AMENDMENT TO HOUSE BILL 3624

AMENDMENT NO. ______. Amend House Bill 3624, AS AMENDED, by replacing everything after the enacting clause with the following:

"Article 1. Findings

Section 1-5. Findings.

(a) The growing clean energy economy in Illinois can be a vehicle for expanding equitable access to public health, safety, a cleaner environment, and quality jobs and economic opportunities, including wealth building, especially since economically disadvantaged communities and communities of color have had to bear the disproportionate burden of dirty fossil fuel pollution.

(b) Placing Illinois on a path to 100% renewable energy is vital to a clean energy future. To bring this vision to fruition, our energy policy must prioritize a just transition
that incentivizes renewable development and other
carbon-reducing policies, such as energy efficiency, while
ensuring that the benefits and opportunities of a carbon-free
future are accessible in economically disadvantaged
communities, environmental justice communities, and
communities of color.

(c) In the wake of federal reversals on climate action, the
State of Illinois should pursue immediate action on policies
that will ensure a just and responsible phase out of fossil
fuels from the power sector to reduce harmful emissions from
Illinois power plants, support power plant communities and
workers, and allow the clean energy economy to continue growing
in every corner of Illinois.

(d) Energy efficiency should form the basis of any robust
clean energy policy. It is the cheapest clean energy resource,
and efficiency upgrades help customers manage their energy
bills directly by reducing the energy they need, and indirectly
by holding demand and prices down statewide.

(e) The transportation sector is now the leading source of
carbon pollution in Illinois, responsible for roughly
one-third of all carbon emissions. The State of Illinois should
set forth an ambitious goal to remove the equivalent of 1
million gasoline and diesel-powered vehicles from our roads by
quickly implementing new policies that expand access to
transit, promote walking and biking mobility, and increase
electric vehicle adoption. If managed appropriately, electric
vehicle adoption will drastically reduce emissions from transportation, and could save Illinois residents billions of dollars.

(f) In addition to better air quality and safer climate, Illinois residents who do not use electric vehicles also benefit from greater adoption through lower electric bills resulting from the greater utilization of the electric grid during off-peak hours.

(g) Energy storage, such as batteries, can provide many services to the electricity grid that benefit the grid, including managing (or shaving) peak load, frequency regulation, voltage support, reserve capacity, and black-start capability. And, if that storage facilitates greater utilization of renewables, it can allow for more clean energy to be accessible, reduce pollution, and provide multiple benefits.

(h) Illinois needs to adopt a broad-based policy approach to decarbonize Illinois' electric sector (both how much we produce and how much we consume) in a just and equitable way that puts our State on track to phase out emitting power plants by 2030.

(i) Illinois' policy approach must ensure the reduction of co-pollutant emissions that cause serious, local health impacts, prioritizing environmental justice communities near power plants.

(j) As we decarbonize Illinois' electric sector, Illinois
must create new investment to stimulate the economic and environmental well-being of communities disproportionately impacted by the historical operation of, and recent or expected closures of, fossil fuel power plants.

Article 5. Clean Jobs Workforce Hubs Act

Section 5-1. Short title. This Article may be cited as the Clean Jobs Workforce Hubs Act. References in this Article to "this Act" mean this Article.

Section 5-5. Legislative findings. The General Assembly finds that the State of Illinois should build upon the success of the Future Energy Jobs Act and the Illinois Solar for All Program by further expanding statewide equitable access to quality jobs and economic opportunities (especially for residents of economically disadvantaged communities, environmental justice communities, communities of color, persons with a record, persons who are or were foster children, and other underserved and underrepresented communities, specifically including members of these groups who are also women and transgender persons who have had to bear a disproportionate burden of dirty fossil fuel pollution) across the entire clean energy sector in and throughout Illinois, including solar, wind, energy efficiency, transportation electrification, and other related clean energy industries.
The General Assembly further finds that the Clean Jobs Workforce Hubs Network Program is essential to equitable, statewide access to quality jobs and economic opportunities across the clean energy sector.

Section 5-10. Definitions. As used in this Act:

"Clean energy jobs" means jobs in the solar energy industry, wind energy industry, electric vehicle industry, energy efficiency industry, and other industries that manufacture, develop, build, maintain, or provide ancillary services to renewable energy resources or energy efficiency products or services. "Clean energy jobs" include administrative, sales, and other support functions within these industries.

"Community-based organization" means an organization in which: (1) the majority of the governing body consists of local residents; (2) at least one main operating office is in the community; (3) priority issue areas are identified and defined by local residents; (4) solutions to address priority issues are developed with local residents; and (5) program design, implementation, and evaluation components have local residents intimately involved in leadership positions in the organization.

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

"Director" means the Director of Commerce and Economic
Opportunity.

"Displaced energy workers" means workers who are adversely economically impacted by the decline of fossil-fuel generation and broader changes in the electric sector.

"Economically disadvantaged communities" means households at or below 80% of the area median income or households located in United States Department of Housing and Urban Development Low-Income Housing Tax Credit Qualified Census Tracts.

"Energy efficiency" has the meaning set forth in Section 1-10 of the Illinois Power Agency Act.

"Environmental justice communities" means the proposed definition of that term based on existing methodologies and findings used by the Illinois Power Agency and its Administrator in its Illinois Solar for All Program.

"Program" means the Clean Jobs Workforce Hubs Network Program.

"Renewable energy resource" means energy and its associated renewable energy credit or renewable energy credits from wind energy, solar thermal energy, geothermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, and hydropower that does not involve new construction or significant expansion of hydropower dams. "Renewable energy resource" includes landfill gas produced in this State. "Renewable energy resource" does not include the incineration or burning of any solid material.
Section 5-15. Clean Jobs Workforce Hubs Network Program.

(a) The Department must develop and administer the Clean Jobs Workforce Hubs Network Program to create a network of 15 community-based organizations geographically distributed across the State.

(b) The Program shall provide direct and sustained support to one or more of the following groups to enter and complete the career pipeline for clean energy jobs, with the goal of serving all of the following groups distributed across the network: (1) members of economically disadvantaged communities; (2) members of environmental justice communities; (3) communities of color; (4) persons with a criminal record; (5) persons who are or were foster children; (6) displaced fossil fuel workers; and (7) members of any of these groups who are also women or transgender persons, as well as youth.

(c) The Clean Jobs Workforce Hubs Network Program must:

(1) leverage community-based organizations to ensure members of disadvantaged communities across the State have dedicated and sustained support to enter and complete the career pipeline for clean energy jobs; and

(2) develop formal partnerships between community-based organizations and trades groups, labor unions, and clean energy employers to ensure that Program participants have priority access to pre-apprenticeship, apprenticeship, and other employment opportunities.

(a) The Department must develop and, through Program Administrators, administer the Clean Jobs Workforce Hubs Network.

(b) The Clean Jobs Workforce Hubs Network shall be made up of 15 community-based organization program delivery hubs sites geographically distributed across the State, including at least one community-based organization hub site located in or near each of the following areas: Chicago (Southside), Chicago (South-Westside), Waukegan, Rockford, Aurora, Joliet, Peoria, Champaign, Danville, Decatur, Carbondale, East St. Louis, and Alton. Two additional community-based organization hub sites shall be determined by the Department based on identifying areas with high concentrations of low-income residents and environmental justice communities that are otherwise underserved by the other 13 sites.

(c) The Clean Jobs Workforce Hubs Network shall provide the following:

(1) community education and outreach about workforce and training opportunities to ensure members of economically disadvantaged communities, environmental justice communities, communities of color, persons with a record, persons who are or were foster children, and displaced energy workers understand clean energy workforce and training opportunities;

(2) training, apprenticeship, job readiness, and skill
development, including soft skills, math skills, technical
skills, certification test preparation, and other
development needed for members of economically
disadvantaged communities, environmental justice
communities, communities of color, persons with a criminal
record, persons who are or were foster children, and
displaced energy workers to enter clean energy
jobs-related training and apprenticeship programs and
career paths;

(3) targeted outreach and recruitment to ensure that
members of economically disadvantaged communities,
environmental justice communities, and communities of
color, persons with a criminal record, persons who are or
were foster children, and displaced energy workers are
invited, supported, and given preference in applying for
both community-based and labor-based training
opportunities, including apprenticeship and
pre-apprenticeship programs;

(4) a stipend program for Clean Jobs Workforce Hubs
participants in clean energy jobs-related training
programs and company apprenticeships to compensate them
for their time and help them pay for necessary living
expenses during the training. This stipend will be
supplemented by funding for transportation, child care,
certification preparation and testing fees, and other
services and supplies needed to reduce barriers to their
continued training and future employment during the length
of programs;

(5) direct assistance, counseling, placement, and
retention support services to participants, which may
include, but are not limited to, assistance in creating a
resume, training in professional networking skills,
training in job interview skills, and training in how to
find open positions and pursuing opportunities to meet
hiring contractors in training and apprenticeship programs
to connect trainees to both union and non-union career
options with renewable energy companies, energy efficiency
companies, and other clean energy employers and to provide
a direct resource for industry to identify qualified
workers to meet program hiring or subcontracting
requirements, including the workforce equity building
actions required under Section 1-75 of the Illinois Power
Agency Act and Section 16-128B of the Public Utilities Act.
Placement activities should include outreach to public
agencies, utilities, and clean energy companies, creation
of formal partnerships with employers, job interview
preparation, and on-the-job support and counseling; and

(6) recruitment, communications, and ongoing
engagement with potential employers.

Section 5-25. Program Administrator.

(a) Within 90 days after the effective date of this Act,
and after a comprehensive stakeholder process that includes community-based organizations in environmental justice communities and community-based organizations serving economically disadvantaged communities, the Department shall select 3 Program Administrators to coordinate all or a portion of the work of the Clean Jobs Workforce Hubs Network with one Program Administrator selected for Northern Illinois, one Program Administrator selected for Central Illinois, and one Program Administrator selected for Southern Illinois.

(b) The Program Administrators shall have strong capabilities, experience, and knowledge related to program management, industry trends and activities, workforce development best practices, regional workforce development needs, cultural competency in the communities to be served, and community development.

(c) The Program Administrators shall coordinate the work of all or a portion of the Clean Jobs Workforce Hubs Network to ensure execution, performance, partnerships, marketing, and program access across the State that is as consistent as possible while respecting regional differences. The Program Administrators shall work with partner community-based organizations in their respective regions to deliver the Program, and the Program shall include a mechanism to fund these partner community-based organizations for their work on the program.

(d) The Department shall develop joint planning processes
and coordination mechanisms with each Program Administrators and among the Program Administrators such that the 3 regional administrators are functioning effectively and delivering parallel administration in each of their respective regions. The Department shall also work to create joint planning opportunities and coordination mechanisms to enable the Program Administrators of the Clean Jobs Workforce Hubs Network to collaborate with the Program Administrators of the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program created under the Expanding Clean Energy Entrepreneurship Act, particularly enabling the regional administrators to coordinate and collaborate to enhance program delivery within their respective regions.

(e) The Department shall provide administrative support for and convene a Clean Jobs Workforce Hubs Network Advisory Board to review program performance metrics collected by the Program Administrators. The Advisory Board shall hold meetings and review metrics at least every 6 months to aid the Department in tracking the performance of programs and developing recommendations for the Program Administrators to utilize to improve programs.

The Department, subject to the requirements of this subsection (e), shall appoint and determine the composition of the Advisory Board. At least 50% of the Advisory Board members shall consist of low-income residents of economically disadvantaged communities served by the Program delivery sites.
and residents of environmental justice communities. Additionally, the Advisory Board shall be comprised of the following members: (1) participants in the Clean Jobs Workforce Hubs Network; (2) members who are policy or implementation experts on workforce development for disadvantaged populations and individuals, including economically disadvantaged communities, environmental justice communities, communities of color, persons with a criminal record, persons who are or were foster children, and displaced fossil fuel workers; and (3) members from community-based organizations in environmental justice communities and community-based organizations serving economically disadvantaged communities, as well as clean energy businesses, nonprofit organizations, worker-owned cooperatives, and other groups that provide clean energy jobs opportunities. Members of the Advisory Board shall serve without compensation.

(f) The Program Administrators shall collect, track, and report to the Department, on a quarterly basis, Program performance metrics, including, but not limited to, the following:

(1) demographic data, including racial, gender, and geographic distribution data, on Program trainees entering and graduating the Program;

(2) demographic data, including racial, gender, and geographic distribution data, on Program trainees who are placed in employment;
(3) trainee job retention statistics; and
(4) wages of trainees placed into employment.

The Department of Commerce and Economic Opportunity shall also, on a quarterly basis, make Program performance metrics provided under this subsection (f) available to the public on its website.

(g) At least every 3 years, the Department of Commerce and Economic Opportunity shall select an independent evaluator to review and report on the Clean Jobs Workforce Hubs Network and the performance of the Program Administrators of the Clean Jobs Workforce Hubs Network. The evaluation shall be based on the Program performance metrics collected by the Program Administrators and objective criteria developed through a public stakeholder process. The process shall include feedback and participation from the Clean Jobs Workforce Hubs Network Advisory Board, Program participants, and additional stakeholders, including organizations in environmental justice communities and serving economically disadvantaged communities. The report shall include a summary of the evaluation of the Clean Jobs Workforce Hubs Network based on the Program performance metrics collected by the Program Administrators and the stakeholder developed objective criteria. The report shall be posted publicly on the Department of Commerce and Economic Opportunity's website and shall be used, as needed, to modify implementation of the Clean Jobs Workforce Hubs Network.
Section 5-30. Clean jobs curriculum.

(a) Within 60 days after the effective date of this Act, the Department must convene a comprehensive stakeholder process that includes representatives from the Illinois State Board of Education, the Illinois Community College Board, the Department of Labor, community-based organizations, workforce development providers, labor unions, building trades, clean energy employers, including solar industry, wind industry, energy efficiency, and transportation electrification, residents of low-income communities, residents of environmental justice communities, and other needed participants to identify the career pathways and training curriculum (such as the Multi-Craft Core Curriculum) needed to prepare workers to enter clean energy jobs as defined in Section 5-10, including solar photovoltaic, solar thermal, geothermal, wind energy, energy efficiency site assessment, sales, and back office support. Curriculum must also include broad occupational training to provide career entry into the general construction and building trades sector and any such remedial education and work readiness support necessary to achieve educational and professional eligibility thresholds.

(b) Within 120 days after the stakeholder process is convened, the Department shall publish a report that includes the findings, recommendations, and core curriculum identified by the stakeholder group and shall post a copy of the report on
its public website. The Department shall convene the process described to update and modify the recommended curriculum every 3 years to ensure the curriculum contents are current to the evolving clean energy industries, practices, and technologies.

(c) Organizations that receive funding to provide training under the Clean Jobs Workforce Hubs Network Program, including community-based and labor-based training providers, must use the core curriculum that is developed under this Section.

Section 5-35. Administration; rules. The Department shall administer this Act and shall adopt any rules necessary for that purpose.

Section 5-40. Funding. In order to provide direct, sustained support for Clean Jobs Workforce Hubs, the Department of Commerce and Economic Opportunity shall be responsible for overseeing the development and implementation of the Program, and shall allocate at least $1,000,000 to each of the 15 sites described in this Act, annually.

Article 10. Expanding Clean Energy Entrepreneurship Act

Section 10-1. Short title. This Article may be cited as the Expanding Clean Energy Entrepreneurship Act. References in this Article to "this Act" mean this Article.
Section 10-5. Legislative findings. The General Assembly finds that the State of Illinois should build upon the success of the Future Energy Jobs Act and the Illinois Solar for All Program by supporting small, disadvantaged clean energy businesses and contractors having equitable access to economic opportunities, including creation of clean energy jobs as defined in Section 5-10 of the Clean Jobs Workforce Hubs Act, created by the growing clean energy sector in Illinois.

Section 10-10. Definitions. As used in this Act:

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

"Director" means the Director of Commerce and Economic Opportunity.

"Disadvantaged businesses and contractors" means an entity defined under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Environmental justice communities" means the proposed definition of that term based on existing methodologies and findings used by the Illinois Power Agency and its Administrator in its Illinois Solar for All Program.

"Program" means the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program.

Section 10-15. Expanding Clean Energy Entrepreneurship and Contractor Incubator Program.
(a) The Department must develop, and through Program Administrators administer, the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program to support the development and growth of disadvantaged businesses and contractors and provide the needed resources for such businesses to be able to effectively compete for, gain, and execute clean energy-related projects.

(b) The Clean Energy Entrepreneurship and Contractor Incubator Program shall be made up of 15 frontline community-based organization Program delivery sites geographically distributed across the State, including at least one site located in or near each of the following areas: Chicago (Southside), Chicago (South-Westside), Waukegan, Rockford, Aurora, Joliet, Peoria, Champaign, Danville, Decatur, Carbondale, East St. Louis, and Alton. Two additional sites shall be determined by the Department based on identifying areas with high concentrations of low-income residents and environmental justice communities that are otherwise underserved by the other 13 sites.

(c) The Expanding Clean Energy Entrepreneurship and Contractor Incubator Program shall provide:

1. Access to low-cost capital for small and disadvantaged clean energy businesses and contractors to be able to compete on a level playing field with more established, capitalized businesses across the entire clean energy sector in Illinois, including solar, wind,
energy efficiency, transportation electrification, and other clean energy industries.

(2) Support for obtaining the necessary insurance, bonding, back office services, permits, training and certifications, business planning, financial assurance requirements, and other needs to effectively compete for clean energy-related projects, incentive programs, and approved vendor and qualified installer opportunities.

(3) Development, mentoring, training, networking, and other support needed for disadvantaged clean energy contractors to build their businesses and connect them to specific projects, registration as approved vendors where applicable, engage in approved vendor subcontracting and qualified installer opportunities, as well as develop partnerships, networks, capital, and other resources needed to compete for, gain, and execute clean energy-related project installation and subcontracts.

(4) Outreach and communications capability to ensure that disadvantaged contractors, community partners, and potential contractor clients are aware of and engaged in the Program.

(5) Prevailing wage compliance training and back office support to implement prevailing wage practices.

Section 10-20. Program Administrator.

(a) Within 90 days after the effective date of this Act,
and after a comprehensive stakeholder process that includes community-based organizations in environmental justice communities and community-based organizations serving economically disadvantaged communities, the Department shall select 3 Program Administrators to coordinate all or a portion of the work of the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program with one Program Administrator selected for Northern Illinois, one Program Administrator selected for Central Illinois, and one Program Administrator selected for Southern Illinois.

(b) The Program Administrators shall have strong capabilities, experience, and knowledge related to program management, industry trends and activities, disadvantaged business and contractor development best practices, regional business development needs, and related development support.

(c) The Program Administrators shall coordinate the work of all or a portion of the Program to ensure execution, performance, partnerships, marketing, and Program access across the State that is as consistent as possible while respecting regional differences. The Program Administrator shall work with community-based partner organizations in their respective regions to deliver the Program, and the Program shall include a mechanism to fund these community-based partner organizations for their work on the Program.

(d) The Department shall work to create joint planning opportunities and coordination mechanisms to enable the
Program Administrators of the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program to collaborate with the Program Administrators of the Clean Jobs Workforce Hubs created under the Clean Jobs Workforce Hubs Act, particularly enabling the regional administrators to coordinate and collaborate to enhance Program delivery within their respective regions.

(e) The Department shall provide administrative support for and convene an Expanding Clean Energy Entrepreneurship and Contractor Incubator Program Advisory Board to review Program performance metrics collected by the Program Administrators. The Advisory Board shall convene and review metrics at least every 6 months to aid the Department in tracking the performance of programs and developing recommendations for the Program Administrators to utilize to improve programs.

The Department, subject to the requirements of this subsection (e), shall appoint and determine the composition of the Advisory Board. At least 50% of the Advisory Board members shall consist of low-income residents of economically disadvantaged communities served by the program delivery sites and residents of environmental justice communities. Additionally, the Advisory Board shall be comprised of the following members: (1) participants in the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program; (2) members who are policy or implementation experts on workforce development for disadvantaged populations and individuals,
including economically disadvantaged communities, environmental justice communities, communities of color, persons with a criminal record, persons who are or were foster children, and displaced energy workers; and (3) members from community-based organizations in environmental justice communities and community-based organizations serving economically disadvantaged communities, as well as clean energy businesses, nonprofit organizations, worker-owned cooperatives, and other groups that provide clean energy jobs opportunities. Members of the Advisory Board shall serve without compensation.

(f) The Program Administrators shall collect, track, and report to the Department, on a quarterly basis, Program performance metrics, including, but not limited to, the following:

(1) demographic data, including racial, gender, and geographic distribution data, on Program trainees entering and graduating the Program;

(2) demographic data, including racial, gender, and geographic distribution data, on Program trainees who are placed in employment;

(3) trainee job retention statistics; and

(4) wages of trainees placed into employment.

The Department of Commerce and Economic Opportunity shall also, on a quarterly basis, make Program performance metrics provided under this subsection (f) available to the public on
its website.

(g) At least every 3 years, the Department of Commerce and Economic Opportunity shall select an independent evaluator to review and report on the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program and the performance of the Program Administrators of the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program. The evaluation shall be based on the Program performance metrics collected by the Program Administrators and objective criteria developed through a public stakeholder process. The process shall include feedback and participation from the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program Advisory Board, Program participants, and additional stakeholders, including organizations in environmental justice communities and serving economically disadvantaged communities. The report shall include a summary of the evaluation of the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program based on the Program performance metrics collected by the Program Administrators and the stakeholder developed objective criteria. The report shall be posted publicly on the Department of Commerce and Economic Opportunity's website and shall be used, as needed, to modify implementation of the Expanding Clean Energy Entrepreneurship and Contractor Incubator Program.
Section 10-25. Administration; rules. The Department shall administer this Act and shall adopt any rules necessary for that purpose.

Article 15. Community Energy and Climate Planning Act

Section 15-1. Short title. This Article may be cited as the Community Energy and Climate Planning Act. References in this Article to "this Act" mean this Article.

Section 15-5. Legislative purpose. The General Assembly makes the following findings:

(1) The health, welfare, and prosperity of Illinois citizens require that Illinois take all steps possible to combat climate change, address harmful environmental impacts deriving from the generation of electricity, ensure affordable utility service, equitable and affordable access to transportation, and clean, safe, affordable housing.

(2) The achievement of these goals will depend on strong community engagement to ensure that programs and policy solutions meet the needs of disparate communities.

(3) Ensuring that these goals are met without adverse impacts on utility bill affordability, housing affordability, and other essential services will depend on the coordination of policies and programs within local
communities.

Section 15-10. Definitions. As used in this Act:

"Alternative energy improvement" means the installation or upgrade of electrical wiring, outlets, or charging stations to charge a motor vehicle that is fully or partially powered by electricity; photovoltaic, energy storage, or thermal resource; or any combination thereof.

"Energy efficiency improvement" means equipment, devices, or materials intended to decrease energy consumption or promote a more efficient use of electricity, natural gas, propane, or other forms of energy on property, including, but not limited to, all of the following:

(1) insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems;

(2) storm windows and doors, multi-glazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automated energy control systems;

(4) high efficiency heating, ventilating, or air-conditioning and distribution system modifications or replacements;

(5) caulking, weather-stripping, and air sealing;

(6) replacement or modification of lighting fixtures
to reduce the energy use of the lighting system;
(7) energy controls or recovery systems;
(8) day lighting systems;
(9) any energy efficiency project, as defined in
Section 825-65 of the Illinois Finance Authority Act; and
(10) any other installation or modification of
equipment, devices, or materials approved as a utility
cost-savings measure by the governing body.

"Energy project" means the installation or modification of
an alternative energy improvement, energy efficiency
improvement, or water use improvement, or the acquisition,
installation, or improvement of a renewable energy system that
is affixed to a stabilized existing property (including new
construction).

"Environmental justice communities" means the proposed
definition of that term based on existing methodologies and
findings used by the Illinois Power Agency and its
Administrator in its Illinois Solar for All Program.

"Governing body" means the county board or board of county
commissioners of a county, the city council of a city, or the
board of trustees of a village.

"Local unit of government" means a county, city, or
village.

"Renewable energy resource" includes energy and its
associated renewable energy credit or renewable energy credits
from wind energy, solar thermal energy, geothermal energy,
photovoltaic cells and panels, biodiesel, anaerobic digestion, and hydropower that does not involve new construction or significant expansion of hydropower dams. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. "Renewable energy resource" does not include the incineration or burning of any solid material.

"Renewable energy system" means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one or more renewable energy resources to generate electricity, and specifically includes any renewable energy project, as defined in Section 825-65 of the Illinois Finance Authority Act.

"Water use improvement" means any fixture, product, system, device, or interacting group thereof for or serving any property that has the effect of conserving water resources through improved water management, efficiency, or thermal resource.

Section 15-15. Community Energy and Climate Plans; creation.

(a) Pursuant to the procedures in Section 15-20, a local unit of government may establish Community Energy and Climate Plans and identify boundaries and areas covered by the Plans.

(b) Community Energy and Climate Plans are intended to aid local governments develop a comprehensive approach to combining different energy and climate programs and funding
resources to achieve complementary impact. An effective planning process may:

(1) help communities discover ways that their local government, businesses, and residents can control their energy use and bills;

(2) ensure a cost-effective transition away from fossil fuels in the transportation sector;

(3) expand access to workforce development and job training opportunities in the emerging clean energy economy;

(4) promote economic development through improvements in community infrastructure, transit, and support for local business;

(5) improve the health of Illinois communities by reducing emissions, addressing existing brownfield areas, and promoting the integration of distributed energy resources;

(6) enable greater customer engagement, empowerment, and options for energy services, and ultimately reduce utility bills for Illinoisans;

(7) bring the benefits of grid modernization and the deployment of distributed energy resources to economically disadvantaged communities throughout Illinois; and

(8) support existing Illinois policy goals promoting energy efficiency, demand response and investments in renewable energy resources.
(c) A Community Energy and Climate Plan may include discussion of:

(1) the demographics of the community, including information on the mix of residential and commercial areas and populations, ages, languages, education and workforce training. This includes an examination of the average utility bills paid within the community by class and census area, the percentage and locations of individuals requiring energy assistance, participation of community members in other assistance programs. This also includes an examination of the community's energy use, both for electricity, natural gas, and transportation and other fuels;

(2) the geography of the community, including the amount of green space, brownfield sites, open space for potential development, location of critical infrastructure such as emergency response facilities, health care and education facilities, and public transportation routes; and

(3) information on economic development opportunities, commercial usage, and employment opportunities.

(d) A Community Energy and Climate Plan may address the following areas:

(1) distributed energy resources, including energy efficiency, demand response, dynamic pricing, energy storage, solar (thermal, rooftop, and community);
(2) building codes (both commercial and residential);
(3) vehicle miles traveled; and
(4) transit options, including individual car ownership, ride sharing, buses, trains, bicycles, and pedestrian walkways.

(e) A Community Energy and Climate Plan may conclude with proposals to:

(1) increase the use of electricity as a transportation fuel at multi-unit dwellings;
(2) maximize the system-wide benefits of transportation electrification;
(3) test innovative load management programs or rate structures associated with the use of electric vehicles by residential customers to achieve customer fuel cost savings relative to gasoline or diesel fuels and to optimize grid efficiency;
(4) increase the integration of distributed energy resources in the community;
(5) significantly expand the percentage of net-zero housing and net-zero buildings in the community;
(6) improve utility bill affordability;
(7) increase mass transit ridership;
(8) decrease vehicle miles traveled; and
(9) reduce local emissions of greenhouse gases, NOx, SOx, particulate matter, and other air pollutants.

(e) A Community Energy and Climate Plan may be administered
by one or more Program Administrators or the local unit of government.

(f) To be eligible for participation or funding through the Clean Energy Empowerment Zone pilot projects as provided under Section 16-108.9 of the Public Utilities Act, or the Carbon-Free Last Mile of Commutes Program described in Section 35 of the Electric Vehicle Act, a unit of local government shall include in its Community Energy and Climate Plans the information necessary for participation in these programs and projects.

(1) Eligibility for funding or resources from the Clean Energy Empowerment Zone pilot projects shall require, at a minimum, the Plan to include information necessary to determine whether the community qualifies as a Clean Energy Empowerment Zone as described in Section 16-108.9 of the Public Utilities Act.

(2) Eligibility for funding or resources from the Carbon-Free Last Mile of Commutes Program as described in Section 35 of the Electric Vehicle Act shall require, at a minimum, the Plan to include:

(A) information that allows the Department of Commerce and Economic Opportunity to assess current transportation and public transit infrastructure within the boundaries identified by the unit of local government; and

(B) recommendations by the unit of local
government on how to use funds to increase carbon-free last mile commuting.

(3) Units of local government may use previously created Plans or reports to qualify for funding under this subsection (f). The determination of which Plans qualify shall be made liberally by the State agency or department responsible for this determination, subject to the conditions in paragraphs (1) and (2) of this subsection (f).

Section 15-20. Community Energy and Climate Planning process.

(a) An effective planning process shall engage with a diverse set of stakeholders in local communities, including: environmental justice organizations; economic development organizations; faith-based nonprofit organizations; educational institutions; interested residents; health care institutions; tenant organizations; housing institutions, developers, and owners; elected and appointed officials; and representatives reflective of each local community.

(b) An effective planning process shall engage with individual members of the community as much as possible to ensure that the Plans receive input from as diverse set of perspectives as possible.

(c) Plan materials and meetings related to the Plan shall be translated into languages that reflect the makeup of the
local community.
(d) The planning process shall be conducted in an ethical, transparent fashion, and will continually review its policies and practices to determine how best to meet its objectives.

Section 15-25. Joint Community Energy and Climate Plans. A local unit of government may join with any other local unit of government, or with any public or private person, or with any number or combination thereof, under the Intergovernmental Cooperation Act, by contract or otherwise as may be permitted by law, for the implementation of a Community Energy and Climate Plan, in whole or in part.

Article 20. Energy Community Reinvestment Act

Section 20-1. Short title. This Article may be cited as the Energy Community Reinvestment Act. References in this Article to "this Act" mean this Article.

Section 20-5. Findings. The General Assembly finds that, as part of putting Illinois on a path to 100% renewable energy, the State of Illinois should ensure a just transition to that goal, providing support for the transition of Illinois' communities and workers impacted by closures or reduced utilization of coal by allocating new State economic development resources for new business tax incentives,
workforce training, site clean-up and reuse, and local tax revenue replacement.

The General Assembly finds and declares that the health, safety, and welfare of the people of this State are dependent upon a healthy economy and vibrant communities; that the closure of coal energy plants, coal mines, and nuclear energy plants across the State have a significant impact on their surrounding communities; that the expansion of renewable energy creates significant job growth and contributes significantly to the health, safety, and welfare of the people of this State; that the continual encouragement, development, growth, and expansion of renewable energy within the State requires a cooperative and continuous partnership between government and the renewable energy sector; and that there are certain areas in this State that have lost, or will lose, jobs due to the closure of coal energy plants, coal mines, and nuclear energy plants and need the particular attention of government, labor, and the citizens of Illinois to help attract new investment into these areas and directly aid the local community and its residents.

Therefore, it is declared to be the purpose of this Act to explore ways of stimulating the growth of new private investment, including renewable energy investment, in this State and to foster job growth in areas impacted by the closure of coal energy plants, coal mines, and nuclear energy plants.
Section 20-10. Definitions. As used in this Act, unless the context otherwise requires:

"State agencies" or "agencies" has the same meaning as "State agencies" under Section 1-7 of the Illinois State Auditing Act.

"Board" means the Clean Energy Empowerment Zone Board created in Section 20-20.

"Clean Energy Empowerment Zone" or "Empowerment Zones" means an area of the State certified by the Department as a Clean Energy Empowerment Zone under this Act.

"Commission" means the Energy Transition Workforce Commission created in Section 20-45.

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

"Energy worker" means a person who has been employed for a period of one year or longer, and within the previous 5 years, in a fossil fuel generation plant, a nuclear generation plant, a gas generation plant, or a coal mine located within the State of Illinois.

"Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick
time are included in this computation. Overtime is not considered a part of regular hours.

"Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 man hours worked per year under that contract, even if different individuals perform on-site labor or services.

"Local labor market area" means an economically integrated area within which individuals can reside and find employment within a reasonable distance of or can readily change jobs without changing their place of residence.

"Renewable energy enterprise" means a company that is engaged in the production of solar energy, wind energy, water energy, geothermal energy, bioenergy, or hydrogen fuel and cells.

"Renewable energy project" means a project conducted by a green energy enterprise for the purpose of generating solar energy, wind energy, water energy, geothermal energy, or energy storage.

"Rule" has the meaning provided in Section 1-70 of the Illinois Administrative Procedure Act.

(a) Within 180 days after the effective date of this Act, the Department of Commerce and Economic Opportunity shall develop a recommended list of geographic regions in Illinois that qualify as Clean Energy Empowerment Zones. A region shall qualify as a Clean Energy Empowerment Zone if it:

(1) is a contiguous area, provided that a Zone area may exclude wholly surrounded territory within its boundaries;

(2) satisfies any additional criteria established by the Department consistent with the purposes of this Act; and

(3) meets one or more of the following:

(A) the area contains a coal or gas energy plant that was retired from service within 10 years or will be retired within 5 years of application for designation;

(B) the area contains a coal mine that was closed within 10 years of application for designation;

(C) the area contains a nuclear energy plant that was retired from service within 15 years or will be retired within 5 years of application for designation; or

(D) the area contains a nuclear plant that was decommissioned, but continued storing nuclear waste
prior to the effective date of this Act.

The Department shall work with the Illinois Environmental Protection Agency, the Commission on Environmental Justice, the Department of Labor, the Department of Natural Resources, and community organizations to identify regions impacted by the decline of fossil fuel generation, nuclear generation, and coal mining to develop the recommended list of regions to qualify for Clean Energy Empowerment Zone designations. The Department shall furnish maps that identify the proposed boundaries of proposed Clean Energy Empowerment Zones, and include justification for the inclusion or exclusion of certain locations or regions.

(b) After public hearing and comment, the Department shall conduct a 60 day public comment process, in partnership with the other agencies, departments, and commissions on its proposed list of Clean Energy Empowerment Zones. The public comment process shall include at a minimum 2 public hearings that are accessible to working residents, and shall prioritize feedback from environmental justice communities and communities directly impacted by the Clean Energy Empowerment Zone designation. Within 30 days after concluding the public comment process, the Department shall finalize its list of Clean Energy Empowerment Zone designations.

(c) After the Department issues its designation of Clean Energy Empowerment Zones, units of local government may submit an application to the Department to designate certain
additional geographic regions as Clean Energy Empowerment Zones. A unit of local government may submit an application to the Department if:

(1) the area is qualified in accordance with subsection (a); and

(2) the unit of local government has conducted at least one public hearing within the proposed Zone area considering all of the following questions: (A) whether to create the Zone; (B) what local plans, tax incentives, and other programs should be established in connection with the Zone; and (C) what the boundaries of the Zone should be. Public notice of the hearing shall be published in at least one newspaper of general circulation within the Zone area, not more than 20 days nor less than 5 days before the hearing.

