



LRB101 09870 RJF 61762 a

1                   AMENDMENT TO HOUSE BILL 3624

2           AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3624, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5                   "Article 1. Findings

6           Section 1-5. Findings.

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

14           (b) Placing Illinois on a path to 100% renewable energy is  
15 vital to a clean energy future. To bring this vision to  
16 fruition, our energy policy must prioritize a just transition

1 that incentivizes renewable development and other  
2 carbon-reducing policies, such as energy efficiency, while  
3 ensuring that the benefits and opportunities of a carbon-free  
4 future are accessible in economically disadvantaged  
5 communities, environmental justice communities, and  
6 communities of color.

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

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

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

1 vehicle adoption will drastically reduce emissions from  
2 transportation, and could save Illinois residents billions of  
3 dollars.

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

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

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

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

26 (j) As we decarbonize Illinois' electric sector, Illinois

1 must create new investment to stimulate the economic and  
2 environmental well-being of communities disproportionately  
3 impacted by the historical operation of, and recent or expected  
4 closures of, fossil fuel power plants.

5 Article 5. Clean Jobs Workforce Hubs Act

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

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



1 The General Assembly further finds that the Clean Jobs  
2 Workforce Hubs Network Program is essential to equitable,  
3 statewide access to quality jobs and economic opportunities  
4 across the clean energy sector.

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

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

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

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

25 "Director" means the Director of Commerce and Economic

1 Opportunity.

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

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

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

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

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

17 "Renewable energy resource" means energy and its  
18 associated renewable energy credit or renewable energy credits  
19 from wind energy, solar thermal energy, geothermal energy,  
20 photovoltaic cells and panels, biodiesel, anaerobic digestion,  
21 and hydropower that does not involve new construction or  
22 significant expansion of hydropower dams. "Renewable energy  
23 resource" includes landfill gas produced in this State.  
24 "Renewable energy resource" does not include the incineration  
25 or burning of any solid material.

1           Section 5-15. Clean Jobs Workforce Hubs Network Program.

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

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

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

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

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

1           Section 5-20. Clean Jobs Workforce Hubs Network.

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

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

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

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

26           (2) training, apprenticeship, job readiness, and skill

1 development, including soft skills, math skills, technical  
2 skills, certification test preparation, and other  
3 development needed for members of economically  
4 disadvantaged communities, environmental justice  
5 communities, communities of color, persons with a criminal  
6 record, persons who are or were foster children, and  
7 displaced energy workers to enter clean energy  
8 jobs-related training and apprenticeship programs and  
9 career paths;

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

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

1 continued training and future employment during the length  
2 of programs;

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

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

24 Section 5-25. Program Administrator.

25 (a) Within 90 days after the effective date of this Act,

1 and after a comprehensive stakeholder process that includes  
2 community-based organizations in environmental justice  
3 communities and community-based organizations serving  
4 economically disadvantaged communities, the Department shall  
5 select 3 Program Administrators to coordinate all or a portion  
6 of the work of the Clean Jobs Workforce Hubs Network with one  
7 Program Administrator selected for Northern Illinois, one  
8 Program Administrator selected for Central Illinois, and one  
9 Program Administrator selected for Southern Illinois.

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

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

26 (d) The Department shall develop joint planning processes

1 and coordination mechanisms with each Program Administrators  
2 and among the Program Administrators such that the 3 regional  
3 administrators are functioning effectively and delivering  
4 parallel administration in each of their respective regions.  
5 The Department shall also work to create joint planning  
6 opportunities and coordination mechanisms to enable the  
7 Program Administrators of the Clean Jobs Workforce Hubs Network  
8 to collaborate with the Program Administrators of the Expanding  
9 Clean Energy Entrepreneurship and Contractor Incubator Program  
10 created under the Expanding Clean Energy Entrepreneurship Act,  
11 particularly enabling the regional administrators to  
12 coordinate and collaborate to enhance program delivery within  
13 their respective regions.

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

22 The Department, subject to the requirements of this  
23 subsection (e), shall appoint and determine the composition of  
24 the Advisory Board. At least 50% of the Advisory Board members  
25 shall consist of low-income residents of economically  
26 disadvantaged communities served by the Program delivery sites



1 and residents of environmental justice communities.  
2 Additionally, the Advisory Board shall be comprised of the  
3 following members: (1) participants in the Clean Jobs Workforce  
4 Hubs Network; (2) members who are policy or implementation  
5 experts on workforce development for disadvantaged populations  
6 and individuals, including economically disadvantaged  
7 communities, environmental justice communities, communities of  
8 color, persons with a criminal record, persons who are or were  
9 foster children, and displaced fossil fuel workers; and (3)  
10 members from community-based organizations in environmental  
11 justice communities and community-based organizations serving  
12 economically disadvantaged communities, as well as clean  
13 energy businesses, nonprofit organizations, worker-owned  
14 cooperatives, and other groups that provide clean energy jobs  
15 opportunities. Members of the Advisory Board shall serve  
16 without compensation.

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

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

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

1 (3) trainee job retention statistics; and

2 (4) wages of trainees placed into employment.

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

7 (g) At least every 3 years, the Department of Commerce and  
8 Economic Opportunity shall select an independent evaluator to  
9 review and report on the Clean Jobs Workforce Hubs Network and  
10 the performance of the Program Administrators of the Clean Jobs  
11 Workforce Hubs Network. The evaluation shall be based on the  
12 Program performance metrics collected by the Program  
13 Administrators and objective criteria developed through a  
14 public stakeholder process. The process shall include feedback  
15 and participation from the Clean Jobs Workforce Hubs Network  
16 Advisory Board, Program participants, and additional  
17 stakeholders, including organizations in environmental justice  
18 communities and serving economically disadvantaged  
19 communities. The report shall include a summary of the  
20 evaluation of the Clean Jobs Workforce Hubs Network based on  
21 the Program performance metrics collected by the Program  
22 Administrators and the stakeholder developed objective  
23 criteria. The report shall be posted publicly on the Department  
24 of Commerce and Economic Opportunity's website and shall be  
25 used, as needed, to modify implementation of the Clean Jobs  
26 Workforce Hubs Network.

1           Section 5-30. Clean jobs curriculum.

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

22          (b) Within 120 days after the stakeholder process is  
23          convened, the Department shall publish a report that includes  
24          the findings, recommendations, and core curriculum identified  
25          by the stakeholder group and shall post a copy of the report on

1 its public website. The Department shall convene the process  
2 described to update and modify the recommended curriculum every  
3 3 years to ensure the curriculum contents are current to the  
4 evolving clean energy industries, practices, and technologies.

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

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

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

18 Article 10. Expanding Clean Energy Entrepreneurship Act

19 Section 10-1. Short title. This Article may be cited as the  
20 Expanding Clean Energy Entrepreneurship Act. References in  
21 this Article to "this Act" mean this Article.

1       Section 10-5. Legislative findings. The General Assembly  
2       finds that the State of Illinois should build upon the success  
3       of the Future Energy Jobs Act and the Illinois Solar for All  
4       Program by supporting small, disadvantaged clean energy  
5       businesses and contractors having equitable access to economic  
6       opportunities, including creation of clean energy jobs as  
7       defined in Section 5-10 of the Clean Jobs Workforce Hubs Act,  
8       created by the growing clean energy sector in Illinois.

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

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

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

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

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

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

23       Section 10-15. Expanding Clean Energy Entrepreneurship and  
24       Contractor Incubator Program.

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

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

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

22               (1) Access to low-cost capital for small and  
23 disadvantaged clean energy businesses and contractors to  
24 be able to compete on a level playing field with more  
25 established, capitalized businesses across the entire  
26 clean energy sector in Illinois, including solar, wind,

1 energy efficiency, transportation electrification, and  
2 other clean energy industries.

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

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

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

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

24 Section 10-20. Program Administrator.

25 (a) Within 90 days after the effective date of this Act,

1 and after a comprehensive stakeholder process that includes  
2 community-based organizations in environmental justice  
3 communities and community-based organizations serving  
4 economically disadvantaged communities, the Department shall  
5 select 3 Program Administrators to coordinate all or a portion  
6 of the work of the Expanding Clean Energy Entrepreneurship and  
7 Contractor Incubator Program with one Program Administrator  
8 selected for Northern Illinois, one Program Administrator  
9 selected for Central Illinois, and one Program Administrator  
10 selected for Southern Illinois.

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

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

25 (d) The Department shall work to create joint planning  
26 opportunities and coordination mechanisms to enable the



1 Program Administrators of the Expanding Clean Energy  
2 Entrepreneurship and Contractor Incubator Program to  
3 collaborate with the Program Administrators of the Clean Jobs  
4 Workforce Hubs created under the Clean Jobs Workforce Hubs Act,  
5 particularly enabling the regional administrators to  
6 coordinate and collaborate to enhance Program delivery within  
7 their respective regions.

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

16 The Department, subject to the requirements of this  
17 subsection (e), shall appoint and determine the composition of  
18 the Advisory Board. At least 50% of the Advisory Board members  
19 shall consist of low-income residents of economically  
20 disadvantaged communities served by the program delivery sites  
21 and residents of environmental justice communities.  
22 Additionally, the Advisory Board shall be comprised of the  
23 following members: (1) participants in the Expanding Clean  
24 Energy Entrepreneurship and Contractor Incubator Program; (2)  
25 members who are policy or implementation experts on workforce  
26 development for disadvantaged populations and individuals,

1 including economically disadvantaged communities,  
2 environmental justice communities, communities of color,  
3 persons with a criminal record, persons who are or were foster  
4 children, and displaced energy workers; and (3) members from  
5 community-based organizations in environmental justice  
6 communities and community-based organizations serving  
7 economically disadvantaged communities, as well as clean  
8 energy businesses, nonprofit organizations, worker-owned  
9 cooperatives, and other groups that provide clean energy jobs  
10 opportunities. Members of the Advisory Board shall serve  
11 without compensation.

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

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

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

22 (3) trainee job retention statistics; and

23 (4) wages of trainees placed into employment.

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

1 its website.

2 (g) At least every 3 years, the Department of Commerce and  
3 Economic Opportunity shall select an independent evaluator to  
4 review and report on the Expanding Clean Energy  
5 Entrepreneurship and Contractor Incubator Program and the  
6 performance of the Program Administrators of the Expanding  
7 Clean Energy Entrepreneurship and Contractor Incubator  
8 Program. The evaluation shall be based on the Program  
9 performance metrics collected by the Program Administrators  
10 and objective criteria developed through a public stakeholder  
11 process. The process shall include feedback and participation  
12 from the Expanding Clean Energy Entrepreneurship and  
13 Contractor Incubator Program Advisory Board, Program  
14 participants, and additional stakeholders, including  
15 organizations in environmental justice communities and serving  
16 economically disadvantaged communities. The report shall  
17 include a summary of the evaluation of the Expanding Clean  
18 Energy Entrepreneurship and Contractor Incubator Program based  
19 on the Program performance metrics collected by the Program  
20 Administrators and the stakeholder developed objective  
21 criteria. The report shall be posted publicly on the Department  
22 of Commerce and Economic Opportunity's website and shall be  
23 used, as needed, to modify implementation of the Expanding  
24 Clean Energy Entrepreneurship and Contractor Incubator  
25 Program.

1       Section 10-25. Administration; rules. The Department shall  
2       administer this Act and shall adopt any rules necessary for  
3       that purpose.

4       Article 15. Community Energy and Climate Planning Act

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

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

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

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

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

1 communities.

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

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

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

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

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

20 (3) automated energy control systems;

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

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

25 (6) replacement or modification of lighting fixtures

1 to reduce the energy use of the lighting system;

2 (7) energy controls or recovery systems;

3 (8) day lighting systems;

4 (9) any energy efficiency project, as defined in  
5 Section 825-65 of the Illinois Finance Authority Act; and

6 (10) any other installation or modification of  
7 equipment, devices, or materials approved as a utility  
8 cost-savings measure by the governing body.

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

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

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

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

24 "Renewable energy resource" includes energy and its  
25 associated renewable energy credit or renewable energy credits  
26 from wind energy, solar thermal energy, geothermal energy,

1 photovoltaic cells and panels, biodiesel, anaerobic digestion,  
2 and hydropower that does not involve new construction or  
3 significant expansion of hydropower dams. For purposes of this  
4 Act, landfill gas produced in the State is considered a  
5 renewable energy resource. "Renewable energy resource" does  
6 not include the incineration or burning of any solid material.

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

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

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

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

23 (b) Community Energy and Climate Plans are intended to aid  
24 local governments develop a comprehensive approach to  
25 combining different energy and climate programs and funding

1 resources to achieve complementary impact. An effective  
2 planning process may:

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

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

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

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

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

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

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

24 (8) support existing Illinois policy goals promoting  
25 energy efficiency, demand response and investments in  
26 renewable energy resources.



1 (c) A Community Energy and Climate Plan may include  
2 discussion of:

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

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

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

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

24 (1) distributed energy resources, including energy  
25 efficiency, demand response, dynamic pricing, energy  
26 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

1 by one or more Program Administrators or the local unit of  
2 government.

3 (f) To be eligible for participation or funding through the  
4 Clean Energy Empowerment Zone pilot projects as provided under  
5 Section 16-108.9 of the Public Utilities Act, or the  
6 Carbon-Free Last Mile of Commutes Program described in Section  
7 35 of the Electric Vehicle Act, a unit of local government  
8 shall include in its Community Energy and Climate Plans the  
9 information necessary for participation in these programs and  
10 projects.

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

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

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

26 (B) recommendations by the unit of local

1 government on how to use funds to increase carbon-free  
2 last mile commuting.

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

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

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

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

24 (c) Plan materials and meetings related to the Plan shall  
25 be translated into languages that reflect the makeup of the

1 local community.

2 (d) The planning process shall be conducted in an ethical,  
3 transparent fashion, and will continually review its policies  
4 and practices to determine how best to meet its objectives.

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

12 Article 20. Energy Community Reinvestment Act

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

16 Section 20-5. Findings. The General Assembly finds that, as  
17 part of putting Illinois on a path to 100% renewable energy,  
18 the State of Illinois should ensure a just transition to that  
19 goal, providing support for the transition of Illinois'  
20 communities and workers impacted by closures or reduced  
21 utilization of coal by allocating new State economic  
22 development resources for new business tax incentives,

1 workforce training, site clean-up and reuse, and local tax  
2 revenue replacement.

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

21 Therefore, it is declared to be the purpose of this Act to  
22 explore ways of stimulating the growth of new private  
23 investment, including renewable energy investment, in this  
24 State and to foster job growth in areas impacted by the closure  
25 of coal energy plants, coal mines, and nuclear energy plants.

1       Section 20-10. Definitions. As used in this Act, unless the  
2 context otherwise requires:

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

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

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

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

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

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

20       "Full-time equivalent job" means a job in which the new  
21 employee works for the recipient or for a corporation under  
22 contract to the recipient at a rate of at least 35 hours per  
23 week. A recipient who employs labor or services at a specific  
24 site or facility under contract with another may declare one  
25 full-time, permanent job for every 1,820 man hours worked per  
26 year under that contract. Vacations, paid holidays, and sick

1 time are included in this computation. Overtime is not  
2 considered a part of regular hours.

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

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

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

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

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



1       Section 20-15. Designation of Clean Energy Empowerment  
2       Zones.

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

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

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

13              (3) meets one or more of the following:

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

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

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

24                   (D) the area contains a nuclear plant that was  
25       decommissioned, but continued storing nuclear waste

1 prior to the effective date of this Act.

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

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

24 (c) After the Department issues its designation of Clean  
25 Energy Empowerment Zones, units of local government may submit  
26 an application to the Department to designate certain

1 additional geographic regions as Clean Energy Empowerment  
2 Zones. A unit of local government may submit an application to  
3 the Department if:

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

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

16 An application under this subsection (c) shall include a  
17 certified copy of the ordinance designating the proposed Zone;  
18 a map of the proposed Clean Energy Empowerment Zone, showing  
19 existing streets and highways; an analysis, and any appropriate  
20 supporting documents and statistics, demonstrating that the  
21 proposed Zone area is qualified in accordance with subsection  
22 (a); a statement detailing any tax, grant, and other financial  
23 incentives or benefits, and any programs, to be provided by the  
24 municipality or county to renewable energy enterprises within  
25 the Zone, which are not otherwise provided throughout the  
26 municipality or county; a statement setting forth the economic



1 development and planning objectives for the Zone; an estimate  
2 of the economic impact of the Zone, considering all of the tax  
3 incentives, financial benefits and programs contemplated, upon  
4 the revenues of the municipality or county; a specific  
5 definition of the applicant's local labor market area; a  
6 transcript of all public hearings on the Zone; and any  
7 additional information as the Department may by rule require.

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

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

22 (e) A Clean Energy Empowerment Zone designation will last  
23 for 10 years from the effective date of the designation and  
24 shall be subject to review by the Board after 10 years for an  
25 additional 10-year designation beginning on the expiration  
26 date of the Clean Energy Empowerment Zone. During the review

1 process, the Board shall consider the costs incurred by the  
2 State and units of local government as a result of benefits  
3 received by the Clean Energy Empowerment Zone.

4 (f) The Department has emergency rulemaking authority for  
5 the purpose of application development only until 12 months  
6 after the effective date of this Act as provided under Section  
7 5-45 of the Illinois Administrative Procedure Act.

8 Section 20-20. Clean Energy Empowerment Zone Board.

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

11 (b) The Board shall consist of 8 voting members, one of  
12 whom shall be the Director of Commerce and Economic  
13 Opportunity, or his or her designee, who shall serve as  
14 chairperson; one of whom shall be the Director of Revenue, or  
15 his or her designee; 2 of whom shall be members appointed by  
16 the Governor, with the advice and consent of the Senate; one of  
17 whom shall be appointed by the Speaker of the House of  
18 Representatives; one of whom shall be appointed by the Minority  
19 Leader of the House of Representatives; one of whom shall be  
20 appointed by the President of the Senate; and one of whom shall  
21 be appointed by the Minority Leader of the Senate. No less than  
22 4 of the 8 voting members shall be persons of color and  
23 represent communities defined or self-identified as  
24 environmental justice communities.

25 Board members shall serve without compensation, but may be

1 reimbursed for necessary expenses incurred in the performance  
2 of their duties from funds appropriated for that purpose. Each  
3 member appointed shall have at least 5 years of experience in  
4 business, economic development, or site location. The  
5 Department of Commerce and Economic Opportunity shall provide  
6 administrative support to the Board.

