it stands adjourned until Monday, January 9, 2017 at 12:00 o'clock noon, or until the call of the President.

Adopted by the House, December 1, 2016.

TIMOTHY D. MAPES, Clerk of the House

By unanimous consent, on motion of Senator Link, the foregoing message reporting House Joint Resolution No. 169 was taken up for immediate consideration.

Senator Link moved that the Senate concur with the House in the adoption of the resolution.

The motion prevailed.

And the Senate concurred with the House in the adoption of the resolution.

Ordered that the Secretary inform the House of Representatives thereof.

COMMUNICATION

**ILLINOIS STATE SENATE
C MAJORITY LEADER
STATE SENATOR · 57TH DISTRICT**

DISCLOSURE TO THE SENATE

Date: 12/1/2016

Legislative Measure(s): SB2814

Venue:

- Committee on Executive

[December 1, 2016]

■ Full Senate

- Due to a potential conflict of interest (or the potential appearance thereof), I abstained from voting (or voted “present”) on the above legislative measure(s).
- Notwithstanding a potential conflict of interest (or the potential appearance thereof), I voted in favor of or against the above legislative measure(s) because I believe doing so is in the best interests of the State.

s/James F. Clayborne, Jr.
Senator James F. Clayborne, Jr.

At the hour of 6:55 o'clock p.m., pursuant to **House Joint Resolution No. 169**, the Chair announced the Senate stand adjourned until Monday, January 9, 2017, at 12:00 o'clock noon, or until the call of the President.