An application under this subsection (c) shall include a certified copy of the ordinance designating the proposed Zone; a map of the proposed Clean Energy Empowerment Zone, showing existing streets and highways; an analysis, and any appropriate supporting documents and statistics, demonstrating that the proposed Zone area is qualified in accordance with subsection (a); a statement detailing any tax, grant, and other financial incentives or benefits, and any programs, to be provided by the municipality or county to renewable energy enterprises within the Zone, which are not otherwise provided throughout the municipality or county; a statement setting forth the economic
development and planning objectives for the Zone; an estimate of the economic impact of the Zone, considering all of the tax incentives, financial benefits and programs contemplated, upon the revenues of the municipality or county; a specific definition of the applicant's local labor market area; a transcript of all public hearings on the Zone; and any additional information as the Department may by rule require.

Upon receipt of an application from a municipality, the Department shall review the application to determine whether the designated area qualifies as a Clean Energy Empowerment Zone under this Section, and submit its recommendation to the Clean Energy Empowerment Zone Board for approval, as described in Section 20-20.

(d) The Department shall, no later than October 31, 2020, develop an application process for a Clean Energy Empowerment Zone application. No later than 180 days after the receipt of an application, the Department shall notify applicants of the Board's determination of the qualification of their respective Clean Energy Empowerment Zones applications, along with supporting documentation of the Department's analysis and recommendation, and the basis for the Board's decision.

(e) A Clean Energy Empowerment Zone designation will last for 10 years from the effective date of the designation and shall be subject to review by the Board after 10 years for an additional 10-year designation beginning on the expiration date of the Clean Energy Empowerment Zone. During the review
process, the Board shall consider the costs incurred by the State and units of local government as a result of benefits received by the Clean Energy Empowerment Zone.

(f) The Department has emergency rulemaking authority for the purpose of application development only until 12 months after the effective date of this Act as provided under Section 5-45 of the Illinois Administrative Procedure Act.

Section 20-20. Clean Energy Empowerment Zone Board.

(a) A Clean Energy Empowerment Zone Board is hereby created within the Department.

(b) The Board shall consist of 8 voting members, one of whom shall be the Director of Commerce and Economic Opportunity, or his or her designee, who shall serve as chairperson; one of whom shall be the Director of Revenue, or his or her designee; 2 of whom shall be members appointed by the Governor, with the advice and consent of the Senate; one of whom shall be appointed by the Speaker of the House of Representatives; one of whom shall be appointed by the Minority Leader of the House of Representatives; one of whom shall be appointed by the President of the Senate; and one of whom shall be appointed by the Minority Leader of the Senate. No less than 4 of the 8 voting members shall be persons of color and represent communities defined or self-identified as environmental justice communities.

Board members shall serve without compensation, but may be
reimbursed for necessary expenses incurred in the performance of their duties from funds appropriated for that purpose. Each member appointed shall have at least 5 years of experience in business, economic development, or site location. The Department of Commerce and Economic Opportunity shall provide administrative support to the Board.

(c) The Board shall have the following duties:

(1) reviewing applications for designation as a Clean Energy Empowerment Zone, including Department recommendations, public comment, and supporting materials;

(2) voting to approve applications for designation as a Clean Energy Empowerment Zone, which shall require approval by a majority vote of the Board; and

(3) the approval of tax credits under the Clean Energy Empowerment Zone Tax Credit Act.

Section 20-25. Incentives for renewable energy enterprises located within a Clean Energy Empowerment Zone.

(a) Renewable energy enterprises located in Clean Energy Empowerment Zones are eligible to apply for a State income tax credit under the Clean Energy Empowerment Zone Tax Credit Act.

(b) Renewable energy enterprises located in Clean Energy Empowerment Zones will be eligible to receive an investment credit subject to the requirements of paragraph (1) of subsection (f) of Section 201 of the Illinois Income Tax Act.

(c) Renewable energy enterprises are eligible to purchase
building materials exempt from use and occupation taxes to be incorporated into their renewable energy projects within the Clean Energy Empowerment Zone when purchased from a retailer within the Clean Energy Empowerment Zone under Section 5k-5 of the Retailers' Occupation Tax Act.

(d) Renewable energy enterprises located in a Clean Energy Empowerment Zone that meet the qualifications of Section 9-222.1B of the Public Utilities Act are exempt, in part or in whole, from State and local taxes on gas and electricity.

(e) Preference for procurements shall be conducted by the Illinois Power Agency as described in subparagraph (N) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act.

Section 20-30. State incentives regarding public services and physical infrastructure.

(a) The State Treasurer is authorized and encouraged to place deposits of State funds with financial institutions doing business in a Clean Energy Empowerment Zone.

(b) This Act does not restrict tax incentive financing under Division 74.4 of Article 11 of the Illinois Municipal Code.

Section 20-35. Supporting impacted communities.

(a) No later than January 1, 2021, the Department shall develop a process for accepting proposals from units of local
government included in Clean Energy Empowerment Zones to mitigate the impact of lower property tax revenue from the retirement of coal, gas, or nuclear energy power plants, or the closure of coal mines, that occur after the effective date of this Act.

(b) The Department shall use available funds from the Energy Community Reinvestment Fund, subject to the provisions of subsection (c) of Section 20-70, to provide payments to communities for a period of no longer than 5 years from the approval of their proposal, subject to the following restrictions:

(1) Payments shall be assessed based on need, and the net amount of any increase in payments from any other State source, including an evidence-based funding formula developed by the Illinois State Board of Education.

(2) The highest annual payment to a unit of local government cannot exceed the average property tax payment made in the most recent 3 taxable years.

(3) The Department may develop a payment schedule that phases out support over time, based on its analysis of available present and anticipated future funding in the Energy Community Reinvestment Fund.

(4) In the event that the total amount of proposals exceeds the available present and anticipated future funding in the Energy Community Reinvestment Fund, the Department is authorized to prorate payments to units of
local government, or prioritize communities for investment based on an environmental justice screen in coordination with the Commission on Environmental Justice, and input from stakeholders.

(c) The Department is authorized to develop rules to implement the provisions of this Section.

Section 20-40. Clean Energy Empowerment Task Forces.

(a) The Department and the Board shall work with local stakeholders in Clean Energy Empowerment Zones to support the convening of local Clean Energy Empowerment Task Forces.

(b) Local Clean Energy Empowerment Task Forces shall include a broad range of local stakeholders to inform transition needs and include, at a minimum, elected representatives from municipal and State governments, operators of local power plants or mines, multiple representatives from community based organizations, organized labor, and the Illinois Environmental Protection Agency.

(c) The Board shall put forward requests for proposals for third-party facilitators for Task Forces in prioritized Clean Energy Empowerment Zones based on need and those facing recent or near-term retirements of plants or mines.

(d) The Department shall work with local Task Forces to develop local transition plans that identify economic, workforce, and environmental health needs with strategies to mitigate energy transition impacts and any accompanying
funding requests from the Energy Community Reinvestment Fund.

(e) As part of developing local transition plans, the Department shall work with third-party facilitators and Task Force members to gather and incorporate public comment and feedback into a finalized transition plan.

(f) If the Department determines that a fossil fuel generating plant owner has failed to engage productively in stakeholder meetings and with Clean Energy Empowerment Zone Task Forces, the Department shall submit a notification to the Illinois Environmental Protection Agency for enforcement actions and the assessment of fees as described in Section 9.16 of the Environmental Protection Act.

Section 20-45. Energy Transition Workforce Commission.

(a) The Energy Transition Workforce Commission is hereby created within the Department of Commerce and Economic Opportunity.

(b) The Commission shall consist of the following 5 members: (1) the Director of Commerce and Economic Opportunity, or his or her designee, who shall serve as chairperson; (2) the Director of Labor, or his or her designee; and (3) 3 members appointed by the Governor, with the advice and consent of the Senate.

(c) Members of the Commission shall serve without compensation, but may be reimbursed for necessary expenses incurred in the performance of their duties from funds
appropriated for that purpose. The Department of Commerce and Economic Opportunity shall provide administrative support to the Commission.

(d) Within 120 days after the effective date of this Act, the Commission shall produce an Energy Transition Workforce Report regarding the anticipated impact of the energy transition and a comprehensive set of recommendations to address changes to the Illinois workforce during the period of 2020 through 2040, or a later year. The Transition Report shall contain the following elements, designed to be used for the programs created in this Act:

(1) Information related to the impact on current workers, including:

(A) a comprehensive accounting of all employees who currently work in fossil fuel energy generation, nuclear energy generation, and coal mining in the State. This shall include information on their location, employer, salary ranges, nature of their work, and other factors the Commission finds relevant. The Commission shall keep a confidential list of these employees and the information necessary to identify them for the purpose of their eligibility to participate in programs designed for their benefit;

(B) the anticipated schedule of closures of fossil fuel electricity generating units across the State. When information is unavailable to provide exact data,
the Report shall include approximations based upon the
best available information;

(C) an estimate of worker impacts due to scheduled
closures, including layoffs, early retirements, salary
changes, and other factors the Commission finds
relevant; and

(D) the likely outcome on the retirement of workers
who are employed by facilities that are anticipated to
close during their tenure or lifetime.

(2) Impact on communities and local governments,
including:

(A) changes in the taxation revenue for units of
local government in areas that currently or recently
have had fossil fuel or nuclear power plants or related
industry;

(B) environmental impacts in areas that currently
or recently have had fossil fuel or nuclear power
plants or related industry; and

(C) economic impacts of the energy transition,
including, but not limited to, the supply-chain
impacts of the energy transition shift toward new
energy sources across the State.

(3) Emerging industries and State economic development
opportunities in regions that have historically been the
site of fossil fuel generators, nuclear generators, and
coal mining or production, including:
(A) opportunities for the State to invest in infrastructure projects, such as recycling plants, conservation facilities, water infrastructure, clean transportation options, such as public and electrified transit, or other State projects;

(B) new and emerging industries with a potential to contribute to positive economic development in Illinois communities; and

(C) clean energy projects and infrastructure in impacted regions.

(e) Following the completion of the Reports and data collection, or if the Commission finds that it is prudent to begin before the completion of the Reports, the Commission shall coordinate with the Department to create a draft plan for designing and maintaining programs established under this Act, including the Energy Workforce Development Program created under Section 20-50, the Energy Community Development Program created under Section 20-55, or the Displaced Energy Workers Bill of Rights provided under Section 20-60.

Within 120 days after the effective date of this Act, the Commission shall publish the draft plan. The Commission shall take public comments on the draft plan for a period of no less than 45 days, and publish the final plan within 30 days after the closing of the comment period.

(f) The Department shall periodically review its findings in the developed Reports and make modifications to the Report
and programs based on new findings. The Department shall conduct a comprehensive reevaluation of the Report, and publish a modified version along with a new draft plan, on each of the following years following initial publication: (1) 2023; (2) 2027; (3) 2030; (4) 2035; (5) 2040; and (6) any year thereafter which the Department determines is necessary or prudent.

Section 20-50. Energy Workforce Development Program.

(a) The purpose of the Energy Workforce Development Program is to proactively assist energy workers and communities in their search for economic opportunity.

(b) The Director of Commerce and Economic Opportunity is authorized to design, develop, and administer the Energy Workforce Development Program. The Energy Workforce Development Program shall include the following elements:

(1) comprehensive career services for former energy workers, including advising former or current energy workers looking for new positions on finding new employment or preparing for retirement;

(2) communication services to provide former energy workers advance notice of any power plant closures that are likely to result in a loss of employment for the energy worker;

(3) administrative assistance for former energy workers in applying for programs provided by the State, federal government, nonprofit organizations, or other
programs that are designed to offer career or financial assistance;

(4) the creation and maintenance of a catalogue of all persons in Illinois who qualify as a former energy worker to use for coordination with programs created under this Act or other benefits for those workers;

(5) the management of funding for services outlined in this Section; and

(6) financial advice for former energy workers designed to assist workers with retirement, a change in positions, pursuing an education, or other goals that the former energy worker has identified.

(c) In administering the Energy Workforce Development Program, the Department shall develop and implement the Program with the following goals:

(1) to use the recommendations and information contained in the Report created under Section 20-45 to proactively plan for each phase of the energy transition in Illinois;

(2) to increase access to the services contained in this Program by locating services in different regions of the State as dictated by the anticipated schedule of plant closures and regional economic changes;

(3) to maximize the efficiency of resources used;

(4) to design the Energy Workforce Development Program to work in collaboration with the Displaced Energy Workers
Bill of Rights; and
(5) any other goals identified by the Department.

Section 20-55. Energy Community Development Program.
(a) The purpose of the Energy Community Development Program is to proactively assist Clean Energy Empowerment Zone communities in their search for economic opportunity after the closure of a coal or gas generating unit, coal mine, or nuclear generating unit.
(b) The Director of Commerce and Economic Opportunity is authorized to administer the Energy Community Development Program. In administering the Energy Community Development Program, the Department shall:
   (1) assist energy transition communities in finding private and public sector partners to invest in regional development;
   (2) assist units of local government in finding and negotiating terms with businesses willing to relocate or open new enterprises in regions impacted;
   (3) provide coordination services to connect organizations or persons seeking to use tax credits created under Act with units of local government; and
   (4) conduct outreach and educational events for private sector organizations for the purpose of attracting investment in Clean Energy Empowerment Zones.
(c) In administering the Energy Community Development
Program, the Department shall develop and implement the Program with the following goals:

(1) to increase private sector development in Clean Energy Empowerment Zones;

(2) to replace and improve employment opportunities in Clean Energy Empowerment Zones for community members;

(3) to provide resources for Clean Energy Empowerment Zone communities across the State, and avoid geographic preferences in the allocation of resources; and

(4) to create a healthful environment for community members in Clean Energy Empowerment Zones.

Section 20-60. Displaced Energy Workers Bill of Rights.

(a) The Department of Commerce and Economic Opportunity shall have the authority to implement the Displaced Energy Workers Bill of Rights, and shall be responsible for the implementation of the Displaced Energy Workers Bill of Rights programs and rights created under this Section. The Department shall provide the following benefits to displaced energy workers:

(1) Advance notice of plant closure.

(A) The Department of Commerce and Economic Opportunity shall notify all energy workers of the upcoming closure of any qualifying facility at least 2 years in advance of the scheduled closing date.

(B) In providing the advanced notice described in
this paragraph (1), the Department shall take reasonable steps to ensure that all displaced energy workers are educated on the various programs available through the Department to assist with the energy transition.

(2) Employment assistance and career services. The Department shall provide displaced energy workers with assistance in finding new sources of employment through the Energy Workforce Development Program established in this Act.

(3) Full-tuition scholarship for Illinois institutions and trade schools.

(A) The Department shall provide any displaced energy worker with a full-tuition scholarship to any of the following programs: (i) public universities in this State; (ii) trade schools in this State; (iii) community college programs in this State; or (iv) union training programs in this State.

(B) The Department shall provide information and consultation to displaced energy workers on the various educational opportunities available through this Program, and advise workers on which opportunities meet their needs and preferences.

(4) Financial Planning Services. Displaced energy workers shall be entitled to services as described in the Energy Worker Programs above, including financial planning
services.

(b) The owners of electric generating units with an operating capacity of greater than 300 megawatts shall be required to comply with the Displaced Energy Workers Bill of Rights as described in this subsection (b). Owners of electric generating units in Illinois shall be required to take the following actions:

(1) Provide employment information for displaced energy workers. Prior to closure of an electric generating unit, Energy Worker employers shall be provided information on whether there are new employment opportunities from their employer.

(2) Provide extended health insurance for displaced energy workers. Companies that sell energy into auctions managed by the Illinois Power Agency shall be required to offer one year of health insurance following closure of an electric generating unit to employees who are not employed in new positions that offer health insurance upon: (i) plant closure; or (ii) employment termination.

(3) Maintain responsible retirement account portfolios. Employees of qualifying facilities shall have their retirement funds backed by financial tools that are not economically dependent upon the success of their employer's business.

Section 20-65. Consideration of energy worker employment.
(a) All State departments and agencies shall conduct a review of the Department of Commerce and Economic Opportunity's list of displaced energy workers to determine whether any qualified candidates are displaced energy workers before making a final hiring decision for a position in State employment.

(b) The Department of Commerce and Economic Opportunity shall inform all State agencies and departments of the obligations created by this Section and take steps to ensure compliance.

(c) Nothing in this Section shall be interpreted to indicate that the State is required to hire displaced energy workers for any position.

(d) No part of this Section should be interpreted to be in conflict with federal or State civil rights or employment law.

Section 20-70. Energy Community Reinvestment Fund.

(a) The General Assembly hereby declares that management of several economic development programs requires a consolidated funding source to improve resource efficiency. The General Assembly specifically recognizes that properly serving communities and workers impacted by the energy transition requires that the Department of Commerce and Economic Opportunity have access to the resources required for the execution of the programs in the Clean Jobs Workforce Hubs Act, the Expanding Clean Energy Entrepreneurship Act, and the Energy
Community Reinvestment Act.

The intent of the General Assembly is that the Energy Community Reinvestment Fund is able to provide all funding for development programs created in the Clean Jobs Workforce Hubs Act, the Expanding Clean Energy Entrepreneurship Act, and the Energy Community Reinvestment Act, and that no additional charge is borne by the taxpayers or ratepayers of Illinois absent a deficiency.

(b) The Energy Community Reinvestment Fund is created as a special fund in the State treasury to be used by the Department of Commerce and Economic Opportunity for purposes provided under this Section. The Fund shall be used to fund programs specified under subsection (c). The objective of the Fund is to bring economic development to communities across in this State in a manner that equitably maximizes economic opportunity in all communities by increasing efficiency of resource allocation across the programs listed in subsection (c). The Department shall include a description of its proposed approach to the design, administration, implementation, and evaluation of the Fund, as part of the Energy Transition Workforce Plan described in this Act. Contracts that will be paid with moneys in the Fund shall be executed by the Department.

(c) The Department shall be responsible for the administration of the Fund, and allocate moneys on the basis of priorities established in this Section. Each year, the Department shall determine the available amount of resources in
the Fund that can be allocated to the programs identified in this Section, and allocate the moneys accordingly. The moneys shall be allocated from the Fund in the following order of priority:

(1) for costs related to the Clean Jobs Workforce Hubs Act, up to $25,000,000 annually, or 25% of the available funding, whichever is less;

(2) for costs related to the Expanding Clean Energy Entrepreneurship Act, up to $20,000,000 annually or 20% of the available funding, whichever is less;

(3) for costs related to the Energy Community Development programs in this Act, up to $2,000,000 annually or 2% of the available funding, whichever is less;

(4) for costs related to the Energy Workforce Development programs and the Displaced Energy Workers Bill of Rights in this Act, including all programs created by the Energy Transition Workforce Commission, up to $9,000,000 annually or 20% of the available funding, whichever is less;

(5) if the programs identified in paragraphs (1) through (4) are fully funded and the Department reasonably predicts they shall be adequately funded in future years, the Department shall transfer an amount equal to the year's tax credits awarded through the programs of up to $22,500,000 annually to the General Revenue Fund to offset revenue reductions from tax credits provided under the
Clean Energy Empowerment Zone Tax Credit Act;

(6) if the programs identified in paragraphs (1) through (5) are fully funded and the Department reasonably predicts they shall be adequately funded in future years, the Department shall retain funds of up to $100,000,000 annually to use to support units of local government in Clean Energy Empowerment Zones, as described in Section 20-35 of this Act;

(7) for costs related to supporting bill assistance for low-income customers, up to $30,000,000 annually; and

(8) if the programs identified in paragraphs (1) through (7) are fully funded and the Department reasonably predicts they shall be adequately funded in future years, the Department shall transfer all surplus to the General Revenue Fund.

(d) No later than March 31, 2021, and by March 31 of each year thereafter, the Department shall submit a notification to the Illinois Environmental Protection Agency for the purpose of implementing the energy community reinvestment fee as described in Section 9.16 of the Environmental Protection Act. The notification shall include the revenue and spending requirements for the programs identified under the Energy Community Reinvestment Act for the upcoming fiscal year, as well as the projected spending for all program years through Fiscal Year 2036. The projected revenue and spending need identified for any program year shall be no less than
(e) If there is a funding shortfall for items identified in paragraphs (1) through (4) of subsection (c), the Department shall submit a request for funds to applicable electric utilities for funds held pursuant to paragraph (7) of subsection (k) of Section 1-75 of the Illinois Power Agency Act up to $25,000,000 per year to cover the shortfall. Upon notification by utilities that sufficient funds are available for use under the terms of paragraph (7) of subsection (k) of Section 1-75 of the Illinois Power Agency Act, the Department shall send an invoice to the applicable utilities for the amount requested. Upon receipt, the funds shall be deposited into the Energy Community Reinvestment Fund.

(f) The Department is granted all powers necessary for the implementation of this Section.

Article 25. Clean Energy Empowerment Zone Tax Credit Act

Section 25-1. Short title. This Article may be cited as the Clean Energy Empowerment Zone Tax Credit Act. References in this Article to "this Act" mean this Article.

Part 1.

Section 25-100. Definitions. As used in Part 1 of this Act:

"Applicant" means a person that is operating a business
located within the State of Illinois and has applied for an income tax credit through a program under this Act.

"Basic wage" means compensation for employment that meets the prevailing wage standards as defined by the Department.

"Certificate" means the tax credit certificate issued by the Department under Section 25-125.

"Certificate of eligibility" means the certificate issued by the Department under Section 25-110.

"Credit" means the amount awarded by the Department to an applicant by issuance of a certificate under Section 25-125 for each new full-time equivalent employee hired or job created.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Former energy worker" means an individual who is employed, or was employed, at a fossil fuel power plant, nuclear power plant, or coal mine, and is listed in the registry of former energy workers developed by the Department of Commerce and Economic Opportunity as part of the Energy Community Reinvestment Act.

"Full-time employee" means an individual who is employed at a prevailing wage for at least 35 hours each week, and provided standard worker benefits, or who renders any other standard of service generally accepted by industry custom or practice as fulltime employment. An individual for whom a W2 is issued by a
Professional Employer Organization is a fulltime employee if he or she is employed in the service of the applicant for a basic wage for at least 35 hours each week or renders any other standard of service generally accepted by industry custom or practice as fulltime employment. For the purposes of this Act, such an individual shall be considered a full-time employee of the applicant.

"Incentive period" means the period beginning on July 1 and ending on June 30 of the following year. The first incentive period shall begin on July 1, 2021 and the last incentive period shall end on June 30, 2040.

"New employee" means a fulltime employee:

(1) who first became employed by an applicant within the incentive period whose hire results in a net increase in the applicant's full-time Illinois employees and who is receiving a prevailing wage as compensation; and

(2) who was previously employed in a fossil fuel energy plant or nuclear energy plant in the State of Illinois that has since closed.

"New employee" does not include:

(1) a person who was previously employed in Illinois by the applicant or a related member prior to the onset of the incentive period; or

(2) any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of the applicant or a related member.
"Noncompliance date" means, in the case of an applicant that is not complying with the requirements of the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the provisions of this Act, as determined by the Director under Section 25-135.

"Professional Employer Organization" has the same meaning as ascribed to that term under Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act. "Professional Employer Organization" does not include a day and temporary labor service agency regulated under the Day and Temporary Labor Services Act.

"Related member" means a person that, with respect to the applicant during any portion of the incentive period, is any one of the following:

(1) An individual, if the individual and the members of the individual's family, as defined in Section 318 of the Internal Revenue Code, own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the outstanding profits, capital, stock, or other ownership interest in the applicant.

(2) A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or other
ownership interest in the applicant.

(3) A corporation, and any party related to the corporation, in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the applicant and any other related member own, in the aggregate, directly, indirectly, beneficially, or constructively, at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own, in the aggregate, at least 50% of the profits, capital, stock, or other ownership interest in the applicant.

(5) A person to or from whom there is attribution of stock ownership in accordance with subsection (e) of Section 1563 of the Internal Revenue Code, except that for purposes of determining whether a person is a related member under this paragraph (5):

(A) stock owned, directly or indirectly, by or for a partnership shall be considered as owned by any partner having an interest of 20% or more in either the capital or profits of the partnership in proportion to
his or her interest in capital or profits, whichever such proportion is the greater;

(B) stock owned, directly or indirectly, by or for an estate or trust shall be considered as owned by any beneficiary who has an actuarial interest of 20% or more in such stock, to the extent of such actuarial interest. For purposes of this subparagraph, the actuarial interest of each beneficiary shall be determined by assuming the maximum exercise of discretion by the fiduciary in favor of such beneficiary and the maximum use of such stock to satisfy his or her rights as a beneficiary; and

(C) stock owned, directly or indirectly, by or for a corporation shall be considered as owned by any person who owns 20% or more in value of its stock in that proportion which the value of the stock which the person so owns bears to the value of all the stock in the corporation.

Section 25-105. Powers of the Department. The Department, in addition to those powers granted under the Civil Administrative Code of Illinois, is granted and shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including, but not limited to, power and authority to:

(1) Adopt rules deemed necessary and appropriate for
the administration of this Act; establish forms for applications, notifications, contracts, or any other agreements; and accept applications at any time during the year and require that all applications be submitted electronically through the Internet.

(2) Provide guidance and assistance to applicants under the provisions of this Act, and cooperate with applicants to promote, foster, and support job creation within this State.

(3) Enter into agreements and memoranda of understanding for participation of and engage in cooperation with agencies of the federal government, units of local government, universities, research foundations or institutions, regional economic development corporations, or other organizations for the purposes of this Act.

(4) Gather information and conduct inquiries, in the manner and by the methods it deems desirable, including, without limitation, gathering information with respect to applicants for the purpose of making any designations or certifications necessary or desirable or to gather information in furtherance of the purposes of this Act.

(5) Establish, negotiate, and effectuate any term, agreement, or other document with any person necessary or appropriate to accomplish the purposes of this Act, and consent, subject to the provisions of any agreement with another party, to the modification or restructuring of any
agreement to which the Department is a party.

(6) Provide for sufficient personnel to permit administration, staffing, operation, and related support required to adequately discharge its duties and responsibilities described in this Act from funds made available through charges to applicants or from funds as may be appropriated by the General Assembly for the administration of this Act.

(7) Require applicants, upon written request, to issue any necessary authorization to the appropriate federal, State, or local authority or any other person for the release to the Department of information requested by the Department, with the information requested to include, but not be limited to, financial reports, returns, or records relating to the applicant or to the amount of credit allowable under this Act.

(8) Require that an applicant shall at all times keep proper books of record and account in accordance with generally accepted accounting principles consistently applied, with the books, records, or papers related to the agreement in the custody or control of the applicant open for reasonable Department inspection and audits, and including, without limitation, the making of copies of the books, records, or papers.

(9) Take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy,
default, foreclosure, or noncompliance with the terms and conditions of financial assistance or participation required under this Act, including the power to sell, dispose of, lease, or rent, upon terms and conditions determined by the Director to be appropriate, real or personal property that the Department may recover as a result of these actions.

Section 25-110. Certificate of eligibility for tax credit.

(a) An applicant that has hired a former energy worker or a graduate of training programs as established under the Clean Jobs Workforce Hubs Act as a new employee during the incentive period may apply for a certificate of eligibility for the credit with respect to that position on or after the date of hire of the new employee. The date of hire shall be the first day on which the employee begins providing services for basic wage compensation.

(b) An applicant may apply for a certificate of eligibility for the credit for more than one new employee on or after the date of hire of each qualifying new employee.

(c) After receipt of an application under this Section, the Department shall issue a certificate of eligibility to the applicant that states the following:

(1) the date and time on which the application was received by the Department and an identifying number assigned to the applicant by the Department;
(2) the maximum amount of the credit the applicant could potentially receive under this Act with respect to the new employees listed on the application; and

(3) the maximum amount of the credit potentially allowable on certificates of eligibility issued for applications received prior to the application for which the certificate of eligibility is issued.

Section 25-115. Tax credit.

(a) Subject to the conditions set forth in this Act, an applicant is entitled to a credit against payment of taxes withheld under Section 704A of the Illinois Income Tax Act:

(1) for former energy workers or graduates of Clean Jobs Workforce programs hired as new employees who the applicant hires and retains for a minimum of one year; and

(2) in the amount of:

(A) 20% of the salary paid to the new employee for employees hired and retained for between the time of hiring and one year;

(B) 15% of the salary paid to the new employee for employees hired and retained between one year and 2 years; and

(C) 10% of the salary paid to the new employee for employees hired and retained between 2 years and 3 years.

(b) The Department shall make credit awards under this Act
1 to further job creation.
2 (c) The credit shall be claimed for the first calendar year
3 ending on or after the date on which the certificate is issued
4 by the Department.
5 (d) The net increase in full-time Illinois employees,
6 measured on an annual fulltime equivalent basis, shall be the
7 total number of full-time Illinois employees of the applicant
8 on the final day of the incentive period, minus the number of
9 full-time Illinois employees employed by the employer on the
10 first day of that same incentive period. For purposes of the
11 calculation, an employer that begins doing business in this
12 State during the incentive period, as determined by the
13 Director, shall be treated as having zero Illinois employees on
14 the first day of the incentive period.
15 (e) The net increase in the number of full-time Illinois
16 employees of the applicant under subsection (d) must be
17 sustained continuously for at least 12 months, starting with
18 the date of hire of a new employee during the incentive period.
19 Eligibility for the credit does not depend on the continuous
20 employment of any particular individual. For purposes of this
21 subsection (e), if a new employee ceases to be employed before
22 the completion of the 12month period for any reason, the net
23 increase in the number of fulltime Illinois employees shall be
24 treated as continuous if a different new employee is hired as a
25 replacement within a reasonable time for the same position. The
26 new employees must be hired to fill positions that the
applicant reasonably anticipates will be available for the new employee as a long-term position. For the purposes of this subsection (e), "long-term position" means a position that will be available for 3 years or longer.

(f) The Department shall adopt rules to enable an applicant for which a Professional Employer Organization has been contracted to issue W-2s and make payment of taxes withheld under Section 704A of the Illinois Income Tax Act for new employees to retain the benefit of tax credits to which the applicant is otherwise entitled under this Act.

Section 25-120. Maximum amount of credits allowed. The Department shall limit the monetary amount of credits awarded under this Act to no more than $18,000,000 annually during the incentive period. If applications for a greater amount are received, credits shall be allowed on a first-come, first-served basis, based on the date on which each properly completed application for a certificate of eligibility is received by the Department. If more than one certificate of eligibility is received on the same day, the credits will be awarded based on the time of submission for that particular day.

Section 25-125. Application for award of tax credit; tax credit certificate.

(a) On or after the conclusion of the 12-month period, or
other time period, after a new employee has been hired, for the purposes of subsection (a) of Section 25-115, an applicant shall file with the Department an application for award of a credit. The application shall include the following:

1. the names, Social Security numbers, job descriptions, salary or wage rates, and dates of hire of the new employees with respect to whom the credit is being requested;

2. a certification that each new employee listed has been retained on the job for at least one year from the date of hire;

3. the number of new employees hired by the applicant during the incentive period;

4. the net increase in the number of full-time Illinois employees of the applicant, including the new employees listed in the request, between the beginning of the incentive period and the dates on which the new employees listed in the request were hired;

5. an agreement that the Director is authorized to verify with the appropriate State agencies the information contained in the request before issuing a certificate to the applicant; and

6. any other information the Department determines to be appropriate.

(b) Although an application may be filed at any time after the conclusion of the 12-month period after a new employee was
hired, an application filed more than 90 days after the earliest date on which it could have been filed shall not be awarded any credit if, prior to the date it is filed, the Department has received applications under this Section for credits totaling more than $20,000,000.

(c) The Department shall issue a certificate to each applicant awarded a credit under this Act. The certificate shall include the following:

(1) the name and taxpayer identification number of the applicant;
(2) the date on which the certificate is issued;
(3) the credit amount that will be allowed; and
(4) any other information the Department determines to be appropriate.

Section 25-130. Submission of tax credit certificate to the Department of Revenue. An applicant claiming a credit under this Act shall submit to the Department of Revenue a copy of each certificate issued under Section 25-125 of this Act with the first tax return for which the credit shown on the certificate is claimed. Failure to submit a copy of the certificate with the applicant's tax return shall not invalidate a claim for a credit.

Section 25-135. Noncompliance. If the Director determines that an applicant who has received a credit under this Act is
not complying with the requirements of the provisions of this Act, the Director shall provide notice to the applicant of the alleged noncompliance, and allow the taxpayer a hearing under the provisions of the Illinois Administrative Procedure Act. If, after the notice and hearing, the Director determines that noncompliance exists, the Director shall issue to the Department of Revenue notice to that effect, and state the date of noncompliance.

Section 25-140. Rules. The Department may adopt rules necessary to implement this Part of this Act. The rules may provide for recipients of credits under this Part of this Act to be charged fees to cover administrative costs of the tax credit program.

Part 2.

Section 25-200. Definitions. As used in Part 2 of this Act:

"Agreement" means the agreement between a taxpayer and the Department entered into for a tax credit awarded under Section 25-210.

"Applicant" means a taxpayer operating a renewable energy enterprise, as determined under the Clean Energy Empowerment Zone Act, located within or that the renewable energy enterprise plans to locate within a Clean Energy Empowerment Zone. "Applicant" does not include a taxpayer who closes or
substantially reduces an operation at one location in this State and relocates substantially the same operation to a location in a Clean Energy Empowerment Zone. A taxpayer is not prohibited from expanding its operations at a location in a Clean Energy Empowerment Zone, provided that existing operations of a similar nature located within the State are not closed or substantially reduced. A taxpayer is also not prohibited from moving operations from one location in this State to a Clean Energy Empowerment Zone for the purpose of expanding the operation provided that the Department determines that expansion cannot reasonably be accommodated within the municipality in which the business is located, or in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Board" means the Clean Energy Empowerment Zone Board created under Section 20-20 of the Illinois Energy Community Reinvestment Act.

"Credit" means the amount agreed to between the Department and the Applicant under this Act, but not to exceed the lesser of: (1) the sum of (i) 50% of the incremental income tax attributable to new employees at the applicant's project and
(ii) 10% of the training costs of new employees; or (2) 100% of the incremental income tax attributable to new employees at the applicant's project. If the project is located in an underserved area, then the amount of the credit may not exceed the lesser of: (1) the sum of (i) 75% of the incremental income tax attributable to new employees at the applicant's project and (ii) 10% of the training costs of new employees; or (2) 100% of the incremental income tax attributable to new employees at the applicant's project. If an applicant agrees to hire the required number of new employees, then the maximum amount of the credit for that applicant may be increased by an amount not to exceed 25% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must provide the additional evidence required under paragraph (3) of subsection (c) of Section 25-215.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer
Organization is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment to applicant.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an agreement.

"New employee" means a full-time employee first employed by a taxpayer in the project that is the subject of an agreement and who is hired after the taxpayer enters into the agreement.