7 (c) The Board shall have the following duties:

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

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

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

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

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

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

25 (c) Renewable energy enterprises are eligible to purchase

1 building materials exempt from use and occupation taxes to be  
2 incorporated into their renewable energy projects within the  
3 Clean Energy Empowerment Zone when purchased from a retailer  
4 within the Clean Energy Empowerment Zone under Section 5k-5 of  
5 the Retailers' Occupation Tax Act.

6 (d) Renewable energy enterprises located in a Clean Energy  
7 Empowerment Zone that meet the qualifications of Section  
8 9-222.1B of the Public Utilities Act are exempt, in part or in  
9 whole, from State and local taxes on gas and electricity.

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

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

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

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

22 Section 20-35. Supporting impacted communities.

23 (a) No later than January 1, 2021, the Department shall  
24 develop a process for accepting proposals from units of local

1 government included in Clean Energy Empowerment Zones to  
2 mitigate the impact of lower property tax revenue from the  
3 retirement of coal, gas, or nuclear energy power plants, or the  
4 closure of coal mines, that occur after the effective date of  
5 this Act.

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

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

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

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

23 (4) In the event that the total amount of proposals  
24 exceeds the available present and anticipated future  
25 funding in the Energy Community Reinvestment Fund, the  
26 Department is authorized to prorate payments to units of



1 local government, or prioritize communities for investment  
2 based on an environmental justice screen in coordination  
3 with the Commission on Environmental Justice, and input  
4 from stakeholders.

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

7 Section 20-40. Clean Energy Empowerment Task Forces.

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

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

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

22 (d) The Department shall work with local Task Forces to  
23 develop local transition plans that identify economic,  
24 workforce, and environmental health needs with strategies to  
25 mitigate energy transition impacts and any accompanying

1 funding requests from the Energy Community Reinvestment Fund.

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

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

13 Section 20-45. Energy Transition Workforce Commission.

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

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

23 (c) Members of the Commission shall serve without  
24 compensation, but may be reimbursed for necessary expenses  
25 incurred in the performance of their duties from funds

1 appropriated for that purpose. The Department of Commerce and  
2 Economic Opportunity shall provide administrative support to  
3 the Commission.

4 (d) Within 120 days after the effective date of this Act,  
5 the Commission shall produce an Energy Transition Workforce  
6 Report regarding the anticipated impact of the energy  
7 transition and a comprehensive set of recommendations to  
8 address changes to the Illinois workforce during the period of  
9 2020 through 2040, or a later year. The Transition Report shall  
10 contain the following elements, designed to be used for the  
11 programs created in this Act:

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

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

24 (B) the anticipated schedule of closures of fossil  
25 fuel electricity generating units across the State.  
26 When information is unavailable to provide exact data,

1 the Report shall include approximations based upon the  
2 best available information;

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

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

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

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

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

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

23 (3) Emerging industries and State economic development  
24 opportunities in regions that have historically been the  
25 site of fossil fuel generators, nuclear generators, and  
26 coal mining or production, including:

1           (A) opportunities for the State to invest in  
2           infrastructure projects, such as recycling plants,  
3           conservation facilities, water infrastructure, clean  
4           transportation options, such as public and electrified  
5           transit, or other State projects;

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

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

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

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

25          (f) The Department shall periodically review its findings  
26          in the developed Reports and make modifications to the Report

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

7 Section 20-50. Energy Workforce Development Program.

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

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

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

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

23 (3) administrative assistance for former energy  
24 workers in applying for programs provided by the State,  
25 federal government, nonprofit organizations, or other

1 programs that are designed to offer career or financial  
2 assistance;

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

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

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

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

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

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

24 (3) to maximize the efficiency of resources used;

25 (4) to design the Energy Workforce Development Program  
26 to work in collaboration with the Displaced Energy Workers



1 Bill of Rights; and

2 (5) any other goals identified by the Department.

3 Section 20-55. Energy Community Development Program.

4 (a) The purpose of the Energy Community Development Program  
5 is to proactively assist Clean Energy Empowerment Zone  
6 communities in their search for economic opportunity after the  
7 closure of a coal or gas generating unit, coal mine, or nuclear  
8 generating unit.

9 (b) The Director of Commerce and Economic Opportunity is  
10 authorized to administer the Energy Community Development  
11 Program. In administering the Energy Community Development  
12 Program, the Department shall:

13 (1) assist energy transition communities in finding  
14 private and public sector partners to invest in regional  
15 development;

16 (2) assist units of local government in finding and  
17 negotiating terms with businesses willing to relocate or  
18 open new enterprises in regions impacted;

19 (3) provide coordination services to connect  
20 organizations or persons seeking to use tax credits created  
21 under Act with units of local government; and

22 (4) conduct outreach and educational events for  
23 private sector organizations for the purpose of attracting  
24 investment in Clean Energy Empowerment Zones.

25 (c) In administering the Energy Community Development



1 Program, the Department shall develop and implement the Program  
2 with the following goals:

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

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

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

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

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

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

20 (1) Advance notice of plant closure.

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

25 (B) In providing the advanced notice described in

1           this paragraph (1), the Department shall take  
2           reasonable steps to ensure that all displaced energy  
3           workers are educated on the various programs available  
4           through the Department to assist with the energy  
5           transition.

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

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

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

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

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

1 services.

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

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

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

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

25 Section 20-65. Consideration of energy worker employment.

1 (a) All State departments and agencies shall conduct a  
2 review of the Department of Commerce and Economic Opportunity's  
3 list of displaced energy workers to determine whether any  
4 qualified candidates are displaced energy workers before  
5 making a final hiring decision for a position in State  
6 employment.

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

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

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

16 Section 20-70. Energy Community Reinvestment Fund.

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

1 Community Reinvestment Act.

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

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

23 (c) The Department shall be responsible for the  
24 administration of the Fund, and allocate moneys on the basis of  
25 priorities established in this Section. Each year, the  
26 Department shall determine the available amount of resources in

1 the Fund that can be allocated to the programs identified in  
2 this Section, and allocate the moneys accordingly. The moneys  
3 shall be allocated from the Fund in the following order of  
4 priority:

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

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

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

14 (4) for costs related to the Energy Workforce  
15 Development programs and the Displaced Energy Workers Bill  
16 of Rights in this Act, including all programs created by  
17 the Energy Transition Workforce Commission, up to  
18 \$9,000,000 annually or 20% of the available funding,  
19 whichever is less;

20 (5) if the programs identified in paragraphs (1)  
21 through (4) are fully funded and the Department reasonably  
22 predicts they shall be adequately funded in future years,  
23 the Department shall transfer an amount equal to the year's  
24 tax credits awarded through the programs of up to  
25 \$22,500,000 annually to the General Revenue Fund to offset  
26 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

1 \$210,000,000 per year.

2 (e) If there is a funding shortfall for items identified in  
3 paragraphs (1) through (4) of subsection (c), the Department  
4 shall submit a request for funds to applicable electric  
5 utilities for funds held pursuant to paragraph (7) of  
6 subsection (k) of Section 1-75 of the Illinois Power Agency Act  
7 up to \$25,000,000 per year to cover the shortfall. Upon  
8 notification by utilities that sufficient funds are available  
9 for use under the terms of paragraph (7) of subsection (k) of  
10 Section 1-75 of the Illinois Power Agency Act, the Department  
11 shall send an invoice to the applicable utilities for the  
12 amount requested. Upon receipt, the funds shall be deposited  
13 into the Energy Community Reinvestment Fund.

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

16 Article 25. Clean Energy Empowerment Zone Tax Credit Act

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

20 Part 1.

21 Section 25-100. Definitions. As used in Part 1 of this Act:  
22 "Applicant" means a person that is operating a business



1 located within the State of Illinois and has applied for an  
2 income tax credit through a program under this Act.

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

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

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

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

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

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

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

22 "Full-time employee" means an individual who is employed at  
23 a prevailing wage for at least 35 hours each week, and provided  
24 standard worker benefits, or who renders any other standard of  
25 service generally accepted by industry custom or practice as  
26 fulltime employment. An individual for whom a W2 is issued by a

1 Professional Employer Organization is a fulltime employee if he  
2 or she is employed in the service of the applicant for a basic  
3 wage for at least 35 hours each week or renders any other  
4 standard of service generally accepted by industry custom or  
5 practice as fulltime employment. For the purposes of this Act,  
6 such an individual shall be considered a full-time employee of  
7 the applicant.

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

12 "New employee" means a fulltime employee:

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

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

20 "New employee" does not include:

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

24 (2) any individual who has a direct or indirect  
25 ownership interest of at least 5% in the profits, capital,  
26 or value of the applicant or a related member.

1 "Noncompliance date" means, in the case of an applicant  
2 that is not complying with the requirements of the provisions  
3 of this Act, the day following the last date upon which the  
4 taxpayer was in compliance with the requirements of the  
5 provisions of this Act, as determined by the Director under  
6 Section 25-135.

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

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

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

22 (2) A partnership, estate, or trust and any partner or  
23 beneficiary, if the partnership, estate, or trust and its  
24 partners or beneficiaries own directly, indirectly,  
25 beneficially, or constructively, in the aggregate, at  
26 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

1 his or her interest in capital or profits, whichever  
2 such proportion is the greater;

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

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

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

25 (1) Adopt rules deemed necessary and appropriate for

1 the administration of this Act; establish forms for  
2 applications, notifications, contracts, or any other  
3 agreements; and accept applications at any time during the  
4 year and require that all applications be submitted  
5 electronically through the Internet.

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

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

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

22 (5) Establish, negotiate, and effectuate any term,  
23 agreement, or other document with any person necessary or  
24 appropriate to accomplish the purposes of this Act, and  
25 consent, subject to the provisions of any agreement with  
26 another party, to the modification or restructuring of any

1 agreement to which the Department is a party.

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

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

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

25 (9) Take whatever actions are necessary or appropriate  
26 to protect the State's interest in the event of bankruptcy,

1 default, foreclosure, or noncompliance with the terms and  
2 conditions of financial assistance or participation  
3 required under this Act, including the power to sell,  
4 dispose of, lease, or rent, upon terms and conditions  
5 determined by the Director to be appropriate, real or  
6 personal property that the Department may recover as a  
7 result of these actions.

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

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

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

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

23 (1) the date and time on which the application was  
24 received by the Department and an identifying number  
25 assigned to the applicant by the Department;



1           (2) the maximum amount of the credit the applicant  
2 could potentially receive under this Act with respect to  
3 the new employees listed on the application; and

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

8           Section 25-115. Tax credit.

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

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

15           (2) in the amount of:

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

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

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

25           (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

1 applicant reasonably anticipates will be available for the new  
2 employee as a long-term position. For the purposes of this  
3 subsection (e), "long-term position" means a position that will  
4 be available for 3 years or longer.

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

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

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

24 (a) On or after the conclusion of the 12month period, or

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

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

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

12 (3) the number of new employees hired by the applicant  
13 during the incentive period;

14 (4) the net increase in the number of full-time  
15 Illinois employees of the applicant, including the new  
16 employees listed in the request, between the beginning of  
17 the incentive period and the dates on which the new  
18 employees listed in the request were hired;

19 (5) an agreement that the Director is authorized to  
20 verify with the appropriate State agencies the information  
21 contained in the request before issuing a certificate to  
22 the applicant; and

23 (6) any other information the Department determines to  
24 be appropriate.

25 (b) Although an application may be filed at any time after  
26 the conclusion of the 12month period after a new employee was

1 hired, an application filed more than 90 days after the  
2 earliest date on which it could have been filed shall not be  
3 awarded any credit if, prior to the date it is filed, the  
4 Department has received applications under this Section for  
5 credits totaling more than \$20,000,000.

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

9 (1) the name and taxpayer identification number of the  
10 applicant;

11 (2) the date on which the certificate is issued;

12 (3) the credit amount that will be allowed; and

13 (4) any other information the Department determines to  
14 be appropriate.

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

23 Section 25-135. Noncompliance. If the Director determines  
24 that an applicant who has received a credit under this Act is

1 not complying with the requirements of the provisions of this  
2 Act, the Director shall provide notice to the applicant of the  
3 alleged noncompliance, and allow the taxpayer a hearing under  
4 the provisions of the Illinois Administrative Procedure Act.  
5 If, after the notice and hearing, the Director determines that  
6 noncompliance exists, the Director shall issue to the  
7 Department of Revenue notice to that effect, and state the date  
8 of noncompliance.

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

14 Part 2.

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

16 "Agreement" means the agreement between a taxpayer and the  
17 Department entered into for a tax credit awarded under Section  
18 25-210.

19 "Applicant" means a taxpayer operating a renewable energy  
20 enterprise, as determined under the Clean Energy Empowerment  
21 Zone Act, located within or that the renewable energy  
22 enterprise plans to locate within a Clean Energy Empowerment  
23 Zone. "Applicant" does not include a taxpayer who closes or

1 substantially reduces an operation at one location in this  
2 State and relocates substantially the same operation to a  
3 location in a Clean Energy Empowerment Zone. A taxpayer is not  
4 prohibited from expanding its operations at a location in a  
5 Clean Energy Empowerment Zone, provided that existing  
6 operations of a similar nature located within the State are not  
7 closed or substantially reduced. A taxpayer is also not  
8 prohibited from moving operations from one location in this  
9 State to a Clean Energy Empowerment Zone for the purpose of  
10 expanding the operation provided that the Department  
11 determines that expansion cannot reasonably be accommodated  
12 within the municipality in which the business is located, or in  
13 the case of a business located in an incorporated area of the  
14 county, within the county in which the business is located,  
15 after conferring with the chief elected official of the  
16 municipality or county and taking into consideration any  
17 evidence offered by the municipality or county regarding the  
18 ability to accommodate expansion within the municipality or  
19 county.

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

23 "Credit" means the amount agreed to between the Department  
24 and the Applicant under this Act, but not to exceed the lesser  
25 of: (1) the sum of (i) 50% of the incremental income tax  
26 attributable to new employees at the applicant's project and

1 (ii) 10% of the training costs of new employees; or (2) 100% of  
2 the incremental income tax attributable to new employees at the  
3 applicant's project. If the project is located in an  
4 underserved area, then the amount of the credit may not exceed  
5 the lesser of: (1) the sum of (i) 75% of the incremental income  
6 tax attributable to new employees at the applicant's project  
7 and (ii) 10% of the training costs of new employees; or (2)  
8 100% of the incremental income tax attributable to new  
9 employees at the applicant's project. If an applicant agrees to  
10 hire the required number of new employees, then the maximum  
11 amount of the credit for that applicant may be increased by an  
12 amount not to exceed 25% of the incremental income tax  
13 attributable to retained employees at the applicant's project;  
14 provided that, in order to receive the increase for retained  
15 employees, the applicant must provide the additional evidence  
16 required under paragraph (3) of subsection (c) of Section  
17 25-215.

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

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

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



1 Organization is a full-time employee if employed in the service  
2 of the applicant for consideration for at least 35 hours each  
3 week or who renders any other standard of service generally  
4 accepted by industry custom or practice as full-time employment  
5 to applicant.

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

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

14 "New employee" does not include:

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

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

22 (3) a child, grandchild, parent, or spouse, other than  
23 a spouse who is legally separated from the individual, of  
24 any individual who has a direct or an indirect ownership  
25 interest of at least 5% in the profits, capital, or value  
26 of the taxpayer.

1       Notwithstanding any other provisions of this Section, an  
2       employee may be considered a new employee under the agreement  
3       if the employee performs a job that was previously performed by  
4       an employee who was: (i) treated under the agreement as a new  
5       employee; and (ii) promoted by the taxpayer to another job.

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

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

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

21           (1) An individual stockholder, if the stockholder and  
22           the members of the stockholder's family, as defined in  
23           Section 318 of the Internal Revenue Code, own directly,  
24           indirectly, beneficially, or constructively, in the  
25           aggregate, at least 50% of the value of the taxpayer's  
26           outstanding stock.

1           (2) A partnership, estate, or trust and any partner or  
2           beneficiary, if the partnership, estate, or trust, and its  
3           partners or beneficiaries own directly, indirectly,  
4           beneficially, or constructively, in the aggregate, at  
5           least 50% of the profits, capital, stock, or value of the  
6           taxpayer.

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

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

23          (5) A person to or from whom there is attribution of  
24          stock ownership in accordance with subsection (e) of  
25          Section 1563 of the Internal Revenue Code, except that for  
26          purposes of determining whether a person is a related

1 member under this paragraph (5):

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

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

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

24 "Renewable energy" means solar energy, wind energy, water  
25 energy, geothermal energy, bioenergy, or hydrogen fuel and  
26 cells.

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

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

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

9 (1) the area has a poverty rate of at least 20%  
10 according to the latest federal decennial census;

11 (2) 75% or more of the children in the area participate  
12 in the federal free lunch program according to reported  
13 statistics from the State Board of Education;

14 (3) at least 20% of the households in the area receive  
15 assistance under the Supplemental Nutrition Assistance  
16 Program (SNAP); or

17 (4) the area has an average unemployment rate, as  
18 determined by the Department of Employment Security, that  
19 is more than 120% of the national unemployment average, as  
20 determined by the United States Department of Labor, for a  
21 period of at least 2 consecutive calendar years preceding  
22 the date of the application.

23 Section 25-205. Powers of the Department. The Department,  
24 in addition to those powers granted under the Civil  
25 Administrative Code of Illinois and Part 1 of this Act, is

1 granted and shall have all the powers necessary or convenient  
2 to carry out and effectuate the purposes and provisions of this  
3 Act, including, but not limited to, power and authority to:

4 (a) Adopt rules deemed necessary and appropriate for the  
5 administration of programs; establish forms for applications,  
6 notifications, contracts, or any other agreements; and accept  
7 applications at any time during the year.

8 (b) Provide and assist taxpayers pursuant to the provisions  
9 of this Act, and cooperate with taxpayers that are parties to  
10 agreements to promote, foster, and support economic  
11 development, capital investment, and job creation or retention  
12 within the Clean Energy Empowerment Zone.

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

19 (d) Gather information and conduct inquiries, in the manner  
20 and by the methods as it deems desirable, including without  
21 limitation, gathering information with respect to applicants  
22 for the purpose of making any designations or certifications  
23 necessary or desirable or to gather information to assist the  
24 Board with any recommendation or guidance in the furtherance of  
25 the purposes of this Act.

26 (e) Establish, negotiate and effectuate any term,

1 agreement or other document with any person, necessary or  
2 appropriate to accomplish the purposes of this Act, and  
3 consent, subject to the provisions of any agreement with  
4 another party, to the modification or restructuring of any  
5 agreement to which the Department is a party.

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

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

24 (h) Require applicants, upon written request, to issue any  
25 necessary authorization to the appropriate federal, State, or  
26 local authority for the release of information concerning a

1 project being considered under the provisions of this Act, with  
2 the information requested to include, but not be limited to,  
3 financial reports, returns, or records relating to the taxpayer  
4 or its project.

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

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

22 Section 25-210. Tax credit awards.

23 (a) Subject to the conditions set forth in this Act, a  
24 taxpayer is entitled to a credit against or, as described in  
25 subsection (g), a payment toward taxes imposed pursuant to



1 subsections (a) and (b) of Section 201 of the Illinois Income  
2 Tax Act that may be imposed on the taxpayer for a taxable year  
3 beginning on or after January 1, 2019, if the taxpayer is  
4 awarded a credit by the Department under this Act for that  
5 taxable year.

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

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

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

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

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

21 (g) A pass through entity that has been awarded a credit  
22 under this Act, its shareholders, or its partners may treat  
23 some or all of the credit awarded under this Act as a tax  
24 payment for purposes of the Illinois Income Tax Act. In no  
25 event shall the amount of the award credited under this Act  
26 exceed the Illinois income tax liability of the pass through

1 entity or its shareholders or partners for the taxable year.

2 For the purposes of this subsection (g), "tax payment"  
3 means a payment as described in Article 6 or Article 8 of the  
4 Illinois Income Tax Act or a composite payment made by a pass  
5 through entity on behalf of any of its shareholders or partners  
6 to satisfy such shareholders' or partners' taxes imposed  
7 pursuant to subsections (a) and (b) of Section 201 of the  
8 Illinois Income Tax Act.

9 Section 25-215. Application for a project to create and  
10 retain new jobs and to develop renewable energy.

11 (a) Any renewable energy enterprise proposing a project to  
12 build a renewable energy production facility located or planned  
13 to be located in a Clean Energy Empowerment Zone may request  
14 consideration for designation of its project, by formal written  
15 letter of request or by formal application to the Department,  
16 in which the applicant states its intent to make at least a  
17 specified level of investment and intends to hire or retain a  
18 specified number of full-time employees at a designated  
19 location in Illinois. As circumstances require, the Department  
20 may require a formal application from an applicant and a formal  
21 letter of request for assistance.

22 (b) In order to qualify for credits under this Act, an  
23 applicant's project must:

- 24 (1) be for the purpose of producing renewable energy;  
25 (2) if the applicant has more than 100 employees,

1 involve an investment of at least \$2,500,000 in capital  
2 improvements to be placed in service within a Clean Energy  
3 Empowerment Zone as a direct result of the project. If the  
4 applicant has 100 or fewer employees, then there is no  
5 capital investment requirement; and

6 (3) if the applicant has more than 100 employees,  
7 employ a number of new employees in the Clean Energy  
8 Empowerment Zone equal to the lesser of (A) 10% of the  
9 number of full-time employees employed by the applicant  
10 world-wide on the date the application is filed with the  
11 Department; or (B) 50 new employees. If the applicant has  
12 100 or fewer employees, employ a number of new employees in  
13 the State equal to the lesser of (A) 5% of the number of  
14 full-time employees employed by the applicant world-wide  
15 on the date the application is filed with the Department or  
16 (B) 50 New Employees.

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

25 (1) The applicant's project will make the required  
26 investment in the State and the applicant intends to hire

1 the required number of new employees in Illinois as a  
2 result of that project, as described in this Act.

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

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

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

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

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

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

23 Section 25-220. Cost limitations. The total amount of the  
24 credit allowed during all tax years may not exceed the  
25 aggregate amount of costs incurred by the taxpayer during all

1 prior tax years to the extent provided in the agreement for the  
2 following items:

3 (1) capital investment, including, but not limited to,  
4 equipment, buildings, or land;

5 (2) infrastructure development;

6 (3) debt service, except refinancing of current debt;

7 (4) research and development;

8 (5) job training and education;

9 (6) lease costs; or

10 (7) relocation costs.

11 Section 25-225. Relocation of jobs to Clean Energy  
12 Empowerment Zone. A taxpayer is not entitled to claim the  
13 credit provided by this Act with respect to any jobs that the  
14 taxpayer relocates from one site in Illinois to another site in  
15 a Clean Energy Empowerment Zone. A taxpayer with respect to a  
16 qualifying project certified under the Corporate Headquarters  
17 Relocation Act, however, is not subject to the requirements of  
18 this Section, but is nevertheless considered an applicant for  
19 purposes of this Act. Moreover, any full-time employee of an  
20 eligible renewable energy enterprise relocated to a Clean  
21 Energy Empowerment Zone in connection with that qualifying  
22 project is deemed to be a new employee for purposes of this  
23 Act. Determinations under this Section shall be made by the  
24 Department.

1       Section 25-230. Determination of the amount of credit. In  
2 determining the amount of credit that should be awarded, the  
3 Board shall provide guidance on, and the Department shall take  
4 into consideration, all of the following factors:

5           (1) the number and location of jobs created and  
6 retained in relation to the economy of the Clean Energy  
7 Empowerment Zone where the projected investment is to  
8 occur;

9           (2) the potential impact on the economy of the Clean  
10 Energy Empowerment Zone;

11          (3) the advancement of renewable energy in the Clean  
12 Energy Empowerment Zone;

13          (4) the incremental payroll attributable to the  
14 project;

15          (5) the capital investment attributable to the  
16 project;

17          (6) the amount of the average wage and benefits paid by  
18 the applicant in relation to the wage and benefits of the  
19 Clean Energy Empowerment Zone;

20          (7) the costs to Illinois and the affected political  
21 subdivisions with respect to the project; and

22          (8) the financial assistance that is otherwise  
23 provided by Illinois and the affected political  
24 subdivisions.

25       Section 25-235. Amount and curation of credit.

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

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

26           Any credit that is unused in the year the credit is

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

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

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

17            Section 25-250. Supplier diversity. Each taxpayer claiming  
18     a credit under this Act shall, no later than April 15 of each  
19     taxable year for which the taxpayer claims a credit under this  
20     Act, submit to the Department of Commerce and Economic  
21     Opportunity an annual report containing the information  
22     described in subsections (b), (c), (d), and (e) of Section  
23     5-117 of the Public Utilities Act. Those reports shall be



1 submitted in the form and manner required by the Department of  
2 Commerce and Economic Opportunity.

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

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

17 Section 25-265. Program terms and conditions.

18 (a) Any documentary materials or data made available or  
19 received by any member of a board or any agent or employee of  
20 the Department shall be deemed confidential and shall not be  
21 deemed public records to the extent that the materials or data  
22 consists of trade secrets, commercial or financial information  
23 regarding the operation of the business conducted by the

1 applicant for or recipient of any tax credit under this Act, or  
2 any information regarding the competitive position of a  
3 business in a particular field of endeavor.

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

7 Article 30. Coal Severance Fee

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

11 Section 30-5. Coal severance fee.

12 (a) Definitions. As used in this Act:

13 "Department" means the Department of Revenue.

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

19 (b) Tax imposed.

20 (1) On and after January 1, 2020, there is hereby  
21 imposed a tax upon any person engaged in the business of  
22 severing or preparing coal for sale, profit, or commercial  
23 use, if the coal is severed from a mine located in this

1 State. The rate of the tax imposed under this Section is 6%  
2 of the gross value of the severed coal.

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

5 (c) Payment and collection of tax.

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

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

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

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

24 (1) to require any person who is subject to this tax to  
25 furnish any additional information deemed to be necessary  
26 for the computation of the tax;

1           (2) to examine books, records, and files of such  
2 person; and

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

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

14           (1) the name of the taxpayer;

15           (2) the address of the taxpayer's principal place of  
16 business;

17           (3) the quantity of coal severed or prepared during the  
18 month for which the return is filed;

19           (4) the gross value of the severed coal;

20           (5) the amount of tax due;

21           (6) the signature of the taxpayer; and

22           (7) any other reasonable information as the Department  
23 may require.

24          (g) The return shall be filed on or before the 20th day of  
25 the month after the month during which the coal is severed. The  
26 Department may require any additional report or information it

1 deems necessary for the proper administration of this Act.

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

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

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

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

1       Section 90-5. The Illinois Administrative Procedure Act is  
2       amended by changing Section 5-45 as follows:

3       (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

4       Sec. 5-45. Emergency rulemaking.

5       (a) "Emergency" means the existence of any situation that  
6       any agency finds reasonably constitutes a threat to the public  
7       interest, safety, or welfare.

8       (b) If any agency finds that an emergency exists that  
9       requires adoption of a rule upon fewer days than is required by  
10      Section 5-40 and states in writing its reasons for that  
11      finding, the agency may adopt an emergency rule without prior  
12      notice or hearing upon filing a notice of emergency rulemaking  
13      with the Secretary of State under Section 5-70. The notice  
14      shall include the text of the emergency rule and shall be  
15      published in the Illinois Register. Consent orders or other  
16      court orders adopting settlements negotiated by an agency may  
17      be adopted under this Section. Subject to applicable  
18      constitutional or statutory provisions, an emergency rule  
19      becomes effective immediately upon filing under Section 5-65 or  
20      at a stated date less than 10 days thereafter. The agency's  
21      finding and a statement of the specific reasons for the finding  
22      shall be filed with the rule. The agency shall take reasonable  
23      and appropriate measures to make emergency rules known to the  
24      persons who may be affected by them.

25      (c) An emergency rule may be effective for a period of not

1 longer than 150 days, but the agency's authority to adopt an  
2 identical rule under Section 5-40 is not precluded. No  
3 emergency rule may be adopted more than once in any 24-month  
4 period, except that this limitation on the number of emergency  
5 rules that may be adopted in a 24-month period does not apply  
6 to (i) emergency rules that make additions to and deletions  
7 from the Drug Manual under Section 5-5.16 of the Illinois  
8 Public Aid Code or the generic drug formulary under Section  
9 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)  
10 emergency rules adopted by the Pollution Control Board before  
11 July 1, 1997 to implement portions of the Livestock Management  
12 Facilities Act, (iii) emergency rules adopted by the Illinois  
13 Department of Public Health under subsections (a) through (i)  
14 of Section 2 of the Department of Public Health Act when  
15 necessary to protect the public's health, (iv) emergency rules  
16 adopted pursuant to subsection (n) of this Section, (v)  
17 emergency rules adopted pursuant to subsection (o) of this  
18 Section, or (vi) emergency rules adopted pursuant to subsection  
19 (c-5) of this Section. Two or more emergency rules having  
20 substantially the same purpose and effect shall be deemed to be  
21 a single rule for purposes of this Section.

22 (c-5) To facilitate the maintenance of the program of group  
23 health benefits provided to annuitants, survivors, and retired  
24 employees under the State Employees Group Insurance Act of  
25 1971, rules to alter the contributions to be paid by the State,  
26 annuitants, survivors, retired employees, or any combination

1 of those entities, for that program of group health benefits,  
2 shall be adopted as emergency rules. The adoption of those  
3 rules shall be considered an emergency and necessary for the  
4 public interest, safety, and welfare.

5 (d) In order to provide for the expeditious and timely  
6 implementation of the State's fiscal year 1999 budget,  
7 emergency rules to implement any provision of Public Act 90-587  
8 or 90-588 or any other budget initiative for fiscal year 1999  
9 may be adopted in accordance with this Section by the agency  
10 charged with administering that provision or initiative,  
11 except that the 24-month limitation on the adoption of  
12 emergency rules and the provisions of Sections 5-115 and 5-125  
13 do not apply to rules adopted under this subsection (d). The  
14 adoption of emergency rules authorized by this subsection (d)  
15 shall be deemed to be necessary for the public interest,  
16 safety, and welfare.

17 (e) In order to provide for the expeditious and timely  
18 implementation of the State's fiscal year 2000 budget,  
19 emergency rules to implement any provision of Public Act 91-24  
20 or any other budget initiative for fiscal year 2000 may be  
21 adopted in accordance with this Section by the agency charged  
22 with administering that provision or initiative, except that  
23 the 24-month limitation on the adoption of emergency rules and  
24 the provisions of Sections 5-115 and 5-125 do not apply to  
25 rules adopted under this subsection (e). The adoption of  
26 emergency rules authorized by this subsection (e) shall be



1 deemed to be necessary for the public interest, safety, and  
2 welfare.

3 (f) In order to provide for the expeditious and timely  
4 implementation of the State's fiscal year 2001 budget,  
5 emergency rules to implement any provision of Public Act 91-712  
6 or any other budget initiative for fiscal year 2001 may be  
7 adopted in accordance with this Section by the agency charged  
8 with administering that provision or initiative, except that  
9 the 24-month limitation on the adoption of emergency rules and  
10 the provisions of Sections 5-115 and 5-125 do not apply to  
11 rules adopted under this subsection (f). The adoption of  
12 emergency rules authorized by this subsection (f) shall be  
13 deemed to be necessary for the public interest, safety, and  
14 welfare.

15 (g) In order to provide for the expeditious and timely  
16 implementation of the State's fiscal year 2002 budget,  
17 emergency rules to implement any provision of Public Act 92-10  
18 or any other budget initiative for fiscal year 2002 may be  
19 adopted in accordance with this Section by the agency charged  
20 with administering that provision or initiative, except that  
21 the 24-month limitation on the adoption of emergency rules and  
22 the provisions of Sections 5-115 and 5-125 do not apply to  
23 rules adopted under this subsection (g). The adoption of  
24 emergency rules authorized by this subsection (g) shall be  
25 deemed to be necessary for the public interest, safety, and  
26 welfare.

1       (h) In order to provide for the expeditious and timely  
2       implementation of the State's fiscal year 2003 budget,  
3       emergency rules to implement any provision of Public Act 92-597  
4       or any other budget initiative for fiscal year 2003 may be  
5       adopted in accordance with this Section by the agency charged  
6       with administering that provision or initiative, except that  
7       the 24-month limitation on the adoption of emergency rules and  
8       the provisions of Sections 5-115 and 5-125 do not apply to  
9       rules adopted under this subsection (h). The adoption of  
10      emergency rules authorized by this subsection (h) shall be  
11      deemed to be necessary for the public interest, safety, and  
12      welfare.

13      (i) In order to provide for the expeditious and timely  
14      implementation of the State's fiscal year 2004 budget,  
15      emergency rules to implement any provision of Public Act 93-20  
16      or any other budget initiative for fiscal year 2004 may be  
17      adopted in accordance with this Section by the agency charged  
18      with administering that provision or initiative, except that  
19      the 24-month limitation on the adoption of emergency rules and  
20      the provisions of Sections 5-115 and 5-125 do not apply to  
21      rules adopted under this subsection (i). The adoption of  
22      emergency rules authorized by this subsection (i) shall be  
23      deemed to be necessary for the public interest, safety, and  
24      welfare.

25      (j) In order to provide for the expeditious and timely  
26      implementation of the provisions of the State's fiscal year

1 2005 budget as provided under the Fiscal Year 2005 Budget  
2 Implementation (Human Services) Act, emergency rules to  
3 implement any provision of the Fiscal Year 2005 Budget  
4 Implementation (Human Services) Act may be adopted in  
5 accordance with this Section by the agency charged with  
6 administering that provision, except that the 24-month  
7 limitation on the adoption of emergency rules and the  
8 provisions of Sections 5-115 and 5-125 do not apply to rules  
9 adopted under this subsection (j). The Department of Public Aid  
10 may also adopt rules under this subsection (j) necessary to  
11 administer the Illinois Public Aid Code and the Children's  
12 Health Insurance Program Act. The adoption of emergency rules  
13 authorized by this subsection (j) shall be deemed to be  
14 necessary for the public interest, safety, and welfare.

15 (k) In order to provide for the expeditious and timely  
16 implementation of the provisions of the State's fiscal year  
17 2006 budget, emergency rules to implement any provision of  
18 Public Act 94-48 or any other budget initiative for fiscal year  
19 2006 may be adopted in accordance with this Section by the  
20 agency charged with administering that provision or  
21 initiative, except that the 24-month limitation on the adoption  
22 of emergency rules and the provisions of Sections 5-115 and  
23 5-125 do not apply to rules adopted under this subsection (k).  
24 The Department of Healthcare and Family Services may also adopt  
25 rules under this subsection (k) necessary to administer the  
26 Illinois Public Aid Code, the Senior Citizens and Persons with

1 Disabilities Property Tax Relief Act, the Senior Citizens and  
2 Disabled Persons Prescription Drug Discount Program Act (now  
3 the Illinois Prescription Drug Discount Program Act), and the  
4 Children's Health Insurance Program Act. The adoption of  
5 emergency rules authorized by this subsection (k) shall be  
6 deemed to be necessary for the public interest, safety, and  
7 welfare.

8 (l) In order to provide for the expeditious and timely  
9 implementation of the provisions of the State's fiscal year  
10 2007 budget, the Department of Healthcare and Family Services  
11 may adopt emergency rules during fiscal year 2007, including  
12 rules effective July 1, 2007, in accordance with this  
13 subsection to the extent necessary to administer the  
14 Department's responsibilities with respect to amendments to  
15 the State plans and Illinois waivers approved by the federal  
16 Centers for Medicare and Medicaid Services necessitated by the  
17 requirements of Title XIX and Title XXI of the federal Social  
18 Security Act. The adoption of emergency rules authorized by  
19 this subsection (l) shall be deemed to be necessary for the  
20 public interest, safety, and welfare.

21 (m) In order to provide for the expeditious and timely  
22 implementation of the provisions of the State's fiscal year  
23 2008 budget, the Department of Healthcare and Family Services  
24 may adopt emergency rules during fiscal year 2008, including  
25 rules effective July 1, 2008, in accordance with this  
26 subsection to the extent necessary to administer the

1 Department's responsibilities with respect to amendments to  
2 the State plans and Illinois waivers approved by the federal  
3 Centers for Medicare and Medicaid Services necessitated by the  
4 requirements of Title XIX and Title XXI of the federal Social  
5 Security Act. The adoption of emergency rules authorized by  
6 this subsection (m) shall be deemed to be necessary for the  
7 public interest, safety, and welfare.