"New employee" does not include:

(1) an employee of the taxpayer who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;

(2) an employee of the taxpayer who was previously employed in Illinois by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the agreement; or

(3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, capital, or value of the taxpayer.
Notwithstanding any other provisions of this Section, an employee may be considered a new employee under the agreement if the employee performs a job that was previously performed by an employee who was: (i) treated under the agreement as a new employee; and (ii) promoted by the taxpayer to another job.

Notwithstanding any other provisions of this Section, the Department may award a credit to an applicant with respect to an employee hired prior to the date of the agreement if: (i) the applicant is in receipt of a letter from the Department stating an intent to enter into a credit agreement; (ii) the letter described in item (i) of this paragraph is issued by the Department not later than 15 days after the effective date of this Act; and (iii) the employee was hired after the date the letter described in item (i) of this paragraph was issued.

"Pass through entity" means an entity that is exempt from the tax under subsections (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Related member" means a person that, with respect to the taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family, as defined in Section 318 of the Internal Revenue Code, own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock.
(2) A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the taxpayer.

(5) A person to or from whom there is attribution of stock ownership in accordance with subsection (e) of Section 1563 of the Internal Revenue Code, except that for purposes of determining whether a person is a related
member under this paragraph (5):

(A) stock owned, directly or indirectly, by or for
a partnership shall be considered as owned by any
partner having an interest of 20% or more in either the
capital or profits of the partnership in proportion to
his or her interest in capital or profits, whichever
such proportion is the greater;

(B) stock owned, directly or indirectly, by or for
an estate or trust shall be considered as owned by any
beneficiary who has an actuarial interest of 20% or
more in such stock, to the extent of such actuarial
interest. For purposes of this subparagraph, the
actuarial interest of each beneficiary shall be
determined by assuming the maximum exercise of
discretion by the fiduciary in favor of such
beneficiary and the maximum use of such stock to
satisfy his or her rights as a beneficiary; and

(C) stock owned, directly or indirectly, by or for
a corporation shall be considered as owned by any
person who owns 20% or more in value of its stock in
that proportion which the value of the stock which the
person so owns bears to the value of all the stock in
the corporation.

"Renewable energy" means solar energy, wind energy, water
energy, geothermal energy, bioenergy, or hydrogen fuel and
cells.
"Renewable energy production facility" means a facility owned by a company that is engaged in and used such a facility for the production of solar energy, wind energy, water energy, geothermal energy, bioenergy, or hydrogen fuel and cells.

"Taxpayer" means an individual, corporation, partnership, or other entity that has any Illinois income tax liability.

"Underserved area" means a geographic area that meets one or more of the following conditions:

1. the area has a poverty rate of at least 20% according to the latest federal decennial census;
2. 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;
3. at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or
4. the area has an average unemployment rate, as determined by the Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

Section 25-205. Powers of the Department. The Department, in addition to those powers granted under the Civil Administrative Code of Illinois and Part 1 of this Act, is
granted and shall have all the powers necessary or convenient
to carry out and effectuate the purposes and provisions of this
Act, including, but not limited to, power and authority to:
(a) Adopt rules deemed necessary and appropriate for the
administration of programs; establish forms for applications,
notifications, contracts, or any other agreements; and accept
applications at any time during the year.
(b) Provide and assist taxpayers pursuant to the provisions
of this Act, and cooperate with taxpayers that are parties to
agreements to promote, foster, and support economic
development, capital investment, and job creation or retention
within the Clean Energy Empowerment Zone.
(c) Enter into agreements and memoranda of understanding
for participation of and engage in cooperation with agencies of
the federal government, units of local government,
universities, research foundations or institutions, regional
economic development corporations, or other organizations for
the purposes of this Act.
(d) Gather information and conduct inquiries, in the manner
and by the methods as it deems desirable, including without
limitation, gathering information with respect to applicants
for the purpose of making any designations or certifications
necessary or desirable or to gather information to assist the
Board with any recommendation or guidance in the furtherance of
the purposes of this Act.
(e) Establish, negotiate and effectuate any term,
agreement or other document with any person, necessary or appropriate to accomplish the purposes of this Act, and consent, subject to the provisions of any agreement with another party, to the modification or restructuring of any agreement to which the Department is a party.

(f) Fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses from applicants, including, without limitation, any application fees, commitment fees, program fees, financing charges, or publication fees as deemed appropriate to pay expenses necessary or incident to the administration, staffing, or operation in connection with the Department's or Board's activities under this Act, or for preparation, implementation, and enforcement of the terms of the agreement, or for consultation, advisory and legal fees, and other costs. All fees and expenses incident thereto shall be the responsibility of the applicant.

(g) Provide for sufficient personnel to permit administration, staffing, operation, and related support required to adequately discharge its duties and responsibilities described in this Act from funds made available through charges to applicants or from funds as may be appropriated by the General Assembly for the administration of this Act.

(h) Require applicants, upon written request, to issue any necessary authorization to the appropriate federal, State, or local authority for the release of information concerning a
project being considered under the provisions of this Act, with
the information requested to include, but not be limited to,
financial reports, returns, or records relating to the taxpayer
or its project.

(i) Require that a taxpayer shall at all times keep proper
books of record and account in accordance with generally
accepted accounting principles consistently applied, with the
books, records, or papers related to the agreement in the
custody or control of the taxpayer open for reasonable
Department inspection and audits, and including, without
limitation, the making of copies of the books, records, or
papers, and the inspection or appraisal of any of the taxpayer
or project assets.

(j) Take whatever actions are necessary or appropriate to
protect the State's interest in the event of bankruptcy,
default, foreclosure, or noncompliance with the terms and
conditions of financial assistance or participation required
under this Act, including the power to sell, dispose, lease, or
rent, upon terms and conditions determined by the Director to
be appropriate, real or personal property that the Department
may receive as a result of these actions.

Section 25-210. Tax credit awards.

(a) Subject to the conditions set forth in this Act, a
taxpayer is entitled to a credit against or, as described in
subsection (g), a payment toward taxes imposed pursuant to
subsection (a) and (b) of Section 201 of the Illinois Income Tax Act that may be imposed on the taxpayer for a taxable year beginning on or after January 1, 2019, if the taxpayer is awarded a credit by the Department under this Act for that taxable year.

(b) The Department shall make credit awards under this Act to foster job creation and the development of renewable energy in Clean Energy Empowerment Zones.

(c) A person that proposes a project to create new jobs and to invest in the development of a renewable energy production facility in a Clean Energy Empowerment Zone must enter into an agreement with the Department for the credit under this Act.

(d) The credit shall be claimed for the taxable years specified in the agreement.

(e) The credit shall not exceed the incremental income tax attributable to the project that is the subject of the agreement.

(f) Nothing herein shall prohibit a tax credit award to an applicant that uses a Professional Employer Organization if all other award criteria are satisfied.

(g) A pass through entity that has been awarded a credit under this Act, its shareholders, or its partners may treat some or all of the credit awarded under this Act as a tax payment for purposes of the Illinois Income Tax Act. In no event shall the amount of the award credited under this Act exceed the Illinois income tax liability of the pass through
entity or its shareholders or partners for the taxable year. For the purposes of this subsection (g), "tax payment" means a payment as described in Article 6 or Article 8 of the Illinois Income Tax Act or a composite payment made by a pass through entity on behalf of any of its shareholders or partners to satisfy such shareholders' or partners' taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act.

Section 25-215. Application for a project to create and retain new jobs and to develop renewable energy. (a) Any renewable energy enterprise proposing a project to build a renewable energy production facility located or planned to be located in a Clean Energy Empowerment Zone may request consideration for designation of its project, by formal written letter of request or by formal application to the Department, in which the applicant states its intent to make at least a specified level of investment and intends to hire or retain a specified number of full-time employees at a designated location in Illinois. As circumstances require, the Department may require a formal application from an applicant and a formal letter of request for assistance. (b) In order to qualify for credits under this Act, an applicant's project must: (1) be for the purpose of producing renewable energy; (2) if the applicant has more than 100 employees,
involve an investment of at least $2,500,000 in capital improvements to be placed in service within a Clean Energy Empowerment Zone as a direct result of the project. If the applicant has 100 or fewer employees, then there is no capital investment requirement; and

(3) if the applicant has more than 100 employees, employ a number of new employees in the Clean Energy Empowerment Zone equal to the lesser of (A) 10% of the number of full-time employees employed by the applicant world-wide on the date the application is filed with the Department; or (B) 50 new employees. If the applicant has 100 or fewer employees, employ a number of new employees in the State equal to the lesser of (A) 5% of the number of full-time employees employed by the applicant world-wide on the date the application is filed with the Department or (B) 50 New Employees.

(c) After receipt of an application, the Department shall review the application, make inquiries, and conduct studies in the manner and by the methods as it deems desirable, and consult with and make a recommendation to the Clean Energy Empowerment Zone Board created under the Energy Community Reinvestment Act. The Department and the Board shall make its recommendations and approvals based on whether they determine that all of the following conditions exist:

(1) The applicant's project will make the required investment in the State and the applicant intends to hire
the required number of new employees in Illinois as a result of that project, as described in this Act.

(2) The applicant's project is economically sound and will benefit the people of the State of Illinois by increasing opportunities for employment and strengthen the economy of Illinois.

(3) That, if not for the credit, the project would not occur in Illinois or in the Clean Energy Empowerment Zone, which may be demonstrated by evidence that receipt of the credit is essential to the applicant's decision to create new jobs in the State, such as the magnitude of the cost differential between Illinois and a competing state;

(4) The political subdivisions affected by the project have committed local incentives or other support with respect to the project, considering local ability to assist.

(5) Awarding the credit will result in an overall positive fiscal impact to the State, as certified by the Board using the best available data.

(6) The credit is not prohibited by Section 25-225.

(d) After approval by the Board, the Department may enter into an agreement with the applicant.

Section 25-220. Cost limitations. The total amount of the credit allowed during all tax years may not exceed the aggregate amount of costs incurred by the taxpayer during all
prior tax years to the extent provided in the agreement for the following items:

(1) capital investment, including, but not limited to, equipment, buildings, or land;
(2) infrastructure development;
(3) debt service, except refinancing of current debt;
(4) research and development;
(5) job training and education;
(6) lease costs; or
(7) relocation costs.

Section 25-225. Relocation of jobs to Clean Energy Empowerment Zone. A taxpayer is not entitled to claim the credit provided by this Act with respect to any jobs that the taxpayer relocates from one site in Illinois to another site in a Clean Energy Empowerment Zone. A taxpayer with respect to a qualifying project certified under the Corporate Headquarters Relocation Act, however, is not subject to the requirements of this Section, but is nevertheless considered an applicant for purposes of this Act. Moreover, any full-time employee of an eligible renewable energy enterprise relocated to a Clean Energy Empowerment Zone in connection with that qualifying project is deemed to be a new employee for purposes of this Act. Determinations under this Section shall be made by the Department.
Section 25-230. Determination of the amount of credit. In determining the amount of credit that should be awarded, the Board shall provide guidance on, and the Department shall take into consideration, all of the following factors:

1. the number and location of jobs created and retained in relation to the economy of the Clean Energy Empowerment Zone where the projected investment is to occur;
2. the potential impact on the economy of the Clean Energy Empowerment Zone;
3. the advancement of renewable energy in the Clean Energy Empowerment Zone;
4. the incremental payroll attributable to the project;
5. the capital investment attributable to the project;
6. the amount of the average wage and benefits paid by the applicant in relation to the wage and benefits of the Clean Energy Empowerment Zone;
7. the costs to Illinois and the affected political subdivisions with respect to the project; and
8. the financial assistance that is otherwise provided by Illinois and the affected political subdivisions.

Section 25-235. Amount and curation of credit.
(a) The Department shall determine the amount and duration of the credit awarded under this Act. The duration of the credit may not exceed 10 taxable years. The credit may be stated as a percentage of the incremental income tax attributable to the applicant's project and may include a fixed dollar limitation. An agreement for the credit must be finalized and signed by all parties while the area in which the project is located is designated a Clean Energy Empowerment Zone. The credit may last longer than the applicable Clean Energy Empowerment Zone designation. Agreements entered into prior to the de-designation of a Clean Energy Empowerment Zone will be honored for the length of the agreement.

(b) Notwithstanding subsection (a), and except as the credit may be applied in a carryover year as otherwise provided in this subsection (b), the credit may be applied against the State income tax liability in more than 10 taxable years, but not in more than 15 taxable years for an eligible green energy enterprise that: (i) qualifies under this Act and the Corporate Headquarters Relocation Act and has in fact undertaken a qualifying project within the time frame specified by the Department of Commerce and Economic Opportunity under that Act; and (ii) applies against its State income tax liability, during the entire 15-year period, no more than 60% of the maximum credit per year that would otherwise be available under this Act.

Any credit that is unused in the year the credit is
computed may be carried forward and applied to the tax
liability of the 5 taxable years following the excess credit
year. The credit shall be applied to the earliest year for
which there is a tax liability. If there are credits from more
than one tax year that are available to offset a liability, the
earlier credit shall be applied first.

Section 25-240. Contents of agreements with applicants.
The Department shall enter into an agreement with an applicant
that is awarded a credit under this Act.

Section 25-245. Certificate of verification; submission to
the Department of Revenue. A taxpayer claiming a credit under
this Act shall submit to the Department of Revenue a copy of
the Director's certificate of verification under this Act for
the taxable year. Failure to submit a copy of the certificate
with the taxpayer's tax return shall not invalidate a claim for
a credit.

Section 25-250. Supplier diversity. Each taxpayer claiming
a credit under this Act shall, no later than April 15 of each
taxable year for which the taxpayer claims a credit under this
Act, submit to the Department of Commerce and Economic
Opportunity an annual report containing the information
described in subsections (b), (c), (d), and (e) of Section
5-117 of the Public Utilities Act. Those reports shall be
submitted in the form and manner required by the Department of Commerce and Economic Opportunity.

Section 25-255. Pass through entity. The shareholders or partners of a taxpayer that is a pass through entity shall be entitled to the credit allowed under the agreement. The credit is in addition to any credit to which a shareholder or partner is otherwise entitled under a separate agreement under this Act. A pass through entity and a shareholder or partner of the pass through entity may not claim more than one credit under the same agreement.

Section 25-260. Rules. The Department may adopt rules necessary to implement this Part of this Act. The rules may provide for recipients of credits under this Part of this Act to be charged fees to cover administrative costs of the tax credit program. Fees collected shall be deposited into the Energy Community Reinvestment Fund.

Section 25-265. Program terms and conditions.
(a) Any documentary materials or data made available or received by any member of a board or any agent or employee of the Department shall be deemed confidential and shall not be deemed public records to the extent that the materials or data consists of trade secrets, commercial or financial information regarding the operation of the business conducted by the
applicant for or recipient of any tax credit under this Act, or any information regarding the competitive position of a business in a particular field of endeavor.

(b) Nothing in this Act shall be construed as creating any rights in any applicant to enter into an agreement or in any person to challenge the terms of any agreement.

Article 30. Coal Severance Fee

Section 30-1. Short title. This Article may be cited as the Coal Severance Fee Act. References in this Article to "this Act" mean this Article.

Section 30-5. Coal severance fee.

(a) Definitions. As used in this Act:

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian, or other representative appointed by order of any court.

(b) Tax imposed.

(1) On and after January 1, 2020, there is hereby imposed a tax upon any person engaged in the business of severing or preparing coal for sale, profit, or commercial use, if the coal is severed from a mine located in this
State. The rate of the tax imposed under this Section is 6% of the gross value of the severed coal.

(2) The liability for the tax accrues at the time the coal is severed.

(c) Payment and collection of tax.

(1) The tax imposed under this Act shall be due and payable on or before the 20th day of the month following the month in which the coal is severed.

(2) The State shall have a lien on all coal severed in this State on or after June 1, 2020 to secure the payment of the tax.

(d) Registration. A person who is subject to the tax imposed under this Act shall register with the Department. Application for a certificate of registration shall be made to the Department upon forms furnished by the Department and shall contain any reasonable information the Department may require. Upon receipt of the application for a certificate of registration in proper form, the Department shall issue to the applicant a certificate of registration.

(e) Inspection of records by Department, subpoena power, contempt. For the purpose of computing the amount of the tax due under this Section, the Department shall have the following powers:

(1) to require any person who is subject to this tax to furnish any additional information deemed to be necessary for the computation of the tax;
(2) to examine books, records, and files of such person; and

(3) to issue subpoenas and examine witnesses under oath. If any witness fails or refuses to appear at the request of the Director, or if any witness refuses access to books, records, or files, the circuit court of the proper county, or the judge thereof, on application of the Department, shall compel obedience by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from that court or a refusal to testify therein.

(f) Returns. Each taxpayer shall make a return to the Department showing the following:

(1) the name of the taxpayer;
(2) the address of the taxpayer's principal place of business;
(3) the quantity of coal severed or prepared during the month for which the return is filed;
(4) the gross value of the severed coal;
(5) the amount of tax due;
(6) the signature of the taxpayer; and
(7) any other reasonable information as the Department may require.

(g) The return shall be filed on or before the 20th day of the month after the month during which the coal is severed. The Department may require any additional report or information it
deems necessary for the proper administration of this Act.

(h) Returns due under this Section shall be filed electronically in the manner prescribed by the Department. Taxpayers shall make all payments of the tax to the Department under this Act by electronic funds transfer unless, as provided by rule, the Department grants an exception upon petition of a taxpayer. Returns must be accompanied by appropriate computer generated magnetic media supporting schedule data in the format required by the Department, unless, as provided by rule, the Department grants an exception upon petition of a taxpayer.

(i) Incorporation by reference. All of the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 13 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act which are not inconsistent with this Act, and all provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(j) Rulemaking. The Department is hereby authorized to adopt rules as may be necessary to administer and enforce the provisions of this Act.

(k) Distribution of proceeds. All moneys received by the Department under this Act shall be paid into the Energy Community Reinvestment Fund.

Article 90. Amendatory Provisions
Section 90-5. 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
period, except that this limitation on the number of emergency
rules that may be adopted in a 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
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, emergency rules to implement Public Act 99-516 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) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules authorized by this subsection (w) 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 Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of Section 16-128B 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 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23, emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging,
Sections 5.5.4 and 5-5.41 of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this subsection (z) is deemed to be necessary for the public interest, safety, and welfare.

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa)
is deemed to be necessary for the public interest, safety, and welfare.

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency
rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 this amendatory Act of the 100th General Assembly, emergency rules implementing the Illinois Underground Natural Gas Storage Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

(ff) (ee) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 this amendatory Act of the 100th General Assembly, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance with this subsection (ff) (ee). The 24-month limitation on the adoption of emergency rules does not apply to rules to
initially implement the changes made to Articles 5A and 14 of
the Illinois Public Aid Code adopted under this subsection (ff)
(ee). The adoption of emergency rules authorized by this
subsection (ff) (ee) is deemed to be necessary for the public
interest, safety, and welfare.

(gg) (ff) In order to provide for the expeditious and
timely implementation of the provisions of Public Act 101-1
this amendatory Act of the 101st General Assembly, emergency
rules may be adopted by the Department of Labor in accordance
with this subsection (gg) (ff) to implement the changes made by
Public Act 101-1 this amendatory Act of the 101st General
Assembly to the Minimum Wage Law. The adoption of emergency
rules authorized by this subsection (gg) (ff) is deemed to be
necessary for the public interest, safety, and welfare.

(hh) In order to provide for the expeditious and timely
implementation of the provisions of the Energy Community
Reinvestment Act, emergency rules may be adopted by the
Department of Commerce and Economic Opportunity in accordance
with this subsection (hh) to implement the provisions of
Section 20-15 of the Energy Community Reinvestment Act with
respect to applications for designation as Clean Energy
Empowerment Zones. The adoption of emergency rules authorized
by this subsection (hh) is deemed to be necessary for the
public interest, safety, and welfare.

(ii) In order to provide for the expeditious and timely
implementation of the provisions of this amendatory Act of the
101st General Assembly, emergency rules may be adopted by the
Illinois Commerce Commission in accordance with this
subsection (ii) to implement the changes made by this
amendatory Act of the 101st General Assembly to the Public
Utilities Act. The adoption of emergency rules authorized by
this subsection (ii) is deemed to be necessary for the public
interest, safety, and welfare.
(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

Section 90-10. The Electric Vehicle Act is amended by
adding Section 30 as follows:

(20 ILCS 627/30 new)
Sec. 30. Electric Vehicle Access for All Program.
(a) The General Assembly finds that it is necessary to
provide access to electric vehicles to residents in communities
for individuals whom car ownership is not an option,
affordable, or a preference, particularly for environmental
justice communities and low-income communities.
(b) Within 120 days after the effective date of this
amendatory Act of the 101st General Assembly, and for a period
of not less than 36 months thereafter, the Department of
Commerce and Economic Opportunity shall establish and implement an Electric Vehicle Access for All Program, designed to maximize opportunities for carbon-free transportation across the State, particularly targeting environmental justice and low-income communities, which shall include the following initiatives:

(1) Car Sharing Program. The Department of Commerce and Economic Opportunity shall develop and implement an Electric Vehicle Car Sharing Program that provides residents with opportunities to use electric vehicles owned by third parties for occasional commutes, employment, or other needs.

(2) Carbon-Free Last Mile of Commutes Program. The Department shall develop a Program to address the "last mile" of commutes, enabling a larger number of citizens to access public transportation, and reduce the pollution impact of the entire commute.

(3) Community Energy and Climate Plans. The Department shall dedicate a portion of funding for local governments' eligible Community Energy and Climate Plans that include Electric Vehicle Access for All Program initiatives. To the extent possible, the Department shall coordinate the Electric Vehicle Access for All Program with the other programs established in this Act.

(c) The Electric Vehicle Access for All Program and its initiatives shall be designed to maximize opportunities for
carbon-free transportation across the State, particularly targeting environmental justice and low-income communities, and to provide grants to pilot programs with the purpose of bridging public transportation gaps between residences and employment locations. Eligible programs may include electric shuttles, electric and non-electric bicycle and scooter sharing, electric vehicle sharing, and other carbon-free alternatives. The Department of Commerce and Economic Opportunity shall hire or select, through a competitive bidding program, a Program administrator to oversee and administer the Program.

(d) In conducting the Program, the Department of Commerce and Economic Opportunity shall partner with appropriate transit agencies, employers, community organizations, local governments, and other transportation services to increase the number of employment, healthcare, civic, education, or recreation locations reachable, in coordination with public transit, with the addition of Electric Vehicle Access for All Program initiatives and investments. The Department of Commerce and Economic Opportunity shall additionally partner with local governments engaging in Community Energy and Climate Planning, as described in the Community Energy and Climate Planning Act, to implement programs efficiently with needs identified in Community Energy and Climate Plans.

(e) Projects, programs, or other initiatives funded through this Program must participate in a beneficial
electrification program, as provided under Section 16-107.8 of the Public Utilities Act, to the extent practicable, to minimize the impact to the electric grid of new electric vehicle charging infrastructure, and to use electricity at times when renewable energy generation is highest.

(f) The Department of Commerce and Economic Opportunity shall design the Program within the budget described under Section 16-107.8 of the Public Utilities Act, and invoice the electric utilities specified in Section 16-107.8 of the Public Utilities Act for the costs incurred in the execution of the Program.

(g) The Department of Commerce and Economic Opportunity shall report to the Governor and the General Assembly regarding the effectiveness of the Program no later than July 1, 2021.

Section 90-15. The Illinois Power Agency Act is amended by changing Sections 1-5, 1-20, 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.
(1.5) To provide the highest quality of life for the residents of Illinois, and to provide for a clean and healthy environment, it is the policy of this State to rapidly transition to 100% renewable energy.

(2) (Blank).

(3) (Blank).

(4) 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 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, including those in environmental justice communities.

(9) 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) 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) 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) The principles that underlie the procurement reform legislation apply also in the context of power purchasing.

(13) To ensure that the benefits of installing renewable resources are available to all Illinois residents and located across the State, subject to appropriation, it is necessary for the Illinois Power Agency to provide public information and educational resources on how residents can benefit from the expansion of renewable energy in Illinois and participate in the Illinois Solar for All Program established in Section 1-56 of this Act, the Adjustable Block Program established in Section 1-75 of this Act, the job training programs established by paragraph (1) of subsection (a) of Section 16-108.12 of the Public Utilities Act, and the programs and resources established by the Clean Jobs Workforce Hubs Act. 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 the competitive procurement processes identified in this Act.

(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. 99-906, eff. 6-1-17.)

(20 ILCS 3855/1-20)
Sec. 1-20. General powers and duties 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 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 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. Beginning with the procurement for the delivery year commencing June 1, 2021, the Agency shall for each year develop a plan, as part of its procurement plan, to conduct a procurement of capacity from qualified resources needed to meet capacity requirements of the retail customers of electric utilities that serve more than 3,000,000 retail customers and are located in the PJM Interconnection, subject to the open access tariff and manuals of PJM Interconnection and approved by the Federal Energy Regulatory Commission. The capacity procurement plan shall be updated annually and shall include electricity generated from renewable resources sufficient to achieve the renewable portfolio standards as 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
In accordance with Section 1-56 of this Act.

(c) In conducting the procurement of electricity, capacity, or other products, the Agency shall not procure any products or services from persons or organizations that are in violation of the Displaced Energy Workers Bill of Rights, as provided under the Energy Community Reinvestment Act, at the time of the procurement event.

(Source: P.A. 99-906, eff. 6-1-17.)

(20 ILCS 3855/1-56)


(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 procured under procurement processes authorized by the long-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 that provides for the installation of solar facilities shall provide that the solar facilities 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 and not otherwise committed to contracts executed under subsection (i) of this Section 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. Beginning with the 2019 update to the long-term renewable resource procurement plan authorized by subsection (c) of Section 1-75 of this Act, if possible, the Agency shall reallocate the funds among all the various subprograms of the Illinois Solar for All Program to provide funding for the subprograms described in subparagraphs (E) and (F) of this paragraph (2), provided that in no event more than $50,000,000, shall be allocated to programs described in subparagraph (D) of this paragraph (2). This reallocation shall involve 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, 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.

(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. 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 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 uses photovoltaic technology to serve the load associated with public sector customers taking service at public buildings. **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 at
least 25% of the incentives for this program be allocated to projects located in environmental justice communities. 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 rate base.

(E) Energy Sovereignty Distributed Generation Incentive. Beginning with the 2019 update to the long-term renewable resource procurement plan authorized by subsection (c) of Section 1-75 of this Act, subject to appropriation, the Illinois Power Agency shall create a program that provides 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 in projects that are 100% low-income household owned, which includes low-income households, low-income households in environmental justice communities, not-for-profit organizations providing services to low-income households, affordable housing owners, and community-based limited liability companies providing services to low-income households. The program shall also provide incentives for photovoltaic on-site distributed generation projects that, by no later than 5 years after the
device is interconnected at the distribution system level of the utility and energized, are a minimum of 49% low-income subscriber owned, which includes low-income households, low-income households in environmental justice communities, not-for-profit organizations providing services to low-income households, affordable housing owners, and community-based limited liability companies providing services to low-income households. 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 in 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.

(F) Energy Sovereignty Community Solar Incentive. Beginning with the 2019 update to the long-term
renewable resource procurement plan authorized by subsection (c) of Section 1-75 of this Act, subject to appropriation, the Illinois Power Agency shall create a program that shall provide incentives to low-income customers, either directly or through developers, to increase the participation of low-income subscribers of community solar projects in projects that are 100% low-income subscriber owned, which includes low-income households, low-income households in environmental justice communities, not-for-profit organizations providing services to low-income households, affordable housing owners, and community-based limited liability companies providing services to low-income households. The program shall also provide incentives for community solar projects that, by no later than 5 years after the device is interconnected at the distribution system level of the utility and energized, are a minimum of 49% low-income subscriber owned, which includes low-income households, low-income households in environmental justice communities, not-for-profit organizations providing services to low-income households, affordable housing owners, and community-based limited liability companies providing services to low-income households. The developer of each project shall identify its partnership with community stakeholders regarding the
location, development and participation in the project. 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 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.

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 the prices from programs offered under subsection (c) of Section 1-75 of this Act 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 and organizations 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; the number of jobs or job opportunities created; 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.

(8) Beginning with the 2019 update to the long-term renewable resources procurement plan authorized by subsection (c) of Section 1-75 of this Act, subject to appropriation and, following the 2021 delivery year, subject to fund availability through the Commission process described in subparagraph (Q) of paragraph (1) of subsection (c) of Section 1-75, the Illinois Power Agency shall propose an expansion of the Illinois Solar for All Program. The expansion shall have as a goal quadrupling the annual installed capacity in kilowatts under subparagraphs (A), (B), and (C) of paragraph (2) as well as quintupling the grassroots education efforts under paragraph (3) of this subsection.

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.
For the purposes of this subsection (b), the Agency shall define "environmental justice community" based on methodologies and findings established by the Illinois Power Agency and its Administrator for the Illinois Solar for All Program in its initial long-term renewable resources procurement plan and updated by the Illinois Power Agency and its Administrator for the Illinois Solar for All Program as part of the long-term renewable resources procurement plan 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.

(c) (Blank).

(d) (Blank).

(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.

(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. Fees collected from bidders shall be deposited into the Renewable Energy Resources Fund.

(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. 98-672, eff. 6-30-14; 99-906, eff. 6-1-17.)

(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 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), except as provided in subsection (q) of Section 16-111.5 of the Public Utilities Act and subsection (j) of this Section, 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 160 days after June 1, 2017 (the effective date of Public Act 99-906). 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. No later than 190 days after the effective date of this amendatory Act of the 101st General Assembly or by September 1, 2020, whichever is sooner, the Agency shall release for comment a revision to the long-term renewable resources procurement plan, updating only elements of the most recently approved plan as needed to comply with this amendatory Act of the 101st General Assembly. 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; increasing by at least 4% each delivery year after the 2025 delivery year to at least 45% by 2030; increasing by at least 3% each delivery year after the 2030 delivery year to at least 60% by 2035, 75% by 2040, and 90% by 2045; increasing by at least 2% each delivery year after the 2045 delivery year to 100% by the 2050 delivery year and continuing at 100% 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. The Agency shall not comply with the annual percentage targets described in this subparagraph
(B) by procuring renewable energy credits on the spot market that are unlikely to lead to the development of new renewable resources.

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; increasing by at least 4% each year thereafter to at least 45% by June 1, 2030; increasing by at least 3% each year thereafter to at least 90% by June 1, 2045; increasing by at least 2% each year thereafter to at least 100% by June 1, 2050 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:

at least 5,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning June 1, 2020, unless the project has delays in the establishment of an operating interconnection with the applicable transmission or distribution system as a result of the actions or inactions of the transmission
or distribution provider, or other causes for force majeure as outlined in the procurement contract, in which case, not later than June 1, 2022;

- at least 13,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning June 1, 2021;

- at least 18,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning June 1, 2022;

- at least 23,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning June 1, 2023;

- at least 28,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning June 1, 2024;

- at least 33,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning June 1, 2025;

- at least 38,000,000 renewable energy credits from new wind and new photovoltaic projects for each delivery year by the end of the delivery year beginning
June 1, 2026;

at least 43,000,000 renewable energy credits from
new wind and new photovoltaic projects for each
delivery year by the end of the delivery year beginning
June 1, 2027;

at least 48,000,000 renewable energy credits from
new wind and new photovoltaic projects for each
delivery year by the end of the delivery year beginning
June 1, 2028;

at least 53,000,000 renewable energy credits from
new wind and new photovoltaic projects for each
delivery year by the end of the delivery year beginning
June 1, 2029; and

at least 58,000,000 renewable energy credits from
new wind and new photovoltaic projects for each
delivery year by the end of the delivery year beginning
June 1, 2030.

(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

Of the renewable energy credits procured from new
wind and new photovoltaic projects for each delivery
year 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 50% from new wind projects and 50% from new photovoltaic projects. Of the amount to be procured from new photovoltaic projects, the Agency shall procure, to the extent reasonably practicable:

at least 33% 50% from distributed and community solar photovoltaic projects using the programs program outlined in subparagraphs subparagraph (K) and (N) of this paragraph (1) through the 2021 delivery year,

increasing ratably beginning in the 2022 delivery year to at least 50% by the 2037 delivery year and for each delivery year thereafter from distributed renewable energy generation devices or community renewable generation projects; at least 40% from utility-scale solar projects; at least 7% 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).

In developing the long-term renewable resources procurement plan, the Agency shall consider other approaches, in addition to competitive procurements, that can be used to procure renewable energy credits from brownfield site photovoltaic projects and thereby help return blighted or contaminated land to productive use while enhancing public health and the well-being of Illinois residents, including those in
environmental justice communities, as defined using existing methodologies and findings used by the Illinois Power Agency and its Administrator in its Illinois Solar for All Program.

Of the amount of renewable energy credits to be procured from either distributed or community solar photovoltaic projects using the programs outlined in subparagraph (K) or (N) of this paragraph (1), the long-term plan developed through the process described in subparagraph (A) of this paragraph (1) shall utilize the following initial breakdown, which may be adjusted upon review by the Agency and approval by the Commission:

(i) at least 25% from distributed renewable energy generation devices with a nameplate capacity of no more than 25 kilowatts;

(ii) at least 25% from distributed renewable energy generation devices with a nameplate capacity of more than 25 kilowatts and no more than 2,000 kilowatts;

(iii) at least 25% from photovoltaic community renewable generation projects; and

(iv) the remaining 25% shall be allocated as specified by the Agency in the long-term renewable resources procurement plan.

The ratable procurement of new renewable resources
discussed in this subparagraph (C) shall involve annual procurements of new wind and new photovoltaic projects and, in the case of the Adjustable Block Program created by subparagraph (K) of this subsection (c), the annual release of new blocks of capacity each year with the goal of encouraging stability and steady growth in the renewable resources market and avoiding boom-bust cycles.

(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.
"New photovoltaic projects" means photovoltaic renewable energy facilities that are energized after June 1, 2017. Photovoltaic projects developed under Section 1-56 of this Act shall not apply towards the new photovoltaic project requirements in this subparagraph (C).

(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 June 1, 2017 (the effective date of Public Act 99-906).

(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
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). Until the delivery year beginning June 1, 2023, 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 2.67% or 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or the incremental amount per kilowatthour paid for these resources in 2011. Beginning with the delivery year beginning June 1, 2023, 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 4.88% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 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) Notwithstanding whether a long-term renewable resources procurement plan has been approved, the Agency shall conduct an initial forward procurement for renewable energy credits from new utility-scale wind projects within 160 days after June 1, 2017 (the effective date of Public Act 99-906). 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) Notwithstanding whether a long-term renewable resources procurement plan has been approved, 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 June 1, 2017 (the effective date of Public Act 99-906). 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) Notwithstanding whether the Commission has approved the periodic long-term renewable resources procurement plan revision described in Section 16-111.5 of the Public Utilities Act, the Agency shall
conduct at least one subsequent forward procurement for renewable energy credits from new utility-scale wind projects, new utility-scale solar, and new brownfield site photovoltaic projects within 120 days after the effective date of this amendatory Act of the 101st General Assembly in quantities needed to meet the requirements of subparagraph (C). 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 (C), 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.