8 (n) In order to provide for the expeditious and timely  
9 implementation of the provisions of the State's fiscal year  
10 2010 budget, emergency rules to implement any provision of  
11 Public Act 96-45 or any other budget initiative authorized by  
12 the 96th General Assembly for fiscal year 2010 may be adopted  
13 in accordance with this Section by the agency charged with  
14 administering that provision or initiative. The adoption of  
15 emergency rules authorized by this subsection (n) shall be  
16 deemed to be necessary for the public interest, safety, and  
17 welfare. The rulemaking authority granted in this subsection  
18 (n) shall apply only to rules promulgated during Fiscal Year  
19 2010.

20 (o) In order to provide for the expeditious and timely  
21 implementation of the provisions of the State's fiscal year  
22 2011 budget, emergency rules to implement any provision of  
23 Public Act 96-958 or any other budget initiative authorized by  
24 the 96th General Assembly for fiscal year 2011 may be adopted  
25 in accordance with this Section by the agency charged with  
26 administering that provision or initiative. The adoption of

1 emergency rules authorized by this subsection (o) is deemed to  
2 be necessary for the public interest, safety, and welfare. The  
3 rulemaking authority granted in this subsection (o) applies  
4 only to rules promulgated on or after July 1, 2010 (the  
5 effective date of Public Act 96-958) through June 30, 2011.

6 (p) In order to provide for the expeditious and timely  
7 implementation of the provisions of Public Act 97-689,  
8 emergency rules to implement any provision of Public Act 97-689  
9 may be adopted in accordance with this subsection (p) by the  
10 agency charged with administering that provision or  
11 initiative. The 150-day limitation of the effective period of  
12 emergency rules does not apply to rules adopted under this  
13 subsection (p), and the effective period may continue through  
14 June 30, 2013. The 24-month limitation on the adoption of  
15 emergency rules does not apply to rules adopted under this  
16 subsection (p). The adoption of emergency rules authorized by  
17 this subsection (p) is deemed to be necessary for the public  
18 interest, safety, and welfare.

19 (q) In order to provide for the expeditious and timely  
20 implementation of the provisions of Articles 7, 8, 9, 11, and  
21 12 of Public Act 98-104, emergency rules to implement any  
22 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104  
23 may be adopted in accordance with this subsection (q) by the  
24 agency charged with administering that provision or  
25 initiative. The 24-month limitation on the adoption of  
26 emergency rules does not apply to rules adopted under this

1 subsection (q). The adoption of emergency rules authorized by  
2 this subsection (q) is deemed to be necessary for the public  
3 interest, safety, and welfare.

4 (r) In order to provide for the expeditious and timely  
5 implementation of the provisions of Public Act 98-651,  
6 emergency rules to implement Public Act 98-651 may be adopted  
7 in accordance with this subsection (r) by the Department of  
8 Healthcare and Family Services. The 24-month limitation on the  
9 adoption of emergency rules does not apply to rules adopted  
10 under this subsection (r). The adoption of emergency rules  
11 authorized by this subsection (r) is deemed to be necessary for  
12 the public interest, safety, and welfare.

13 (s) In order to provide for the expeditious and timely  
14 implementation of the provisions of Sections 5-5b.1 and 5A-2 of  
15 the Illinois Public Aid Code, emergency rules to implement any  
16 provision of Section 5-5b.1 or Section 5A-2 of the Illinois  
17 Public Aid Code may be adopted in accordance with this  
18 subsection (s) by the Department of Healthcare and Family  
19 Services. The rulemaking authority granted in this subsection  
20 (s) shall apply only to those rules adopted prior to July 1,  
21 2015. Notwithstanding any other provision of this Section, any  
22 emergency rule adopted under this subsection (s) shall only  
23 apply to payments made for State fiscal year 2015. The adoption  
24 of emergency rules authorized by this subsection (s) is deemed  
25 to be necessary for the public interest, safety, and welfare.

26 (t) In order to provide for the expeditious and timely

1 implementation of the provisions of Article II of Public Act  
2 99-6, emergency rules to implement the changes made by Article  
3 II of Public Act 99-6 to the Emergency Telephone System Act may  
4 be adopted in accordance with this subsection (t) by the  
5 Department of State Police. The rulemaking authority granted in  
6 this subsection (t) shall apply only to those rules adopted  
7 prior to July 1, 2016. The 24-month limitation on the adoption  
8 of emergency rules does not apply to rules adopted under this  
9 subsection (t). The adoption of emergency rules authorized by  
10 this subsection (t) is deemed to be necessary for the public  
11 interest, safety, and welfare.

12 (u) In order to provide for the expeditious and timely  
13 implementation of the provisions of the Burn Victims Relief  
14 Act, emergency rules to implement any provision of the Act may  
15 be adopted in accordance with this subsection (u) by the  
16 Department of Insurance. The rulemaking authority granted in  
17 this subsection (u) shall apply only to those rules adopted  
18 prior to December 31, 2015. The adoption of emergency rules  
19 authorized by this subsection (u) is deemed to be necessary for  
20 the public interest, safety, and welfare.

21 (v) In order to provide for the expeditious and timely  
22 implementation of the provisions of Public Act 99-516,  
23 emergency rules to implement Public Act 99-516 may be adopted  
24 in accordance with this subsection (v) by the Department of  
25 Healthcare and Family Services. The 24-month limitation on the  
26 adoption of emergency rules does not apply to rules adopted



1 under this subsection (v). The adoption of emergency rules  
2 authorized by this subsection (v) is deemed to be necessary for  
3 the public interest, safety, and welfare.

4 (w) In order to provide for the expeditious and timely  
5 implementation of the provisions of Public Act 99-796,  
6 emergency rules to implement the changes made by Public Act  
7 99-796 may be adopted in accordance with this subsection (w) by  
8 the Adjutant General. The adoption of emergency rules  
9 authorized by this subsection (w) is deemed to be necessary for  
10 the public interest, safety, and welfare.

11 (x) In order to provide for the expeditious and timely  
12 implementation of the provisions of Public Act 99-906,  
13 emergency rules to implement subsection (i) of Section 16-115D,  
14 subsection (g) of Section 16-128A, and subsection (a) of  
15 Section 16-128B of the Public Utilities Act may be adopted in  
16 accordance with this subsection (x) by the Illinois Commerce  
17 Commission. The rulemaking authority granted in this  
18 subsection (x) shall apply only to those rules adopted within  
19 180 days after June 1, 2017 (the effective date of Public Act  
20 99-906). The adoption of emergency rules authorized by this  
21 subsection (x) is deemed to be necessary for the public  
22 interest, safety, and welfare.

23 (y) In order to provide for the expeditious and timely  
24 implementation of the provisions of Public Act 100-23,  
25 emergency rules to implement the changes made by Public Act  
26 100-23 to Section 4.02 of the Illinois Act on the Aging,

1 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
2 Section 55-30 of the Alcoholism and Other Drug Abuse and  
3 Dependency Act, and Sections 74 and 75 of the Mental Health and  
4 Developmental Disabilities Administrative Act may be adopted  
5 in accordance with this subsection (y) by the respective  
6 Department. The adoption of emergency rules authorized by this  
7 subsection (y) is deemed to be necessary for the public  
8 interest, safety, and welfare.

9 (z) In order to provide for the expeditious and timely  
10 implementation of the provisions of Public Act 100-554,  
11 emergency rules to implement the changes made by Public Act  
12 100-554 to Section 4.7 of the Lobbyist Registration Act may be  
13 adopted in accordance with this subsection (z) by the Secretary  
14 of State. The adoption of emergency rules authorized by this  
15 subsection (z) is deemed to be necessary for the public  
16 interest, safety, and welfare.

17 (aa) In order to provide for the expeditious and timely  
18 initial implementation of the changes made to Articles 5, 5A,  
19 12, and 14 of the Illinois Public Aid Code under the provisions  
20 of Public Act 100-581, the Department of Healthcare and Family  
21 Services may adopt emergency rules in accordance with this  
22 subsection (aa). The 24-month limitation on the adoption of  
23 emergency rules does not apply to rules to initially implement  
24 the changes made to Articles 5, 5A, 12, and 14 of the Illinois  
25 Public Aid Code adopted under this subsection (aa). The  
26 adoption of emergency rules authorized by this subsection (aa)

1 is deemed to be necessary for the public interest, safety, and  
2 welfare.

3 (bb) In order to provide for the expeditious and timely  
4 implementation of the provisions of Public Act 100-587,  
5 emergency rules to implement the changes made by Public Act  
6 100-587 to Section 4.02 of the Illinois Act on the Aging,  
7 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
8 subsection (b) of Section 55-30 of the Alcoholism and Other  
9 Drug Abuse and Dependency Act, Section 5-104 of the Specialized  
10 Mental Health Rehabilitation Act of 2013, and Section 75 and  
11 subsection (b) of Section 74 of the Mental Health and  
12 Developmental Disabilities Administrative Act may be adopted  
13 in accordance with this subsection (bb) by the respective  
14 Department. The adoption of emergency rules authorized by this  
15 subsection (bb) is deemed to be necessary for the public  
16 interest, safety, and welfare.

17 (cc) In order to provide for the expeditious and timely  
18 implementation of the provisions of Public Act 100-587,  
19 emergency rules may be adopted in accordance with this  
20 subsection (cc) to implement the changes made by Public Act  
21 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois  
22 Pension Code by the Board created under Article 14 of the Code;  
23 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by  
24 the Board created under Article 15 of the Code; and Sections  
25 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board  
26 created under Article 16 of the Code. The adoption of emergency

1 rules authorized by this subsection (cc) is deemed to be  
2 necessary for the public interest, safety, and welfare.

3 (dd) In order to provide for the expeditious and timely  
4 implementation of the provisions of Public Act 100-864,  
5 emergency rules to implement the changes made by Public Act  
6 100-864 to Section 3.35 of the Newborn Metabolic Screening Act  
7 may be adopted in accordance with this subsection (dd) by the  
8 Secretary of State. The adoption of emergency rules authorized  
9 by this subsection (dd) is deemed to be necessary for the  
10 public interest, safety, and welfare.

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

19 (ff) ~~(ee)~~ In order to provide for the expeditious and  
20 timely initial implementation of the changes made to Articles  
21 5A and 14 of the Illinois Public Aid Code under the provisions  
22 of Public Act 100-1181 ~~this amendatory Act of the 100th General~~  
23 ~~Assembly~~, the Department of Healthcare and Family Services may  
24 on a one-time-only basis adopt emergency rules in accordance  
25 with this subsection (ff) ~~(ee)~~. The 24-month limitation on the  
26 adoption of emergency rules does not apply to rules to

1 initially implement the changes made to Articles 5A and 14 of  
2 the Illinois Public Aid Code adopted under this subsection (ff)  
3 ~~(ee)~~. The adoption of emergency rules authorized by this  
4 subsection (ff) ~~(ee)~~ is deemed to be necessary for the public  
5 interest, safety, and welfare.

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

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

25 (ii) In order to provide for the expeditious and timely  
26 implementation of the provisions of this amendatory Act of the

1 101st General Assembly, emergency rules may be adopted by the  
2 Illinois Commerce Commission in accordance with this  
3 subsection (ii) to implement the changes made by this  
4 amendatory Act of the 101st General Assembly to the Public  
5 Utilities Act. The adoption of emergency rules authorized by  
6 this subsection (ii) is deemed to be necessary for the public  
7 interest, safety, and welfare.

8 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;  
9 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.  
10 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;  
11 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.  
12 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

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

15 (20 ILCS 627/30 new)

16 Sec. 30. Electric Vehicle Access for All Program.

17 (a) The General Assembly finds that it is necessary to  
18 provide access to electric vehicles to residents in communities  
19 for individuals whom car ownership is not an option,  
20 affordable, or a preference, particularly for environmental  
21 justice communities and low-income communities.

22 (b) Within 120 days after the effective date of this  
23 amendatory Act of the 101st General Assembly, and for a period  
24 of not less than 36 months thereafter, the Department of

1 Commerce and Economic Opportunity shall establish and  
2 implement an Electric Vehicle Access for All Program, designed  
3 to maximize opportunities for carbon-free transportation  
4 across the State, particularly targeting environmental justice  
5 and low-income communities, which shall include the following  
6 initiatives:

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

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

18 (3) Community Energy and Climate Plans. The Department  
19 shall dedicate a portion of funding for local governments'  
20 eligible Community Energy and Climate Plans that include  
21 Electric Vehicle Access for All Program initiatives.

22 To the extent possible, the Department shall coordinate the  
23 Electric Vehicle Access for All Program with the other programs  
24 established in this Act.

25 (c) The Electric Vehicle Access for All Program and its  
26 initiatives shall be designed to maximize opportunities for

1 carbon-free transportation across the State, particularly  
2 targeting environmental justice and low-income communities,  
3 and to provide grants to pilot programs with the purpose of  
4 bridging public transportation gaps between residences and  
5 employment locations. Eligible programs may include electric  
6 shuttles, electric and non-electric bicycle and scooter  
7 sharing, electric vehicle sharing, and other carbon-free  
8 alternatives. The Department of Commerce and Economic  
9 Opportunity shall hire or select, through a competitive bidding  
10 program, a Program administrator to oversee and administer the  
11 Program.

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

25 (e) Projects, programs, or other initiatives funded  
26 through this Program must participate in a beneficial



1 electrification program, as provided under Section 16-107.8 of  
2 the Public Utilities Act, to the extent practicable, to  
3 minimize the impact to the electric grid of new electric  
4 vehicle charging infrastructure, and to use electricity at  
5 times when renewable energy generation is highest.

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

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

15 Section 90-15. The Illinois Power Agency Act is amended by  
16 changing Sections 1-5, 1-20, 1-56, and 1-75 as follows:

17 (20 ILCS 3855/1-5)

18 Sec. 1-5. Legislative declarations and findings. The  
19 General Assembly finds and declares:

20 (1) The health, welfare, and prosperity of all Illinois  
21 citizens require the provision of adequate, reliable,  
22 affordable, efficient, and environmentally sustainable  
23 electric service at the lowest total cost over time, taking  
24 into account any benefits of price stability.

1       (1.5) To provide the highest quality of life for the  
2       residents of Illinois, and to provide for a clean and  
3       healthy environment, it is the policy of this State to  
4       rapidly transition to 100% renewable energy.

5       (2) (Blank).

6       (3) (Blank).

7       (4) It is necessary to improve the process of procuring  
8       electricity to serve Illinois residents, to promote  
9       investment in energy efficiency and demand-response  
10      measures, and to maintain and support development of clean  
11      coal technologies, generation resources that operate at  
12      all hours of the day and under all weather conditions, zero  
13      emission facilities, and renewable resources.

14      (5) Procuring a diverse electricity supply portfolio  
15      will ensure the lowest total cost over time for adequate,  
16      reliable, efficient, and environmentally sustainable  
17      electric service.

18      (6) Including renewable resources and zero emission  
19      credits from zero emission facilities in that portfolio  
20      will reduce long-term direct and indirect costs to  
21      consumers by decreasing environmental impacts and by  
22      avoiding or delaying the need for new generation,  
23      transmission, and distribution infrastructure. Developing  
24      new renewable energy resources in Illinois, including  
25      brownfield solar projects and community solar projects,  
26      will help to diversify Illinois electricity supply, avoid

1 and reduce pollution, reduce peak demand, and enhance  
2 public health and well-being of Illinois residents.

3 (7) Developing community solar projects in Illinois  
4 will help to expand access to renewable energy resources to  
5 more Illinois residents.

6 (8) Developing brownfield solar projects in Illinois  
7 will help return blighted or contaminated land to  
8 productive use while enhancing public health and the  
9 well-being of Illinois residents, including those in  
10 environmental justice communities.

11 (9) Energy efficiency, demand-response measures, zero  
12 emission energy, and renewable energy are resources  
13 currently underused in Illinois. These resources should be  
14 used, when cost effective, to reduce costs to consumers,  
15 improve reliability, and improve environmental quality and  
16 public health.

17 (10) The State should encourage the use of advanced  
18 clean coal technologies that capture and sequester carbon  
19 dioxide emissions to advance environmental protection  
20 goals and to demonstrate the viability of coal and  
21 coal-derived fuels in a carbon-constrained economy.

22 (11) The General Assembly enacted Public Act 96-0795 to  
23 reform the State's purchasing processes, recognizing that  
24 government procurement is susceptible to abuse if  
25 structural and procedural safeguards are not in place to  
26 ensure independence, insulation, oversight, and

1 transparency.

2 (12) The principles that underlie the procurement  
3 reform legislation apply also in the context of power  
4 purchasing.

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

18 The General Assembly therefore finds that it is necessary  
19 to create the Illinois Power Agency and that the goals and  
20 objectives of that Agency are to accomplish each of the  
21 following:

22 (A) Develop electricity procurement plans to ensure  
23 adequate, reliable, affordable, efficient, and  
24 environmentally sustainable electric service at the lowest  
25 total cost over time, taking into account any benefits of  
26 price stability, for electric utilities that on December

1 31, 2005 provided electric service to at least 100,000  
2 customers in Illinois and for small multi-jurisdictional  
3 electric utilities that (i) on December 31, 2005 served  
4 less than 100,000 customers in Illinois and (ii) request a  
5 procurement plan for their Illinois jurisdictional load.  
6 The procurement plan shall be updated on an annual basis  
7 and shall include renewable energy resources and,  
8 beginning with the delivery year commencing June 1, 2017,  
9 zero emission credits from zero emission facilities  
10 sufficient to achieve the standards specified in this Act.

11 (B) Conduct the competitive procurement processes  
12 identified in this Act.

13 (C) Develop electric generation and co-generation  
14 facilities that use indigenous coal or renewable  
15 resources, or both, financed with bonds issued by the  
16 Illinois Finance Authority.

17 (D) Supply electricity from the Agency's facilities at  
18 cost to one or more of the following: municipal electric  
19 systems, governmental aggregators, or rural electric  
20 cooperatives in Illinois.

21 (E) Ensure that the process of power procurement is  
22 conducted in an ethical and transparent fashion, immune  
23 from improper influence.

24 (F) Continue to review its policies and practices to  
25 determine how best to meet its mission of providing the  
26 lowest cost power to the greatest number of people, at any

1 given point in time, in accordance with applicable law.

2 (G) Operate in a structurally insulated, independent,  
3 and transparent fashion so that nothing impedes the  
4 Agency's mission to secure power at the best prices the  
5 market will bear, provided that the Agency meets all  
6 applicable legal requirements.

7 (H) Implement renewable energy procurement and  
8 training programs throughout the State to diversify  
9 Illinois electricity supply, improve reliability, avoid  
10 and reduce pollution, reduce peak demand, and enhance  
11 public health and well-being of Illinois residents,  
12 including low-income residents.

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

14 (20 ILCS 3855/1-20)

15 Sec. 1-20. General powers and duties of the Agency.

16 (a) The Agency is authorized to do each of the following:

17 (1) Develop electricity procurement plans to ensure  
18 adequate, reliable, affordable, efficient, and  
19 environmentally sustainable electric service at the lowest  
20 total cost over time, taking into account any benefits of  
21 price stability, for electric utilities that on December  
22 31, 2005 provided electric service to at least 100,000  
23 customers in Illinois and for small multi-jurisdictional  
24 electric utilities that (A) on December 31, 2005 served  
25 less than 100,000 customers in Illinois and (B) request a

1 procurement plan for their Illinois jurisdictional load.  
2 Except as provided in paragraph (1.5) of this subsection  
3 (a), the electricity procurement plans shall be updated on  
4 an annual basis and shall include electricity generated  
5 from renewable resources sufficient to achieve the  
6 standards specified in this Act. Beginning with the  
7 delivery year commencing June 1, 2017, develop procurement  
8 plans to include zero emission credits generated from zero  
9 emission facilities sufficient to achieve the standards  
10 specified in this Act. Beginning with the procurement for  
11 the delivery year commencing June 1, 2021, the Agency shall  
12 for each year develop a plan, as part of its procurement  
13 plan, to conduct a procurement of capacity from qualified  
14 resources needed to meet capacity requirements of the  
15 retail customers of electric utilities that serve more than  
16 3,000,000 retail customers and are located in the PJM  
17 Interconnection, subject to the open access tariff and  
18 manuals of PJM Interconnection and approved by the Federal  
19 Energy Regulatory Commission. The capacity procurement  
20 plan shall be updated annually and shall include  
21 electricity generated from renewable resources sufficient  
22 to achieve the renewable portfolio standards as specified  
23 in this Act.

24 (1.5) Develop a long-term renewable resources  
25 procurement plan in accordance with subsection (c) of  
26 Section 1-75 of this Act for renewable energy credits in

1 amounts sufficient to achieve the standards specified in  
2 this Act for delivery years commencing June 1, 2017 and for  
3 the programs and renewable energy credits specified in  
4 Section 1-56 of this Act. Electricity procurement plans for  
5 delivery years commencing after May 31, 2017, shall not  
6 include procurement of renewable energy resources.

7 (2) Conduct competitive procurement processes to  
8 procure the supply resources identified in the electricity  
9 procurement plan, pursuant to Section 16-111.5 of the  
10 Public Utilities Act, and, for the delivery year commencing  
11 June 1, 2017, conduct procurement processes to procure zero  
12 emission credits from zero emission facilities, under  
13 subsection (d-5) of Section 1-75 of this Act.

14 (2.5) Beginning with the procurement for the 2017  
15 delivery year, conduct competitive procurement processes  
16 and implement programs to procure renewable energy credits  
17 identified in the long-term renewable resources  
18 procurement plan developed and approved under subsection  
19 (c) of Section 1-75 of this Act and Section 16-111.5 of the  
20 Public Utilities Act.

21 (3) Develop electric generation and co-generation  
22 facilities that use indigenous coal or renewable  
23 resources, or both, financed with bonds issued by the  
24 Illinois Finance Authority.

25 (4) Supply electricity from the Agency's facilities at  
26 cost to one or more of the following: municipal electric



1       systems, governmental aggregators, or rural electric  
2       cooperatives in Illinois.

3       (b) Except as otherwise limited by this Act, the Agency has  
4       all of the powers necessary or convenient to carry out the  
5       purposes and provisions of this Act, including without  
6       limitation, each of the following:

7           (1) To have a corporate seal, and to alter that seal at  
8       pleasure, and to use it by causing it or a facsimile to be  
9       affixed or impressed or reproduced in any other manner.

10          (2) To use the services of the Illinois Finance  
11       Authority necessary to carry out the Agency's purposes.

12          (3) To negotiate and enter into loan agreements and  
13       other agreements with the Illinois Finance Authority.

14          (4) To obtain and employ personnel and hire consultants  
15       that are necessary to fulfill the Agency's purposes, and to  
16       make expenditures for that purpose within the  
17       appropriations for that purpose.

18          (5) To purchase, receive, take by grant, gift, devise,  
19       bequest, or otherwise, lease, or otherwise acquire, own,  
20       hold, improve, employ, use, and otherwise deal in and with,  
21       real or personal property whether tangible or intangible,  
22       or any interest therein, within the State.

23          (6) To acquire real or personal property, whether  
24       tangible or intangible, including without limitation  
25       property rights, interests in property, franchises,  
26       obligations, contracts, and debt and equity securities,

1 and to do so by the exercise of the power of eminent domain  
2 in accordance with Section 1-21; except that any real  
3 property acquired by the exercise of the power of eminent  
4 domain must be located within the State.

5 (7) To sell, convey, lease, exchange, transfer,  
6 abandon, or otherwise dispose of, or mortgage, pledge, or  
7 create a security interest in, any of its assets,  
8 properties, or any interest therein, wherever situated.

9 (8) To purchase, take, receive, subscribe for, or  
10 otherwise acquire, hold, make a tender offer for, vote,  
11 employ, sell, lend, lease, exchange, transfer, or  
12 otherwise dispose of, mortgage, pledge, or grant a security  
13 interest in, use, and otherwise deal in and with, bonds and  
14 other obligations, shares, or other securities (or  
15 interests therein) issued by others, whether engaged in a  
16 similar or different business or activity.

17 (9) To make and execute agreements, contracts, and  
18 other instruments necessary or convenient in the exercise  
19 of the powers and functions of the Agency under this Act,  
20 including contracts with any person, including personal  
21 service contracts, or with any local government, State  
22 agency, or other entity; and all State agencies and all  
23 local governments are authorized to enter into and do all  
24 things necessary to perform any such agreement, contract,  
25 or other instrument with the Agency. No such agreement,  
26 contract, or other instrument shall exceed 40 years.

1           (10) To lend money, invest and reinvest its funds in  
2           accordance with the Public Funds Investment Act, and take  
3           and hold real and personal property as security for the  
4           payment of funds loaned or invested.

5           (11) To borrow money at such rate or rates of interest  
6           as the Agency may determine, issue its notes, bonds, or  
7           other obligations to evidence that indebtedness, and  
8           secure any of its obligations by mortgage or pledge of its  
9           real or personal property, machinery, equipment,  
10          structures, fixtures, inventories, revenues, grants, and  
11          other funds as provided or any interest therein, wherever  
12          situated.

13          (12) To enter into agreements with the Illinois Finance  
14          Authority to issue bonds whether or not the income  
15          therefrom is exempt from federal taxation.

16          (13) To procure insurance against any loss in  
17          connection with its properties or operations in such amount  
18          or amounts and from such insurers, including the federal  
19          government, as it may deem necessary or desirable, and to  
20          pay any premiums therefor.

21          (14) To negotiate and enter into agreements with  
22          trustees or receivers appointed by United States  
23          bankruptcy courts or federal district courts or in other  
24          proceedings involving adjustment of debts and authorize  
25          proceedings involving adjustment of debts and authorize  
26          legal counsel for the Agency to appear in any such

1 proceedings.

2 (15) To file a petition under Chapter 9 of Title 11 of  
3 the United States Bankruptcy Code or take other similar  
4 action for the adjustment of its debts.

5 (16) To enter into management agreements for the  
6 operation of any of the property or facilities owned by the  
7 Agency.

8 (17) To enter into an agreement to transfer and to  
9 transfer any land, facilities, fixtures, or equipment of  
10 the Agency to one or more municipal electric systems,  
11 governmental aggregators, or rural electric agencies or  
12 cooperatives, for such consideration and upon such terms as  
13 the Agency may determine to be in the best interest of the  
14 citizens of Illinois.

15 (18) To enter upon any lands and within any building  
16 whenever in its judgment it may be necessary for the  
17 purpose of making surveys and examinations to accomplish  
18 any purpose authorized by this Act.

19 (19) To maintain an office or offices at such place or  
20 places in the State as it may determine.

21 (20) To request information, and to make any inquiry,  
22 investigation, survey, or study that the Agency may deem  
23 necessary to enable it effectively to carry out the  
24 provisions of this Act.

25 (21) To accept and expend appropriations.

26 (22) To engage in any activity or operation that is

1 incidental to and in furtherance of efficient operation to  
2 accomplish the Agency's purposes, including hiring  
3 employees that the Director deems essential for the  
4 operations of the Agency.

5 (23) To adopt, revise, amend, and repeal rules with  
6 respect to its operations, properties, and facilities as  
7 may be necessary or convenient to carry out the purposes of  
8 this Act, subject to the provisions of the Illinois  
9 Administrative Procedure Act and Sections 1-22 and 1-35 of  
10 this Act.

11 (24) To establish and collect charges and fees as  
12 described in this Act.

13 (25) To conduct competitive gasification feedstock  
14 procurement processes to procure the feedstocks for the  
15 clean coal SNG brownfield facility in accordance with the  
16 requirements of Section 1-78 of this Act.

17 (26) To review, revise, and approve sourcing  
18 agreements and mediate and resolve disputes between gas  
19 utilities and the clean coal SNG brownfield facility  
20 pursuant to subsection (h-1) of Section 9-220 of the Public  
21 Utilities Act.

22 (27) To request, review and accept proposals, execute  
23 contracts, purchase renewable energy credits and otherwise  
24 dedicate funds from the Illinois Power Agency Renewable  
25 Energy Resources Fund to create and carry out the  
26 objectives of the Illinois Solar for All program in

1       accordance with Section 1-56 of this Act.

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

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

9       (20 ILCS 3855/1-56)

10       Sec. 1-56. Illinois Power Agency Renewable Energy  
11       Resources Fund; Illinois Solar for All Program.

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

14       (b) The Illinois Power Agency Renewable Energy Resources  
15       Fund shall be administered by the Agency as described in this  
16       subsection (b), provided that the changes to this subsection  
17       (b) made by this amendatory Act of the 99th General Assembly  
18       shall not interfere with existing contracts under this Section.

19       (1) The Illinois Power Agency Renewable Energy  
20       Resources Fund shall be used to purchase renewable energy  
21       credits according to any approved procurement plan  
22       developed by the Agency prior to June 1, 2017.

23       (2) The Illinois Power Agency Renewable Energy  
24       Resources Fund shall also be used to create the Illinois  
25       Solar for All Program, which shall include incentives for

1 low-income distributed generation and community solar  
2 projects, and other associated approved expenditures. The  
3 objectives of the Illinois Solar for All Program are to  
4 bring photovoltaics to low-income communities in this  
5 State in a manner that maximizes the development of new  
6 photovoltaic generating facilities, to create a long-term,  
7 low-income solar marketplace throughout this State, to  
8 integrate, through interaction with stakeholders, with  
9 existing energy efficiency initiatives, and to minimize  
10 administrative costs. The Agency shall include a  
11 description of its proposed approach to the design,  
12 administration, implementation and evaluation of the  
13 Illinois Solar for All Program, as part of the long-term  
14 renewable resources procurement plan authorized by  
15 subsection (c) of Section 1-75 of this Act, and the program  
16 shall be designed to grow the low-income solar market. The  
17 Agency or utility, as applicable, shall purchase renewable  
18 energy credits from the (i) photovoltaic distributed  
19 renewable energy generation projects and (ii) community  
20 solar projects that are procured under procurement  
21 processes authorized by the long-term renewable resources  
22 procurement plans approved by the Commission.

23 The Illinois Solar for All Program shall include the  
24 program offerings described in subparagraphs (A) through  
25 (D) of this paragraph (2), which the Agency shall implement  
26 through contracts with third-party providers and, subject

1 to appropriation, pay the approximate amounts identified  
2 using monies available in the Illinois Power Agency  
3 Renewable Energy Resources Fund. Each contract that  
4 provides for the installation of solar facilities shall  
5 provide that the solar facilities will produce energy and  
6 economic benefits, at a level determined by the Agency to  
7 be reasonable, for the participating low income customers.  
8 The monies available in the Illinois Power Agency Renewable  
9 Energy Resources Fund and not otherwise committed to  
10 contracts executed under subsection (i) of this Section  
11 shall be allocated among the programs described in this  
12 paragraph (2), as follows: 22.5% of these funds shall be  
13 allocated to programs described in subparagraph (A) of this  
14 paragraph (2), 37.5% of these funds shall be allocated to  
15 programs described in subparagraph (B) of this paragraph  
16 (2), 15% of these funds shall be allocated to programs  
17 described in subparagraph (C) of this paragraph (2), and  
18 25% of these funds, but in no event more than \$50,000,000,  
19 shall be allocated to programs described in subparagraph  
20 (D) of this paragraph (2). The allocation of funds among  
21 subparagraphs (A), (B), or (C) of this paragraph (2) may be  
22 changed if the Agency or administrator, through delegated  
23 authority, determines incentives in subparagraphs (A),  
24 (B), or (C) of this paragraph (2) have not been adequately  
25 subscribed to fully utilize the Illinois Power Agency  
26 Renewable Energy Resources Fund. The determination shall



1 include input through a stakeholder process. Beginning  
2 with the 2019 update to the long-term renewable resource  
3 procurement plan authorized by subsection (c) of Section  
4 1-75 of this Act, if possible, the Agency shall reallocate  
5 the funds among all the various subprograms of the Illinois  
6 Solar for All Program to provide funding for the  
7 subprograms described in subparagraphs (E) and (F) of this  
8 paragraph (2), provided that in no event more than  
9 \$50,000,000, shall be allocated to programs described in  
10 subparagraph (D) of this paragraph (2). This reallocation  
11 shall involve input through a stakeholder process. The  
12 program offerings described in subparagraphs (A) through  
13 (D) of this paragraph (2) shall also be implemented through  
14 contracts funded from such additional amounts as are  
15 allocated to one or more of the programs in the long-term  
16 renewable resources procurement plans as specified in  
17 subsection (c) of Section 1-75 of this Act and subparagraph  
18 (O) of paragraph (1) of such subsection (c).

19 Contracts that will be paid with funds in the Illinois  
20 Power Agency Renewable Energy Resources Fund shall be  
21 executed by the Agency. Contracts that will be paid with  
22 funds collected by an electric utility shall be executed by  
23 the electric utility.

24 Contracts under the Illinois Solar for All Program  
25 shall include an approach, as set forth in the long-term  
26 renewable resources procurement plans, to ensure the

1        wholesale market value of the energy is credited to  
2        participating low-income customers or organizations and to  
3        ensure tangible economic benefits flow directly to program  
4        participants, except in the case of low-income  
5        multi-family housing where the low-income customer does  
6        not directly pay for energy. Priority shall be given to  
7        projects that demonstrate meaningful involvement of  
8        low-income community members in designing the initial  
9        proposals. Acceptable proposals to implement projects must  
10       demonstrate the applicant's ability to conduct initial  
11       community outreach, education, and recruitment of  
12       low-income participants in the community. Projects must  
13       include job training opportunities if available, and shall  
14       endeavor to coordinate with the job training programs  
15       described in paragraph (1) of subsection (a) of Section  
16       16-108.12 of the Public Utilities Act.

17                (A) Low-income distributed generation incentive.

18        This program will provide incentives to low-income  
19        customers, either directly or through solar providers,  
20        to increase the participation of low-income households  
21        in photovoltaic on-site distributed generation.  
22        Companies participating in this program that install  
23        solar panels shall commit to hiring job trainees for a  
24        portion of their low-income installations, and an  
25        administrator shall facilitate partnering the  
26        companies that install solar panels with entities that

1 provide solar panel installation job training. It is a  
2 goal of this program that a minimum of 25% of the  
3 incentives for this program be allocated to projects  
4 located within environmental justice communities.  
5 Contracts entered into under this paragraph may be  
6 entered into with an entity that will develop and  
7 administer the program and shall also include  
8 contracts for renewable energy credits from the  
9 photovoltaic distributed generation that is the  
10 subject of the program, as set forth in the long-term  
11 renewable resources procurement plan.

12 (B) Low-Income Community Solar Project Initiative.  
13 Incentives shall be offered to low-income customers,  
14 either directly or through developers, to increase the  
15 participation of low-income subscribers of community  
16 solar projects. The developer of each project shall  
17 identify its partnership with community stakeholders  
18 regarding the location, development, and participation  
19 in the project, provided that nothing shall preclude a  
20 project from including an anchor tenant that does not  
21 qualify as low-income. Incentives should also be  
22 offered to community solar projects that are 100%  
23 low-income subscriber owned, which includes low-income  
24 households, not-for-profit organizations, and  
25 affordable housing owners. Companies participating in  
26 this program that install solar panels shall commit to

1       hiring job trainees for a portion of their low-income  
2       installations, and an administrator shall facilitate  
3       partnering the companies that install solar panels  
4       with entities that provide solar panel installation  
5       job training. It is a goal of this program that a  
6       minimum of 25% of the incentives for this program be  
7       allocated to community photovoltaic projects in  
8       environmental justice communities. Contracts entered  
9       into under this paragraph may be entered into with  
10      developers and shall also include contracts for  
11      renewable energy credits related to the program.

12           (C) Incentives for non-profits and public  
13      facilities. Under this program funds shall be used to  
14      support on-site photovoltaic distributed renewable  
15      energy generation devices to serve the load associated  
16      with not-for-profit customers and to support  
17      photovoltaic distributed renewable energy generation  
18      that uses photovoltaic technology to serve the load  
19      associated with public sector customers taking service  
20      at public buildings. Companies participating in this  
21      program that install solar panels shall commit to  
22      hiring job trainees for a portion of their low-income  
23      installations, and an administrator shall facilitate  
24      partnering the companies that install solar panels  
25      with entities that provide solar panel installation  
26      job training. It is a goal of this program that at

1       least 25% of the incentives for this program be  
2       allocated to projects located in environmental justice  
3       communities. Contracts entered into under this  
4       paragraph may be entered into with an entity that will  
5       develop and administer the program or with developers  
6       and shall also include contracts for renewable energy  
7       credits related to the program.