(iv) 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 alternative retail electric supplier meets the requirements described in this subparagraph (H).

(i) Within 45 days after June 1, 2017 (the effective date of Public Act 99-906), 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 June 1, 2017 (the effective date of Public Act 99-906), 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 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 Section 1-56 of this 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 for the steady,
predictable, and sustainable growth of new solar
photovoltaic development in Illinois. To this end, the
Adjustable Block program shall provide a transparent annual 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 Adjustable 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. The Agency shall develop program features and implementation processes that create consistent market signals, making the program predictable and sustainable for solar industry companies, thus allowing them to scale up long-term hiring and investment activities. 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 shall establish program
eligibility requirements that ensure that projects that enter the program are sufficiently mature to indicate a demonstrable path to completion. 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 25 ±10 kilowatts.

(ii) At least 25% from distributed renewable energy generation devices with a nameplate capacity of
more than 25 ±0 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) Other block groups as specified by the Agency and approved by the Commission in the long-term renewable resources procurement plan in order to meet the goals of this subsection (c). 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, including urban and rural areas, and are not concentrated in a few geographic areas or excluding particular geographic areas.

Immediately upon the effective date of this amendatory Act of the 101st General Assembly, the Adjustable Block Program shall stop accepting applications from community renewable generation projects and shall stop allocating capacity remaining in open or future blocks to community
renewable generation projects.

(L) The procurement of photovoltaic renewable energy credits under the Adjustable Block Program established under items (i) through (iv) of subparagraph (K) and the Community Solar Program established under subparagraph (N) 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 from projects with a nameplate capacity of no more than 10 kilowatts 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 from projects with a nameplate capacity of more than 10 kilowatts but no more than 200 kilowatts or from photovoltaic community renewable projects that include a community ownership component
or are owned by a public entity 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) For those renewable energy credits that qualify and are procured from all other projects under subparagraphs (K) or (N) of this paragraph (1), the renewable energy credit purchase price shall be paid by the contracting utilities over the 15-year life of the contract. The electric utility shall receive and retire all renewable energy credits generated by the project for the first 15 years of operation.

(v) Each contract shall include provisions to ensure the delivery of the renewable energy credits for the full term of the contract.

(vi) 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.

(vii) ~ 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.

(viii) 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.

(ix) Notwithstanding items (ii), (iii), and (iv) of this subparagraph (L), the Agency shall not be restricted from offering additional payment structures
if it determines that such adjustments will better achieve the goals of this subsection (c), as prioritized in subparagraph (F) of this subsection (c). Any such adjustments shall be approved by the Commission as a long-term plan amendment under Section 16-111.5 of the Public Utilities Act.

(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.

Immediately upon the effective date of this amendatory Act of the 101st General Assembly, the Agency shall consider whether changes to Adjustable Block Program elements of less than 25% can and should be adopted to bring the Adjustable Block Program in line with the updated goals and targets of this subsection (c).

(N) The long-term renewable resources procurement plan required by this subsection (c) shall include a Community Solar Program for solar photovoltaic community renewable generation projects and may include additional community renewable generation programs or procurements open to
other or additional renewable technology program. The Agency shall establish the terms, conditions, and program requirements for the Community Solar Program and for any other program or procurement for community renewable generation projects with a goal to expand renewable energy generating facility access to a broader group of energy consumers, to ensure robust participation opportunities for residential and small commercial customers and those who cannot install renewable energy on their own properties, create opportunities for subscribers to participate in local renewables projects in both urban and rural communities across the state, enable communities to self-organize their own renewables projects, and increase community ownership of renewables projects. 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):

"Community" means:

a social unit in which people come together regularly to effect change;

a social unit in which participants are marked by a cooperative spirit, a common purpose, or shared interests or characteristics; or

a space understood by its residents to be delineated through geographic boundaries or landmarks.
"Community benefit" means:

a range of services and activities that provide affirmative, economic, environmental, social, cultural, or physical value to a community; or

a mechanism that enables economic development, high-quality employment, and education opportunities for local workers and residents, or formal monitoring and oversight structures such that community members may ensure that those services and activities respond to local knowledge and needs.

"Community ownership" means an arrangement in which:

an electric generating facility is, or over time will be, in significant part, owned collectively by members of the community to which an electric generating facility provides benefits; members of that community participate in decisions regarding the governance, operation, maintenance, and upgrades of and to that facility; and members of that community benefit from regular use of that facility.

"Portable", "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.

"Stakeholder" means any person or entity with a declared or conceivable interest in a project.

"Transferable" and "transferable" means that a subscriber may assign or sell subscriptions to another person within the same utility service territory.

The Community Solar Program established under this subparagraph (N) shall be designed to preference the procurement of renewable energy credits from projects that meet one or more of the following Community Criteria for a portion of the overall renewable energy credits to be procured under the Community Solar Program:

(i) include community ownership;
(ii) are put forward by approved vendors or companies that take higher numbers of the equity actions described in paragraph (7) of this subsection (c);
(iii) provide additional community benefit, beyond project participation as a subscriber;
(iv) ensure meaningful involvement in project organization and development by non-profit organizations, public entities, or community members;
(v) increase the geographic diversity of projects in the Community Solar Program;
(vi) are also brownfield site photovoltaic
(vii) ensure engagement in project operations and management by non-profit organizations, public entities, or community members; or

(viii) serve only local subscribers.

Terms and guidance within these criteria that are not defined in this subparagraph (N) shall be defined by the Agency, with stakeholder input, during the development of the Agency's long-term renewable resources procurement plan.

The Community Solar Program shall procure renewable energy credits in the following manner: (1) for a portion of the overall renewable energy credits to be procured under the Community Solar Program, the Agency shall initiate a request for projects that serve a minimum of 50% residential and small business subscribers and maximize the Community Criteria in this subparagraph (N); and (2) the Agency shall score all projects based on their ability to meet the Community Criteria. Both projects that better meet individual criteria as well as projects that address a higher number of criteria shall receive a higher score. The Agency shall also consider renewable energy credit price when qualifying and scoring projects. The Agency shall select the highest scoring projects to advance, subject to budget availability, reserving a portion of the capacity selected through the request for projects for those
projects that include a community ownership component. Once projects that maximize the Community Criteria have been selected, the Agency shall initiate a procurement for the remaining renewable energy credits from photovoltaic community renewable generation devices needed to meet the goals of subparagraph (C) of this paragraph (l). The Agency shall strive to procure renewable energy credits through the Community Solar Program 4 times per delivery year. This manner of procuring renewable energy credits for the Community Solar Program may be adjusted upon review by the Agency and approval by the Commission through the long-term renewable resources procurement plan update process in order to better meet the goals of this subsection (c) and the requirements of this subparagraph (N).

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 Community Solar Program described in this subparagraph (N), Adjustable Block program described in subparagraph (K) of this paragraph (l) or through the Illinois Solar for All Program described in Section 1-56 of this Act. The Agency shall purchase
renewable energy credits from unsubscribed shares of photovoltaic community renewable generation projects that have achieved a subscription level of 80% or higher at the average winning price from the most recent procurement of renewable energy credits from utility-scale solar photovoltaic projects or another amount established through the long-term planning process described in subparagraph (A) of this paragraph (1) of this subsection (c). 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; 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.
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).

(P) The Agency shall preference the procurement of
renewable energy credits from new utility-scale photovoltaic and wind projects that provide additional land use and environmental benefits such as:

(i) agriculture-friendly benefits;

(ii) pollinator-friendly site practices as identified in the Pollinator Friendly Solar Site Act;

(iii) brownfield redevelopment, through location at sites regulated under any of the programs identified as a brownfield site photovoltaic project under Section 1-10;

(iv) vegetative buffers, which are areas consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to a body of water that protects the water resources from runoff pollution, and stabilizes soils, shores, and banks to protect or provide riparian corridors;

(v) commitment to land use practices that result in carbon sequestration;

(vi) land use practices that minimize interference with natural habitat and wildlife; and

(vii) other land-use or environmental benefits identified by the Agency with input from stakeholders received during the long-term renewable resources procurement plan revision process.

(1.5) No later than May 31, 2021, all Illinois electric cooperatives and municipal utilities shall develop a plan
to ensure that their members and customers have access to renewable energy on a reasonably equivalent basis to all other residents in the State, including the overall percentage goals listed in subparagraph (A) of paragraph (1) of this Section and the carbon-free resources goals of subsection (k) of this Section 1-75. These plans shall be developed through a public process involving municipal utility and cooperative members, customers, and other members of the public, and shall be filed with the Illinois Commerce Commission at least every 2 years.

(2) (Blank).

(3) (Blank).

(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, 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 June 1, 2017
(the effective date of Public Act 99-906) 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, and Illinois Solar for All Program shall provide employment opportunities for all segments of the population and workforce, including minority-owned and women-owned female-owned business enterprises, as well as minority-owned and women-owned worker cooperatives or other such employee-owned entities, and shall not, consistent with State and federal law, discriminate based on race or socioeconomic status.

Specifically, as the Agency conducts competitive procurement processes and implements programs to procure renewable energy credits identified in the long-term renewable resources procurement plan, the Agency must preference the procurement of renewable energy credits from those entities, including approved vendors, companies, nonprofits, worker cooperatives, and others, that meet multiple equity actions, with a higher preference given to approved vendors, companies, nonprofit entities,
worker cooperatives, and other entities that meet multiple equity actions, including, but not limited to, the following:

(A) Hiring Equity Action: 30% of the company's or entity's workforce (measured by full-time equivalents as defined by the Government Accountability Office of the United States Congress) are people of color (members of a racial or ethnic minority group) and are paid at or above the prevailing wage.

(B) Clean Jobs Workforce Hubs Action: 30% of the workers associated with the project are graduates or trainees from the Clean Jobs Workforce Hubs programs, or equivalent certification, and paid at or above the prevailing wage.

(C) Disadvantaged Business Enterprise Action: being an entity defined under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(D) Contracting Equity Action: 51% of the company's or entity's subcontractors or vendors are entities defined under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act or 30% of the workers associated with the project, including from all subcontractors and vendors, are people of color (members of a racial or ethnic minority group) paid at or above the prevailing
wage.

(E) Community Benefits Action: (i) for projects 100 kW in size or larger, project has an executed Community Benefits Agreement that could include, but is not limited to, a commitment to hire local workers, union workers, displaced fossil fuel workers transitioning to clean energy work, or Clean Jobs Workforce Hubs graduates, a commitment to pay workers at or above the prevailing wage, and a commitment to give communities ownership opportunities in clean energy projects; and (ii) for projects under 100 kW in size, companies pay their workforces at or above the prevailing wage.

(F) Small Business Action: company's workforce is comprised of 3 or fewer full-time employees.

(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
kilowatthour means the total amount paid for electric
service expressed on a per kilowatthour 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 kilowatthour 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 kilowatthour by those customers during the year ending May 31, 2010 or 1% of the amount paid per kilowatthour 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 kilowatthour by those customers during the year ending May 31, 2011 or 1.5% of the amount paid per kilowatthour 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 kilowatthour by those customers during the year ending May 31, 2012 or 2% of the amount paid per kilowatthour 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 kilowatthour by those customers during the year ending May 31, 2009 or (ii) the incremental amount per kilowatthour 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 June 1, 2009 (the effective date of Public Act 95-1027), 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 willfully 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 ending May 31, 2027. 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 this Section 175 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 megawatthour 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.

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 June 1, 2017 (the
effective date of Public Act 99-906), 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 Public Act 99-906 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 this Section 175 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 June 1, 2017 (the effective date of Public Act 99-906), 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 Public Act 99-906 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 this Section; 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 this 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 this 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 Public Act 99-906, 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 June 1, 2017 (the effective date of Public Act 99-906).

(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 delivery year, the contractual volume receiving payments in such year shall be reduced for all retail customers based on the amount necessary to limit the net increase that delivery year to the costs of those 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 paid 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. 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). 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 be paid 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) 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.

(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.

(j) Renewable energy supply.

(1) Beginning with the energy to be delivered in the delivery year commencing on June 1, 2023, the Agency shall assess the feasibility of procuring cost-effective,
long-term contracts for energy supply from renewable energy projects as provided under subparagraph (P) of subsection (c) of this Section, 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.

(2) Long-term contracts as described in this subsection (j) shall refer to contracts that are preferably no less than a 15-year period, but in no case less than a 5-year period.

(3) The Agency shall evaluate energy supply procurements that enable greater achievement, or more cost-effective achievement, of the renewable energy goals in this Section, including through coordination or bundling with procurements of renewable energy credits, as provided under subparagraph (P) of subsection (c) of this Section, or capacity from renewable energy resources, as provided under subsection (k) of this Section.

(4) The Agency shall include in its annual procurement plan the results of this assessment and any recommended procurements. The Agency shall, at a minimum, re-evaluate its assessment every 3 years, incorporating new information from updated data, including, but not limited to, the results of its procurements, competitive market trends, and energy procurements in other states.
(k) Carbon-free resources.

(1) Carbon-free capacity. The Agency shall develop a plan and conduct a procurement of capacity from qualified resources pursuant to paragraph (1) of subsection (a) of Section 1-20. The goals of the carbon-free capacity procurement will be to reduce pollution from the power sector, lower consumer costs, and create investment opportunities for new renewable resources. Capacity procured under this subsection (k) shall not include capacity for the load associated with customers served by a municipal utility or electric cooperative.

(i) For the purposes of this subsection (k), "qualified resources" means: (1) energy efficiency measures that are implemented pursuant to plans approved by the Commission under Sections 8-103, 8-103B, and 8-104 of the Public Utilities Act; (2) renewable energy resources as defined in Section 1-10 of this Act; (3) zero emission facilities as defined in Section 1-10 of this Act; and (4) resources eligible as part of a Clean Peak Program under subsection (1) of this Section.

(ii) For the purposes of this Section, "Fixed Resource Requirement Alternative" has the meaning given to it in the Open Access Transmission Tariff, Reliability Assurance Agreement, and manuals of PJM Interconnection, LLC or its successor.
(iii) For the purposes of this Section, "Base Residual Auction" has the meaning given to it in the Open Access Transmission Tariff, Reliability Assurance Agreement, and manuals of PJM Interconnection, LLC.

(2) Agency election of capacity procurement structure. Prior to the first Base Residual Action of PJM Interconnection, LLC for which the Agency can procure capacity, the Agency shall specify in its procurement plan a proposal for capacity procurement pursuant to a Fixed Resource Requirement Alternative. If, subsequent to the first procurement conducted pursuant to this subsection (k), PJM Interconnection, LLC tariffs provide for a resource-specific Fixed Resource Requirement Alternative, the Agency shall evaluate whether it is more cost-effective to meet the goals of this subsection (k) using a resource-specific Fixed Resource Requirement Alternative and submit such determination to the Commission for approval as part of its procurement plan submitted pursuant to Section 16-111.5 of the Public Utilities Act. As part of its determination, the Agency must include a description of how capacity procurements would be conducted under the new structure and how those procurements would achieve the goals of this subsection.

(3) Duration of capacity procurement structure. The Agency's obligation under this subsection (k) shall continue annually until capacity is procured for the
delivery year commencing June 1, 2032. Prior to that time, the obligation shall cease only if and when the Agency concludes the enactment of a national carbon policy that includes a price on carbon, the implementation of a carbon pricing mechanism by PJM Interconnection, LLC, or such other changes in law related to carbon or carbon emissions as would affect its ability to meet the obligations and goals of the carbon-free capacity procurement described in this subsection (k). The Agency shall, in making such a determination, maintain its obligation to meet the terms and conditions of the Fixed Resource Requirement Alternative as described in the Open Access Transmission Tariff, Reliability Assurance Agreement, and manuals of PJM Interconnection, LLC or its successor.

(4) Electric utilities notification to PJM Interconnection, LLC. Prior to the first Base Residual Auction of PJM for which the Agency is procuring capacity, any electric utility affected by this procurement shall make timely written notification to PJM Interconnection, LLC or its successor that it is electing the Fixed Resource Requirement Alternative pursuant to the Reliability Assurance Agreement of PJM Interconnection, LLC or its successor, by which the electric utility will procure its Unforced Capacity Obligation for any delivery years for which the Agency will be procuring capacity pursuant to this subsection (k). The utility election shall include
notification of the performance penalties to be issued in
the form of physical penalties, as that term is defined and
understood in the PJM Interconnection, LLC manuals,
Reliability Assurance Agreement, and Open Access
Transmission Tariff. Following PJM Interconnection, LLC or
its successor's validation of the electric utility's
eligibility to participate in the Fixed Resource
Requirement Alternative, the utility shall timely submit
its Fixed Resource Requirement Alternative Capacity Plan
pursuant to the requirements set forth in, and as defined
by, the Reliability Assurance Agreement of PJM
Interconnection, LLC, or its successor, as such Agreement
may be updated from time to time. The utility shall timely
update its Plan on an annual basis, as required by such
Agreement. The utility's submission of its Fixed Resource
Requirement Alternative Capacity Plan, and updates
thereof, pursuant to this paragraph (4) and such Agreement
shall be consistent with the results of the Agency's
procurement or procurements of capacity for the applicable
delivery year.

(5) Capacity obligation. The capacity portion of
qualified resources shall be counted toward fulfillment of
zonal capacity obligations for all retail customers within
the local delivery area of any affected electric utility as
determined by PJM Interconnection, LLC for the purposes of
the Fixed Resource Requirement Alternative. The Agency
shall calculate the eligible capacity contribution of qualified resources procured, and match it to an equivalent megawatt quantity or portion of capacity obligation of load within the local delivery zone. The resulting capacity and load obligation shall be reported in accordance with the applicable provisions of the Open Access Transmission Tariff, Reliability Assurance Agreement and manuals of PJM Interconnection, LLC.

(6) Capacity procurements. The Agency shall conduct the following procurements to meet the annual capacity obligation: an initial multi-year carbon-free capacity procurement event; an annual long-term renewable energy capacity procurement; an annual carbon-free capacity procurement; an annual open capacity procurement; a mid-point carbon-free capacity procurement; and an annual carbon-free peak capacity procurements.

(i) Initial multi-year carbon-free capacity procurement. No later than January 30, 2020, the Agency shall conduct a procurement of capacity from qualified resources capable of supplying 75,000,000 MWh of carbon-free energy, under long-term contracts for capacity delivery beginning with the delivery year commencing June 1, 2023. Contracts for such capacity shall not exceed 15 years or the operating life of a resource as determined by the Nuclear Regulatory Council as of January 1, 2019, whichever is shorter.
Resources eligible for this procurement are qualified resources that (A) commence construction after January 1, 2020, or have never sold zero-emission credits pursuant to subsection (d-5) of this Section and (B) count toward the capacity obligation. Resources that have a Pseudo-Tie, as such term is used by PJM Interconnection, LLC, are not eligible for this procurement. Resources shall be selected based on the public interest criteria provided under subsection (d-5) of this Section. The price for capacity under this procurement shall be the resource's offer price, expressed on a dollar per megawatt-hour basis, multiplied by estimated annual generation. In no event shall the Agency select an offer price that exceeds the Social Cost of Carbon. Payments to selected resources shall be made pursuant to the prudence review defined in this subsection (k), and subject to the consumer protection mechanisms in paragraph (8) of this subsection (k).

Bidders in the procurement shall have a choice between 2 contracts: (A) a 15-year fixed-term contract with no price adjustment other than the initial prudence review cap, or (B) an up to 15-year adjustable contract, subject to the prudence review cap as adjusted and through the consumer protection adjustment, with a seller's option to terminate after
10 years and a buyer's option to terminate after 10 years if the Fixed Resource Requirement Alternative ends as described in paragraph (12) of this subsection (k). The Agency shall conduct this procurement as soon as is practicable after the effective date of this Act and as soon as is necessary to meet the requirements of the Fixed Resource Requirement Alternative as described by the PJM Interconnection, LLC manuals, Reliability Assurance Agreement, and Open Access Transmission Tariff.

For all contracts under this item (i), the price for capacity in each year of the contract shall be the resource's offer price, expressed on a dollar per megawatt-hour basis, as adjusted by the prudence review cap and the consumer protection mechanisms in this paragraph (6), when applicable, less the market price index provided in item (iii) of subparagraph (B) of paragraph (1) of subsection (d-5) of this Section, multiplied by the estimated annual generation of the resource.

(ii) Annual long-term renewable energy capacity procurements. No later than January 30, 2020, the Agency shall conduct an initial procurement of capacity from new wind projects and new solar projects, as defined under subparagraph (C) of paragraph (1) of subsection (c) of this Section, capable of providing up
to 6,000,000 MWh of renewable energy under long-term contracts for capacity delivery beginning with the delivery year commencing June 1, 2023. Resources eligible for this procurement are those that have commenced construction after January 1, 2020. Nothing shall prevent a winning bidder from entering service after January 1, 2020 and prior to June 1, 2023. Successful bidders in the procurement shall be eligible for a 15-year fixed-term contract, subject to the prudency review.

No later than January 30 of each year thereafter, the Agency shall conduct an annual procurement of capacity from new wind projects and new solar projects, as provided under subparagraph (C) of paragraph (1) of subsection (c) of this Section, beginning with the delivery year commencing June 1, 2024, to procure capacity necessary to meet the annual capacity obligation. In each annual procurement, the Agency shall procure incremental additional capacity from new wind and solar projects, through long-term contracts, that counts toward the capacity obligation and is capable of providing 2,000,000 MWh of renewable energy each year, such that the Agency procures capacity from renewable energy resources capable of providing 20,000,000 MWh of renewable energy annually under the annual long-term renewable energy capacity
procurements by the end of the 2030 delivery year. Successful bidders in the procurement shall be eligible for a 15-year fixed-term contract, subject to the prudency review in this paragraph.

For all contracts under this item (ii), the price for capacity in each year of the contract shall be the resource's offer price, expressed on a dollar per megawatt-hour basis, as adjusted by the prudency review cap in this paragraph (6), less the market price index defined in item (iii) of subparagraph (B) of paragraph (1) of subsection (d-5) of this Section, multiplied by the estimated annual generation of the resource. In the event the resource's offer price is equal to or less than the prudency review cap established in this paragraph (6), the electric utility shall receive and retire all renewable energy credits generated by the project for the duration of the contract, and credit the difference between the offer price and the prudency review cap in dollars per megawatt-hour, multiplied by the estimated annual generation of the resource, to the renewable energy resources budget for each year of the contract. If the resource's offer price is greater than the prudency review cap established in this paragraph (6), the project shall be allowed to sell all renewable energy credits generated by the project in the procurements
described in subparagraph (C) of paragraph (1) of subsection (c) of this Section.

If the Fixed Resource Requirement Alternative ends as described in paragraph (12) of this subsection (k), the utility shall resell the capacity procured from the winning projects in this item (ii), as described by the PJM Interconnection, LLC manuals, Reliability Assurance Agreement, and Open Access Transmission Tariff. If the resale of capacity fails to cover the cost of the project payments, the Agency shall direct payments from the renewable resources budget to cover the remaining payment required to meet a resource's offer price.

(iii) Annual carbon-free capacity procurements.
The Agency shall conduct an annual carbon-free capacity procurement beginning with the delivery year commencing June 1, 2023 to procure capacity necessary to meet the annual capacity obligation. The annual procurement quantity shall be adjusted to reflect any capacity already procured through the initial multi-year capacity procurement described in items (i) and (ii) of this paragraph (6). All qualified resources are eligible for this procurement. Resources shall be qualified based on the public interest criteria provided in subsection (d-5) of this Section. Contracts offered through this procurement shall be
limited to a duration of one delivery year for qualified resources, with the exception of energy efficiency and demand response resources as defined in Section 1-10 of this Act. The procurement shall be competitively bid and payments to selected resources shall be made on a pay-as-bid basis as an incremental price to the zonal capacity price determined by PJM Interconnection, LLC during the applicable delivery year's Base Residual Auction. The Agency shall include in this annual carbon-free capacity procurement a competitive procurement for demand response resources, as defined in Section 1-10 of this Act, resources with contract durations not to exceed 5 years. Such procurement shall be subject to a bid cap to be determined in relation to the applicable delivery year's Net Cost of New Entry, or Net CONE, as specified by PJM Interconnection, LLC.

(iv) Annual open capacity procurements. The Agency shall conduct annual capacity procurements beginning with the delivery year commencing June 1, 2023 to ensure that capacity necessary to meet the annual capacity obligation is procured. The annual amount of capacity procured through item (iii) of this paragraph (6) shall be adjusted to reflect any capacity already procured through the procurements described in items (i), (ii) and (iii) of this paragraph (6). Both
qualified and non-qualified resources are eligible for this procurement so long as the resource can provide capacity that is eligible to meet the annual zonal capacity obligation. Contracts offered through this procurement shall not exceed 3 years. Payments to selected resources shall be made on a pay-as-bid basis as an incremental value to the zonal capacity price determined by PJM Interconnection, LLC during the applicable delivery year's Base Residual Auction. The Agency shall design the annual open capacity procurements to ensure the utility can meet the minimum requirements of a Fixed Resource Requirement Alternative, as described by the PJM Interconnection, LLC manuals, Reliability Assurance Agreement, and Open Access Transmission Tariff, while not intruding on the ability of the Agency to meet and prioritize the carbon-free procurements, in the applicable delivery year or in future delivery years.

(v) Mid-point carbon-free capacity procurement.

The Agency shall conduct a procurement event for the delivery year commencing June 1, 2027. Quantity procured through this event shall be capable of supplying 12 terawatt hours of carbon-free energy from qualified resources. Resources eligible for this procurement include qualified resources that have never sold or no longer sell zero-emission credits and
qualified resources that have never sold renewable energy credits. Resources shall be qualified based on the public interest criteria provided in subsection (d-5) of this Section. Payments to selected resources shall be made pursuant to the prudency review cap provided in this subsection (k). Contracts offered pursuant to this item (iv) of this paragraph (6) for renewable energy projects shall be for 15 years, with a seller's option to terminate the contract after 10 years. Contracts offered pursuant to item (iv) of this paragraph (6) for all other qualified resources shall be for a maximum of 5 years.

(vi) Annual carbon-free peak capacity procurements. The Agency shall conduct an annual procurement targeted at a megawatt quantity sufficient to meet the capacity obligation for the 100 hours annually that are projected to have the highest peak demand. Resources eligible for this procurement include qualified demand response, energy efficiency, and energy storage resources as well as price-responsive demand resources as that term is defined and used by PJM Interconnection, LLC. Resources shall be selected based on public interest criteria as provided in subsection (d-5) of this Section, and annual zonal capacity requirements. Contracts offered pursuant to this procurement shall
not exceed 5 years. Selected resources will receive compensation based on the benefits of reduced peak energy demand, including, but not limited to, the benefits of avoided capacity costs, capital investments, and environmental damages.

(vii) The Agency shall include in its annual capacity procurement the effects of utility peak demand reduction programs created pursuant to subsection (b-30) of Section 8-103B of the Public Utilities Act. To the extent such programs include programs eligible to provide capacity as within the requirements of PJM Interconnection, LLC manuals, Reliability Assurance Agreement, and Open Access Transmission Tariff, the Agency shall reduce the total amount of capacity to be procured for the purposes of meeting the applicable delivery year capacity obligation.

(7) Prudence review. The Agency shall conduct a prudence review of the prices paid for the winning bids in the capacity procurements provided in items (i) through (v) of paragraph (6) to ensure they are cost effective, and implement a prudence review cap to limit the price paid to winning bidders to no more than the established amount. The prudence review cap shall limit the price paid per megawatt-hour to no greater than the zonal capacity price paid in the delivery year commencing June 1, 2018, divided
by 24, plus the NI Hub average forward price for the
delivery year commencing June 1, 2018, less a certain
percentage. For the delivery year commencing June 1, 2027
and thereafter, the prudency cap shall be increased to a
new fixed level to account for inflation. It may be
adjusted in individual years based on the consumer
protection adjustment described in paragraph (8) of this
subsection (k). The prudency review cap shall be increased
or decreased if the average basis differential from the NI
HUB price to resources with contracts as part of the
Multi-Year Carbon-Free Capacity Procurement exceeds $3 per
megawatt-hour, or is less than $1 per megawatt-hour. The
prudency cap shall also be adjusted down to account for new
market or out-of-market payments received by qualified
resources and not reflected in energy prices.

(8) Consumer protection adjustment. The consumer
protection adjustment shall limit total annual capacity
payments under the procurements provided in in items (i)
through (v) of paragraph (6) so that the costs paid for
capacity, energy, renewable energy credits, and zero
emission credits by all customers in the PJM
Interconnection, LLC territory in a given year shall not
exceed the consumer protection adjustment baseline,
defined as the total such costs paid by customers for the
delivery year commencing June 1, 2018, less 5% of that
total. This consumer protection adjustment baseline shall
be adjusted by 1% each year beginning with the delivery year commencing June 1, 2024. If exceeded, the prudency review cap for contracts procured pursuant to paragraph (6) of this subsection (k) and the capacity component of the procurements provided in items (i) through (v) of paragraph (6) shall be reduced by a dollar/MWh value until total costs are equal to the consumer protection adjustment baseline.

When total annual costs in a delivery year are less than the cap, additional savings shall be used to achieve the following goals, in order of priority:

(i) compensate for any reductions in the prudency review cap due to the consumer protection adjustment in the immediately prior delivery year;

(ii) support the achievement of renewable energy goals as described in subsection (c) in this Section, and to offset the increase in the limit described in subparagraph (E) of paragraph (1) of subsection (c) of this Section taking effect with the delivery year beginning June 1, 2023, and thereafter;

(iii) support the programs described in the Clean Jobs Workforce Hubs Act, Expanding Clean Energy Entrepreneurship Act, and the Energy Community Reinvestment Act, through the funding of any funding shortfalls identified by the Department of Commerce and Economic Opportunity, upon receipt of notification
and invoice from the Department as described in the
Energy Community Reinvestment Fund Act; and

(iv) provide stability to the renewable energy
market through a renewable energy resources reserve
fund, to be held by the utility, that can be available
to be used in future years to ensure consumer savings.

Any savings remaining shall be returned to the
customers of electric utilities affected by procurements
conducted pursuant to this subsection.

(9) Capacity performance risk. All resources that are
procured pursuant to this subsection (k) shall be combined
into a Fixed Resource Requirement Alternative portfolio.
Responsibility for any increased Fixed Resource
Requirement Alternative UCAP obligation in the following
year, due to underperformance under the physical penalty
option, shall be allocated pro rata to resources or pools
based on their underperformance during performance
assessment intervals. Such allocation shall take the form
of reduction in the underperforming resources' capacity
payments in the following year.

For any single capacity procurement conducted by the
Agency, eligible resources may manage the risk of
performance penalties by joining with other resources in a
pool that will be assessed as a single unit for the
purposes of determining performance. Such a pool may be
self-selected by the resources or created by the Agency.
For renewable resources, penalties for a single resource for non-performance shall be capped at $500/MWh per performance assessment interval based on physical penalty need and attributable resources, with performance penalties only assessed if the portfolio as a whole is found to underperform and attribution for underperformance is from that resources. Any additional cost for the purchase of additional megawatts of capacity, as required by physical non-performance penalty attributable to the resource, shall be funded from the renewable energy resources budget. If an individual resource continually underperforms, the Agency shall adjust the maximum allowed capacity obligation and payment of that resource going forward.

(10) Planning process. The Agency shall include its plans for capacity procurements as described in this subsection (k) in the procurement plan described in Section 16-111.5 of the Public Utilities Act. If the effective date of this amendatory Act of the 101st General Assembly would make coordination with that process impracticable, the Agency is authorized to conduct a separate planning process for the delivery year beginning June 1, 2023 or as required by PJM Interconnection, LLC and as described as follows:

(A) No later than 45 days after the effective date of this amendatory Act of the 101st General Assembly, the Agency shall publish its proposed capacity
procurement plan for the delivery year commencing June 1, 2023. The plan shall be consistent with the provisions of this subsection (k) and shall 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.

(B) Upon publishing of the capacity 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 after the effective date of this amendatory Act of the 101st General Assembly, the Agency shall revise the plan as necessary based on the comments received and file its capacity procurement plan with the Commission.

(C) If the Commission determines that the plan will result in the procurement of capacity consistent with the requirements of this subsection (k), 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.

(11) Other powers and duties. The Agency shall have the
authority to adjust the procurement practices described in Section 16-111.5 of the Public Utilities Act that address resource bidding, credit requirements, default, and other practices that affect the conduct of procurement events described in this subsection (k). Such adjustment shall be made only to achieve the goals described in paragraph (1) of this subsection (k) or to ensure compliance with requirements of the PJM Interconnection, LLC manuals, Reliability Assurance Agreement, or Open Access Transmission Tariff.

(12) End of Fixed Resource Requirement Alternative. If at any time prior to the delivery year beginning June 1, 2023, the Fixed Resource Requirement Alternative is no longer available for use by any electric utility affected by this subsection (k), the Agency shall review and determine the most cost-effective way to achieve the goals of this subsection (k). Resource owners with contracts whose performance is not yet complete may choose to sell any remaining capacity at cost to the affected electric utility for use in satisfying the PJM Interconnection, LLC zonal obligation. Renewable energy resources with a contract for bundled capacity shall continue to receive variable REC payments that are intended to replace any lost value from the end of the Fixed Resource Requirement Alternative.

(13) Consumer savings mechanism. Electric utilities
for which capacity is procured pursuant to this subsection (k) shall annually collect funds equal to the total annual capacity payments to the prices paid for capacity, energy, renewable energy credits, and zero emission credits by electric utilities subject to this subsection (k) for the delivery year commencing June 1, 2018. At the close of each delivery year, the utility shall calculate the amount to be refunded to customers pursuant to paragraph (8) of this subsection (k), and issue refunds to customers within 60 days of the end of the delivery year. After the results of all capacity procurements, the Agency will assess the long-term budget impacts and results of proposed capacity procurements, and determine an amount to be deposited into a reserve account held by the utility for use pursuant to paragraph (8) of this subsection (k).

(Source: P.A. 99-536, eff. 7-8-16; 99-906, eff. 6-1-17; 100-863, eff. 8-14-18; revised 10-18-18.)

Section 90-20. The State Finance Act is amended by adding Section 5.891 as follows:

(30 ILCS 105/5.891 new)

Sec. 5.891. The Energy Community Reinvestment Fund.

Section 90-25. The Illinois Income Tax Act is amended by changing Section 201 as follows:
Sec. 201. Tax imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(b) Rates. The tax imposed by subsection (a) of this Section shall be determined as follows, except as adjusted by subsection (d-1):

(1) In the case of an individual, trust or estate, for taxable years ending prior to July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 2 1/2% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 3% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, and ending
prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to July 1, 2017, and
ending after June 30, 2017, an amount equal to the sum of
(i) 3.75% of the taxpayer's net income for the period prior
to July 1, 2017, as calculated under Section 202.5, and
(ii) 4.95% of the taxpayer's net income for the period
after June 30, 2017, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate,
for taxable years beginning on or after July 1, 2017, an
amount equal to 4.95% of the taxpayer's net income for the
taxable year.

(6) In the case of a corporation, for taxable years
ending prior to July 1, 1989, an amount equal to 4% of the
taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years
beginning prior to July 1, 1989 and ending after June 30,
1989, an amount equal to the sum of (i) 4% of the
taxpayer's net income for the period prior to July 1, 1989,
as calculated under Section 202.3, and (ii) 4.8% of the
taxpayer's net income for the period after June 30, 1989,
as calculated under Section 202.3.

(8) In the case of a corporation, for taxable years
beginning after June 30, 1989, and ending prior to January
1, 2011, an amount equal to 4.8% of the taxpayer's net
income for the taxable year.

(9) In the case of a corporation, for taxable years
beginning prior to January 1, 2011, and ending after
December 31, 2010, an amount equal to the sum of (i) 4.8%
of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(10) In the case of a corporation, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(12) In the case of a corporation, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.
(14) In the case of a corporation, for taxable years beginning on or after July 1, 2017, an amount equal to 7% of the taxpayer's net income for the taxable year. The rates under this subsection (b) are subject to the provisions of Section 201.5.

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979. Such taxes are imposed on the privilege of earning or receiving income in or as a resident of this State. The Personal Property Tax Replacement Income Tax shall be in addition to the income tax imposed by subsections (a) and (b) of this Section and in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(d) Additional Personal Property Tax Replacement Income Tax Rates. The personal property tax replacement income tax imposed by this subsection and subsection (c) of this Section in the case of a corporation, other than a Subchapter S corporation and except as adjusted by subsection (d-1), shall be an additional amount equal to 2.85% of such taxpayer's net income for the taxable year, except that beginning on January 1, 1981, and thereafter, the rate of 2.85% specified in this
subsection shall be reduced to 2.5%, and in the case of a partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except that for purposes of this determination premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the
purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

(A) the total amount of tax imposed on such foreign insurer under this Act for a taxable year, net of all credits allowed under this Act, plus

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

(2) Any reduction in the rates of tax imposed by this subsection shall be applied first against the rates imposed by subsection (b) and only after the tax imposed by subsection (a) net of all credits allowed under this Section other than the credit allowed under subsection (i) has been reduced to zero, against the rates imposed by
subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

(e) Investment credit. A taxpayer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for investment in qualified property.

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall
be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all
such certifications immediately. For tax years ending
after December 31, 1988, the credit shall be allowed for
the tax year in which the property is placed in service,
or, if the amount of the credit exceeds the tax liability
for that year, whether it exceeds the original liability or
the liability as later amended, such excess may be carried
forward and applied to the tax liability of the 5 taxable
years following the excess credit years. The credit shall
be applied to the earliest year for which there is a
liability. If there is credit from more than one tax year
that is available to offset a liability, earlier credit
shall be applied first.

(2) The term "qualified property" means property
which:

(A) is tangible, whether new or used, including
buildings and structural components of buildings and
signs that are real property, but not including land or
improvements to real property that are not a structural
component of a building such as landscaping, sewer
lines, local access roads, fencing, parking lots, and
other appurtenances;

(B) is depreciable pursuant to Section 167 of the
Internal Revenue Code, except that "3-year property"
as defined in Section 168(c)(2)(A) of that Code is not
eligible for the credit provided by this subsection
(e);
(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in Illinois by a taxpayer who is primarily engaged in manufacturing, or in mining coal or fluorite, or in retailing, or was placed in service on or after July 1, 2006 in a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act; and

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or subsection (f).

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible
personal property" has the same meaning as when that term
is used in the Retailers' Occupation Tax Act, and, for
taxable years ending after December 31, 2008, does not
include the generation, transmission, or distribution of
electricity.

(4) The basis of qualified property shall be the basis
used to compute the depreciation deduction for federal
income tax purposes.

(5) If the basis of the property for federal income tax
depreciation purposes is increased after it has been placed
in service in Illinois by the taxpayer, the amount of such
increase shall be deemed property placed in service on the
date of such increase in basis.

(6) The term "placed in service" shall have the same
meaning as under Section 46 of the Internal Revenue Code.

(7) If during any taxable year, any property ceases to
be qualified property in the hands of the taxpayer within
48 months after being placed in service, or the situs of
any qualified property is moved outside Illinois within 48
months after being placed in service, the Personal Property
Tax Replacement Income Tax for such taxable year shall be
increased. Such increase shall be determined by (i)
recomputing the investment credit which would have been
allowed for the year in which credit for such property was
originally allowed by eliminating such property from such
computation and, (ii) subtracting such recomputed credit
from the amount of credit previously allowed. For the
purposes of this paragraph (7), a reduction of the basis of
qualified property resulting from a redetermination of the
purchase price shall be deemed a disposition of qualified
property to the extent of such reduction.

(8) Unless the investment credit is extended by law,
the basis of qualified property shall not include costs
incurred after December 31, 2018, except for costs incurred
pursuant to a binding contract entered into on or before
December 31, 2018.

(9) Each taxable year ending before December 31, 2000,
a partnership may elect to pass through to its partners the
credits to which the partnership is entitled under this
subsection (e) for the taxable year. A partner may use the
credit allocated to him or her under this paragraph only
against the tax imposed in subsections (c) and (d) of this
Section. If the partnership makes that election, those
credits shall be allocated among the partners in the
partnership in accordance with the rules set forth in
Section 704(b) of the Internal Revenue Code, and the rules
promulgated under that Section, and the allocated amount of
the credits shall be allowed to the partners for that
taxable year. The partnership shall make this election on
its Personal Property Tax Replacement Income Tax return for
that taxable year. The election to pass through the credits
shall be irrevocable.
For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

(f) Investment credit; Enterprise Zone; River Edge Redevelopment Zone; Clean Energy Empowerment Zone.

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act, or for investment in renewable energy enterprises located in Clean Energy Empowerment Zones created pursuant to the Energy Community Reinvestment Act. For partners,
shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:
(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.
(6) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois
shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) (Blank).

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would
reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

Changes made in this subdivision (h)(1) by Public Act 88-670 restore changes made by Public Act 85-1182 and reflect existing law.
(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (h);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; and

(D) is not eligible for the Enterprise Zone Investment Credit provided by subsection (f) of this Section.

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified
property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).
(i) Credit for Personal Property Tax Replacement Income

Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this
Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the
Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2022, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of
income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section 41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the
given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

It is the intent of the General Assembly that the research and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2022, including, but not limited to, the period beginning on January 1, 2016 and ending on the effective date of this amendatory Act of the 100th General Assembly. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(1) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed
eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a
deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site, except that the $100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed $40,000 per year with a maximum total of $150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this
subsection from more than one tax year that is available to
offset a liability, the earliest credit arising under this
subsection shall be applied first. A credit allowed under
this subsection may be sold to a buyer as part of a sale of
all or part of the remediation site for which the credit
was granted. The purchaser of a remediation site and the
tax credit shall succeed to the unused credit and remaining
carry-forward period of the seller. To perfect the
transfer, the assignor shall record the transfer in the
chain of title for the site and provide written notice to
the Director of the Illinois Department of Revenue of the
assignor's intent to sell the remediation site and the
amount of the tax credit to be transferred as a portion of
the sale. In no event may a credit be transferred to any
taxpayer if the taxpayer or a related party would not be
eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site"
shall have the same meaning as under Section 58.2 of the
Environmental Protection Act.

(m) Education expense credit. Beginning with tax years
ending after December 31, 1999, a taxpayer who is the custodian
of one or more qualifying pupils shall be allowed a credit
against the tax imposed by subsections (a) and (b) of this
Section for qualified education expenses incurred on behalf of
the qualifying pupils. The credit shall be equal to 25% of
qualified education expenses, but in no event may the total
credit under this subsection claimed by a family that is the
custodian of qualifying pupils exceed (i) $500 for tax years
ending prior to December 31, 2017, and (ii) $750 for tax years
ending on or after December 31, 2017. In no event shall a
credit under this subsection reduce the taxpayer's liability
under this Act to less than zero. Notwithstanding any other
provision of law, for taxable years beginning on or after
January 1, 2017, no taxpayer may claim a credit under this
subsection (m) if the taxpayer's adjusted gross income for the
taxable year exceeds (i) $500,000, in the case of spouses
filing a joint federal tax return or (ii) $250,000, in the case
of all other taxpayers. This subsection is exempt from the
provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are
residents of the State of Illinois, (ii) are under the age of
21 at the close of the school year for which a credit is
sought, and (iii) during the school year for which a credit is
sought were full-time pupils enrolled in a kindergarten through
twelfth grade education program at any school, as defined in
this subsection.

"Qualified education expense" means the amount incurred on
behalf of a qualifying pupil in excess of $250 for tuition,
book fees, and lab fees at the school in which the pupil is
enrolled during the regular school year.

"School" means any public or nonpublic elementary or
secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is
not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for
which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(o) For each of taxable years during the Compassionate Use of Medical Cannabis Pilot Program, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles of an organization registrant under the Compassionate Use of
Medical Cannabis Pilot Program Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed does not apply if:

(1) the medical cannabis cultivation center registration, medical cannabis dispensary registration, or the property of a registration is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial registration or the substantial owners of the initial registration;

(B) cancellation, revocation, or termination of any registration by the Illinois Department of Public Health;

(C) a determination by the Illinois Department of Public Health that transfer of the registration is in the best interests of Illinois qualifying patients as defined by the Compassionate Use of Medical Cannabis Pilot Program Act;

(D) the death of an owner of the equity interest in a registrant;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly
owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the registration when the registration was issued; or

(2) the cannabis cultivation center registration, medical cannabis dispensary registration, or the controlling interest in a registrant's property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized.

(Source: P.A. 100-22, eff. 7-6-17.)

Section 90-30. The Retailers' Occupation Tax Act is amended by adding Section 5k-5 as follows:

(35 ILCS 120/5k-5 new)

Sec. 5k-5. Building materials exemption; Clean Energy Empowerment Zone. Each retailer who makes a sale of building materials to be incorporated into renewable energy projects in a Clean Energy Empowerment Zone established under the Energy Community Reinvestment Act may deduct receipts from such sales when calculating the tax imposed by this Act. A renewable energy enterprise or other entity shall not make tax-free purchases under this Section unless it has an active exemption
certificate at the time of purchase, which shall be issued by the Department in a form prescribed by the Department. The Department shall adopt by rule all other requirements necessary for the implementation and operation of this Section.

Section 90-35. The School Code is amended by adding Section 2-3.176 as follows:

(105 ILCS 5/2-3.176 new)

Sec. 2-3.176. Clean energy jobs curriculum.

(a) The General Assembly recognizes that clean energy is a growing and important sector of the State's economy and that significant job opportunity exists in the sector. Consistent with Section 5-30 of the Clean Jobs Workforce Hubs Act, the Board shall participate in the development of the clean energy jobs curriculum convened by the Department of Commerce and Economic Opportunity. The Board shall identify and collaboratively with stakeholders identified by the Board develop curriculum based on anticipated clean energy job availability and growth including participation from stakeholders engaged in delivering existing clean energy jobs workforce development programs in Illinois, specifically those programs tailored to members of economically disadvantaged communities, members of environmental justice communities, communities of color, persons with a criminal record, persons who are or were foster children, displaced energy workers, and
members of any of these groups who are also women or transgender persons, as well as including youth. Clean energy jobs considered shall be consistent with "clean energy jobs" as defined in Section 5-10 of the Clean Jobs Workforce Hubs Act, including, but not limited to, solar photovoltaic, solar thermal, wind energy, energy efficiency, site assessment, sales, and back office.

(b) In the development of the clean energy jobs curriculum, the Board shall consider broad occupational training applicable to the general construction sector as well as sector-specific skills.

(c) Consideration should be given to inclusion of skills applicable to trainees for whom secondary and higher education has not been available.

Section 90-40. The Public Utilities Act is amended by changing Sections 8-103B, 9-220.3, 16-107, 16-107.5, 16-107.6, 16-111.5, and 16-128B and by adding Sections 8-104.1, 8-512, 9-222.1B, 16-107.7, 16-107.8, 16-108, 16-108.5, 16-108.9, 16-108.17, 16-111.10, and 16-115E as follows:

(220 ILCS 5/8-103B)

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 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.

(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% 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. For the purposes of this subsection (b) and subsection (b-5), the 88,000,000 MWhs of deemed electric power 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 (1) of this Section, as averaged across the calendar years 2014, 2015, and 2016. 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% deemed cumulative persisting annual savings for the year ending December 31, 2018;
(2) 5.2% deemed cumulative persisting annual savings for the year ending December 31, 2019;
(3) 4.5% deemed cumulative persisting annual savings for the year ending December 31, 2020;
(4) 4.0% deemed cumulative persisting annual savings for the year ending December 31, 2021;
(5) 3.5% deemed cumulative persisting annual savings for the year ending December 31, 2022;
(6) 3.1% deemed cumulative persisting annual savings
for the year ending December 31, 2023;
(7) 2.8% deemed cumulative persisting annual savings
for the year ending December 31, 2024;
(8) 2.5% deemed cumulative persisting annual savings
for the year ending December 31, 2025;
(9) 2.3% deemed cumulative persisting annual savings
for the year ending December 31, 2026;
(10) 2.1% deemed cumulative persisting annual savings
for the year ending December 31, 2027;
(11) 1.8% deemed cumulative persisting annual savings
for the year ending December 31, 2028;
(12) 1.7% deemed cumulative persisting annual savings
for the year ending December 31, 2029; and
(13) 1.5% deemed cumulative persisting annual savings
for the year ending December 31, 2030;–
(14) 1.3% deemed cumulative persisting annual savings
for the year ending December 31, 2031;
(15) 1.1% deemed cumulative persisting annual savings
for the year ending December 31, 2032;
(16) 0.9% deemed cumulative persisting annual savings
for the year ending December 31, 2033;
(17) 0.7% deemed cumulative persisting annual savings
for the year ending December 31, 2034;
(18) 0.5% deemed cumulative persisting annual savings
for the year ending December 31, 2035;
(19) 0.4% deemed cumulative persisting annual savings
for the year ending December 31, 2036;
(20) 0.3% deemed cumulative persisting annual savings
for the year ending December 31, 2037;
(21) 0.2% deemed cumulative persisting annual savings
for the year ending December 31, 2038;
(22) 0.1% deemed cumulative persisting annual savings
for the year ending December 31, 2039; and
(23) 0.0% deemed cumulative persisting annual savings
for the year ending December 31, 2040 and all subsequent years.

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 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
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.

No later than December 31, 2020, the Illinois Commerce Commission shall establish additional cumulative persisting annual savings goals for the years 2031 through 2035. The Commission shall also establish additional cumulative persisting annual savings goals every 5 years thereafter to ensure utilities always have goals that extend at least 11 years into the future. The cumulative persisting annual savings goals beyond the year 2030 shall increase by 0.9 percentage points per year, absent a Commission decision to initiate a proceeding to consider establishing goals that increase by more or less than that amount. Such a proceeding must be conducted in accordance with the procedures described in subsection (f) of this Section. If such a proceeding is initiated, the cumulative persisting annual savings goals established by the Commission through that proceeding shall reflect the Commission's best estimate of the maximum amount of additional savings that are forecast to be cost-effectively achievable unless such best estimates would result in goals that represent less than 0.5 percentage point annual increases in total cumulative persisting annual savings. The Commission may only establish goals that represent less than 0.5 percentage point annual increases in cumulative persisting annual savings if it can demonstrate, based on clear and convincing evidence, that
0.5 percentage point increases are not cost-effectively achievable. The Commission shall inform its decision based on an energy efficiency potential study that conforms to the requirements of subsection (f-5) of this Section.

(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% 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. For the purposes of this subsection (b-10) and subsection (b-15), the 36,900,000 MWhs of deemed electric power 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 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% deemed cumulative persisting annual savings for the year ending December 31, 2018;
(2) 5.2% deemed cumulative persisting annual savings for the year ending December 31, 2019;
(3) 4.5% deemed cumulative persisting annual savings for the year ending December 31, 2020;
(4) 4.0% deemed cumulative persisting annual savings for the year ending December 31, 2021;
(5) 3.5% deemed cumulative persisting annual savings for the year ending December 31, 2022;
(6) 3.1% deemed cumulative persisting annual savings for the year ending December 31, 2023;
(7) 2.8% deemed cumulative persisting annual savings for the year ending December 31, 2024;
(8) 2.5% deemed cumulative persisting annual savings for the year ending December 31, 2025;
(9) 2.3% deemed cumulative persisting annual savings for the year ending December 31, 2026;
(10) 2.1% deemed cumulative persisting annual savings for the year ending December 31, 2027;
(11) 1.8% deemed cumulative persisting annual savings for the year ending December 31, 2028;
(12) 1.7% deemed cumulative persisting annual savings for the year ending December 31, 2029; and
(13) 1.5% deemed cumulative persisting annual savings for the year ending December 31, 2030;
(14) 1.3% deemed cumulative persisting annual savings
for the year ending December 31, 2031;

(15) 1.1% deemed cumulative persisting annual savings
for the year ending December 31, 2032;

(16) 0.9% deemed cumulative persisting annual savings
for the year ending December 31, 2033;

(17) 0.7% deemed cumulative persisting annual savings
for the year ending December 31, 2034;

(18) 0.5% deemed cumulative persisting annual savings
for the year ending December 31, 2035;

(19) 0.4% deemed cumulative persisting annual savings
for the year ending December 31, 2036;

(20) 0.3% deemed cumulative persisting annual savings
for the year ending December 31, 2037;

(21) 0.2% deemed cumulative persisting annual savings
for the year ending December 31, 2038;

(22) 0.1% deemed cumulative persisting annual savings
for the year ending December 31, 2039; and

(23) 0.0% deemed cumulative persisting annual savings
for the year ending December 31, 2040 and all subsequent
years.

(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 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, 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;
(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.

No later than December 31, 2020, the Illinois Commerce Commission shall establish additional cumulative persisting annual savings goals for the years 2031 through 2035. The Commission shall also establish additional cumulative persisting annual savings goals every 5 years thereafter to ensure utilities always have goals that extend at least 11 years into the future. The cumulative persisting annual savings goals beyond the year 2030 shall increase by 0.6 percentage points per year, absent a Commission decision to initiate a proceeding to consider establishing goals that increase by more or less than that amount. Such a proceeding must be conducted in accordance with the procedures described in subsection (f) of this Section. If such a proceeding is initiated, the cumulative persisting annual savings goals established by the Commission through that proceeding shall reflect the Commission's best estimate of the maximum amount of additional savings that are forecast to be cost-effectively achievable unless such best estimates would result in goals that represent
less than 0.4 percentage point annual increases in total cumulative persisting annual savings. The Commission may only establish goals that represent less than 0.4 percentage point annual increases in cumulative persisting annual savings if it can demonstrate, based on clear and convincing evidence, that 0.4 percentage point increases are not cost-effectively achievable. The Commission shall inform its decision based on an energy efficiency potential study that conforms to the requirements of subsection (f-5) of this Section.

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. Utilities may claim savings from voltage optimization on circuits for more than 15 years if they
can demonstrate that they have made additional investments necessary to enable voltage optimization savings to continue beyond 15 years. Such demonstrations must be subject to the review of independent evaluation.

Within 270 days after June 1, 2017 (the effective date of Public Act 99-906) 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 and all subsequent years.
(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 total savings requirement as defined in
paragraph (7) of subsection (g) of this Section be met through
savings of fuels other than electricity.
(b-30) Beginning with the delivery year commencing June 1,
2020, an electric utility subject to this Section and serving
more than 3,000,000 retail customers in this State shall offer
a peak demand reduction program. The program shall be designed
to reduce peak demand in the utility's service territory as
that territory is defined by PJM Interconnection, LLC or its
successors. Reductions in peak demand will provide value to
utility customers by reducing energy and capacity costs and
align energy usage with the use of renewable energy resources.
(1) The program shall be designed to achieve reductions
in peak demand of 2,400 MW by the delivery year commencing
June 1, 2025, or 5 years after the effective date of this
amendatory Act of the 101st General Assembly, whichever
comes later. The reductions shall be measured against the
peak load as measured for the delivery year commencing June 1, 2018. For the delivery year commencing June 1, 2026 and each delivery year thereafter, the utility shall continue to maintain the peak reduction target.

(2) Eligible resources for this program include the following programs so long as those programs' capacity commitments are not otherwise reflected in the PJM Interconnection, LLC marketplace or procurements of the Illinois Power Agency pursuant to subsection (k) of Section 1-75 of the Illinois Power Agency Act or Section 16-111.5 of this Act:

(i) energy efficiency and demand response programs included in this Section;

(ii) energy storage resources;

(iii) reductions derived from dynamic or time-of-use pricing programs offered by the utility, including programs offered pursuant to Section 16-107.7 of this Act; and

(iv) other direct load control and voluntary load reductions programs as may be created.

The rules and procedures for consumers to opt-in to any program included in the peak demand reduction program shall include electronic sign-up, be designed to maximize participation, and be included on the utility's website.

(3) Customers participating in these programs and providing quantifiable reductions in capacity shall be the
amount of compensation the utility obtains through markets or programs at the applicable regional transmission organization or Illinois Power Agency procurements as described in subsection (k) of Section 1-75 of the Illinois Power Act.

(4) The Commission shall monitor the performance of programs established pursuant to this subsection (b-30) and shall order the modification of a program if it determines that the program is not, after a reasonable period of time for development of at least 4 years, resulting in net benefits to the residential customers of the participating utility.

(5) The utility shall recover costs associated with these programs pursuant to subsection (d) of this Section.

(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 but 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, and buildings owned by nonprofit organizations, 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 $40,000,000 per year for electric utilities that serve more than 3,000,000 retail customers in the State and no less than $13,000,000 per year for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State. The ratio of spending on efficiency programs targeted at low-income multi-family buildings to spending on efficiency programs targeted at low-income single-family buildings shall be designed to achieve levels of savings from each building type that are approximately proportional to the magnitude of cost-effective lifetime savings potential in each building type.

The utilities shall work to bundle low-income energy efficiency offerings with other programs that serve low-income households to maximize the benefits going to these households. The utilities shall market and implement low-income energy efficiency programs in coordination with low-income assistance
programs, Solar for All, and weatherization whenever practicable. The program implementer shall walk the customer through the enrollment process for any programs for which the customer is eligible. The utilities shall also pilot targeting customers with high arrearages, high energy intensity (ratio of energy usage divided by home or unit square footage), or energy assistance programs with energy efficiency offerings, and then track reduction in arrearages as a result of the targeting. This targeting and bundling of low-income energy programs shall be offered to both low-income single-family and multi-family customers (owners and residents).

The utilities shall also implement a health and safety fund of a minimum of 0.5%, for electric utilities that serve more than 3,000,000 retail customers in the State, and a minimum of 0.5%, for electric utilities that serve less than 3,000,000 retail customers but more than 500,000 retail customers in the State, of the utility's entire portfolio funding level for a given year, that shall be used for the purpose of making grants for technical assistance, construction, reconstruction, improvement, or repair of buildings to facilitate their participation in the energy efficiency programs targeted at low-income single-family and multi-family households. These funds may also be used for the purpose of making grants for technical assistance, construction, reconstruction, improvement, or repair of the following buildings to facilitate their participation in the energy efficiency programs created
by this Section: (1) buildings that are owned or operated by registered 501(c)(3) public charities; and (2) day care centers, day care homes, or group day care homes, as defined under 89 Ill. Adm. Code Part 406, 407, or 408, respectively.

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 assist in the convening of
shall also convene a low-income energy efficiency advisory committee to allow a variety of stakeholders, especially those living in or working with low-income communities, to assist in the design and evaluation of the low-income and public housing 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 8-104.1 of this Act, the utilities' low-income energy efficiency implementation contractors, nonprofit organizations, community action agencies, advocacy groups, State and local governmental agencies, public housing organizations, and representatives of community-based organizations. There shall be a leadership committee comprised of a variety of stakeholders, with at least one community-based organization involved. The leadership committee may elect to hire a facilitator, and if it chooses to do so, it shall lead the selection process. The hired facilitator would be required to be fair and responsive to the needs of all stakeholders involved in the committee. All meetings must be accessible, with rotating locations, call-in options, and materials and agendas circulated well in advance. There shall also be opportunities for input outside of meetings from those with limited capacity and ability to attend, via one-on-one meetings, surveys, and calls. Meetings shall also include opportunities to bundle and coordinate low-income energy efficiency with other programs that serve low-income
communities, such as Solar for All and energy assistance programs. Meetings shall include educational opportunities for stakeholders to learn more about these additional offerings, and the committee shall assist in figuring out the best methods for coordinated delivery and implementation of offerings when serving low-income communities.

(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 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 June 1,
2017 (the effective date of Public Act 99-906) 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 administrative law judge. 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 June 1, 2017 (the effective date of Public Act 99-906) 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 June 1, 2017 (the effective date of Public Act 99-906) 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, for a utility that serves less than 3,000,000 retail customers, if 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. Except as provided in
subsection (m) of this Section, annual increases in cumulative persisting annual savings goals during the applicable 4-year plan period shall not 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 by clear and convincing evidence 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. Except as provided in subsection (m) of this Section, annual increases in cumulative persisting annual savings goals during the applicable 4-year plan period shall not 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, taking into account the results of the potential study required by subsection (f-5) of this Section.

(3) No later than March 1, 2025, each electric utility shall file a 4-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 (12) of subsection (b-5) of this Section or in paragraphs (9) through (12) 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 by clear and convincing
evidence 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 5-year plan period. Except as provided in subsection (m) of this Section, annual increases in cumulative persisting annual savings goals during the applicable 4-year 5-year plan period shall not 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 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, taking into account the results of the potential study required by subsection (f-5) of this Section.

(4) No later than March 1, 2029, and every 4 years thereafter, each electric utility shall file a 4-year energy efficiency plan commencing on January 1, 2030, and every 4 years thereafter, respectively, that is designed to achieve the cumulative persisting annual savings goals established by the Illinois Commerce Commission pursuant to direction of subsections (b-5) and (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 by clear and convincing evidence 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. Except as provided in subsection (m) of
this Section, annual increases in cumulative persisting
annual savings goals during the applicable 4-year plan
period shall not 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.

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 and results of an energy efficiency potential study as described in subsection (f-5) of this Section. 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 June 1, 2017 (the effective date of Public Act 99-906) 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.

(f-5) Energy efficiency potential study. An energy efficiency potential study shall be commissioned and overseen by the Illinois Commerce Commission. The potential study shall be a dual fuel study, addressing both gas and electric
efficiency potential, such that the requirements both in this subsection (f-5) and in subsection (j-5) of Section 8-104.1 are met in an integrated and cost-efficient manner. The potential study shall be reviewed as part of the approval of a utility's plan filed pursuant to subsection (f) of this Section. The potential study shall be designed and conducted with input from a Potential Study Stakeholder Committee established by the Commission. This Committee shall be comprised of representatives from each electric utility, the Illinois Attorney General's office, at least 2 environmental stakeholders, at least one community-based organization, and additional parties representing consumers. The Committee shall provide input, at a minimum, into the scope of work for the studies, the selection of vendors to perform the studies in accordance with appropriate confidentiality and conflict of interest provisions, and draft work products. The Committee shall make best efforts to achieve consensus on the key elements of the potential study, including:

(i) savings potential from efficiency measures and program concepts that are known at the time of the study;

(ii) likely emergence of new technology or new program concepts that could emerge;

(iii) likely savings potential from efficiency measures that may be unique to individual industries or individual facilities; and

(iv) the experience of other similar utilities, areas
and jurisdictions in maximizing achievement of cost-effective savings.

When the Committee is not able to reach consensus, the Commission shall make the final decision.

(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. (Blank).

2.5 Present specific proposals to implement new building and appliance standards that have been placed into effect.

2.5 Demonstrate consideration of program options for (A) advancing new building codes, appliance standards, and municipal regulations governing existing building efficiency improvements and (B) supporting efforts to improve compliance with new building codes, appliance standards and municipal regulations, as potentially cost-effective means of acquiring energy savings to count toward savings goals.

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 (1) of this Section, to participate in the programs. Individual measures need not be cost effective.

(3.5) Demonstrate that the utility's plan integrates the delivery of energy efficiency programs with natural gas efficiency programs, programs promoting distributed solar, programs promoting demand response and other efforts to address bill payment issues, including, but not limited to, LIHEAP and the Percent Income Payment Plan, to the extent such integration is practical and has the potential to enhance customer engagement, minimize market confusion, or reduce administrative costs.

(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; the solicitation process must be either for programs that fill gaps in the utility's program portfolio or for programs that target business sectors, building types, geographies, or other specific parts of its customer base with initiatives that would be more effective at reaching these customer segments than the utilities' programs filed in its energy efficiency plans.
(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.

(B) For the period January 1, 2026 through December 31, 2029 and in all subsequent 4-year periods, 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.

(C) Notwithstanding the provisions of subparagraphs (A) and (B) of this paragraph (7), if the applicable annual incremental goal for an electric utility is ever less than 0.6% of deemed average weather normalized sales of electric power and energy during calendar years 2014, 2015, and 2016, an adjustment to the return on equity component of the utility's weighted average cost of capital calculated under subsection (d) of this Section shall be made as follows:

(i) If the independent evaluator determines that the utility achieved a cumulative persisting annual savings that is less than would have been achieved had the applicable annual incremental
goal been achieved, then the return on equity component shall be reduced by a maximum of 200 basis points if the utility achieved no more than 75% of its applicable annual total savings requirement as defined in paragraph (7.5) of this subsection. If the utility achieved more than 75% of the applicable annual total savings requirement 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 would have been achieved had the applicable annual incremental goal been achieved, then the return on equity component shall be increased by a maximum of 200 basis points if the utility achieved at least 125% of its applicable annual total savings requirement. If the utility achieved more than 100% of the applicable annual total savings requirement 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 applicable annual total savings requirement. 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 total savings requirement 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 total savings requirement 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.

(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).

As used in this Section, "applicable annual total savings requirement" means the sum of (i) the applicable annual savings goal; plus (ii) the amount of new annual savings required to replace savings from efficiency measures that provided cumulative persisting annual savings in the previous year, including savings from programs in 2012 through 2017 for which savings are deemed
in subsections (b) and (b-10), but which reached the end of their measure lives by the end of the previous year.

(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, 2029 and in all subsequent 4-year periods, 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).

(C) Notwithstanding provisions in subparagraphs (A) and (B) of paragraph (7) of this subsection, if the applicable annual incremental goal for an electric utility is ever less than 0.6% of deemed average weather normalized sales of electric power and energy during calendar years 2014, 2015 and 2016, an adjustment to the return on equity component of the utility's weighted average cost of capital calculated
under subsection (d) of this Section shall be made as follows:

(i) The return on equity component shall be reduced by 8 basis points for each percent by which the utility did not achieve 100% of the applicable annual total savings requirement.

(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 total savings requirement.

(iii) The return on equity component shall not be increased or decreased by an amount greater than 200 basis points pursuant to this subparagraph (C).

(D) (C) If the applicable annual incremental goal was reduced under paragraphs (1), (2), (3), or (4) of subsection (f) of this Section, then the following adjustments shall be made to the calculations described in subparagraphs (A), (B), and (C) 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 the applicable annual total savings requirement, as applicable, 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 or the applicable annual total savings requirement, as applicable, 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, 2029 and all subsequent 4-year periods, the calculation for determining achievement that is less than 125% or 134%, as applicable, but more than 100% of the applicable annual incremental goal or the applicable annual total savings requirement, as applicable, 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 or 8 basis point values, as applicable, shall also be modified, as
necessary, so that the 200 basis points are evenly apportioned among each percentage point value between 100% and 125% or between 100% and 134% achievement, as applicable. In 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, as well as an estimate of job impacts and other macroeconomic impacts of the efficiency programs for that 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.

(10) Electric utilities required to implement efficiency programs under subsections (b-5) and (b-15) shall report annually to the Illinois Commerce Commission and the General Assembly on how hiring, contracting, job training, and other practices related to its energy efficiency programs enhance the diversity of vendors working on such programs. These reports must include data on vendor and employee diversity.

(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 June 1, 2017 (the effective date of Public Act 99-906) 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.

(1) (Blank). 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 (1), "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 this subsection (1) 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.

(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 if the multi-year plan has been designed to maximize savings, but does not meet the cost cap limitations of this subsection, 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 the 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,

(4) 4.25% for the 4 years beginning January 1, 2030,

and

(5) 4.25% plus an increase sufficient to account for
the rate of inflation between January 1, 2030 and January 1
of the first year of each subsequent 4-year plan cycle,
of the average amount paid per kilowatthour by residential
eligible retail customers during calendar year 2015. An
electric utility may spend up to 10% more in any year during an
applicable multi-year plan period to cost-effectively achieve
additional savings so long as the average over the applicable
multi-year plan period does not exceed the percentages defined
in items (1) through (5). 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 of 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 are exempt from subsections (a)
through (j) of this Section under subsection (1) of this
Section. 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. 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.

(n) Utilities shall give preference to those certified energy efficiency installers who meet multiple workforce equity building actions, including, but not limited to, the following:

(1) Hiring equity action: 30% of the entity’s workforce (measured by full-time equivalents) are people of color (members of a racial or ethnic minority group) and are paid at or above the prevailing wage.

(2) Clean Jobs Workforce Hubs action: 30% of the workers associated with the project are graduates or trainees from the Clean Jobs Workforce Hubs programs, or equivalent certification, and paid at or above the prevailing rate of wage.

(3) Disadvantaged business enterprise action: the certified energy efficiency installer is an entity defined under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(4) Contracting equity action: 51% of the entity’s subcontractors or vendors are entities defined under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act or 30% of the workers associated with the project, including from all
subcontractors and vendors, are people of color (members of a racial or ethnic minority group) paid at or above the prevailing rate of wage.

(5) Small business action: The entity's workforce is comprised of 3 or fewer full-time employees.

(Source: P.A. 99-906, eff. 6-1-17; 100-840, eff. 8-13-18; revised 10-19-18.)

(220 ILCS 5/8-104.1 new)

Sec. 8-104.1. Gas utilities; annual savings goals.

(a) It is the policy of the State that gas utilities are required to use cost-effective energy efficiency to reduce delivery load. Requiring investment in cost-effective energy efficiency will reduce direct and indirect costs to consumers by decreasing environmental impacts and by reducing the amount of natural gas that needs to be purchased and avoiding or delaying the need for new transmission, distribution, storage and other related infrastructure. It serves the public interest to allow gas utilities to recover costs for reasonably and prudently incurred expenditures for energy efficiency measures.

(b) In 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
"Cost-effective" means that the measures satisfy the total resource cost test that, 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 natural gas system and the participant in the delivery of those efficiency measures and including avoided costs associated with the use of electricity or other fuels, avoided cost associated with reduced water consumption, and avoided costs associated with reduced operation and maintenance costs, as well as other quantifiable societal benefits, 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. 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 shall be used. The low-income measures described in subsection (f) of this Section shall not be required to meet the total resource cost test.

"Cumulative persisting annual savings" means the total gas energy savings in a given year from measures installed in that year or in previous years, but no earlier than January 1, 2020, that are still operational and providing savings in that year because the measures have not yet reached the end of their useful lives.