8               (D) Low-Income Community Solar Pilot Projects.

9       Under this program, persons, including, but not  
10      limited to, electric utilities, shall propose pilot  
11      community solar projects. Community solar projects  
12      proposed under this subparagraph (D) may exceed 2,000  
13      kilowatts in nameplate capacity, but the amount paid  
14      per project under this program may not exceed  
15      \$20,000,000. Pilot projects must result in economic  
16      benefits for the members of the community in which the  
17      project will be located. The proposed pilot project  
18      must include a partnership with at least one  
19      community-based organization. Approved pilot projects  
20      shall be competitively bid by the Agency, subject to  
21      fair and equitable guidelines developed by the Agency.  
22      Funding available under this subparagraph (D) may not  
23      be distributed solely to a utility, and at least some  
24      funds under this subparagraph (D) must include a  
25      project partnership that includes community ownership  
26      by the project subscribers. Contracts entered into

1 under this paragraph may be entered into with an entity  
2 that will develop and administer the program or with  
3 developers and shall also include contracts for  
4 renewable energy credits related to the program. A  
5 project proposed by a utility that is implemented under  
6 this subparagraph (D) shall not be included in the  
7 utility's rate base ~~ratebase~~.

8 (E) Energy Sovereignty Distributed Generation  
9 Incentive. Beginning with the 2019 update to the  
10 long-term renewable resource procurement plan  
11 authorized by subsection (c) of Section 1-75 of this  
12 Act, subject to appropriation, the Illinois Power  
13 Agency shall create a program that provides incentives  
14 to low-income customers, either directly or through  
15 solar providers, to increase the participation of  
16 low-income households in photovoltaic on-site  
17 distributed generation in projects that are 100%  
18 low-income household owned, which includes low-income  
19 households, low-income households in environmental  
20 justice communities, not-for-profit organizations  
21 providing services to low-income households,  
22 affordable housing owners, and community-based limited  
23 liability companies providing services to low-income  
24 households. The program shall also provide incentives  
25 for photovoltaic on-site distributed generation  
26 projects that, by no later than 5 years after the

1 device is interconnected at the distribution system  
2 level of the utility and energized, are a minimum of  
3 49% low-income subscriber owned, which includes  
4 low-income households, low-income households in  
5 environmental justice communities, not-for-profit  
6 organizations providing services to low-income  
7 households, affordable housing owners, and  
8 community-based limited liability companies providing  
9 services to low-income households. Companies  
10 participating in this program that install solar  
11 panels shall commit to hiring job trainees for a  
12 portion of their low-income installations, and an  
13 administrator shall facilitate partnering the  
14 companies that install solar panels with entities that  
15 provide solar panel installation job training. It is a  
16 goal of this program that a minimum of 25% of the  
17 incentives for this program be allocated to projects in  
18 environmental justice communities. Contracts entered  
19 into under this paragraph may be entered into with an  
20 entity that will develop and administer the program and  
21 shall also include contracts for renewable energy  
22 credits from the photovoltaic distributed generation  
23 that is the subject of the program, as set forth in the  
24 long-term renewable resources procurement plan.

25 (F) Energy Sovereignty Community Solar Incentive.  
26 Beginning with the 2019 update to the long-term

1 renewable resource procurement plan authorized by  
2 subsection (c) of Section 1-75 of this Act, subject to  
3 appropriation, the Illinois Power Agency shall create  
4 a program that shall provide incentives to low-income  
5 customers, either directly or through developers, to  
6 increase the participation of low-income subscribers  
7 of community solar projects in projects that are 100%  
8 low-income subscriber owned, which includes low-income  
9 households, low-income households in environmental  
10 justice communities, not-for-profit organizations  
11 providing services to low-income households,  
12 affordable housing owners, and community-based limited  
13 liability companies providing services to low-income  
14 households. The program shall also provide incentives  
15 for community solar projects that, by no later than 5  
16 years after the device is interconnected at the  
17 distribution system level of the utility and  
18 energized, are a minimum of 49% low-income subscriber  
19 owned, which includes low-income households,  
20 low-income households in environmental justice  
21 communities, not-for-profit organizations providing  
22 services to low-income households, affordable housing  
23 owners, and community-based limited liability  
24 companies providing services to low-income households.  
25 The developer of each project shall identify its  
26 partnership with community stakeholders regarding the



1        location, development and participation in the  
2        project. Companies participating in this program that  
3        install solar panels shall commit to hiring job  
4        trainees for a portion of their low-income  
5        installations, and an administrator shall facilitate  
6        partnering the companies that install solar panels  
7        with entities that provide solar panel installation  
8        job training. It is a goal of this program that a  
9        minimum of 25% of the incentives for this program be  
10       allocated to projects in environmental justice  
11       communities. Contracts entered into under this  
12       paragraph may be entered into with developers and shall  
13       also include contracts for renewable energy credits  
14       related to the program.

15       The requirement that a qualified person, as defined in  
16       paragraph (1) of subsection (i) of this Section, install  
17       photovoltaic devices does not apply to the Illinois Solar  
18       for All Program described in this subsection (b).

19       (3) Costs associated with the Illinois Solar for All  
20       Program and its components described in paragraph (2) of  
21       this subsection (b), including, but not limited to, costs  
22       associated with procuring experts, consultants, and the  
23       program administrator referenced in this subsection (b)  
24       and related incremental costs, and costs related to the  
25       evaluation of the Illinois Solar for All Program, may be  
26       paid for using monies in the Illinois Power Agency

1 Renewable Energy Resources Fund, but the Agency or program  
2 administrator shall strive to minimize costs in the  
3 implementation of the program. The Agency shall purchase  
4 renewable energy credits from generation that is the  
5 subject of a contract under subparagraphs (A) through (D)  
6 of this paragraph (2) of this subsection (b), and may pay  
7 for such renewable energy credits through an upfront  
8 payment per installed kilowatt of nameplate capacity paid  
9 once the device is interconnected at the distribution  
10 system level of the utility and is energized. The payment  
11 shall be in exchange for an assignment of all renewable  
12 energy credits generated by the system during the first 15  
13 years of operation and shall be structured to overcome  
14 barriers to participation in the solar market by the  
15 low-income community. The incentives provided for in this  
16 Section may be implemented through the pricing of renewable  
17 energy credits where the prices paid for the credits are  
18 higher than the prices from programs offered under  
19 subsection (c) of Section 1-75 of this Act to account for  
20 the incentives. The Agency shall ensure collaboration with  
21 community agencies, and allocate up to 5% of the funds  
22 available under the Illinois Solar for All Program to  
23 community-based groups to assist in grassroots education  
24 efforts related to the Illinois Solar for All Program. The  
25 Agency shall retire any renewable energy credits purchased  
26 from this program and the credits shall count towards the

1 obligation under subsection (c) of Section 1-75 of this Act  
2 for the electric utility to which the project is  
3 interconnected.

4 (4) The Agency shall, consistent with the requirements  
5 of this subsection (b), propose the Illinois Solar for All  
6 Program terms, conditions, and requirements, including the  
7 prices to be paid for renewable energy credits, and which  
8 prices may be determined through a formula, through the  
9 development, review, and approval of the Agency's  
10 long-term renewable resources procurement plan described  
11 in subsection (c) of Section 1-75 of this Act and Section  
12 16-111.5 of the Public Utilities Act. In the course of the  
13 Commission proceeding initiated to review and approve the  
14 plan, including the Illinois Solar for All Program proposed  
15 by the Agency, a party may propose an additional low-income  
16 solar or solar incentive program, or modifications to the  
17 programs proposed by the Agency, and the Commission may  
18 approve an additional program, or modifications to the  
19 Agency's proposed program, if the additional or modified  
20 program more effectively maximizes the benefits to  
21 low-income customers after taking into account all  
22 relevant factors, including, but not limited to, the extent  
23 to which a competitive market for low-income solar has  
24 developed. Following the Commission's approval of the  
25 Illinois Solar for All Program, the Agency or a party may  
26 propose adjustments to the program terms, conditions, and

1 requirements, including the price offered to new systems,  
2 to ensure the long-term viability and success of the  
3 program. The Commission shall review and approve any  
4 modifications to the program through the plan revision  
5 process described in Section 16-111.5 of the Public  
6 Utilities Act.

7 (5) The Agency shall issue a request for qualifications  
8 for a third-party program administrator or administrators  
9 to administer all or a portion of the Illinois Solar for  
10 All Program. The third-party program administrator shall  
11 be chosen through a competitive bid process based on  
12 selection criteria and requirements developed by the  
13 Agency, including, but not limited to, experience in  
14 administering low-income energy programs and overseeing  
15 statewide clean energy or energy efficiency services. If  
16 the Agency retains a program administrator or  
17 administrators to implement all or a portion of the  
18 Illinois Solar for All Program, each administrator shall  
19 periodically submit reports to the Agency and Commission  
20 for each program that it administers, at appropriate  
21 intervals to be identified by the Agency in its long-term  
22 renewable resources procurement plan, provided that the  
23 reporting interval is at least quarterly.

24 (6) The long-term renewable resources procurement plan  
25 shall also provide for an independent evaluation of the  
26 Illinois Solar for All Program. At least every 2 years, the

1 Agency shall select an independent evaluator to review and  
2 report on the Illinois Solar for All Program and the  
3 performance of the third-party program administrator of  
4 the Illinois Solar for All Program. The evaluation shall be  
5 based on objective criteria developed through a public  
6 stakeholder process. The process shall include feedback  
7 and participation from Illinois Solar for All Program  
8 stakeholders, including participants and organizations in  
9 environmental justice and historically underserved  
10 communities. The report shall include a summary of the  
11 evaluation of the Illinois Solar for All Program based on  
12 the stakeholder developed objective criteria. The report  
13 shall include the number of projects installed; the total  
14 installed capacity in kilowatts; the average cost per  
15 kilowatt of installed capacity to the extent reasonably  
16 obtainable by the Agency; the number of jobs or job  
17 opportunities created; economic, social, and environmental  
18 benefits created; and the total administrative costs  
19 expended by the Agency and program administrator to  
20 implement and evaluate the program. The report shall be  
21 delivered to the Commission and posted on the Agency's  
22 website, and shall be used, as needed, to revise the  
23 Illinois Solar for All Program. The Commission shall also  
24 consider the results of the evaluation as part of its  
25 review of the long-term renewable resources procurement  
26 plan under subsection (c) of Section 1-75 of this Act.

1           (7) If additional funding for the programs described in  
2           this subsection (b) is available under subsection (k) of  
3           Section 16-108 of the Public Utilities Act, then the Agency  
4           shall submit a procurement plan to the Commission no later  
5           than September 1, 2018, that proposes how the Agency will  
6           procure programs on behalf of the applicable utility. After  
7           notice and hearing, the Commission shall approve, or  
8           approve with modification, the plan no later than November  
9           1, 2018.

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

23           As used in this subsection (b), "low-income households"  
24           means persons and families whose income does not exceed 80% of  
25           area median income, adjusted for family size and revised every  
26           5 years.

1       For the purposes of this subsection (b), the Agency shall  
2       define "environmental justice community" based on  
3       methodologies and findings established by the Illinois Power  
4       Agency and its Administrator for the Illinois Solar for All  
5       Program in its initial long-term renewable resources  
6       procurement plan and updated by the Illinois Power Agency and  
7       its Administrator for the Illinois Solar for All Program as  
8       part of the long-term renewable resources procurement plan  
9       update ~~as part of long-term renewable resources procurement~~  
10      ~~plan development, to ensure, to the extent practicable,~~  
11      ~~compatibility with other agencies' definitions and may, for~~  
12      ~~guidance, look to the definitions used by federal, state, or~~  
13      ~~local governments.~~

14       (b-5) After the receipt of all payments required by Section  
15      16-115D of the Public Utilities Act, no additional funds shall  
16      be deposited into the Illinois Power Agency Renewable Energy  
17      Resources Fund unless directed by order of the Commission.

18       (b-10) After the receipt of all payments required by  
19      Section 16-115D of the Public Utilities Act and payment in full  
20      of all contracts executed by the Agency under subsections (b)  
21      and (i) of this Section, if the balance of the Illinois Power  
22      Agency Renewable Energy Resources Fund is under \$5,000, then  
23      the Fund shall be inoperative and any remaining funds and any  
24      funds submitted to the Fund after that date, shall be  
25      transferred to the Supplemental Low-Income Energy Assistance  
26      Fund for use in the Low-Income Home Energy Assistance Program,

1 as authorized by the Energy Assistance Act.

2 (c) (Blank).

3 (d) (Blank).

4 (e) All renewable energy credits procured using monies from  
5 the Illinois Power Agency Renewable Energy Resources Fund shall  
6 be permanently retired.

7 (f) The selection of one or more third-party program  
8 managers or administrators, the selection of the independent  
9 evaluator, and the procurement processes described in this  
10 Section are exempt from the requirements of the Illinois  
11 Procurement Code, under Section 20-10 of that Code.

12 (g) All disbursements from the Illinois Power Agency  
13 Renewable Energy Resources Fund shall be made only upon  
14 warrants of the Comptroller drawn upon the Treasurer as  
15 custodian of the Fund upon vouchers signed by the Director or  
16 by the person or persons designated by the Director for that  
17 purpose. The Comptroller is authorized to draw the warrant upon  
18 vouchers so signed. The Treasurer shall accept all warrants so  
19 signed and shall be released from liability for all payments  
20 made on those warrants.

21 (h) The Illinois Power Agency Renewable Energy Resources  
22 Fund shall not be subject to sweeps, administrative charges, or  
23 chargebacks, including, but not limited to, those authorized  
24 under Section 8h of the State Finance Act, that would in any  
25 way result in the transfer of any funds from this Fund to any  
26 other fund of this State or in having any such funds utilized



1 for any purpose other than the express purposes set forth in  
2 this Section.

3 (h-5) The Agency may assess fees to each bidder to recover  
4 the costs incurred in connection with a procurement process  
5 held under this Section. Fees collected from bidders shall be  
6 deposited into the Renewable Energy Resources Fund.

7 (i) Supplemental procurement process.

8 (1) Within 90 days after the effective date of this  
9 amendatory Act of the 98th General Assembly, the Agency  
10 shall develop a one-time supplemental procurement plan  
11 limited to the procurement of renewable energy credits, if  
12 available, from new or existing photovoltaics, including,  
13 but not limited to, distributed photovoltaic generation.  
14 Nothing in this subsection (i) requires procurement of wind  
15 generation through the supplemental procurement.

16 Renewable energy credits procured from new  
17 photovoltaics, including, but not limited to, distributed  
18 photovoltaic generation, under this subsection (i) must be  
19 procured from devices installed by a qualified person. In  
20 its supplemental procurement plan, the Agency shall  
21 establish contractually enforceable mechanisms for  
22 ensuring that the installation of new photovoltaics is  
23 performed by a qualified person.

24 For the purposes of this paragraph (1), "qualified  
25 person" means a person who performs installations of  
26 photovoltaics, including, but not limited to, distributed

1 photovoltaic generation, and who: (A) has completed an  
2 apprenticeship as a journeyman electrician from a United  
3 States Department of Labor registered electrical  
4 apprenticeship and training program and received a  
5 certification of satisfactory completion; or (B) does not  
6 currently meet the criteria under clause (A) of this  
7 paragraph (1), but is enrolled in a United States  
8 Department of Labor registered electrical apprenticeship  
9 program, provided that the person is directly supervised by  
10 a person who meets the criteria under clause (A) of this  
11 paragraph (1); or (C) has obtained one of the following  
12 credentials in addition to attesting to satisfactory  
13 completion of at least 5 years or 8,000 hours of documented  
14 hands-on electrical experience: (i) a North American Board  
15 of Certified Energy Practitioners (NABCEP) Installer  
16 Certificate for Solar PV; (ii) an Underwriters  
17 Laboratories (UL) PV Systems Installer Certificate; (iii)  
18 an Electronics Technicians Association, International  
19 (ETAI) Level 3 PV Installer Certificate; or (iv) an  
20 Associate in Applied Science degree from an Illinois  
21 Community College Board approved community college program  
22 in renewable energy or a distributed generation  
23 technology.

24 For the purposes of this paragraph (1), "directly  
25 supervised" means that there is a qualified person who  
26 meets the qualifications under clause (A) of this paragraph

1 (1) and who is available for supervision and consultation  
2 regarding the work performed by persons under clause (B) of  
3 this paragraph (1), including a final inspection of the  
4 installation work that has been directly supervised to  
5 ensure safety and conformity with applicable codes.

6 For the purposes of this paragraph (1), "install" means  
7 the major activities and actions required to connect, in  
8 accordance with applicable building and electrical codes,  
9 the conductors, connectors, and all associated fittings,  
10 devices, power outlets, or apparatuses mounted at the  
11 premises that are directly involved in delivering energy to  
12 the premises' electrical wiring from the photovoltaics,  
13 including, but not limited to, to distributed photovoltaic  
14 generation.

15 The renewable energy credits procured pursuant to the  
16 supplemental procurement plan shall be procured using up to  
17 \$30,000,000 from the Illinois Power Agency Renewable  
18 Energy Resources Fund. The Agency shall not plan to use  
19 funds from the Illinois Power Agency Renewable Energy  
20 Resources Fund in excess of the monies on deposit in such  
21 fund or projected to be deposited into such fund. The  
22 supplemental procurement plan shall ensure adequate,  
23 reliable, affordable, efficient, and environmentally  
24 sustainable renewable energy resources (including credits)  
25 at the lowest total cost over time, taking into account any  
26 benefits of price stability.

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

18          In developing the supplemental procurement plan, the  
19          Agency shall hold at least one workshop open to the public  
20          within 90 days after the effective date of this amendatory  
21          Act of the 98th General Assembly and shall consider any  
22          comments made by stakeholders or the public. Upon  
23          development of the supplemental procurement plan within  
24          this 90-day period, copies of the supplemental procurement  
25          plan shall be posted and made publicly available on the  
26          Agency's and Commission's websites. All interested parties

1 shall have 14 days following the date of posting to provide  
2 comment to the Agency on the supplemental procurement plan.  
3 All comments submitted to the Agency shall be specific,  
4 supported by data or other detailed analyses, and, if  
5 objecting to all or a portion of the supplemental  
6 procurement plan, accompanied by specific alternative  
7 wording or proposals. All comments shall be posted on the  
8 Agency's and Commission's websites. Within 14 days  
9 following the end of the 14-day review period, the Agency  
10 shall revise the supplemental procurement plan as  
11 necessary based on the comments received and file its  
12 revised supplemental procurement plan with the Commission  
13 for approval.