(c) This Section applies to all gas distribution utilities in the State for those multi-year plans that include energy efficiency programs commencing after December 31, 2019.

(d) Beginning in 2020, gas utilities subject to this Section shall achieve the following cumulative persisting annual savings goals, as compared to a deemed baseline equivalent to the utility's average annual therm throughput in 2016 through 2018 through the implementation of energy efficiency measures during the applicable year and in prior years, but no earlier than January 1, 2020:

(1) 1.2% cumulative persisting annual savings for the year ending December 31, 2020;

(2) 2.1% cumulative persisting annual savings for the year ending December 31, 2021;

(3) 3.0% cumulative persisting annual savings for the year ending December 31, 2022;
(4) 3.9% cumulative persisting annual savings for the year ending December 31, 2023;
(5) 4.8% cumulative persisting annual savings for the year ending December 31, 2024;
(6) 5.7% cumulative persisting annual savings for the year ending December 31, 2025;
(7) 6.6% cumulative persisting annual savings for the year ending December 31, 2026;
(8) 7.4% cumulative persisting annual savings for the year ending December 31, 2027;
(9) 8.2% cumulative persisting annual savings for the year ending December 31, 2028;
(10) 9.0% cumulative persisting annual savings for the year ending December 31, 2029;
(11) 9.8% cumulative persisting annual savings for the year ending December 31, 2030;
(12) 10.6% cumulative persisting annual savings for the year ending December 31, 2031;
(13) 11.4% cumulative persisting annual savings for the year ending December 31, 2032;
(14) 12.1% cumulative persisting annual savings for the year ending December 31, 2033;
(15) 12.8% cumulative persisting annual savings for the year ending December 31, 2034; and
(16) 13.5% cumulative persisting annual savings for the year ending December 31, 2035.
No later than December 31, 2025, the Illinois Commerce Commission shall establish additional cumulative persisting annual savings goals for the years 2036 through 2040. The Commission shall also establish additional cumulative persisting annual savings goals every 5 years thereafter to ensure utilities always have goals that extend at least 11 years into the future. The cumulative persisting annual savings goals beyond the year 2035 shall increase by 0.6 percentage points per year absent a Commission decision to initiate a proceeding to consider establishing goals that increase by more or less than that amount. Such a proceeding must be conducted in accordance with the procedures described in subsection (f) of this Section. If such a proceeding is initiated, the cumulative persisting annual savings goals established by the Commission through that proceeding shall reflect the Commission's best estimate of the maximum amount of additional gas savings that are forecast to be cost-effectively achievable unless such best estimates would result in goals that represent less than 0.4 percentage point annual increases in total cumulative persisting annual savings. The Commission may only establish goals that represent less than 0.4 percentage point annual increases in cumulative persisting annual savings if it can demonstrate, based on clear and convincing evidence, that 0.4 percentage point increases are not cost-effectively achievable. The Commission shall inform its decision based on an energy efficiency potential study that conforms to the
requirements of subsection (j-5) of this Section.

(e) If a gas utility jointly offers an energy efficiency measure or program with an electric utility under plans approved under this Section and Section 8-103B of this Act, the gas utility may continue offering the program, including the electric energy efficiency measures, if the electric utility discontinues funding the program. In that event, the energy savings value associated with such other fuels shall be converted to gas energy savings on an equivalent Btu basis for the premises. However, the gas utility shall prioritize programs for low-income residential customers to the extent practicable. A gas utility may recover the costs of offering the gas energy efficiency measures under this subsection (e).

For those energy efficiency measures or programs that save both gas and other fuels but are not jointly offered with an electric utility under plans approved under this Section and Section 8-103B, the gas utility may count savings of fuels other than gas toward the achievement of its annual savings goal, and the energy savings value associated with such other fuels shall be converted to gas energy savings on an equivalent Btu basis at the premises.

In no event shall more than 10% of each year's applicable annual total savings requirement as defined in paragraph (8) of subsection (j) of this Section be met through savings of fuels other than gas.

(f) Gas utilities are 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% 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, community college districts, and
nonprofit-owned buildings 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 single-family and multi-family
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% of the utility's total efficiency portfolio budget.

At least 70% of spending on programs targeted at low-income
households shall go toward integrated whole building
efficiency programs, as defined in subsection (g), or
individual measures that reduce space heating needs through
improvements to the building envelope, heating distribution
systems, or heating system controls. Programs targeted at
low-income households, which address single-family and
multi-family buildings shall be treated such that forecast
savings to be achieved in each building type are approximately
in proportional to the magnitude of cost-effective energy
efficiency opportunities in these respective building types.

Each gas 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 (f).

Implementation of energy efficiency measures and programs
targeted at low-income households shall be contracted, when it
is practical, 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 gas 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 (f).

Each gas utility shall implement a health and safety fund
of a minimum of 0.5% of the utility's entire portfolio funding
level for a given year, that shall be used for the purpose of
making grants for technical assistance, construction, reconstruction, improvement, or repair of buildings to facilitate their participation in the energy efficiency programs targeted at low-income single-family and multi-family households. These funds may also be used for the purpose of making grants for technical assistance, construction, reconstruction, improvement, or repair of the following buildings to facilitate their participation in the energy efficiency programs created by this Section: (1) buildings that are owned or operated by registered 501(c)(3) public charities; and (2) day care centers, day care homes, or group day care homes, as defined by 89 Ill. Adm. Code Part 406, 407, or 408, respectively.

The gas utilities shall participate in a low-income energy efficiency advisory committee designed to allow a variety of stakeholders, especially those living in or working with low-income and public housing communities, 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 Section 8-103B of this Act, the gas utilities subject to the requirements of this Section, the utilities' low-income energy efficiency implementation contractors, nonprofit organizations, community action agencies, advocacy groups, State and local governmental agencies, public housing organizations, and representatives of community-based organizations. There shall be a leadership
committee comprised of a variety of stakeholders, with at least one community-based organization involved. The leadership committee may elect to hire a facilitator, and if it chooses to do so, it shall lead the selection process. The hired facilitator would be required to be fair and responsive to the needs of all stakeholders involved in the committee. All meetings must be accessible, with rotating locations, call-in options, and materials and agendas circulated well in advance. There shall also be opportunities for input outside of meetings from those with limited capacity and ability to attend, via one-on-one meetings, surveys, and calls. Meetings shall also include opportunities to bundle and coordinate low-income energy efficiency with other programs that serve low-income communities, such as Solar for All and energy assistance programs. Meetings shall include educational opportunities for stakeholders to learn more about these additional offerings, and the committee shall assist in figuring out the best methods for coordinated delivery and implementation of offerings when serving low-income communities.

(g) At least 50% of the entire efficiency program portfolio budget shall be spent on any combination of (1) heating energy savings from integrated whole building efficiency programs; and (2) individual efficiency measures that reduce the amount of space heating needs through improvements to the efficiency of building envelopes (including, but not limited to, insulation measures, efficient windows and air leakage
reduction), improvements to systems for distributing heat
(including, but not limited to, duct leakage reduction, duct
insulation or pipe insulation) in buildings, improvements to
ventilation systems (including, but not limited to heat
recovery ventilation and demand control ventilation measures)
or improvements to controls of heating equipment (including but
not limited to advanced thermostats). Spending on efficient
furnaces, efficient boilers, or other efficient heating
equipment measures outside of or separate from integrated whole
building efficiency programs is permitted within the
efficiency program portfolio, but does not count toward the
minimum spending requirement in this subsection (g). Spending
on integrated whole building efficiency programs targeted to
low-income customers, as well as spending on individual
building envelope, heating distribution system, ventilation
system and heating system control measures installed in
low-income homes does count toward this requirement. The
portion of portfolio spending on program marketing, training of
installers, audits of buildings, inspections of work
performed, and other administrative and technical expenses
that are clearly tied to promotion and delivery of integrated
whole building efficiency programs or installation of building
envelope, heating distribution system, or ventilation system
and heating system control measures shall count toward this
requirement. If this minimum requirement is not met, any
performance incentive earned under paragraph (7) of subsection
(j) should be reduced by the percentage point level of shortfall in meeting this requirement; if the utility is subject to a performance penalty, then the magnitude of the penalty shall be increased by the percentage point shortfall in meeting this requirement.

For the purposes of this subsection (g), "integrated whole building efficiency programs" means programs designed to optimize the heating efficiency of buildings by comprehensively and simultaneously addressing cost effective energy savings opportunities associated with heating equipment, heating distribution systems, heating system controls, ventilation systems and building envelopes; such programs may be targeted to existing buildings or to construction of new buildings.

(h) Notwithstanding any other provision of law to the contrary, a utility providing approved energy efficiency measures in the State shall be permitted to recover all reasonable and prudently incurred costs of those measures from all distribution system customers, provided that nothing in this subsection (h) permits the double recovery of such costs from customers.

(i) Beginning in 2019, each gas 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 (5) of this
subsection (i). 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 120 days after the effective date of this amendatory Act of the 101st General Assembly, each gas utility shall file an energy efficiency plan to supersede its previously filed energy efficiency plan for the year beginning January 1, 2020 that is designed to achieve the cumulative persisting annual savings goals specified in paragraphs (1) and (2) of subsection (d) of this Section through implementation of energy efficiency measures.

(2) No later March 1, 2021, each gas 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 (3) through (6) of subsection (d) of this Section through implementation of energy efficiency measures; however, the goals may be reduced if each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate beyond a reasonable doubt that achievement of such goals is not cost-effective; and (B) the amount of energy savings planned to be achieved by the utility in 2021, as documented pursuant to paragraph (1) of this subsection (i) and approved by the Illinois Commerce Commission, was less than the average annual amount of savings required to
achieve the goals for the applicable 4-year plan period. Annual increases in cumulative persisting annual savings goals during the applicable 4-year plan period shall not 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, taking into account the results of the potential study required by subsection (1-5) of this Section.

(3) No later than March 1, 2025, each gas utility shall file a 4-year energy efficiency plan commencing on January 1, 2026 that is designed to achieve the cumulative persisting annual savings goals specified in paragraphs (7) through (10) of subsection (d) of this Section through implementation of energy efficiency measures; however, the goals may be reduced if each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate beyond a reasonable doubt 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.
increases in cumulative persisting annual savings goals during the applicable 4-year plan period shall not 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, taking into account the results of the potential study required by subsection (j-5) of this Section.

(4) No later than March 1, 2029, each gas utility shall file a 4-year energy efficiency plan commencing on January 1, 2030 that is designed to achieve the cumulative persisting annual savings goals specified in paragraphs (11) through (14) of subsection (d) of this Section through implementation of energy efficiency measures; however, the goals may be reduced if each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate beyond a reasonable doubt 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. Annual increases in cumulative persisting annual savings goals
during the applicable 4-year plan period shall not 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, taking into account the results of the potential study required by subsection (i-5) of this Section.

(5) No later than March 1, beginning in 2033 and each 4 years afterwards, each gas utility shall file a 4-year energy efficiency plan commencing on January 1, beginning in 2034 and each 4-year period afterwards, that is designed to achieve the cumulative persisting annual savings goals established by the Illinois Commerce Commission pursuant to direction of subsection (d) of this Section, through implementation of energy efficiency measures; however, the goals may be reduced if each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate beyond a reasonable doubt 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. Annual
increases in cumulative persisting annual savings goals
during the applicable 4-year plan period shall not 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, taking into account the results of the potential
study required by subsection (j-5) of this Section.

Each utility's plan shall set forth the utility's proposals
to meet the energy efficiency standards identified in
subsection (d). For those plans commencing on January 1, 2021,
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, 2020, or 105 days after the effective
date of this amendatory Act of the 101st General Assembly,
whichever is later. For those plans commencing after December
31, 2022, 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 measures. Penalties shall be deposited into the Energy Efficiency Trust Fund.

(j) In submitting proposed plans and funding levels under subsection (i) of this Section to meet the savings goals identified in subsection (d), the utility shall:

(1) Demonstrate that its proposed energy efficiency measures will achieve the applicable requirements that are identified in subsection (d) of this Section.

(2) Demonstrate consideration of program options for (A) advancing new building codes, appliance standards, and municipal regulations governing existing building efficiency improvements and (B) supporting efforts to improve compliance with new building codes, appliance standards and municipal regulations, as potentially cost-effective means of acquiring energy savings to count toward savings goals.

(3) Demonstrate that its overall portfolio of measures, not including low-income programs described in subsection (f) of this Section, is cost-effective using the total resource cost test, complies with subsection (i) of this Section and represents a diverse cross-section of opportunities for customers of all rate classes, to participate in the programs. Individual measures need not
be cost effective.

(3.5) Demonstrate that the utility's plan integrates the delivery of energy efficiency programs with electric efficiency programs and other efforts to address bill payment issues, including, but not limited to, LIHEAP and the Percent Income Payment Plan, to the extent such integration is practical and has the potential to enhance customer engagement, minimize market confusion, or reduce administrative costs.

(4) Present a third-party energy efficiency implementation program subject to the following requirements:

(A) Beginning with the year commencing January 1, 2021, gas utilities shall fund third-party energy efficiency programs in an amount that is no less than 10% of total efficiency portfolio budgets per year.

(B) For multi-year plans commencing on January 1, 2022, January 1, 2026, January 1, 2030, and every 4 years thereafter, the utility shall conduct a solicitation process during 2021, 2025, 2029, and every 4 years thereafter, 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; the solicitation process must be for programs that fill gaps in the utility's program portfolio or targets business sectors, building types, geographies or other specific parts of its customer base with initiatives that would be more effective at reaching these customer segments than the utilities' programs filed in its energy efficiency plans.

(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.

(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 gas utility shall recover all costs associated with Commission-approved, third-party administered programs regardless of the success of those programs.

(5) Include a proposed or revised cost-recovery mechanism, as provided for under subsection (h) of this Section, to fund the proposed energy efficiency 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) Each gas utility shall be eligible to earn a shareholder incentive for effective implementation of its efficiency programs. The incentive shall be tied to each utility's annual energy efficiency spending and its savings relative to its applicable annual total savings requirement as defined in paragraph (8) of this subsection (j). There shall be no incentive if the independent evaluator determines the utility failed to achieve savings equal to at least 85% of its applicable annual total savings requirement. The utility shall earn an incentive equal 0.5% of total annual efficiency spending in the year being evaluated for every one percentage point above 85% up to 100% of its applicable annual total savings requirement that the utility achieved in that year, such that the utility shall earn an incentive equal to 7.5% of spending for meeting 100% of its applicable annual total savings
requirement. The utility shall earn an additional 0.3% of spending for every one percentage point above 100% of its applicable annual total savings requirement achieved, with a maximum incentive of 15% for achieving 125% of its applicable annual total savings requirement.

(7.5) In this Section, "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 subsection (d) of this Section. Under subsection (d) 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 (d) of this Section before any progress toward 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 (j).

(8) In this Section, "applicable annual total savings
requirement" means the total amount of new annual savings that the utility must achieve in any given year to achieve the applicable annual incremental goal. This shall be equal to the applicable annual incremental goal plus the total new annual savings that are required to replace savings from efficiency measures that provided cumulative persistent annual savings in the previous year but expired in or at the end of the previous year and are therefore no longer producing savings.

(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 and the utility's performance relative to its applicable annual total savings requirement for a given plan year no later than 120 days after the close of the plan year. The independent evaluator must also estimate the job impacts and other macroeconomic impacts of the utility's efficiency programs. 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) of this subsection (j), as applicable, the magnitude of any shareholder incentive that the utility has earned.
(10) Gas utilities shall report annually to the Illinois Commerce Commission and General Assembly on how hiring, contracting, job training, and other practices related to its energy efficiency programs enhance the diversity of vendors working on such programs. These reports must include data on vendor and employee diversity.

(j-5) Energy efficiency potential study. An energy efficiency potential study shall be commissioned and overseen by the Illinois Commerce Commission. The potential study shall be a dual-fuel study, addressing both gas and electric efficiency potential, such that the requirements both in this subsection (j-5) and in subsection (f-5) of Section 8-103B are met in an integrated and cost-efficient manner. The potential study shall be designed and conducted with input from a Potential Study Stakeholder Committee established by the Commission. This Committee shall be comprised of representatives from each electric utility, the Illinois Attorney General's office, at least 2 environmental stakeholders, at least one community-based organization, and additional parties representing consumers. The Committee shall provide input, at a minimum, into the scope of work for the studies, the selection of vendors to perform the studies in accordance with appropriate confidentiality and conflict of interest provisions, and draft work products. The Committee shall make best efforts to achieve consensus on the key elements of the potential study, including:
(i) savings potential from efficiency measures and program concepts that are known at the time of the study;
(ii) likely emergence of new technology or new program concepts that could emerge;
(iii) likely savings potential from efficiency measures that may be unique to individual industries or individual facilities; and
(iv) the experience of other similar utilities, areas and jurisdictions in maximizing achievement of cost-effective savings.
When the committee is not able to reach consensus, the Commission shall make the final decision.

(k) 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.

(1) When practical, gas 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.

(m) 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 measure life values for energy efficiency measures implemented for low-income households under subsection (f) 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.

(220 ILCS 5/8-512 new)
Sec. 8-512. Renewable energy access plan.
   (a) It is the policy of this State to promote
cost-effective transmission system development that ensures
reliability of the electric transmission system, lowers carbon
emissions, minimizes long-term costs for consumers, and
supports the electric policy goals of this State.
   The General Assembly finds that:

   (1) Transmission planning, primarily for reliability
purposes, but also for economic and public policy reasons
is conducted by regional transmission organizations in
which transmission-owning Illinois utilities and other
stakeholders are members.

   (2) Order No. 1000 of the Federal Energy Regulatory
Commission requires regional transmission organizations to
plan for transmission system needs in light of state public
policies, and to accept input from states during the
transmission system planning processes.

   (3) The State of Illinois does not currently have a
comprehensive power and environmental policy planning
process to identify transmission infrastructure needs that
can serve as a vital input into the regional and inter-regional transmission organization planning processes conducted under Order No. 1000 and other laws.

(4) This State is an electricity generation and power transmission hub, and can leverage that position to invest in infrastructure that enables new and existing Illinois generators to meet the public policy goals of the State of Illinois and of interconnected states while cost-effectively supporting tens of thousands of jobs in this State.

(5) The nation cannot readily access this State's low-cost, clean electric power, and this State is hindered in its ability to develop and support its low-carbon economy and keep electricity prices low in Illinois and interconnected states.

(6) Existing transmission infrastructure may constrain the State's achievement of 100% renewable energy by 2050, a carbon-free power sector by 2030, and an expanded use of electric vehicles in a just and equitable way.

(7) Transmission system congestion within this State and the regional transmission organizations serving this State limits the ability of this State's existing and new electric generation facilities that do not emit carbon dioxide, including renewable energy resources and zero emission facilities, to serve the public policy goals of this State and other states, which constrains investment in
this State.

(8) Investment in infrastructure to support existing and new electric generation facilities that do not emit carbon dioxide, including renewable energy resources and zero emission facilities, stimulates significant economic development and job growth in this State, as well as creates environmental and public health benefits in this State.

(9) Creating a forward-looking plan for this State's electric transmission infrastructure, as opposed to relying on case-by-case development and repeated marginal upgrades, will achieve a lower-cost system for Illinois' electricity customers. A forward-looking plan can also help integrate and achieve a comprehensive set of objectives and multiple state, regional, and national policy goals.

(10) Alternatives to overhead electric transmission lines can achieve cost-effective resolution of system impacts, and warrant investigation of the circumstances those alternatives should be considered and approved. The alternatives are likely to be beneficial as investment in electric transmission infrastructure moves forward.

(b) Consistent with the findings identified in subsection (a), the Commission shall prepare and submit a renewable energy access plan to the General Assembly no later than December 31, 2021. To assist and support the Commission in the development
of the plan, the Commission shall retain the services of technical and policy experts with relevant fields of expertise, solicit technical and policy analysis from the public, and provide for a 120-day open public comment period after publication of a draft report, which shall be published no later than 90 days after the comment period ends. The plan shall, at a minimum, do the following:

(1) designate renewable energy access plan zones throughout this State in areas in which renewable energy resources and suitable land areas are sufficient to develop generating capacity from renewable energy technologies;

(2) develop a plan to achieve transmission capacity necessary to deliver to electric customers in Illinois and other states, in a manner that is most beneficial and cost-effective to the customers, the electric output from renewable energy technologies in the renewable energy access plan zones;

(3) utilize this State's position as an electricity generation and power transmission hub to create new investment in this State's renewable energy resources;

(4) introduce and consider programs, policies, and electric transmission projects that can be adopted within this State and advocated for at regional transmission organizations, that promote the cost effective delivery of power from renewable energy resources interconnected to the bulk electric system to meet the renewable portfolio
standard targets under subsection (c) of Section 1-75 of
the Illinois Power Agency Act, and to meet current and
future public policy goals of other states, the region, or
the nation;

(5) introduce and consider proposals to improve
regional transmission organizations' regional and
interregional system planning processes and an analysis of
how those proposals would improve reliability and
cost-effective delivery of electricity in Illinois and the
region;

(6) the Commission's specific findings, based on
technical and policy analysis, regarding locations of
renewable energy access plan zones, the transmission
system developments needed to cost-effectively achieve the
public policy goals identified herein, any recommended
policies to initiate within this State, or recommended
advocacy at regional transmission organizations; and

(7) the Commission's conclusions and proposed
recommendations based on its analysis.

(c) No later than December 31, 2023, and in each
odd-numbered year thereafter, the Commission shall file an
updated report with the General Assembly that evaluates the
implementation and effectiveness of the renewable energy
access plan, recommends improvements to the renewable energy
access plan, and provides changes to transmission capacity
necessary to deliver electric output from the renewable energy
access plan zones.

(220 ILCS 5/9-220.3)

(Section scheduled to be repealed on December 31, 2023)

Sec. 9-220.3. Natural gas surcharges authorized.

(a) Tariff.

(1) Pursuant to Section 9-201 of this Act, a natural gas utility serving more than 700,000 customers may file a tariff for a surcharge which adjusts rates and charges to provide for recovery of costs associated with investments in qualifying infrastructure plant, independent of any other matters related to the utility's revenue requirement.

(2) Within 30 days after the effective date of this amendatory Act of the 98th General Assembly, the Commission shall adopt emergency rules to implement the provisions of this amendatory Act of the 98th General Assembly. The utility may file with the Commission tariffs implementing the provisions of this amendatory Act of the 98th General Assembly after the effective date of the emergency rules authorized by subsection (i).

(3) The Commission shall issue an order approving, or approving with modification to ensure compliance with this Section, the tariff no later than 120 days after such filing of the tariffs filed pursuant to this Section. The utility shall have 7 days following the date of service of
the order to notify the Commission in writing whether it will accept any modifications so identified in the order or whether it has elected not to proceed with the tariff. If the order includes no modifications or if the utility notifies the Commission that it will accept such modifications, the tariff shall take effect on the first day of the calendar year in which the Commission issues the order, subject to petitions for rehearing and appellate procedures. After the tariff takes effect, the utility may, upon 10 days' notice to the Commission, file to withdraw the tariff at any time, and the Commission shall approve such filing without suspension or hearing, subject to a final reconciliation as provided in subsection (e) of this Section.

(4) When a natural gas utility withdraws the surcharge tariff, the utility shall not recover any additional charges through the surcharge approved pursuant to this Section, subject to the resolution of the final reconciliation pursuant to subsection (e) of this Section. The utility's qualifying infrastructure investment net of accumulated depreciation may be transferred to the natural gas utility's rate base in the utility's next general rate case. The utility's delivery base rates in effect upon withdrawal of the surcharge tariff shall not be adjusted at the time the surcharge tariff is withdrawn.

(5) A natural gas utility that is subject to its
delivery base rates being fixed at their current rates pursuant to a Commission order entered in Docket No. 11-0046, notwithstanding the effective date of its tariff authorized pursuant to this Section, shall reflect in a tariff surcharge only those projects placed in service after the fixed rate period of the merger agreement has expired by its terms.

(b) For purposes of this Section, "qualifying infrastructure plant" includes only plant additions placed in service not reflected in the rate base used to establish the utility's delivery base rates. "Costs associated with investments in qualifying infrastructure plant" shall include a return on qualifying infrastructure plant and recovery of depreciation and amortization expense on qualifying infrastructure plant, net of the depreciation included in the utility's base rates on any plant retired in conjunction with the installation of the qualifying infrastructure plant. Collectively the "qualifying infrastructure plant" and "costs associated with investments in qualifying infrastructure plant" are referred to as the "qualifying infrastructure investment" and that are related to one or more of the following:

(1) the installation of facilities to retire and replace underground natural gas facilities, including facilities appurtenant to facilities constructed of those materials such as meters, regulators, and services, and
that are constructed of cast iron, wrought iron, ductile iron, unprotected coated steel, unprotected bare steel, mechanically coupled steel, copper, Cellulose Acetate Butyrate (CAB) plastic, pre-1973 DuPont Aldyl "A" polyethylene, PVC, or other types of materials identified by a State or federal governmental agency as being prone to leakage;

(2) the relocation of meters from inside customers' facilities to outside;

(3) the upgrading of the gas distribution system from a low pressure to a medium pressure system, including installation of high-pressure facilities to support the upgrade;

(4) modernization investments by a combination utility, as defined in subsection (b) of Section 16-108.5 of this Act, to install:

(A) advanced gas meters in connection with the installation of advanced electric meters pursuant to Sections 16-108.5 and 16-108.6 of this Act; and

(B) the communications hardware and software and associated system software that creates a network between advanced gas meters and utility business systems and allows the collection and distribution of gas-related information to customers and other parties in addition to providing information to the utility itself;
(5) replacing high-pressure transmission pipelines and associated facilities identified as having a higher risk of leakage or failure or installing or replacing high-pressure transmission pipelines and associated facilities to establish records and maximum allowable operating pressures;

(6) replacing difficult to locate mains and service pipes and associated facilities; and

(7) replacing or installing transmission and distribution regulator stations, regulators, valves, and associated facilities to establish over-pressure protection.

With respect to the installation of the facilities identified in paragraph (1) of subsection (b) of this Section, the natural gas utility shall determine priorities for such installation with consideration of projects either: (i) integral to a general government public facilities improvement program or (ii) ranked in the highest risk categories in the utility's most recent Distribution Integrity Management Plan where removal or replacement is the remedial measure.

(c) Qualifying infrastructure investment, defined in subsection (b) of this Section, recoverable through a tariff authorized by subsection (a) of this Section, shall not include costs or expenses incurred in the ordinary course of business for the ongoing or routine operations of the utility, including, but not limited to:
(1) operating and maintenance costs; and
(2) costs of facilities that are revenue-producing, which means facilities that are constructed or installed for the purpose of serving new customers.

(d) Gas utility commitments. A natural gas utility that has in effect a natural gas surcharge tariff pursuant to this Section shall:

(1) recognize that the General Assembly identifies improved public safety and reliability of natural gas facilities as the cornerstone upon which this Section is designed, and qualifying projects should be encouraged, selected, and prioritized based on these factors; and

(2) provide information to the Commission as requested to demonstrate that (i) the projects included in the tariff are indeed qualifying projects and (ii) the projects are selected and prioritized taking into account improved public safety and reliability.

(3) The amount of qualifying infrastructure investment eligible for recovery under the tariff in the applicable calendar year is limited to the lesser of (i) the actual qualifying infrastructure plant placed in service in the applicable calendar year and (ii) the difference by which total plant additions in the applicable calendar year exceed the baseline amount, and subject to the limitation in subsection (g) of this Section. A natural gas utility can recover the costs of qualifying infrastructure
investments through an approved surcharge tariff from the
beginning of each calendar year subject to the
reconciliation initiated under paragraph (2) of subsection
(e) of this Section, during which the Commission may make
adjustments to ensure that the limits defined in this
paragraph are not exceeded. Further, if total plant
additions in a calendar year do not exceed the baseline
amount in the applicable calendar year, the Commission,
during the reconciliation initiated under paragraph (2) of
subsection (e) of this Section for the applicable calendar
year, shall adjust the amount of qualifying infrastructure
investment eligible for recovery under the tariff to zero.

(4) For purposes of this Section, "baseline amount"
means an amount equal to the utility's average of total
depreciation expense, as reported on page 336, column (b)
of the utility's ILCC Form 21, for the calendar years 2006
through 2010.

(e) Review of investment.

(1) The amount of qualifying infrastructure investment
shall be shown on an Information Sheet supplemental to the
surcharge tariff and filed with the Commission monthly or
some other time period at the option of the utility. The
Information Sheet shall be accompanied by data showing the
calculation of the qualifying infrastructure investment
adjustment. Unless otherwise ordered by the Commission,
each qualifying infrastructure investment adjustment shown
on an Information Sheet shall become effective pursuant to the utility's approved tariffs.

(2) For each calendar year in which a surcharge tariff is in effect, the natural gas utility shall file a petition with the Commission to initiate hearings to reconcile amounts billed under each surcharge authorized pursuant to this Section with the actual prudently incurred costs recoverable under this tariff in the preceding year. The petition filed by the natural gas utility shall include testimony and schedules that support the accuracy and the prudence of the qualifying infrastructure investment for the calendar year being reconciled. The petition filed shall also include the number of jobs attributable to the natural gas surcharge tariff as required by rule. The review of the utility's investment shall include identification and review of all plant that was ranked within the highest risk categories in that utility's most recent Distribution Integrity Management Plan.

(f) The rate of return applied shall be the overall rate of return authorized by the Commission in the utility's last gas rate case.

(g) The cumulative amount of increases billed under the surcharge, since the utility's most recent delivery service rate order, shall not exceed an annual average 4% of the utility's delivery base rate revenues, but shall not exceed 5.5% in any given year. On the effective date of new delivery
base rates, the surcharge shall be reduced to zero with respect to qualifying infrastructure investment that is transferred to the rate base used to establish the utility's delivery base rates, provided that the utility may continue to charge or refund any reconciliation adjustment determined pursuant to subsection (e) of this Section.

(h) If a gas utility obtains a surcharge tariff under this Section 9-220.3, then it and its affiliates are excused from the rate case filing requirements contained in Sections 9-220(h) and 9-220(h-1). In the event a natural gas utility, prior to the effective date of this amendatory Act of the 98th General Assembly, made a rate case filing that is still pending on the effective date of this amendatory Act of the 98th General Assembly, the natural gas utility may, at the time it files its surcharge tariff with the Commission, also file a notice with the Commission to withdraw its rate case filing. Any affiliate of such natural gas utility may also file to withdraw its rate case filing. Upon receipt of such notice, the Commission shall dismiss the rate case filing with prejudice 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 gas delivery services. Notwithstanding the foregoing, a natural gas utility shall not be permitted to withdraw a rate case filing for which a proposed order recommending a rate reduction is pending. A natural gas utility shall not be permitted to withdraw the gas
delivery services tariffs that are the subject of Commission
Docket Nos. 12-0511/12-0512 (cons.). None of the costs incurred
for the withdrawn rate case are recoverable from ratepayers.

(i) The Commission shall promulgate rules and regulations
to carry out the provisions of this Section under the emergency
rulemaking provisions set forth in Section 5-45 of the Illinois
Administrative Procedure Act, and such emergency rules shall be
effective no later than 30 days after the effective date of
this amendatory Act of the 98th General Assembly.

(j) Utilities that have elected to recover qualifying
infrastructure investment costs pursuant to this Section shall
file annually their Distribution Integrity Management Plan
(DIMP) with the Commission no later than June 1 of each year
the utility has said tariff in effect. The DIMP shall include
the following information:

(1) Baseline Distribution System Data: Information
such as demand, system pressures and flows, and metering
infrastructure.

(2) Financial Data: historical and projected spending
on distribution system infrastructure.

(3) Scenario Analysis: Discussion of projected changes
in usage over time.

(4) Descriptions of all qualifying infrastructure
investment proposed for the coming year.

(k) Within 45 days after filing, the Commission shall, with
reasonable notice, open an investigation to consider whether
the Plan meets the objectives set forth in this subsection and contains the information required by subsection (j). The Commission shall issue a final order approving the Plan, with any modifications the Commission deems reasonable and appropriate to achieve the goals of this Section, within 270 days of the Plan filing. The investigation will assess whether the DIMP:

(1) ensures optimized utilization of utility infrastructure assets and resources to minimize total system costs;
(2) enables greater customer engagement, empowerment, and options for services;
(3) to the maximum extent possible, achieves and or supports the achievement of greenhouse gas emissions reductions as described by Section 9.10 of the Environmental Protection Act; and
(4) supports existing Illinois policy goals promoting energy efficiency.

The Commission process shall maximize the sharing of information, ensure robust stakeholder participation, and recognize the responsibility of the utility to ultimately manage the grid in a safe, reliable manner.

(1) This Section is repealed December 31, 2023.
(Source: P.A. 98-57, eff. 7-5-13.)

(220 ILCS 5/9-222.1B new)
Sec. 9-222.1B. Clean Energy Empowerment Zone exemption. A renewable energy enterprise that is located within a Clean Energy Empowerment Zone established under the Energy Community Reinvestment Act shall be exempt from the additional charges added to the renewable energy enterprise's utility bills as a pass-on of municipal and State utility taxes under Sections 9-221 and 9-222 of this Act, to the extent such charges are exempted by ordinance adopted in accordance with paragraph (e) of Section 8-11-2 of the Illinois Municipal Code in the case of municipal utility taxes, and to the extent such charges are exempted by the percentage specified by the Department of Commerce and Economic Opportunity in the case of State utility taxes, provided such renewable energy enterprise meets the following criteria:

(1) it (i) makes investments that cause the creation of a minimum of 200 full-time equivalent jobs in Illinois; (ii) makes investments of at least $175,000,000 that cause the creation of a minimum of 150 full-time equivalent jobs in Illinois; (iii) makes investments that cause the retention of a minimum of 300 full-time equivalent jobs in the manufacturing sector, as defined by the North American Industry Classification System, in an area in Illinois in which the unemployment rate is above 9% and makes an application to the Department within 3 months after the effective date of this amendatory Act of the 101st General Assembly and certifies relocation of the 300 full-time
equivalent jobs within 48 months after the application; or
(iv) makes investments that cause the retention of a
minimum of 1,000 full-time jobs in Illinois;
(2) it is located in a Clean Energy Empowerment Zone
established under the Energy Community Reinvestment Act;
and
(3) it is certified by the Department of Commerce and
Economic Opportunity as complying with the requirements
specified in clauses (1) and (2) of this Section.

The Department of Commerce and Economic Opportunity shall
determine the period during which such exemption from the
charges imposed under Section 9-222 is in effect which shall
not exceed 30 years or the term of the Clean Energy Empowerment
Zone, whichever period is shorter, except that the exemption
period for a renewable energy enterprise qualifying under item
(iii) of clause (1) of this Section shall not exceed 30 years.

The Department of Commerce and Economic Opportunity shall
have the power to adopt rules to carry out the provisions of
this Section including procedures for complying with the
requirements specified in clauses (1) and (2) of this Section
and procedures for applying for the exemptions authorized under
this Section; to define the amounts and types of eligible
investments that a renewable energy enterprise must make in
order to receive State utility tax exemptions pursuant to
Sections 9-222 and 9-222.1 of this Act; to approve such utility
tax exemptions for renewable energy enterprise whose
investments are not yet placed in service; and to require that renewable energy enterprise granted tax exemptions repay the exempted tax should the renewable energy enterprise fail to comply with the terms and conditions of the certification. However, no renewable energy enterprise shall be required, as a condition for certification under clause (3) of this Section, to attest that its decision to invest under clause (1) of this Section and to locate under clause (2) of this Section is predicated upon the availability of the exemptions authorized by this Section.

A renewable energy enterprise shall be exempt, in whole or in part, from the pass-on charges of municipal utility taxes imposed under Section 9-221, only if it meets the criteria specified in clauses (1) through (3) of this Section and the municipality has adopted an ordinance authorizing the exemption under paragraph (e) of Section 8-11-2 of the Illinois Municipal Code. Upon certification of the renewable energy enterprise by the Department of Commerce and Economic Opportunity, the Department of Commerce and Economic Opportunity shall notify the Department of Revenue of such certification. The Department of Revenue shall notify the public utilities of the exemption status renewable energy enterprises from the pass-on charges of State and municipal utility taxes. Such exemption status shall be effective within 3 months after certification of the renewable energy enterprise.
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 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 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.

(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.

(e) Eligible customers shall include, but are not limited
to, customers participating in net electricity metering under
the terms of Section 16-107.5 of this Act.

(Source: P.A. 99-906, eff. 6-1-17.)
energy resource mix, and protect the Illinois environment. The General Assembly further finds and declares that ensuring a smooth, predictable transition from full net metering of the retail electricity rate to the distributed generation rebate described in Section 16-107.6 of this Act is important to achieve these legislative goals. In implementing this transition, the Commission shall ensure that distributed generation customers are fairly compensated for the benefits and services that customer-sited distributed generation provides and that the distributed generation market in Illinois continues to experience stable growth for both small and large customers.

(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 individually or collectively with other customers located at the same premise owns, hosts, or operates, including any third-party owned systems, 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 current or future customer's own electrical requirements of customers located on that premise, when accounting for shading, orientation, and other siting factors that can reasonably be expected to alter an eligible renewable electrical generating facility's generation output;
(iii) "electricity provider" means an electric utility or alternative retail electric supplier; (iv) "eligible renewable electrical generating facility" means a generator, which may include the co-location of an energy storage system, 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) "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; (viii) "energy storage system" means commercially available technology that is capable of absorbing energy and storing it for a period of time for use at a later time, including, but not limited to, electrochemical, thermal, and electromechanical technologies, and may be interconnected behind the customer's meter or interconnected behind its own meter; and (ix) "future electrical requirements" means the
reasonable anticipation of load growth, such as from the addition of an electric vehicle, the addition of electric space heating or water heating, modeled electrical requirements upon occupation of a new or vacant property, as well as other reasonable expectations of future electrical use.

(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 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 or
time-of-use rates 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 or time-of-use period exceeds the
amount of electricity used by the customer during that
hourly period or time-of-use 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 or time-of-use period. The
delivery credit shall be equal to the net kilowatt-hours
produced in such hourly or time-of-use 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.

(h-3) Upon the effective date of this amendatory Act of the 101st General Assembly, it shall be the policy of the State
that:

(1) Electric utilities must provide interconnection customers with a detailed accounting of the components of the utility's cost to study and perform system upgrades, with itemized lists of equipment costs, labor costs, engineering costs, and administrative costs associated with the study or system upgrade.

(2) An electric utility that has failed to meet an interconnection timeline by more than 20 days will be subject to a penalty of $1,000 for each day over 20 days past the applicable date upon which the utility action was due.

(3) The Illinois Commerce Commission will, within 60 days after the effective date of this amendatory Act of the 101st General Assembly, hire or contract with an independent grid engineer to address delays and disputes between the utility and the interconnection customer. Specifically, this independent engineer will:

(A) review utility cost estimates at the request of interconnection customers;

(B) resolve technical disputes between utilities and interconnection customers regarding necessary upgrades and costs thereof;

(C) authorize customers to self-supply interconnection studies when the electric utility is unable to provide such studies at a reasonable cost and
(D) authorize customers to self-build system upgrades consistent with electric utility standards when the electric utility cannot provide such upgrades and interconnection facilities at a reasonable cost and schedule.

The process to hire or contract with an independent grid engineer described in this paragraph (3) is exempt from Section 20-10 of that Code.

(h-5) Within 90 days after the effective date of this amendatory Act of the 101st General Assembly, the Commission shall open a proceeding to update the interconnection standards and applicable utility tariffs. For the public interest, safety, and welfare of Illinois citizens, the Commission may adopt emergency rules under Section 5-45 of the Illinois Administrative Procedure Act to implement the requirements of subsection (h-3) and this subsection (h-5). In addition to the requirements of subsection (h-3), the Commission shall also revise the standards to address critical standards for interconnection and the following issues:

(1) transparency and accuracy of costs, both direct and indirect, while maintaining system security through the effective management of confidentiality agreements;

(2) standardization of typical costs associated with interconnection;

(3) transparency of the interconnection queue or
queues and hosting capacity;

(4) development of hosting capacity maps that enable greater visibility to customers about the locations with the greatest need or availability for distributed generation;

(5) predictability of the queue management process and enforcement of timelines;

(6) ability to undertake group interconnection studies and share interconnection costs among multiple applicants;

(7) minimum requirements for application to the interconnection process and throughout the interconnection process to avoid queue clogging behavior;

(8) requirements that the electric utility performing the interconnection study justify its interconnection study cost and the estimates of costs for identified upgrades, and to cap payments required by the interconnection customer for the electric utility installed facilities to the lesser of +50% of the Feasibility Study estimate, +25% of the System Impact Study estimate, or +10% of the Facilities Study estimate;

(9) facilitation of the deployment of energy storage systems while ensuring the continued grid safety and reliability of the system, including addressing the following:

(A) treatment of energy storage systems as generation for purposes of the interconnection,
ownership, and operation;

(B) fair study assumptions that reflect the operational profile of the energy storage device;

(C) streamlined notification-only interconnection requirements for non-exporting systems that meet utility criteria for safety and reliability, as is determined through a robust stakeholder process; and

(D) enabling exports from customer-sited energy storage systems for participation either in utility programs or wholesale markets;

(10) establishment of a dispute resolution process designed to address instances of unreasonable impediments by the electric utility to the critical standards for interconnection enumerated in paragraphs (1) through (9) of this subsection (h-5). The Commission will make available adequate Commission staff for this dispute resolution process to ensure that matters are decided on an expedited basis; and

(11) other policies, processes, tariffs, and standards associated with interconnection, including the creation of standards and processes that support the achievement of the objectives in subparagraph (K) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act

As part of this proceeding initiated under this subsection (h-5), the Commission shall establish an interconnection
working group. The working group shall include representatives from electric utilities, developers of renewable electric generating facilities, representatives of interconnection customers, Commission staff, and other stakeholders. The working group shall be facilitated by Commission staff. The working group shall examine and make recommendations regarding best practices for interconnection process and customer service for interconnecting customer adopting distributed energy resources, including energy storage, interconnection of new technologies, including smart inverters and energy storage, and, without limitation, other technical, policy, and tariff issues related to and affecting interconnection performance and customer service.

The working group shall report to the Commission on changes to interconnection rules and tariffs and any other recommendations as determined by the working group within 6 months of its first meeting. The report shall include positions and recommendations of the working group and individual working group members. The report of the working group shall be entered into evidence in the rulemaking process mandated by this subsection (h-5). The working group shall be reconvened one year following the enactment of the rules adopted pursuant to this subsection (h-5) to recommend any additional changes and assess the performance of the rules in meeting the goals as described above.

(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 served by a distribution utility until the load of all its net metering customers receiving delivery service from the distribution utility equals 5% of the total peak demand delivered supplied by that electricity utility provider during the previous year. After such time as the load of the electricity utility's provider's net metering customers equals 5% of the total peak demand delivered supplied by that electricity utility provider during the previous year and after the distributed generation rebate tariff for the electricity utility prescribed by subsection (e) of Section 16-107.6 of this Act has gone into effect and the rebate is approved and available to eligible customers, eligible customers that begin taking net metering shall only be eligible for netting of energy.

(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.

(l) Notwithstanding the definition of "eligible customer" in item (ii) of subsection (b) of this Section,
each electricity provider shall allow net metering as set forth in this subsection (1) and for the following projects:

(A) 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;

(B) 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, including community renewable generation projects located behind the meter of a host facility and partially used for on-site load.

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 (1) 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 (1). 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 (1).

(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 (1) is to receive in the
following manner:

(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 (1) 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 101st 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 (1), including the bill credit rate, total kilowatthours, and total monetary credit value applied to the customer's or subscriber's bill for the monthly billing period.

For community renewable generation projects located
behind the meter of a host facility, the determination of the quantity of energy eligible for crediting to participating customers or subscribers of the community renewable generation project shall be based on any energy production of the project that exceeds the host's instantaneous on-site consumption during the applicable billing period.

(1-5) Within 90 days after the effective date of this amendatory Act of the 101st General Assembly, each electric utility subject to this Section shall file a tariff to implement the provisions of subsection (1) of this Section, which shall, consistent with the provisions of subsection (1), 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 101st 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 utility's provider's net metering customers equals 5% of the total peak demand delivered supplied by that electricity utility provider during the previous year, as specified in subsection (j) of this Section, and the distributed generation rebate tariff for the electricity utility prescribed by subsection (e) of Section 16-107.6 of this Act has gone into effect and the rebate is approved and available to eligible customers, 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, who shall continue to receive net metering services described in subsections (d), (d-5), (e), (e-5), and (f) of this Section for the lifetime of the system, regardless of whether those retail customers change electricity providers. 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.

(o) Within 90 days after the effective date of this amendatory Act of the 101st General Assembly, each electric utility subject to this Section shall file a tariff that shall, consistent with the provisions this Section, propose the terms and conditions under which an eligible customer may participate in net metering. The Commission shall approve, or approve with modification based on stakeholder process, the tariff within 120 days after the effective date of this amendatory Act of the 101st General Assembly. Each electric utility shall file any changes to terms as a subsequent tariff for approval or approval with modifications from Commission.

(Source: P.A. 99-906, eff. 6-1-17.)

(220 ILCS 5/16-107.6)

Sec. 16-107.6. Distributed generation rebate.

(a) In this Section:

"Distributed energy resource" means a wide range of
technologies that are located on the customer side of the customer's electric meter and can provide value to the distribution system, including but not limited to distributed generation, energy storage, electric vehicles, and demand response technologies.

"Distribution system reliability event" means when, for standard service voltage, voltage variations are measured at any customer's point of delivery above a maximum of 127 volts or below a minimum of 113 volts for periods longer than 2 minutes in each instance.

"Smart inverter" means a device that converts direct current into alternating current and meets the IEEE 1547-2018 equipment standards. Until devices that meet the IEEE 1547-2018 standard are available, devices that meet the UL1741SA standard are acceptable 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 primarily used to offset that
customer's electricity load;

(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 is consistent
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 equipment 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. The tariff shall not limit the ability of the smart inverter or the other distributed energy resources to participate in wholesale market products such as regulation, demand response, or other services. As part of the proceeding described in subsection (e) of this Section, the Commission shall review and determine whether other distributed energy resources 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. The compensation shall be provided through contracts for services and shall be considered operating expenses for the purposes of cost recovery under Section 16-108.5 and Article IX of this Act.

(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 $250 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
1 longer be entitled to receive any delivery service credits
2 for the excess electricity generated by its facility and
3 shall be subject to the provisions of subsection (n) of
4 Section 16-107.5 of this Act.
5
6 (4) To be eligible for a rebate described in this
7 subsection (c), customers who begin taking service after
8 the effective date of this amendatory Act of the 99th
9 General Assembly under a net metering program offered by an
10 electricity provider under the terms of Section 16-107.5 of
11 this Act must have a smart inverter associated with the
12 customer's distributed generation.
13
14 (d) The Commission shall review the proposed tariff
15 submitted under subsections (b) and (c) of this Section and may
16 make changes to the tariff that are consistent with this
17 Section and with the Commission's authority under Article IX of
18 this Act, subject to notice and hearing. Following notice and
19 hearing, the Commission shall issue an order approving, or
20 approving with modification, such tariff no later than 240 days
21 after the utility files its tariff.
22
23 (e) When the total generating capacity of the electricity
24 provider's net metering customers is equal to 3%, the
25 Commission shall open an investigation into a an annual process
26 and formula for calculating the compensation value of rebates
27 for the retail customers described in subsections (b) and (f)
28 of this Section that submit rebate applications after the
29 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 for valuing distributed energy resource benefits to the grid based on best practices, and assessments of present and future technological capabilities of distributed energy resources. The value of such compensation rebates shall reflect the value of the distributed energy resources 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. The Commission shall consider the electric utility's distribution system plan developed pursuant to Section 16-108.7 of this Act to help identify the value of distributed energy resources for the purposes of calculating the rebates described in this subsection. The approved tariff shall provide for volumetric-based cost recovery. The Commission shall determine additional compensation for distributed generation that creates savings and value on the distribution system by being co-located or in close proximity to electric vehicle charging infrastructure in use by medium-duty and heavy-duty vehicles, primarily serving environmental justice communities, as outlined in the utility distribution system planning process under Section 16-108.17 of this Act. 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 240 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. As part of the process, the Commission shall ensure that the distributed generation rebate results in stable growth of both small and large distributed generation projects in Illinois as provided in subsection (j) of Section 16-107.5 of this Act, with particular attention to impacts to the growth residential distributed generation customers. The Commission shall have the authority to establish interim rebate values for part or all of a utility's service territory to ensure transparency and stability of compensation for distributed energy resources in the utility's service territory.

(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 (1) 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 60 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 60 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.
(Source: P.A. 99-906, eff. 6-1-17.)

(220 ILCS 5/16-107.7 new)
Sec. 16-107.7. Residential time-of-use pricing.
(a) The General Assembly finds that time-of-use rates and pricing plans can lower energy costs for consumers and reduce grid costs as well as help Illinois achieve its energy policy goals by improving load shape, encouraging energy conservation, and shifting usage away from periods where fossil fuels are used to meet peak demand. Further, by providing consumers information relating the costs of service to the time of energy usage, time-of-use rates can help consumers reduce their energy bills by using electricity when it is less costly. Time-of-use rates can help allocate electricity system costs more accurately and thus equitably to those who cause costs. Such rates can reduce the need for ramping resources and, increase the grid's ability to cost-effectively integrate greater quantities of variable renewable energy and distributed energy resources.
(b) An electric utility that has a tariff in effect under Section 16-108.5 as of the effective date of this amendatory
Act of the 101st General Assembly shall also offer at least one market-based, time-of-use rate for eligible retail customers that choose to take power and energy supply service from the utility. The utility shall file its time-of-use rate tariff no later than 120 days after the effective date of this amendatory Act of the 101st General Assembly, and each utility subject to this requirement shall implement the requirements of this paragraph by filing a tariff with the Commission. The tariff or tariffs shall be subject to the following provisions:

(1) If more than one tariff is proposed, at least one tariff shall include at least 3 time blocks: a peak time block defined as 2 p.m. to 7 p.m. on non-holiday weekdays or the 5 consecutive hours best reflecting the highest system peak demands, an off-peak time block defined as 10 a.m. to 2 p.m. and 7 p.m. to 10 p.m. on non-holiday weekdays or the 7 total hours, occurring in some combination before and after the peak time period, which reflect the next highest system peak demands, and a super-off-peak time block defined as all other hours including weekend days.

(2) This tariff shall reflect as much as possible price ratios between the blocks as follows: the super-off-peak time block price shall be no less than zero but no greater than one-half of the price of the off-peak time block price, and the off-peak time block price shall be no greater than one-half of the price of the peak time block.
price.

(3) Notwithstanding the requirements of Section 16-103.3 of this Act, the time-of-use rate shall include the costs of electric capacity, costs of transmission services, and charges for network integration transmission service, transmission enhancement, and locational reliability, as these terms are defined in the PJM Interconnection LLC Open Access Transmission Tariff and manuals on January 1, 2019, within the prices for each time block and seasonal block in which the associated costs generally are incurred. If the Open Access Transmission Tariff or manuals subsequently renames those terms, the services reflected under those terms shall continue to be included in the time-of-use rate described in this paragraph (2).

(4) Adjustments to the charges set by the tariff may be made on a semi-annual basis, as follows: each May and November, the utility shall submit to the Commission, through an informational filing, its updated charges, and such charges shall take effect beginning with the June monthly billing period and December monthly billing period, respectively.

(5) The tariff shall include a purchased energy adjustment to fully recover the supply costs for the customers taking service under this tariff. "Eligible customers" includes, but is not limited to,
customers participating in net electricity metering under the terms of Section 16-107.5 of this Act.

(c) The Commission shall, after notice and hearing, approve the tariff or tariffs with modifications the Commission finds necessary to improve the program design, customer participation in the program, or coordination with existing utility pricing programs, energy efficiency programs, demand response programs, and any other programs supporting Illinois energy policy goals and the integration of distributed energy resources. The Commission shall also consider how the proposed time-of-use rate design reflects the system costs and usage patterns of the utility. A proceeding under this subsection may not exceed 120 days in length.

(d) If the Commission issues an order pursuant to this subsection, 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 time-of-use 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 the program, 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 this Section. 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 website.

(e) Once the tariff or tariffs has been in effect for 24 months, the Commission may, upon complaint, petition, or its own initiative, open a proceeding to investigate whether changes or modifications to the tariff or tariffs, program
administration and any other program design element is
necessary to achieve the goals described in subsection (a) of
this Section. Such a proceeding may not last more than 120 days
from the date upon which the investigation is opened by
Commission order.

(f) 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.

(g) The electric utility's tariff or tariffs filed pursuant
to this Section shall be subject to the provisions of Article
IX of this Act insofar as they do not conflict with this
Section.

(h) This Section does not apply to any electric utility
providing service to 100,000 or fewer customers.

(220 ILCS 5/16-107.8 new)

Sec. 16-107.8. Beneficial electrification.

(a) It is the intent of the General Assembly to decrease
reliance on fossil fuels, reduce pollution from the
transportation sector, increase access to electrification for
all consumers, and ensure that electric vehicle adoption and
increased electricity usage and demand do not place significant
additional burdens on the electric system and create benefits
for Illinois residents.

(b) For the purposes of this Section:
"Beneficial electrification programs" means programs that lower carbon dioxide emissions, replace fossil fuel use, create cost savings, improve electric grid operations, reduce increases to peak demand, improve electric usage load shape, and align electric usage with times of renewable generation. All beneficial electrification programs should provide for incentives such that customers are induced to use electricity at times of low overall system usage or at times when generation from renewable energy sources is high. "Beneficial electrification programs" include a portfolio of the following:

(1) time-of-use electric rates;

(2) hourly pricing electric rates;

(3) charging plans or rates set by electric vehicle service providers that encourage off-peak charging;

(4) optimized charging programs or programs that encourage charging at times beneficial to the electric grid;

(5) demand-response programs specifically related to electrification efforts;

(6) incentives for electrification and associated infrastructure tied to using electricity at beneficial times;

(7) incentives for electrification and associated infrastructure targeted to medium-duty and heavy-duty vehicles used by transit agencies;
(8) incentives for electrification and associated infrastructure targeted to school buses;

(9) incentives for electrification and associated infrastructure for medium-duty and heavy-duty government and private fleet vehicles;

(10) low-income programs that provide access to electric vehicles for communities where car ownership or new car ownership is not common;

(11) incentives for electrification in low-income and environmental justice communities;

(12) incentives or programs to enable quicker adoption of electric vehicles by developing public charging stations in dense areas, workplaces, and in low-income communities;

(13) incentives or programs to develop electric vehicles infrastructure to ensure electric vehicles can travel statewide, filling the gaps in deployment, particularly in rural areas or along highway corridors;

(14) incentives or planning to encourage the development in close proximity of electrification and renewable energy generation to reduce grid impacts; and

(15) other such programs as defined by the Commission.

"Optimized charging programs" mean programs whereby owners of electric vehicles can set their vehicles to be charged based on the electric system's current demand, retail or wholesale market rates, incentives, the carbon or other pollution
intensity of the electric generation mix, the provision of grid
services, efficient use of the electric grid, or the
availability of clean energy generation. Optimized charging
programs may be operated by utilities as well as third parties.

(c) No later than May 31, 2020, electric utilities serving
greater than 500,000 customers in the State shall initiate a
stakeholder workshop process to solicit input on the design of
beneficial electrification programs that the utility shall
offer. The stakeholder workshop process shall take into
consideration the benefits of electric vehicle adoption,
including: (1) the benefit of lower bills for customers who do
not charge electric vehicles; (2) benefits from electric
vehicle usage of the distribution system; (3) the avoidance and
reduction in capacity costs from optimized charging and
off-peak charging; (4) energy price and cost reductions; and
(5) environmental benefits, including greenhouse gas emission
and other pollution reductions. The stakeholder workshop
process shall also consider: (1) current barriers to
mass-market adoption, including cost of ownership and
availability of charging stations; (2) benefits of and
incentives for medium-duty and heavy-duty fleet vehicle
electrification; (3) opportunities for environmental justice
and low-income communities to benefit from electrification.
The workshops should consider barriers, incentives, enabling
rate structures, and other opportunities for the bill reduction
and environmental benefits described in this subsection.
Stakeholders and the electric utilities shall propose discrete beneficial electrification programs and shall provide estimates of the costs and benefits of those programs in the workshops. The process shall be open and transparent with inclusion of stakeholder interests, including stakeholders representing environmental justice and low-income communities.

(d) No later than October 31, 2020, electric utilities serving greater than 500,000 customers in the State shall file a Beneficial Electrification Plan with the Illinois Commerce Commission for programs that start no later than June 1, 2021. The Beneficial Electrification Plan shall specifically address, at a minimum, the following:

(1) the development and implementation of time-of-use rates and their benefit for electric vehicle users and for all customers;

(2) the development of optimized charging programs to achieve savings identified, and new contracts and compensation for services in those programs, through signals that allow electric vehicle charging to respond to local system conditions, manage critical peak periods, serve as a demand response or peak resource, and maximize renewable energy utilization and integration into the grid;

(3) plans to address environmental justice interests and the provision of opportunities for residents and businesses in environmental justice communities to
directly benefit from transportation electrification;

(4) financial and other challenges to electric vehicle usage in low-income communities, and strategies for overcoming those challenges, particularly in communities and for people for whom car ownership is not an option;

(5) plans to increase access to Level 3 Public Electric Vehicle Charging Infrastructure located along transportation corridors to serve vehicles that need quicker charging times and vehicles of persons who have no other access to charging infrastructure, regardless of whether those projects participate in optimized charging programs;

(6) opportunities for coordination and cohesion with electric vehicle and electric vehicle charging equipment incentives established by any agency, department, board, or commission of the State of Illinois, any other unit of government in the State, any national programs, or any unit of the federal government;

(7) ideas for the development of online tools, applications, and data sharing that provide essential information to those charging electric vehicles, and enable an automated charging response to price signals, emission signals, real-time renewable generation production, and other Commission-approved or customer-desired indicators of beneficial charging times; and
(8) an outline of proposed customer education measures, including a shadow billing option to allow customers to compare current and historical monthly bills under different rate plans, cost calculators to compare electric vehicles costs with internal combustion engine vehicle costs, the use of utility communications for proactive customer engagement on electric vehicles, rate and cost comparison information materials for car dealers and their customers, and direct outreach to diverse communities through community and other organizations.

(e) The initial Beneficial Electrification Plans submitted under subsection (d) shall include at least the following programs:

(1) Electric Vehicle Access for All Program. Reimbursement of at least $7,500,000 per year, or 15% of the total plan budget, to the Department of Commerce and Economic Opportunity for programs developed under the Electric Vehicle Access for All Program.

(2) Medium-duty and Heavy-Duty Vehicle Charging Programs. The utility must offer rebates that average $25,000,000 per year for the duration of the plan for rebates to government entity retail customers to support the electrification of public transit, as well as government, commercial and school bus fleet vehicles. Rebates for public transit agencies must be used either toward the purchase and installation of electric vehicle
charging infrastructure, or toward the purchase of an all-electric transit bus, to be used in transit routes that primarily serve low-income communities or environmental justice communities. The amount of the rebate should be designed to cover the expected capital gap and needs of Illinois transit agencies. Rebates for government, commercial, or other retail customers to support the electrification of fleets and school buses must be used toward the purchase and installation of electric vehicle charging infrastructure, or necessary supporting infrastructure, for vehicles that primarily serve or travel through low-income communities or environmental justice communities. Recipients of rebates under this paragraph must participate in an optimized charging program.

(3) Mass Market Program. The utility may spend up to the remaining plan budget each year on rebates that support the widespread adoption and integration of electric vehicles. The utility may offer a rebate program that offers retail customers a rebate of up to $500 for the purchase or installation of electric vehicle charging infrastructure, provided that the customer takes electric service under an hourly pricing program or a time-of-use rate, or participates in an optimized charging program. Further, the utility shall offer a rebate program to incentivize the purchase and installation of up to 1,000
publicly accessible electric vehicle charging stations throughout its service territory, with a prioritization for workplace charging and public charging in dense urban areas and in low-income communities. Finally, the utility shall offer a rebate program to incentivize the development of up to 200 publicly accessible fast charging stations targeted to fill the gaps in deployment, and along state highway corridors.

(f) The Commission shall open an investigation into the utility's Beneficial Electrification Plan to determine if the proposed plan is cost-beneficial. The plan shall be determined to be cost-beneficial if the total cost of beneficial electrification expenditures is less than the net present value of increased electricity costs (defined as marginal avoided energy, avoided capacity, and avoided transmission and distribution system costs) avoided by programs under the plan, the net present value of reductions in other customer energy costs, and the societal value of reduced carbon emissions and surface-level pollutants, particularly in environmental justice communities. The calculation of costs and benefits should be based on net impacts. The Commission shall review the Plan and determine whether the portfolio of programs or initiatives as a whole is optimized to address all key policy objectives, including: maximizing total energy cost savings, maximizing rate reductions so that non-participants can benefit, facilitating better grid management, maximizing
carbon emission reductions, reducing other harmful emissions and particularly localized emission in economically disadvantaged and environmental justice communities, and addressing environmental justice interests by ensuring there are significant opportunities for residents and businesses in environmental justice communities to directly participate in and benefit from programs.

(g) The utility shall update its Beneficial Electrification Plan every 3 years and, beginning with the first update, shall be developed in conjunction with the distribution system planning process, including incorporation of stakeholder feedback from that process.

(h) The annual total cost of all programs and initiatives in the utility's Beneficial Electrification Plan shall not exceed $50,000,000 per year and shall be recovered volumetrically from all retail customers.

(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

(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 long-term goals and targets of 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. Money collected from customers for the procurement of renewable energy resources in a given delivery may be spent by the utility for the procurement of renewable resources over any of the following 5 delivery years, after which money shall be credited back to retail customers, provided that up to $170,000,000 of funds collected, but not used, in a given delivery year are first made available to the Illinois Solar for All Program established under subsection (b) of Section 1-56 of the Illinois Power Agency Act to cover budget shortfalls due to unexpected fluctuations in the amount of
money available to that Program from the Illinois Power Agency Renewable Energy Resources Fund. The electric utility shall spend all money collected in earlier delivery years that has not yet been returned to customers, first, before spending money collected in later delivery years. 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 for zero
emission credits 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 156 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.

(1) 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.

(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 (1) 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 (1) 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 (1) 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 (1) 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.

(Source: P.A. 99-906, eff. 6-1-17.)
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 $10,000,000 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 administrative law judge. 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 kilowatthours 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 kilowatthours 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.

(f-10) Within 180 days after the effective date of this amendatory Act of the 101st General Assembly, or no later than June 1, 2020, whichever comes first, participating utilities shall file updated tariffs pursuant to this paragraph (f-10) to put in place additional performance metrics designed to support Illinois clean energy goals. Those performance metrics shall be
based on historical performance data and national best practices and align economic incentives for the utility with the achievement of affordable decarbonization, grid optimization, and cost containment goals. They shall be designed to achieve performance ratably over the life of the formula rate tariff created pursuant to this section 16-108.5. Performance metrics under this paragraph (f-10) shall include metrics in all of the following categories:

(1) Decarbonization. Metrics shall be established to measure the carbon intensity of energy delivered to retail customers on a lbs per kWh basis; peak demand reductions; changes in load shape needed to cost-effectively integrate distributed energy and renewable energy resources; and the time it takes to interconnect distributed energy and renewable energy resources.

(2) Grid optimization. Metrics shall be established to measure: instances of curtailment of distributed energy and renewable energy resources; numbers and duration of distribution system reliability events; use of non-utility devices to respond to reliability events; and the use of non-wires alternative investments to respond to distribution infrastructure needs.

(3) Beneficial electrification. Metrics shall be established to measure the adoption of electric vehicles, the charging of electric vehicles, and the impact of electric vehicle charging on the distribution grid.
(4) Customer engagement and satisfaction. Metrics shall be established to measure the enrollment and response of customers on time-of-use, dynamic, or real-time pricing programs.

Once the participating utilities file the tariff or tariffs required by this subsection, the Commission shall open an investigation into the proposed metrics. Such investigation shall be to establish the baseline of performance for each metric and the financial incentives and penalties which shall be associated with metrics approved for each category. During the course of the investigation, the Commission may approve additional metrics to the extent such metrics will support achievement of Illinois energy policy goals and the provision of affordable service. The Commission investigation pursuant to this subsection (f-10) shall be concluded by December 31, 2020, and the first year of performance measured shall be the calendar year 2021.

(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 kilowatthour 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 kilowatthour" 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 kilowatthour
means the total amount paid for electric service expressed on a
per kilowatthour 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) 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 kilowatthour
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.

Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of
this Act, other than this subsection (h), 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.

(1) 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 (1) 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. 99-143, eff. 7-27-15; 99-642, eff. 7-28-16; 99-906, eff. 6-1-17; 100-840, eff. 8-13-18.)

(220 ILCS 5/16-108.9 new)

Sec. 16-108.9. Clean Energy Empowerment Zone pilot projects.

(a) The General Assembly finds that it is important to support the rapid transition in the energy sector to put Illinois on a path to 100% renewable energy. This will require leveraging new technologies and solutions to support grid reliability to address issues such as the shift from large, centralized, fossil generation to wind, solar, and distributed energy resources. To that end, the General Assembly sees the need for developing pilot projects in Clean Energy Empowerment Zones that enhance reliability while facilitating the transition toward clean energy.

(b) An electric utility serving more than 100,000 retail
customers may propose one or more Clean Energy Empowerment Zone pilot projects to the Illinois Commerce Commission to conduct a competitive procurement for independently owned energy storage systems to be located in Clean Energy Empowerment Zones. The Commission shall evaluate the projects based on their ability to address present and future reliability needs identified by the Midcontinent Independent System Operator, PJM Interconnection, electric utilities, or independent analysts. In addition to supporting reliability, a qualifying project must support the transition toward or development of clean energy.

(c) The Clean Energy Empowerment Zones described in this Section shall be the same as defined by the Department of Commerce and Economic Opportunity in the Clean Energy Empowerment Zones Act.

(d) The Clean Energy Empowerment Zone pilot projects shall closely coordinate with actual and expected development of new wind projects and new solar projects as described in Section 1-75 of the Illinois Power Agency Act, electric vehicle adopted, and Community Energy and Climate Plans as defined in the Community Energy and Climate Planning Act.

(e) Upon approval of a Clean Energy Empowerment Zone pilot project by the Illinois Commerce Commission, an electric utility is authorized to enter into a distribution services contract with new energy storage system projects in accordance with the approved project. Nothing in this Section or in the
distribution services contract shall preclude the energy storage project from providing additional wholesale market services.

(f) An electric utility that elects to undertake the investment described in subsection (b) of this Section may, at its election, recover the 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.

(g) To the extent feasible and consistent with State and federal law, the investments made pursuant to this Section shall provide employment opportunities for former workers in fossil fuel industries and participants in the Clean Jobs Workforce Hubs as defined in the Clean Jobs Workforce Hubs Act.

(h) Nothing in this Section is intended to limit the ability of any other entity to develop, construct, or install an energy storage system. In addition, nothing in this Section is intended to limit or alter otherwise applicable interconnection requirements.

(220 ILCS 5/16-108.17 new)

Sec. 16-108.17. Distribution system planning.

(a) It is the policy of the State of Illinois to promote cost-effective distribution system planning that minimizes long-term costs for Illinois utility customers and supports the achievement of State carbon reduction and energy policy goals.
The General Assembly makes the following findings:

(1) Investment in infrastructure to support existing and new distributed energy resources creates significant economic development, environmental, and public health benefits in the State of Illinois.

(2) Distribution system planning is an important tool for the Commission, electric utilities, and stakeholders to identify and support opportunities to maintain and enhance the safety, security, reliability, and resilience of the electricity grid, at fair and reasonable costs, consistent with the state's energy policies.

(3) A distribution system planning process can minimize distribution system costs to consumers while advancing other Illinois energy policy goals by supporting integration of distributed energy resources and the procurement of non-wires alternatives to capital investments. It can identify areas in need of investment and utilize distributed energy resources to meet those needs. This can assist in the development of opportunities for investment that can lower system costs for all customers. Where possible, utilization of all system resources can result in a more efficient and optimized planning and operation of the distribution grid.

(4) The planning process should maximize the sharing of information, minimize overlap with existing filing requirements to ensure robust stakeholder participation.
and recognize the responsibility of the utility to ultimately manage the grid in a safe, reliable manner.

(b) Terms used in this Section have the same meanings as defined in Sections 16-102, 16-107.6, and 16-108.

(c) An electric utility serving more than 100,000 customers on January 1, 2009 shall prepare and file a distribution system investment plan no later than June 1, 2020. Within 45 days after the filing, the Commission shall, with reasonable notice, open an investigation to consider whether the plan meets the objectives described in subsection (d) and contains the information required by subsection (e). The Commission shall issue a final order approving the plan, with any modifications the Commission deems reasonable and appropriate to achieve the goals of this Section, within 270 days of the plan filing. The final approved plan shall be part of the record used in the Commission proceeding referenced in subsection (e) of Section 16-107.6, provided that investigation has not been completed prior to the initial filing date referenced in this subsection. The utility shall work with stakeholders in advance of the plan filing to further develop the organization, content, and composition of the plan consistent with the requirements described in this Section.