14 (2) Within 5 days after the filing of the supplemental  
15 procurement plan at the Commission, any person objecting to  
16 the supplemental procurement plan shall file an objection  
17 with the Commission. Within 10 days after the filing, the  
18 Commission shall determine whether a hearing is necessary.  
19 The Commission shall enter its order confirming or  
20 modifying the supplemental procurement plan within 90 days  
21 after the filing of the supplemental procurement plan by  
22 the Agency.

23 (3) The Commission shall approve the supplemental  
24 procurement plan of renewable energy credits to be procured  
25 from new or existing photovoltaics, including, but not  
26 limited to, distributed photovoltaic generation, if the

1 Commission determines that it will ensure adequate,  
2 reliable, affordable, efficient, and environmentally  
3 sustainable electric service in the form of renewable  
4 energy credits at the lowest total cost over time, taking  
5 into account any benefits of price stability.

6 (4) The supplemental procurement process under this  
7 subsection (i) shall include each of the following  
8 components:

9 (A) Procurement administrator. The Agency may  
10 retain a procurement administrator in the manner set  
11 forth in item (2) of subsection (a) of Section 1-75 of  
12 this Act to conduct the supplemental procurement or may  
13 elect to use the same procurement administrator  
14 administering the Agency's annual procurement under  
15 Section 1-75.

16 (B) Procurement monitor. The procurement monitor  
17 retained by the Commission pursuant to Section  
18 16-111.5 of the Public Utilities Act shall:

19 (i) monitor interactions among the procurement  
20 administrator and bidders and suppliers;

21 (ii) monitor and report to the Commission on  
22 the progress of the supplemental procurement  
23 process;

24 (iii) provide an independent confidential  
25 report to the Commission regarding the results of  
26 the procurement events;

1 (iv) assess compliance with the procurement  
2 plan approved by the Commission for the  
3 supplemental procurement process;

4 (v) preserve the confidentiality of supplier  
5 and bidding information in a manner consistent  
6 with all applicable laws, rules, regulations, and  
7 tariffs;

8 (vi) provide expert advice to the Commission  
9 and consult with the procurement administrator  
10 regarding issues related to procurement process  
11 design, rules, protocols, and policy-related  
12 matters;

13 (vii) consult with the procurement  
14 administrator regarding the development and use of  
15 benchmark criteria, standard form contracts,  
16 credit policies, and bid documents; and

17 (viii) perform, with respect to the  
18 supplemental procurement process, any other  
19 procurement monitor duties specifically delineated  
20 within subsection (i) of this Section.

21 (C) Solicitation, pre-qualification, and  
22 registration of bidders. The procurement administrator  
23 shall disseminate information to potential bidders to  
24 promote a procurement event, notify potential bidders  
25 that the procurement administrator may enter into a  
26 post-bid price negotiation with bidders that meet the

1 applicable benchmarks, provide supply requirements,  
2 and otherwise explain the competitive procurement  
3 process. In addition to such other publication as the  
4 procurement administrator determines is appropriate,  
5 this information shall be posted on the Agency's and  
6 the Commission's websites. The procurement  
7 administrator shall also administer the  
8 prequalification process, including evaluation of  
9 credit worthiness, compliance with procurement rules,  
10 and agreement to the standard form contract developed  
11 pursuant to item (D) of this paragraph (4). The  
12 procurement administrator shall then identify and  
13 register bidders to participate in the procurement  
14 event.

15 (D) Standard contract forms and credit terms and  
16 instruments. The procurement administrator, in  
17 consultation with the Agency, the Commission, and  
18 other interested parties and subject to Commission  
19 oversight, shall develop and provide standard contract  
20 forms for the supplier contracts that meet generally  
21 accepted industry practices as well as include any  
22 applicable State of Illinois terms and conditions that  
23 are required for contracts entered into by an agency of  
24 the State of Illinois. Standard credit terms and  
25 instruments that meet generally accepted industry  
26 practices shall be similarly developed. Contracts for



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

17 (E) Requests for proposals; competitive  
18 procurement process. The procurement administrator  
19 shall design and issue requests for proposals to supply  
20 renewable energy credits in accordance with the  
21 supplemental procurement plan, as approved by the  
22 Commission. The requests for proposals shall set forth  
23 a procedure for sealed, binding commitment bidding  
24 with pay-as-bid settlement, and provision for  
25 selection of bids on the basis of price, provided,  
26 however, that no bid shall be accepted if it exceeds

1           the benchmark developed pursuant to item (F) of this  
2           paragraph (4).

3           (F) Benchmarks. Benchmarks for each product to be  
4           procured shall be developed by the procurement  
5           administrator in consultation with Commission staff,  
6           the Agency, and the procurement monitor for use in this  
7           supplemental procurement.

8           (G) A plan for implementing contingencies in the  
9           event of supplier default, Commission rejection of  
10          results, or any other cause.

11          (5) Within 2 business days after opening the sealed  
12          bids, the procurement administrator shall submit a  
13          confidential report to the Commission. The report shall  
14          contain the results of the bidding for each of the products  
15          along with the procurement administrator's recommendation  
16          for the acceptance and rejection of bids based on the price  
17          benchmark criteria and other factors observed in the  
18          process. The procurement monitor also shall submit a  
19          confidential report to the Commission within 2 business  
20          days after opening the sealed bids. The report shall  
21          contain the procurement monitor's assessment of bidder  
22          behavior in the process as well as an assessment of the  
23          procurement administrator's compliance with the  
24          procurement process and rules. The Commission shall review  
25          the confidential reports submitted by the procurement  
26          administrator and procurement monitor and shall accept or

1 reject the recommendations of the procurement  
2 administrator within 2 business days after receipt of the  
3 reports.

4 (6) Within 3 business days after the Commission  
5 decision approving the results of a procurement event, the  
6 Agency shall enter into binding contractual arrangements  
7 with the winning suppliers using the standard form  
8 contracts.

9 (7) The names of the successful bidders and the average  
10 of the winning bid prices for each contract type and for  
11 each contract term shall be made available to the public  
12 within 2 days after the supplemental procurement event. The  
13 Commission, the procurement monitor, the procurement  
14 administrator, the Agency, and all participants in the  
15 procurement process shall maintain the confidentiality of  
16 all other supplier and bidding information in a manner  
17 consistent with all applicable laws, rules, regulations,  
18 and tariffs. Confidential information, including the  
19 confidential reports submitted by the procurement  
20 administrator and procurement monitor pursuant to this  
21 Section, shall not be made publicly available and shall not  
22 be discoverable by any party in any proceeding, absent a  
23 compelling demonstration of need, nor shall those reports  
24 be admissible in any proceeding other than one for law  
25 enforcement purposes.

26 (8) The supplemental procurement provided in this

1 subsection (i) shall not be subject to the requirements and  
2 limitations of subsections (c) and (d) of this Section.

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

15 (Source: P.A. 98-672, eff. 6-30-14; 99-906, eff. 6-1-17.)

16 (20 ILCS 3855/1-75)

17 Sec. 1-75. Planning and Procurement Bureau. The Planning  
18 and Procurement Bureau has the following duties and  
19 responsibilities:

20 (a) The Planning and Procurement Bureau shall each year,  
21 beginning in 2008, develop procurement plans and conduct  
22 competitive procurement processes in accordance with the  
23 requirements of Section 16-111.5 of the Public Utilities Act  
24 for the eligible retail customers of electric utilities that on  
25 December 31, 2005 provided electric service to at least 100,000

1 customers in Illinois. Beginning with the delivery year  
2 commencing on June 1, 2017, the Planning and Procurement Bureau  
3 shall develop plans and processes for the procurement of zero  
4 emission credits from zero emission facilities in accordance  
5 with the requirements of subsection (d-5) of this Section. The  
6 Planning and Procurement Bureau shall also develop procurement  
7 plans and conduct competitive procurement processes in  
8 accordance with the requirements of Section 16-111.5 of the  
9 Public Utilities Act for the eligible retail customers of small  
10 multi-jurisdictional electric utilities that (i) on December  
11 31, 2005 served less than 100,000 customers in Illinois and  
12 (ii) request a procurement plan for their Illinois  
13 jurisdictional load. This Section shall not apply to a small  
14 multi-jurisdictional utility until such time as a small  
15 multi-jurisdictional utility requests the Agency to prepare a  
16 procurement plan for their Illinois jurisdictional load. For  
17 the purposes of this Section, the term "eligible retail  
18 customers" has the same definition as found in Section  
19 16-111.5(a) of the Public Utilities Act.

20 Beginning with the plan or plans to be implemented in the  
21 2017 delivery year, the Agency shall no longer include the  
22 procurement of renewable energy resources in the annual  
23 procurement plans required by this subsection (a), except as  
24 provided in subsection (q) of Section 16-111.5 of the Public  
25 Utilities Act and subsection (j) of this Section, and shall  
26 instead develop a long-term renewable resources procurement

1 plan in accordance with subsection (c) of this Section and  
2 Section 16-111.5 of the Public Utilities Act.

3 (1) The Agency shall each year, beginning in 2008, as  
4 needed, issue a request for qualifications for experts or  
5 expert consulting firms to develop the procurement plans in  
6 accordance with Section 16-111.5 of the Public Utilities  
7 Act. In order to qualify an expert or expert consulting  
8 firm must have:

9 (A) direct previous experience assembling  
10 large-scale power supply plans or portfolios for  
11 end-use customers;

12 (B) an advanced degree in economics, mathematics,  
13 engineering, risk management, or a related area of  
14 study;

15 (C) 10 years of experience in the electricity  
16 sector, including managing supply risk;

17 (D) expertise in wholesale electricity market  
18 rules, including those established by the Federal  
19 Energy Regulatory Commission and regional transmission  
20 organizations;

21 (E) expertise in credit protocols and familiarity  
22 with contract protocols;

23 (F) adequate resources to perform and fulfill the  
24 required functions and responsibilities; and

25 (G) the absence of a conflict of interest and  
26 inappropriate bias for or against potential bidders or

1 the affected electric utilities.

2 (2) The Agency shall each year, as needed, issue a  
3 request for qualifications for a procurement administrator  
4 to conduct the competitive procurement processes in  
5 accordance with Section 16-111.5 of the Public Utilities  
6 Act. In order to qualify an expert or expert consulting  
7 firm must have:

8 (A) direct previous experience administering a  
9 large-scale competitive procurement process;

10 (B) an advanced degree in economics, mathematics,  
11 engineering, or a related area of study;

12 (C) 10 years of experience in the electricity  
13 sector, including risk management experience;

14 (D) expertise in wholesale electricity market  
15 rules, including those established by the Federal  
16 Energy Regulatory Commission and regional transmission  
17 organizations;

18 (E) expertise in credit and contract protocols;

19 (F) adequate resources to perform and fulfill the  
20 required functions and responsibilities; and

21 (G) the absence of a conflict of interest and  
22 inappropriate bias for or against potential bidders or  
23 the affected electric utilities.

24 (3) The Agency shall provide affected utilities and  
25 other interested parties with the lists of qualified  
26 experts or expert consulting firms identified through the

1 request for qualifications processes that are under  
2 consideration to develop the procurement plans and to serve  
3 as the procurement administrator. The Agency shall also  
4 provide each qualified expert's or expert consulting  
5 firm's response to the request for qualifications. All  
6 information provided under this subparagraph shall also be  
7 provided to the Commission. The Agency may provide by rule  
8 for fees associated with supplying the information to  
9 utilities and other interested parties. These parties  
10 shall, within 5 business days, notify the Agency in writing  
11 if they object to any experts or expert consulting firms on  
12 the lists. Objections shall be based on:

13 (A) failure to satisfy qualification criteria;

14 (B) identification of a conflict of interest; or

15 (C) evidence of inappropriate bias for or against  
16 potential bidders or the affected utilities.

17 The Agency shall remove experts or expert consulting  
18 firms from the lists within 10 days if there is a  
19 reasonable basis for an objection and provide the updated  
20 lists to the affected utilities and other interested  
21 parties. If the Agency fails to remove an expert or expert  
22 consulting firm from a list, an objecting party may seek  
23 review by the Commission within 5 days thereafter by filing  
24 a petition, and the Commission shall render a ruling on the  
25 petition within 10 days. There is no right of appeal of the  
26 Commission's ruling.



1           (4) The Agency shall issue requests for proposals to  
2           the qualified experts or expert consulting firms to develop  
3           a procurement plan for the affected utilities and to serve  
4           as procurement administrator.

5           (5) The Agency shall select an expert or expert  
6           consulting firm to develop procurement plans based on the  
7           proposals submitted and shall award contracts of up to 5  
8           years to those selected.

9           (6) The Agency shall select an expert or expert  
10          consulting firm, with approval of the Commission, to serve  
11          as procurement administrator based on the proposals  
12          submitted. If the Commission rejects, within 5 days, the  
13          Agency's selection, the Agency shall submit another  
14          recommendation within 3 days based on the proposals  
15          submitted. The Agency shall award a 5-year contract to the  
16          expert or expert consulting firm so selected with  
17          Commission approval.

18          (b) The experts or expert consulting firms retained by the  
19          Agency shall, as appropriate, prepare procurement plans, and  
20          conduct a competitive procurement process as prescribed in  
21          Section 16-111.5 of the Public Utilities Act, to ensure  
22          adequate, reliable, affordable, efficient, and environmentally  
23          sustainable electric service at the lowest total cost over  
24          time, taking into account any benefits of price stability, for  
25          eligible retail customers of electric utilities that on  
26          December 31, 2005 provided electric service to at least 100,000

1 customers in the State of Illinois, and for eligible Illinois  
2 retail customers of small multi-jurisdictional electric  
3 utilities that (i) on December 31, 2005 served less than  
4 100,000 customers in Illinois and (ii) request a procurement  
5 plan for their Illinois jurisdictional load.

6 (c) Renewable portfolio standard.

7 (1)(A) The Agency shall develop a long-term renewable  
8 resources procurement plan that shall include procurement  
9 programs and competitive procurement events necessary to  
10 meet the goals set forth in this subsection (c). The  
11 initial long-term renewable resources procurement plan  
12 shall be released for comment no later than 160 days after  
13 June 1, 2017 (the effective date of Public Act 99-906). The  
14 Agency shall review, and may revise on an expedited basis,  
15 the long-term renewable resources procurement plan at  
16 least every 2 years, which shall be conducted in  
17 conjunction with the procurement plan under Section  
18 16-111.5 of the Public Utilities Act to the extent  
19 practicable to minimize administrative expense. No later  
20 than 190 days after the effective date of this amendatory  
21 Act of the 101st General Assembly or by September 1, 2020,  
22 whichever is sooner, the Agency shall release for comment a  
23 revision to the long-term renewable resources procurement  
24 plan, updating only elements of the most recently approved  
25 plan as needed to comply with this amendatory Act of the  
26 101st General Assembly. The long-term renewable resources

1 procurement plans shall be subject to review and approval  
2 by the Commission under Section 16-111.5 of the Public  
3 Utilities Act.

4 (B) Subject to subparagraph (F) of this paragraph (1),  
5 the long-term renewable resources procurement plan shall  
6 include the goals for procurement of renewable energy  
7 credits to meet at least the following overall percentages:  
8 13% by the 2017 delivery year; increasing by at least 1.5%  
9 each delivery year thereafter to at least 25% by the 2025  
10 delivery year; increasing by at least 4% each delivery year  
11 after the 2025 delivery year to at least 45% by 2030;  
12 increasing by at least 3% each delivery year after the 2030  
13 delivery year to at least 60% by 2035, 75% by 2040, and 90%  
14 by 2045; increasing by at least 2% each delivery year after  
15 the 2045 delivery year to 100% by the 2050 delivery year  
16 and continuing at 100% ~~no less than 25%~~ for each delivery  
17 year thereafter. In the event of a conflict between these  
18 goals and the new wind and new photovoltaic procurement  
19 requirements described in items (i) through (iii) of  
20 subparagraph (C) of this paragraph (1), the long-term plan  
21 shall prioritize compliance with the new wind and new  
22 photovoltaic procurement requirements described in items  
23 (i) through (iii) of subparagraph (C) of this paragraph (1)  
24 over the annual percentage targets described in this  
25 subparagraph (B). The Agency shall not comply with the  
26 annual percentage targets described in this subparagraph

1     (B) by procuring renewable energy credits on the spot  
2     market that are unlikely to lead to the development of new  
3     renewable resources.

4             For the delivery year beginning June 1, 2017, the  
5     procurement plan shall include cost-effective renewable  
6     energy resources equal to at least 13% of each utility's  
7     load for eligible retail customers and 13% of the  
8     applicable portion of each utility's load for retail  
9     customers who are not eligible retail customers, which  
10    applicable portion shall equal 50% of the utility's load  
11    for retail customers who are not eligible retail customers  
12    on February 28, 2017.

13            For the delivery year beginning June 1, 2018, the  
14    procurement plan shall include cost-effective renewable  
15    energy resources equal to at least 14.5% of each utility's  
16    load for eligible retail customers and 14.5% of the  
17    applicable portion of each utility's load for retail  
18    customers who are not eligible retail customers, which  
19    applicable portion shall equal 75% of the utility's load  
20    for retail customers who are not eligible retail customers  
21    on February 28, 2017.

22            For the delivery year beginning June 1, 2019, and for  
23    each year thereafter, the procurement plans shall include  
24    cost-effective renewable energy resources equal to a  
25    minimum percentage of each utility's load for all retail  
26    customers as follows: 16% by June 1, 2019; increasing by

1 1.5% each year thereafter to 25% by June 1, 2025;  
2 increasing by at least 4% each year thereafter to at least  
3 45% by June 1, 2030; increasing by at least 3% each year  
4 thereafter to at least 90% by June 1, 2045; increasing by  
5 at least 2% each year thereafter to at least 100% by June  
6 1, 2050 and 25% by June 1, 2026 and each year thereafter.

7 For each delivery year, the Agency shall first  
8 recognize each utility's obligations for that delivery  
9 year under existing contracts. Any renewable energy  
10 credits under existing contracts, including renewable  
11 energy credits as part of renewable energy resources, shall  
12 be used to meet the goals set forth in this subsection (c)  
13 for the delivery year.