(d) The plan shall be designed to:

(1) identify optimal locations for the deployment of distributed resources;

(2) evaluate locational benefits and costs of
distributed resources located on the distribution system; this evaluation shall be based on reductions or increases in local generation capacity needs, avoided or increased investments in distribution infrastructure, safety benefits, reliability benefits, and any other savings the distributed resources provide to the electrical grid or costs to ratepayers of the electrical corporation;

(3) ensure optimized utilization of electricity grid assets and resources to minimize total system costs;

(4) enable greater customer engagement, empowerment, and options for energy services;

(5) move toward the creation of efficient, cost-effective, accessible grid platforms for new products, new services, and opportunities for adoption of new distributed technologies;

(6) bring the benefits of grid modernization and the deployment of distributed energy resources to all communities, including economically disadvantaged communities, throughout Illinois;

(7) reduce grid congestion to facilitate availability and development of distributed energy resources;

(8) support investment in non-wires alternatives where cost-effective;

(9) provide analysis of the cost-effectiveness of proposed system investments relative to alternatives considered;
(10) to the maximum extent possible, achieve or support the achievement of greenhouse gas emission reductions, as defined in Section 9.10 of the Environmental Protection Act;

(11) support existing Illinois policy goals promoting the steady long-term growth of energy efficiency, demand response, and investments in renewable energy resources; and

(12) provide sufficient information to stakeholders and market participants to better understand the planning and operations of the distribution system so that the creation and offering of innovative products and services are supported.

For the purposes of this Section, "cost-effectiveness" means a comparison between the costs of a proposed investment and the benefits of avoided energy costs, avoided system capacity costs, avoided transmission costs, avoided costs of compliance with future carbon emission regulations, and any other quantifiable avoided utility system costs.

(e) The plan shall contain the following information:

(1) Distribution system planning processes: A description of the utility's distribution system planning process, including:

(A) an overview of the current process, including frequency and duration of the process, and the roles and responsibilities of individuals and organizations
involved;

(B) a description of internal organizational alignment of the process with other internal planning processes, such as load forecasting, interconnection and hosting capacity projections, and information technology investments;

(C) a description of process alignment with any other external planning process, such as those required by a regional transmission operator; and

(D) a description of how current planning will respond to the growth and utilization of distributed energy resources and future technologies.

(2) Baseline distribution system data: A discussion detailing the current operating conditions for the distribution utility system, including a detailed description, with supporting data, of system conditions, including asset age and useful life, ratings, loadings, and other characteristics, as well as:

(A) the distribution system annual loss percentage for the prior year (average of 12 monthly loss percentages);

(B) the maximum hourly coincident load (kW) for the distribution system as measured at the interface between the transmission and distribution system;

(C) total distribution substation capacity in kVA;

(D) total distribution transformer capacity in
kVA;

(E) total miles of overhead distribution wire;

(F) total miles of underground distribution wire;

(G) a list of all high-voltage and low-voltage substations, or circuits, along with the following for each substation and feeder: nameplate rating; firm capacity (or max desired peak demand given contingency or redundancies desired); hourly load; maximum historic peak demand, including specific days and hours of the day during which peak load was experienced; average annual peak load growth over the previous 5 years; forecast annual peak load growth over the next 10 years; types of monitoring and control capabilities, or planned additions of such; a summary of existing system visibility and measurement (feeder-level and time) interval and planned visibility improvements; daytime minimum load; information on percentage of the system with each level of visibility (such as max/min, daytime/nighttime, monthly/daily reads, automated/manual); and

(H) discussion of how information submitted pursuant to interconnection requests consistent with the requirements identified in IEEE Std. 1547-2018 impacts distribution system planning considerations consistent with Section 16-107.6 of this Act;

(3) Financial data:
(A) historical distribution system spending for the past 5 years, in each category: age-related replacements and asset renewal; system expansion or upgrades for capacity; system expansion or upgrades for reliability and power quality; and

(B) projected distribution system spending for 10 years into the future for the categories listed in items (1) and (2) of this subsection, itemizing any non-traditional distribution projects, including: planned distribution capital projects, including drivers for the project, and summary of anticipated changes in historic spending; and provide any available cost-benefit analysis in which the company evaluated a non-traditional distribution system solution to either a capital or operating upgrade or replacement.

(4) Distributed energy resource deployment:

(A) a discussion of how the impacts of the utility's energy efficiency program impacts are factored into load forecasts at the substation or circuit level;

(B) a discussion of how other distributed energy resources are considered in load forecasting and any expected changes in load forecasting methodology;

(C) total costs spent on distributed energy resource generation installation in the prior year
(including application review, responding to inquiries, metering, testing, and make-ready costs);

(D) total charges to customers and installers of distributed energy resources for the prior year, including application, metering, and make-ready fees;

(E) total number and nameplate kW of distributed energy resources that completed interconnection to the system in the prior year, including average time to process interconnection applications;

(F) the current distributed energy resource deployment by type, size, and geographic dispersion (as useful for planning purposes, such as by planning areas, operation/service/work areas, zip codes, and municipal boundaries);

(G) information on areas of existing or forecasted low, moderate, and high distributed energy resource penetration;

(H) a list of areas with existing or forecasted abnormal voltage or frequency issues that may benefit from the utilization of advanced inverter technology;

(I) a list of areas where distributed generation can create savings and value on the distribution system by being co-located or in close proximity to electric vehicle charging infrastructure that: (i) is used by medium-duty and heavy-duty vehicles; (ii) primarily serves environmental justice communities; and (iii) is
part of an optimized charging program, time-of-use program, or other beneficial electrification program, as described in Section 16-107.8 of this Act, reflecting the value of the additional benefits created by locating the project near and supporting adoption of electric vehicle infrastructure that is helping to reduce pollution from the transportation sector; and

(J) a list of areas where non-wires alternative investments may be developed to defer or avoid traditional infrastructure investments along with the criteria used to make such determinations, in conjunction with the analysis required by paragraph (7) of this subsection (e).

(5) Hosting capacity and interconnection requirements: A hosting capacity analysis, made available to the public on a website with mapping and GIS capability, and with detail at the block level, that includes a detailed and current analysis of how much capacity is available on each substation, circuit, and node for integrating new distributed energy resources as allowed by thermal ratings, protection system limits, power quality standards, and safety standards. The analysis must also include:

(A) circuit level maps and downloadable data sets for public use;
(B) an assessment of how utility planned investments over the next 5 years will impact the analysis; and

(C) a narrative discussion on how the hosting capacity analysis advances customer-sited distributed energy resources (in particular photovoltaic and electric storage systems); how the utility anticipates using the analysis to identify necessary distribution upgrades to support the continued development of distributed generation resources; and how distributed energy resources, including energy efficiency, demand response, and storage, can be used to enhance hosting capacity.

(6) Scenario analysis and forecasting: The plan shall include load forecasts over the next 10 years at the substation and circuit level using dynamic load forecasting utilizing multiple scenarios and probabilistic planning. In particular, the plan shall include the following:

(A) definitions and a discussion of the development of base-case, medium, and high scenarios regarding increased distributed energy resource deployment. Scenarios shall reflect a reasonable mix of individual distributed energy resource adoption and aggregated or bundled distributed energy resource service types, and shall include the projected load
forecast impacts of distributed energy resource investments, including investments in energy efficiency, demand response, and storage. The scenario analysis shall include information on the methodologies used to develop the low, medium, and high scenarios, including adoption rates, geographic deployment assumptions, expected load profiles, and any other relevant assumptions factored into the scenario discussion;

(B) a discussion of the processes and tools that would be necessary to accommodate the specified levels of distributed energy resource adoption, including whether existing processes and tools would be sufficient. The utility shall provide a discussion of the system impacts that may arise from increased distributed energy resource adoption, potential barriers to distributed energy resource integration, and the types of system upgrades that may be necessary to accommodate the distributed energy resource at the listed penetration levels, and considerations of how such resources can be utilized as an alternative to system investments;

(C) a discussion of how present and projected reductions in the demand for energy may result from measures to improve energy efficiency;

(D) information on anticipated impacts from FERC
Order 841 (Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators) and a discussion of potential impacts from the related FERC Docket No. RM18-9-000 (Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators); and

(E) a discussion of how the distribution system planning is coordinated with Commission orders regarding the procurement of renewable resources as discussed in Section 16-111.5 of this Act; energy efficiency plans as discussed in Section 8-103B of this Act; distributed generation rebates as discussed in Section 16-107.6 of this Act; and any other order affecting the goals described in subsection (d) of this Section.

(7) Non-wires alternatives analysis:

(A) detailed discussion of all distribution system projects in the coming 10 years that are anticipated to have a total cost of greater than $1,000,000. For these projects, an analysis of how non-wires alternatives, including increased local energy efficiency beyond what will occur through system-wide programs, demand response, distributed generation, and storage, compare in terms of viability and cost-effectiveness shall be
included. Such comparisons must include consideration of the benefits of distributed energy resources beyond meeting local reliability needs (for example, avoided energy costs, avoided system capacity costs, avoided transmission costs, and reduced exposure to future environmental regulations);

(B) identification of the project types that would lend themselves to non-traditional solutions (i.e. load relief or reliability);

(C) timelines needed to consider alternatives to any project types that would lend themselves to non-traditional solutions (allowing time for potential request for proposal, response, review, contracting and implementation); and

(D) the cost threshold of any project type that would need to be met to have a non-traditional solution reviewed may be updated by the Commission after receiving stakeholder input through the distribution system plan update process described in subsection (g) of this Section.

(8) Proposed distribution system investments. The plan shall identify proposed investments, including the reason for investment, projected costs, projected impacts on other elements of utility system costs, scope of work, prioritization and sequencing of investments, and explanations of how planned investments will support the
goals described in subsection (d) of this Section. For proposed traditional investments, the plan shall identify if non-wires alternatives were considered and justify why they were not chosen. The plan shall also identify investments in energy efficiency beyond what is provided for in Section 8-103B of this Act and other distributed energy resources as non-wires alternatives, including demand response, distributed generation, and storage.

(f) The Commission shall approve, approve with modifications, or reject the plan within 180 days. The Commission may approve the plan if it finds that the plan will achieve the goals described in subsection (d) of this Section. Proceedings under this Section shall proceed according to the rules provided under Section 9-201 of this Act. Information contained in the approved plan shall be considered part of the record in any Commission proceeding under subsection (e) of Section 16-107.6 of this Act. Approval of the plan shall not be construed as approval of any project or investment included in the plan, and approval of the plan does not constitute approval of costs associated with it. Costs associated with any project or investment associated with the plan shall be reviewed pursuant to Section 16-108.5 of this Act or Section 9-220 of this Act.

(g) Subsequent to the initial plan approval, the utility shall file an update to the plan on June 1, 2022, and every 24 months thereafter. This update shall describe the distribution
system investments made during the prior plan period, the investments planned to be made in the following 24 months, and updates to the information required by subsection (e) of this Section. Within 35 days after the utility files its plan update, the Commission shall, upon complaint, petition, or its own initiative, but with reasonable notice, enter upon an investigation regarding the utility's plan update to ensure that the objectives described in subsection (d) of this Section are being achieved. If the Commission finds, after notice and hearing, that the utility's Plan is materially deficient in any way, the Commission shall issue an order requiring the participating utility to devise a corrective action plan, subject to Commission approval and oversight, to bring the plan into alignment with the goals of this Section. The Commission's order must be entered within 180 days after the utility files its annual report. The Commission shall have the authority to modify the information required by subsection (e) of this Section provided that modification does not impair the achievement of the goals described in subsection (d) of this Section.

(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. Beginning with the delivery year commencing June 1, 2023, an electric utility that, on December 31, 2005, served at least 3,000,000 customers in Illinois shall procure capacity for its retail customers 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 customers that are excluded from the procurement plan's electric supply service 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 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 carbon-free capacity to be procured, as described in Section 1-75 of the Illinois Power Agency Act, and 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 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; and

(vii) the amount of capacity procured for each year through the procurements in subsection (k) of Section 1-75 of the Illinois Power Agency Act and this Section, and the amount of capacity to be procured from each procurement during the next year.

(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 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
1 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 (1) of this Section
and approved by the Commission.

(j) Within 60 days following August 28, 2007 (the effective
date of Public Act 95-481), 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).

(k-5) (Blank).

(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 (1), 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).

(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 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
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 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.

(Source: P.A. 99-906, eff. 6-1-17.)

(220 ILCS 5/16-111.10 new)

Sec. 16-111.10. Equitable Energy Financing Program.
(a) The General Assembly finds and declares that Illinois homes and businesses can contribute to the creation of a clean energy economy, conservation of natural resources, and reliability of the electricity grid through the installation of cost-effective renewable energy generation, energy efficiency, and energy storage systems. Further, a large portion of Illinois residents and businesses that would benefit from the installation of energy efficiency, storage, and renewable energy generation systems are unable to purchase systems due to capital or credit barriers. This State should pursue options to enable many more Illinoisans to access the health, environmental, and financial benefits of new clean energy technology.

(b) As used in this Section:

"Commission" means the Illinois Commerce Commission.

"Energy project" means renewable energy generation systems, including solar projects, energy efficiency upgrades, energy storage systems, or any combination thereof.

"Program" means the Equitable Energy Financing Program established under subsection (c).

"Utility" means electric utilities providing services under this Act.

(c) The Illinois Commerce Commission shall open an investigation into and direct all electric utilities in this State to adopt an Equitable Energy Financing Program that permits customers to finance the construction of energy
projects through an optional tariff payable directly through their utility bill, modeled after the PAYS, or Pay-As-You-Save system, developed by the Energy Efficiency Institute. The Program model shall offer to make investments in energy projects to customer properties with low-cost capital and use an opt-in tariff to recover the costs. The Program shall be designed to provide customers with financial savings if they choose to participate. The Program will allow residential electric utility customers that own the property, or renters that have permission of the property owner, for which they subscribe to utility service to purchase an energy project. The Program will ensure:

(1) eligible projects do not require upfront payments; however, customers may pay down the costs for projects with a payment to the installing contractor in order to qualify projects that would otherwise require upfront payments;

(2) eligible projects have an estimated lifecycle savings that exceeds the cost of the project, subject to PAYS program requirements;

(3) participants will finance the projects by paying for the project through an optional tariff directly through the participant's electricity bill, allowing participants to invest in energy projects without traditional loans;

(4) accessibility by lower income residents and environmental justice community residents; and

(5) administration is in coordination with the energy
efficiency on-bill financing program established under Section 16-111.7 to maximize access and financial savings by residents.

(d) Program rollout. The Commission shall establish Program guidelines with the anticipated schedule of Program availability as follows:

(1) Year 1. During the first year of operation, each utility is required to obtain capital of at least $20,000,000 annually for investments in energy projects.

(2) Year 2. Beginning in the second year, each utility is required to obtain capital for investments in energy projects of at least $40,000,000 annually.

(3) Year 3. Beginning in the third year of programming, each utility is required to obtain capital for investments in as many systems as customers demand, subject to available capital provided by the utility, State, or other lenders.

(e) In the design of the Equitable Energy Financing Program, the Commission shall:

(1) Within 270 days after the effective date of this amendatory Act of the 101st General Assembly, convene a workshop process during which interested participants may discuss issues and submit comments related to the Program.

(2) Establish Program guidelines modeled after PAYS program guidelines that electric utilities will abide by when designing their plan to participate in the Program.
Program guidelines established by the Commission shall include the following elements:

(A) Capital funds. The Commission shall establish conditions under which utilities secure capital to fund the energy projects. The Commission may allow utilities to raise capital independently, work with third-party lenders to secure the capital for participants, or a combination thereof. Any process the Commission approves must use a market mechanism to identify the least costly sources of capital funds so as to pass on maximum savings to participants. The State of Illinois may also choose to provide capital for this Program.

(B) Customer protections. Customer protection guidelines should be designed based on the principles established in subsection (i), subject to model PAYS essential elements and minimum program requirements.

(C) Energy project vendors. The Commission shall establish conditions by which utilities may connect Program participants to energy project vendors. In setting conditions for connection, the Commission may prioritize vendors that have a history of good relations with the State including vendors that have hired participants from State-created job training programs.

(D) Guarantee that conservative estimates of
financial savings will immediately and significantly exceed Program costs for Program participants.

(f) Within 120 days after the Commission releases the Program conditions established under this Section, each 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 Section. If the Commission finds that the submission does not properly comply with the statutory or regulatory requirements of the Program, the Commission may require that the utility make modifications to its filing.

(g) An independent process evaluation shall be conducted after one year of the Program operation. An independent impact evaluation shall be conducted after 2 years of operation, excluding one-time startup costs and results from the first 6 months of the Program. The Commission shall convene an advisory council of stakeholders, including representation of low-income and environmental justice community members to make recommendations in response to the findings of the independent evaluation.

(h) Participation in the Program by utilities shall be mandatory from Program launch through January 1, 2031. Following January 1, 2031, participation in the Program by utilities is voluntary.

(i) The Equitable Energy Financing Program shall be designed using PAYS system guidelines to be cost effective for
customers. Only projects that are deemed to be cost-effective and can be reasonably expected to ensure customer savings are eligible for funding through the Program, unless, as specified in paragraph (1) of subsection (c), customers able to make upfront copayments to installers buy down the cost of projects so they can be deemed cost effective.

(j) Eligible customers must be:

(1) property renters with permission of the property owner; or

(2) property owners.

(k) Calculation of project cost effectiveness shall be based upon PAYS system requirements.

(1) The calculation of cost effectiveness must be conducted by an objective process established by the Commission and based on rates in effect at the time of installation.

(2) A project shall be considered cost effective only if it complies with the PAYS 80% rule, not counting copayments voluntarily made by customers. The Commission may establish guidelines by which this required savings is measured.

(1) The Equitable Energy Financing Program should be modeled after the PAYS, or Pay-As-You-Save system, by which Program participants finance energy projects using the savings that the energy project creates with a tariffed on-bill financing program. Eligible projects shall not create personal
debt for the customer, result in a lien in the event of nonpayment, or require customers to pay for defective energy projects.

(m) Any energy project that is defective or damaged due to no fault of the participant must be either replaced or repaired with parts that meet industry standards at the cost of the utility or vendor as specified by the Commission and charges will be suspended until repairs or replacement are completed. The Commission may establish, increase, or replace the requirements imposed in this subsection (m). The Commission may determine that this responsibility is best handled by participating project vendors in the form of insurance, contractual guarantees, or other mechanisms, and issue rules detailing this requirement.

(n) In the event of nonpayment, the remaining balance due to pay off the system shall remain with the utility meter at an upgraded location. The Commission shall establish conditions subject to this constraint in the event of nonpayment that are in accordance with the PAYS system.

(o) If the demand by utility customers exceeds the Program capital supply in a given year, utilities shall ensure that 50% of participants are: (1) customers in neighborhoods where a majority of households make 150% or less of area median income; or (2) residents of environmental justice communities.

(p) Utilities shall endeavor to inform customers about the availability of the Program, their potential eligibility for
participation in the Program, and whether they are likely to save money on the basis of an estimate conducted using variables consistent with the Program that the utility has at its disposal. The Commission may establish guidelines by which utilities must abide by this directive and alternatives if the Commission deems utilities' efforts as inadequate.

(g) Subject to Commission specifications established in subsection (c), each utility shall work with certified project vendors selected using a request for proposals process to establish the terms and processes under which a participant can purchase eligible renewable energy generation and energy storage systems using the financing obtained from the lender through a program designed to fit the Equitable Energy Financing Program model. The certified project vendor shall explain and offer the approved financing packaging to customers and shall assist customers in applying for financing through the Equitable Energy Financing Program. As part of the process, vendors shall also provide participants with information about any other relevant incentives that may be available.

(r) An electric utility shall recover all of the prudently incurred costs of offering a program approved by the Commission under this Section.

(s) The Illinois Commerce Commission shall adopt all rules necessary for the administration of this Section.

(220 ILCS 5/16-115E new)
Sec. 16-115E. Carbon-free supply for alternative retail electric suppliers and electric utilities operating outside their service territories.

(a) Beginning in the delivery year that commences on June 1, 2021, an alternative retail electric supplier shall be responsible for procuring cost-effective electricity that has an annual carbon dioxide emissions rate, in pounds of CO₂ emissions per megawatt-hour, that is no greater than average of the total resources procured in subsection (k) of Section 1-75 of the Illinois Power Agency Act.

(b) Each alternative retail electric supplier shall, by September 1, 2021 and by September 1 of each year thereafter, prepare and submit to the Commission a public report, in a format to be specified by the Commission, that provides information certifying compliance by the alternative retail electric supplier with this Section, including the source, quantity and hourly CO₂ emissions of supplied electricity, and any other information that the Commission determines necessary to ensure compliance with this Section.

(220 ILCS 5/16-128B)

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 on-line. 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 women-owned female-owned,
minority-owned, and veteran-owned, and small businesses, and
nonprofit organizations, worker cooperatives, and other
entities.

(Source: P.A. 99-906, eff. 6-1-17.)
Section 90-45. The Environmental Protection Act is amended by changing Section 9.10 and by adding Section 9.16 as follows:

(415 ILCS 5/9.10)

Sec. 9.10. Fossil fuel-fired electric generating plants.

(a) As used in this Section:
"Board" means the Illinois Pollution Control Board.
"Emissions" means greenhouse gases, particulate matter, mercury, nitrogen oxides, sulfur dioxide, and any other pollutant that the Agency deems appropriate for regulation to protect health or land in the State.
"Frontline community" means any community or municipality within a 3 mile radius of a fossil-fuel power plant.
"Meaningful involvement" means: (1) potentially affected populations have an appropriate opportunity to participate in decisions about a proposed regulatory action that may affect their environment and/or health; (2) the populations' contributions can influence the EPA's rulemaking decisions; (3) the concerns of all participants involved will be considered in the decision-making process; and (4) the IEPA will seek out and facilitate the involvement of populations potentially affected by the IEPA's proposed regulatory action.

(a-1) The General Assembly finds and declares that:

(1) fossil fuel-fired electric generating plants are a significant source of air emissions in this State and have become the subject of a number of important new studies of
their effects on the public health;

(2) existing state and federal policies, that allow older plants that meet federal standards to operate without meeting the more stringent requirements applicable to new plants, are being questioned on the basis of their environmental impacts and the economic distortions such policies cause in a deregulated energy market;

(3) fossil fuel-fired electric generating plants are, or may be, affected by a number of regulatory programs, some of which are under review or development on the state and national levels, and to a certain extent the international level, including the federal acid rain program, tropospheric ozone, mercury and other hazardous pollutant control requirements, regional haze, and global warming;

(4) scientific uncertainty regarding the formation of certain components of regional haze and the air quality modeling that predict impacts of control measures requires careful consideration of the timing of the control of some of the pollutants from these facilities, particularly sulfur dioxides and nitrogen oxides that each interact with ammonia and other substances in the atmosphere;

(5) the development of energy policies to promote a safe, sufficient, reliable, and affordable energy supply on the state and national levels is being affected by the on-going deregulation of the power generation industry and
the evolving energy markets;

(6) the Governor's formation of an Energy Cabinet and the development of a State energy policy calls for actions by the Agency and the Board that are in harmony with the energy needs and policy of the State, while protecting the public health and the environment;

(7) reducing greenhouse gas emissions and other air pollutants such as particulate matter, sulfur dioxide, and nitrogen oxide is critical to improving the health and welfare of Illinois residents by decreasing respiratory diseases, cardiovascular diseases, and related mortalities; lowering customers' energy costs; and responding to the growing impacts of climate change from fossil-fuel generation;

(8) through reductions in harmful emissions and strategic planning for Illinois citizens currently employed by and communities reliant on fossil-fuel electricity generation units, eliminating greenhouse gas emissions from the electricity generation sector is a priority for the State;

(9) The House of Representatives of the 100th General Assembly recognized this problem and, in adopting House Resolution 490 on June 26, 2017, it supported the Paris Climate Agreement and urged the State of Illinois to join the United States Climate Alliance and develop a plan to achieve 100% clean energy by 2045;
(7) Illinois coal is an abundant resource and an important component of Illinois' economy whose use should be encouraged to the greatest extent possible consistent with protecting the public health and the environment;

(8) renewable forms of energy should be promoted as an important element of the energy and environmental policies of the State and that it is a goal of the State that at least 5% of the State's energy production and use be derived from renewable forms of energy by 2010 and at least 15% from renewable forms of energy by 2020;

(10) efforts on the state and federal levels are underway to consider the multiple environmental regulations affecting electric generating plants in order to improve the ability of government and the affected industry to engage in effective planning through the use of multi-pollutant strategies; and

(11) these issues, taken together, call for a comprehensive review of the impact of these facilities on the public health, considering also the energy supply, reliability, and costs, the role of renewable forms of energy, and the developments in federal law and regulations that may affect any state actions, prior to making final decisions in Illinois.

(b) Taking into account the findings and declarations of the General Assembly contained in subsection (a) of this Section, the Agency shall, within 180 days after the effective
date of this amendatory Act of the 101st General Assembly, initiate a rulemaking to amend Title 35 of the Illinois Administrative Code to establish annual greenhouse gas pollution caps and further co-pollutant reductions beginning in 2021 from all fossil fuel electric generating units (including, but not limited to, coal-fired, coal-derived, oil-fired, combustion turbine, integrated gasification combined cycle, and cogeneration facilities above or below 25 MW) and progressively eliminate all emissions of greenhouse gases, particulate matter, mercury, nitrogen oxides, and sulfur dioxide from Illinois' electric sector by the year 2030. The Board shall adopt rules regulating greenhouse gases and further co-pollutant reductions, represented as emissions caps on individual plants, which can decline on independent schedules annually until reaching zero emissions from all plants by 2030, no later than one year after receipt of the Agency's proposal under this Section. As part of its rulemaking proposal, the Agency shall:

1. ensure that power plants located near densely populated and environmental justice communities are prioritized for more rapid, mandatory, plant-specific emissions reductions for both greenhouse gases and co-pollutants;

2. develop an environmental justice analysis, in partnership with the Illinois Commission on Environmental Justice and with frontline community feedback, to inform a
draft rule proposal and identification of power plants of particular concern requiring priority emissions reductions. This analysis shall include a cumulative impacts assessment and use existing methodologies and findings employed by the Illinois Power Agency and its Administrator in its Illinois Solar for All Program, taking into account the following factors:

(A) National-Scale Air Toxics Assessment (NATA) air toxics cancer risk;
(B) NATA respiratory hazard index;
(C) NATA diesel PM;
(D) particulate matter;
(E) ozone;
(F) traffic proximity and volume;
(G) lead paint indicator;
(H) proximity to Risk Management Plan sites;
(I) proximity to Hazardous Waste Treatment, Storage and Disposal Facilities;
(J) proximity to National Priorities List sites;
(K) Wastewater Dischargers Indicator;
(L) percent low-income;
(M) percent minority;
(N) percent less than a high school education;
(O) linguistic isolation;
(P) age (individuals under age 5 or over 64);
(Q) number of asthma-related emergency department
visits; and

(R) frequency of low birth weight infants;

(3) conduct a robust and inclusive stakeholder process prior to issuing a draft rule to the Illinois Pollution Control Board that ensures the meaningful participation of Illinois residents, especially those most impacted by fossil fuel power plants. To ensure meaningful involvement in its stakeholder process, the agency shall:

(A) include a formal public comment period with at least 4 public hearings located in communities geographically dispersed, where fossil fuel power plants are located;

(B) ensure full and fair access for working residents by providing opportunity for public comment outside the work day; and

(C) issue a responsiveness summary with a draft rulemaking briefly describing and responding to, at a minimum, all frontline community comments raised during the stakeholder process and public comment period;

(4) participate in strategic planning efforts with the Department of Commerce and Economic Opportunity to identify needs and initiatives for communities and workers economically impacted by the decline in fossil fuel generation; and

(5) evaluate individual units using the criteria above
and set appropriate annually-declining caps for emission reductions, which ultimately result in caps of zero emissions from all fossil-fuel electric generating units by January 1, 2030.

before September 30, 2004, but not before September 30, 2003, issue to the House and Senate Committees on Environment and Energy findings that address the potential need for the control or reduction of emissions from fossil fuel-fired electric generating plants, including the following provisions:

(1) reduction of nitrogen oxide emissions, as appropriate, with consideration of maximum annual emissions rate limits or establishment of an emissions trading program and with consideration of the developments in federal law and regulations that may affect any State action, prior to making final decisions in Illinois;

(2) reduction of sulfur dioxide emissions, as appropriate, with consideration of maximum annual emissions rate limits or establishment of an emissions trading program and with consideration of the developments in federal law and regulations that may affect any State action, prior to making final decisions in Illinois;

(3) incentives to promote renewable sources of energy consistent with item (8) of subsection (a) of this Section;

(4) reduction of mercury as appropriate, consideration of the availability of control technology, industry practice requirements, or incentive programs, or some
combination of these approaches that are sufficient to prevent unacceptable local impacts from individual facilities and with consideration of the developments in federal law and regulations that may affect any state action, prior to making final decisions in Illinois; and

(5) establishment of a banking system, consistent with the United States Department of Energy's voluntary reporting system, for certifying credits for voluntary offsets of emissions of greenhouse gases, as identified by the United States Environmental Protection Agency, or other voluntary reductions of greenhouse gases. Such reduction efforts may include, but are not limited to, carbon sequestration, technology-based control measures, energy efficiency measures, and the use of renewable energy sources.

The Agency shall consider the impact on the public health, considering also energy supply, reliability and costs, the role of renewable forms of energy, and developments in federal law and regulations that may affect any state actions, prior to making final decisions in Illinois.

(c) Nothing in this Section is intended to or should be interpreted in a manner to limit or restrict the authority of the Illinois Environmental Protection Agency to propose, or the Illinois Pollution Control Board to adopt, any regulations applicable or that may become applicable to the facilities covered by this Section that are required by federal law.
(d) The Agency may file proposed rules with the Board to effectuate the goals set forth in subsection (b), its findings provided to the Senate Committee on Environment and Energy and the House Committee on Environment and Energy in accordance with subsection (b) of this Section. Any such proposal shall not be submitted sooner than 90 days after the issuance of the findings provided for in subsection (b) of this Section. The Board shall take action on any such proposal within one year of the Agency's filing of the proposed rules.

(e) This Section shall apply only to those electrical generating units that are subject to the provisions of Subpart W of Part 217 of Title 35 of the Illinois Administrative Code, as promulgated by the Illinois Pollution Control Board on December 21, 2000.

(Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

Sec. 9.16. Energy community reinvestment fee.

(a) For the purposes of this Section, "fossil fuel generating plants" means an electric generating unit or a co-generating unit that produces electricity using fossil fuels.

(b) The General Assembly finds and declares that:

(1) the negative effects of fossil fuel generating plants on human health, environmental quality, and the climate of our planet require Illinois to swiftly retire
all such plants and shift to 100% renewable energy;

(2) communities located near fossil fuel-fired electric generating plants have experienced these health and environmental impacts most acutely;

(3) communities located near fossil fuel-fired electric generating plants will also experience economic challenges as these plants retire;

(4) it is in the general interest that communities located near fossil fuel-fired electric generating plants should receive support in the form of economic reinvestment, as recompense for the negative impacts of the operation of fossil fuel-fired electric generating plants, and as a means for creating new economic growth and opportunity which is needed when the plants retire; and

(5) this support should be paid for by the owners and operators of fossil fossil fuel-fired electric generating plants, the operation of which caused harm to the surrounding communities.

(c) Energy community reinvestment fee. The Agency shall establish procedures for the collection of energy community reinvestment fees. Energy community reinvestment fees shall be paid annually by owners of all fossil fuel generating plants in Illinois, based on their share of the total pollution burden from fossil fuel generating plants as determined by the Agency.

(1) No later than March 31, 2021, and by March 31 of each year thereafter, the Agency shall develop a metric of
the total pollution burden from fossil fuel generating plants in this State in the previous calendar year, based on the total greenhouse-gas emissions, co-pollutant emissions, and other factors as determined by the Agency. The Agency shall then determine the percentage contribution of each fossil fuel generating plant in this State to the overall metric, with the total equalling 100%.

(2) The Agency shall receive from the Department of Commerce and Economic Opportunity a notification of the total revenue required for programs and spending as described under the Energy Community Reinvestment Act for the upcoming fiscal year, as well as projected spending for all program fiscal years through Fiscal Year 2036.

(3) The Agency shall calculate the fee owed by each fossil fuel generating plant owner by multiplying the percentage contribution described under paragraph (1) of this subsection (c) by the total revenue required for the upcoming fiscal year, plus 20% of the projected spending in each of the following 5 fiscal years, as determined under paragraph (2) of this subsection (c).

(4) No later than May 1 of each year, the Agency shall notify each fossil fuel generating plant owner of the amount its fee.

(5) Plant owners shall remit payment of their fee to the Agency within 90 days after notification. Funds collected from the energy community reinvestment fee shall
be deposited into the Energy Community Reinvestment Fund.

(d) Clean Energy Empowerment Zone Task Force involvement. If the Agency receives notification from the Department of Commerce and Economic Opportunity that a plant owner has failed to engage productively in stakeholder meetings and with Clean Energy Empowerment Zone Task Forces, as described in the Energy Community Reinvestment Act, an enforcement action may be brought under Section 31 of this Act. In addition to any other relief that may be obtained as part of the enforcement action, the Agency may seek to recover the avoided engagement fees. The avoided engagement fees shall be calculated as double the amount that is owed by the plant owner for the current year, and subsequent years, until the Department of Commerce and Economic Opportunity sends notification to the Agency that the plant owner is in compliance with the stakeholder engagement requirements of the Energy Community Reinvestment Act. Fees collected under this subsection (d) shall be deposited in the Energy Community Reinvestment Fund to be directed solely to support the local community's own planning efforts and investments, and the Agency shall transmit a notification to the Department of Commerce and Economic Opportunity of the amount collected, and the plant owner responsible.

(e) If a plant owner subject to a fee under this Section fails to pay the fee within 90 days after its due date, or makes the fee payment from an account with insufficient funds to cover the amount of the fee payment, the Agency shall notify
the plant owner of the failure to pay the fee. If the plant
owner fails to pay the fee within 60 days after such
notification, the Agency may, by written notice, immediately
revoke the air pollution operating permit. Failure of the
Agency to notify the plant owner of failure to pay a fee due
under this Section, or the payment of the fee from an account
with insufficient funds to cover the amount of the fee payment,
does not excuse or alter the duty of the plant owner to comply
with the provisions of this Section.

(f) No later than November 30 of each year, the Agency
shall submit a report to the Department of Commerce and
Economic Opportunity describing the amount of fees collected
from each fossil fuel generating plant, the status of any
delinquencies, and the total amount expected to be collected.

(415 ILCS 5/9.15 rep.)

Section 90-50. The Environmental Protection Act is amended
by repealing Section 9.15.

Section 90-55. The Prevailing Wage Act is amended by adding
Section 3.3 as follows:

(820 ILCS 130/3.3 new)

Sec. 3.3. Job classifications. The Department of Labor
must, within 60 days after the effective date of this
amendatory Act of the 101st General Assembly, identify job
categories for laborers, mechanics, and other workers employed
in the provision of programs created or altered by this Act,
for which the Department has not already set a prevailing rate
of wages.

The Department of Labor must, within 240 days after the
effective date of this amendatory Act of the 101st General
Assembly, set a prevailing rate of wages for each identified
job category.

Article 99. Effective Date

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