14 (C) Of the renewable energy credits procured under this  
15 subsection (c), at least 75% shall come from wind and  
16 photovoltaic projects. The long-term renewable resources  
17 procurement plan described in subparagraph (A) of this  
18 paragraph (1) shall include the procurement of renewable  
19 energy credits in amounts equal to ~~at least the following:~~

20 at least 5,000,000 renewable energy credits from  
21 new wind and new photovoltaic projects for each  
22 delivery year by the end of the delivery year beginning  
23 June 1, 2020, unless the project has delays in the  
24 establishment of an operating interconnection with the  
25 applicable transmission or distribution system as a  
26 result of the actions or inactions of the transmission

1 or distribution provider, or other causes for force  
2 majeure as outlined in the procurement contract, in  
3 which case, not later than June 1, 2022;

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

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

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

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

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

24 at least 38,000,000 renewable energy credits from  
25 new wind and new photovoltaic projects for each  
26 delivery year by the end of the delivery year beginning

1 June 1, 2026;

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

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

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

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

18 ~~(i) By the end of the 2020 delivery year:~~

19 ~~At least 2,000,000 renewable energy credits~~  
20 ~~for each delivery year shall come from new wind~~  
21 ~~projects; and~~

22 Of the renewable energy credits procured from new  
23 wind and new photovoltaic projects for each delivery  
24 year ~~At least 2,000,000 renewable energy credits for~~  
25 ~~each delivery year shall come from new photovoltaic~~  
26 ~~projects; of that amount, to the extent possible, the~~

1       Agency shall procure 50% from new wind projects and 50%  
2       from new photovoltaic projects. Of the amount to be  
3       procured from new photovoltaic projects, the Agency  
4       shall procure, to the extent reasonably practicable:  
5       at least 33% 50% from distributed and community solar  
6       photovoltaic projects using the programs ~~program~~  
7       outlined in subparagraphs ~~subparagraph~~ (K) and (N) of  
8       this paragraph (1) through the 2021 delivery year,  
9       increasing ratably beginning in the 2022 delivery year  
10      to at least 50% by the 2037 delivery year and for each  
11      delivery year thereafter ~~from distributed renewable~~  
12      ~~energy generation devices or community renewable~~  
13      ~~generation projects;~~ at least 40% from utility-scale  
14      solar projects; at least 7% 2% from brownfield site  
15      photovoltaic projects that are not community renewable  
16      generation projects; and the remainder shall be  
17      determined through the long-term planning process  
18      described in subparagraph (A) of this paragraph (1).

19       In developing the long-term renewable resources  
20      procurement plan, the Agency shall consider other  
21      approaches, in addition to competitive procurements,  
22      that can be used to procure renewable energy credits  
23      from brownfield site photovoltaic projects and thereby  
24      help return blighted or contaminated land to  
25      productive use while enhancing public health and the  
26      well-being of Illinois residents, including those in



1 environmental justice communities, as defined using  
2 existing methodologies and findings used by the  
3 Illinois Power Agency and its Administrator in its  
4 Illinois Solar for All Program.

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

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

17 (ii) at least 25% from distributed renewable  
18 energy generation devices with a nameplate  
19 capacity of more than 25 kilowatts and no more than  
20 2,000 kilowatts;

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

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

26 The ratable procurement of new renewable resources

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

9 ~~(ii) By the end of the 2025 delivery year:~~

10 ~~At least 3,000,000 renewable energy credits~~  
11 ~~for each delivery year shall come from new wind~~  
12 ~~projects; and~~

13 ~~At least 3,000,000 renewable energy credits~~  
14 ~~for each delivery year shall come from new~~  
15 ~~photovoltaic projects; of that amount, to the~~  
16 ~~extent possible, the Agency shall procure: at~~  
17 ~~least 50% from solar photovoltaic projects using~~  
18 ~~the program outlined in subparagraph (K) of this~~  
19 ~~paragraph (1) from distributed renewable energy~~  
20 ~~devices or community renewable generation~~  
21 ~~projects; at least 40% from utility scale solar~~  
22 ~~projects; at least 2% from brownfield site~~  
23 ~~photovoltaic projects that are not community~~  
24 ~~renewable generation projects; and the remainder~~  
25 ~~shall be determined through the long term planning~~  
26 ~~process described in subparagraph (A) of this~~

1 ~~paragraph (1).~~

2 ~~(iii) By the end of the 2030 delivery year:~~

3 ~~At least 4,000,000 renewable energy credits~~  
4 ~~for each delivery year shall come from new wind~~  
5 ~~projects; and~~

6 ~~At least 4,000,000 renewable energy credits~~  
7 ~~for each delivery year shall come from new~~  
8 ~~photovoltaic projects; of that amount, to the~~  
9 ~~extent possible, the Agency shall procure: at~~  
10 ~~least 50% from solar photovoltaic projects using~~  
11 ~~the program outlined in subparagraph (K) of this~~  
12 ~~paragraph (1) from distributed renewable energy~~  
13 ~~devices or community renewable generation~~  
14 ~~projects; at least 40% from utility-scale solar~~  
15 ~~projects; at least 2% from brownfield site~~  
16 ~~photovoltaic projects that are not community~~  
17 ~~renewable generation projects; and the remainder~~  
18 ~~shall be determined through the long-term planning~~  
19 ~~process described in subparagraph (A) of this~~  
20 ~~paragraph (1).~~

21 For purposes of this Section:

22 "New wind projects" means wind renewable  
23 energy facilities that are energized after June 1,  
24 2017 for the delivery year commencing June 1, 2017  
25 or within 3 years after the date the Commission  
26 approves contracts for subsequent delivery years.

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

7           (D) Renewable energy credits shall be cost effective.  
8           For purposes of this subsection (c), "cost effective" means  
9           that the costs of procuring renewable energy resources do  
10          not cause the limit stated in subparagraph (E) of this  
11          paragraph (1) to be exceeded and, for renewable energy  
12          credits procured through a competitive procurement event,  
13          do not exceed benchmarks based on market prices for like  
14          products in the region. For purposes of this subsection  
15          (c), "like products" means contracts for renewable energy  
16          credits from the same or substantially similar technology,  
17          same or substantially similar vintage (new or existing),  
18          the same or substantially similar quantity, and the same or  
19          substantially similar contract length and structure.  
20          Benchmarks shall be developed by the procurement  
21          administrator, in consultation with the Commission staff,  
22          Agency staff, and the procurement monitor and shall be  
23          subject to Commission review and approval. If price  
24          benchmarks for like products in the region are not  
25          available, the procurement administrator shall establish  
26          price benchmarks based on publicly available data on

1 regional technology costs and expected current and future  
2 regional energy prices. The benchmarks in this Section  
3 shall not be used to curtail or otherwise reduce  
4 contractual obligations entered into by or through the  
5 Agency prior to June 1, 2017 (the effective date of Public  
6 Act 99-906).

7 (E) For purposes of this subsection (c), the required  
8 procurement of cost-effective renewable energy resources  
9 for a particular year commencing prior to June 1, 2017  
10 shall be measured as a percentage of the actual amount of  
11 electricity (megawatt-hours) supplied by the electric  
12 utility to eligible retail customers in the delivery year  
13 ending immediately prior to the procurement, and, for  
14 delivery years commencing on and after June 1, 2017, the  
15 required procurement of cost-effective renewable energy  
16 resources for a particular year shall be measured as a  
17 percentage of the actual amount of electricity  
18 (megawatt-hours) delivered by the electric utility in the  
19 delivery year ending immediately prior to the procurement,  
20 to all retail customers in its service territory. For  
21 purposes of this subsection (c), the amount paid per  
22 kilowatthour means the total amount paid for electric  
23 service expressed on a per kilowatthour basis. For purposes  
24 of this subsection (c), the total amount paid for electric  
25 service includes without limitation amounts paid for  
26 supply, transmission, distribution, surcharges, and add-on

1 taxes.

2 Notwithstanding the requirements of this subsection  
3 (c), the total of renewable energy resources procured under  
4 the procurement plan for any single year shall be subject  
5 to the limitations of this subparagraph (E). Until the  
6 delivery year beginning June 1, 2023, such ~~Such~~ procurement  
7 shall be reduced for all retail customers based on the  
8 amount necessary to limit the annual estimated average net  
9 increase due to the costs of these resources included in  
10 the amounts paid by eligible retail customers in connection  
11 with electric service to no more than the greater of 2.67%  
12 ~~2.015%~~ of the amount paid per kilowatthour by those  
13 customers during the year ending May 31, 2009 ~~2007~~ or the  
14 incremental amount per kilowatthour paid for these  
15 resources in 2011. Beginning with the delivery year  
16 beginning June 1, 2023, such procurement shall be reduced  
17 for all retail customers based on the amount necessary to  
18 limit the annual estimated average net increase due to the  
19 costs of these resources included in the amounts paid by  
20 eligible retail customers in connection with electric  
21 service to no more than the greater of 4.88% of the amount  
22 paid per kilowatthour by those customers during the year  
23 ending May 31, 2009 or the incremental amount per  
24 kilowatthour paid for these resources in 2011. To arrive at  
25 a maximum dollar amount of renewable energy resources to be  
26 procured for the particular delivery year, the resulting

1 per kilowatthour amount shall be applied to the actual  
2 amount of kilowatthours of electricity delivered, or  
3 applicable portion of such amount as specified in paragraph  
4 (1) of this subsection (c), as applicable, by the electric  
5 utility in the delivery year immediately prior to the  
6 procurement to all retail customers in its service  
7 territory. The calculations required by this subparagraph  
8 (E) shall be made only once for each delivery year at the  
9 time that the renewable energy resources are procured. Once  
10 the determination as to the amount of renewable energy  
11 resources to procure is made based on the calculations set  
12 forth in this subparagraph (E) and the contracts procuring  
13 those amounts are executed, no subsequent rate impact  
14 determinations shall be made and no adjustments to those  
15 contract amounts shall be allowed. All costs incurred under  
16 such contracts shall be fully recoverable by the electric  
17 utility as provided in this Section.

18 (F) If the limitation on the amount of renewable energy  
19 resources procured in subparagraph (E) of this paragraph  
20 (1) prevents the Agency from meeting all of the goals in  
21 this subsection (c), the Agency's long-term plan shall  
22 prioritize compliance with the requirements of this  
23 subsection (c) regarding renewable energy credits in the  
24 following order:

25 (i) renewable energy credits under existing  
26 contractual obligations;

1           (i-5) funding for the Illinois Solar for All  
2           Program, as described in subparagraph (O) of this  
3           paragraph (1);

4           (ii) renewable energy credits necessary to comply  
5           with the new wind and new photovoltaic procurement  
6           requirements described in items (i) through (iii) of  
7           subparagraph (C) of this paragraph (1); and

8           (iii) renewable energy credits necessary to meet  
9           the remaining requirements of this subsection (c).

10          (G) The following provisions shall apply to the  
11          Agency's procurement of renewable energy credits under  
12          this subsection (c):

13               (i) Notwithstanding whether a long-term renewable  
14               resources procurement plan has been approved, the  
15               Agency shall conduct an initial forward procurement  
16               for renewable energy credits from new utility-scale  
17               wind projects within 160 days after June 1, 2017 (the  
18               effective date of Public Act 99-906). For the purposes  
19               of this initial forward procurement, the Agency shall  
20               solicit 15-year contracts for delivery of 1,000,000  
21               renewable energy credits delivered annually from new  
22               utility-scale wind projects to begin delivery on June  
23               1, 2019, if available, but not later than June 1, 2021.  
24               Payments to suppliers of renewable energy credits  
25               shall commence upon delivery. Renewable energy credits  
26               procured under this initial procurement shall be



1 included in the Agency's long-term plan and shall apply  
2 to all renewable energy goals in this subsection (c).

3 (ii) Notwithstanding whether a long-term renewable  
4 resources procurement plan has been approved, the  
5 Agency shall conduct an initial forward procurement  
6 for renewable energy credits from new utility-scale  
7 solar projects and brownfield site photovoltaic  
8 projects within one year after June 1, 2017 (the  
9 effective date of Public Act 99-906). For the purposes  
10 of this initial forward procurement, the Agency shall  
11 solicit 15-year contracts for delivery of 1,000,000  
12 renewable energy credits delivered annually from new  
13 utility-scale solar projects and brownfield site  
14 photovoltaic projects to begin delivery on June 1,  
15 2019, if available, but not later than June 1, 2021.  
16 The Agency may structure this initial procurement in  
17 one or more discrete procurement events. Payments to  
18 suppliers of renewable energy credits shall commence  
19 upon delivery. Renewable energy credits procured under  
20 this initial procurement shall be included in the  
21 Agency's long-term plan and shall apply to all  
22 renewable energy goals in this subsection (c).

23 (iii) Notwithstanding whether the Commission has  
24 approved the periodic long-term renewable resources  
25 procurement plan revision described in Section  
26 16-111.5 of the Public Utilities Act, the Agency shall

1 conduct at least one subsequent forward procurement  
2 for renewable energy credits from new utility-scale  
3 wind projects, new utility-scale solar, and new  
4 brownfield site photovoltaic projects within 120 days  
5 after the effective date of this amendatory Act of the  
6 101st General Assembly in quantities needed to meet the  
7 requirements of subparagraph (C). ~~Subsequent forward~~  
8 ~~procurements for utility-scale wind projects shall~~  
9 ~~solicit at least 1,000,000 renewable energy credits~~  
10 ~~delivered annually per procurement event and shall be~~  
11 ~~planned, scheduled, and designed such that the~~  
12 ~~cumulative amount of renewable energy credits~~  
13 ~~delivered from all new wind projects in each delivery~~  
14 ~~year shall not exceed the Agency's projection of the~~  
15 ~~cumulative amount of renewable energy credits that~~  
16 ~~will be delivered from all new photovoltaic projects,~~  
17 ~~including utility-scale and distributed photovoltaic~~  
18 ~~devices, in the same delivery year at the time~~  
19 ~~scheduled for wind contract delivery.~~

20 ~~(iv) If, at any time after the time set for~~  
21 ~~delivery of renewable energy credits pursuant to the~~  
22 ~~initial procurements in items (i) and (ii) of this~~  
23 ~~subparagraph (G), the cumulative amount of renewable~~  
24 ~~energy credits projected to be delivered from all new~~  
25 ~~wind projects in a given delivery year exceeds the~~  
26 ~~cumulative amount of renewable energy credits~~

1 ~~projected to be delivered from all new photovoltaic~~  
2 ~~projects in that delivery year by 200,000 or more~~  
3 ~~renewable energy credits, then the Agency shall within~~  
4 ~~60 days adjust the procurement programs in the~~  
5 ~~long term renewable resources procurement plan to~~  
6 ~~ensure that the projected cumulative amount of~~  
7 ~~renewable energy credits to be delivered from all new~~  
8 ~~wind projects does not exceed the projected cumulative~~  
9 ~~amount of renewable energy credits to be delivered from~~  
10 ~~all new photovoltaic projects by 200,000 or more~~  
11 ~~renewable energy credits, provided that nothing in~~  
12 ~~this Section shall preclude the projected cumulative~~  
13 ~~amount of renewable energy credits to be delivered from~~  
14 ~~all new photovoltaic projects from exceeding the~~  
15 ~~projected cumulative amount of renewable energy~~  
16 ~~credits to be delivered from all new wind projects in~~  
17 ~~each delivery year and provided further that nothing in~~  
18 ~~this item (iv) shall require the curtailment of an~~  
19 ~~executed contract. The Agency shall update, on a~~  
20 ~~quarterly basis, its projection of the renewable~~  
21 ~~energy credits to be delivered from all projects in~~  
22 ~~each delivery year. Notwithstanding anything to the~~  
23 ~~contrary, the Agency may adjust the timing of~~  
24 ~~procurement events conducted under this subparagraph~~  
25 ~~(G). The long term renewable resources procurement~~  
26 ~~plan shall set forth the process by which the~~

1       ~~adjustments may be made.~~

2           (iv) ~~(v)~~ All procurements under this subparagraph  
3       (G) shall comply with the geographic requirements in  
4       subparagraph (I) of this paragraph (1) and shall follow  
5       the procurement processes and procedures described in  
6       this Section and Section 16-111.5 of the Public  
7       Utilities Act to the extent practicable, and these  
8       processes and procedures may be expedited to  
9       accommodate the schedule established by this  
10      subparagraph (G).

11       (H) The procurement of renewable energy resources for a  
12      given delivery year shall be reduced as described in this  
13      subparagraph (H) if an alternative retail electric  
14      supplier meets the requirements described in this  
15      subparagraph (H).

16           (i) Within 45 days after June 1, 2017 (the  
17      effective date of Public Act 99-906), an alternative  
18      retail electric supplier or its successor shall submit  
19      an informational filing to the Illinois Commerce  
20      Commission certifying that, as of December 31, 2015,  
21      the alternative retail electric supplier owned one or  
22      more electric generating facilities that generates  
23      renewable energy resources as defined in Section 1-10  
24      of this Act, provided that such facilities are not  
25      powered by wind or photovoltaics, and the facilities  
26      generate one renewable energy credit for each

1 megawatthour of energy produced from the facility.

2 The informational filing shall identify each  
3 facility that was eligible to satisfy the alternative  
4 retail electric supplier's obligations under Section  
5 16-115D of the Public Utilities Act as described in  
6 this item (i).

7 (ii) For a given delivery year, the alternative  
8 retail electric supplier may elect to supply its retail  
9 customers with renewable energy credits from the  
10 facility or facilities described in item (i) of this  
11 subparagraph (H) that continue to be owned by the  
12 alternative retail electric supplier.

13 (iii) The alternative retail electric supplier  
14 shall notify the Agency and the applicable utility, no  
15 later than February 28 of the year preceding the  
16 applicable delivery year or 15 days after June 1, 2017  
17 (the effective date of Public Act 99-906), whichever is  
18 later, of its election under item (ii) of this  
19 subparagraph (H) to supply renewable energy credits to  
20 retail customers of the utility. Such election shall  
21 identify the amount of renewable energy credits to be  
22 supplied by the alternative retail electric supplier  
23 to the utility's retail customers and the source of the  
24 renewable energy credits identified in the  
25 informational filing as described in item (i) of this  
26 subparagraph (H), subject to the following

1 limitations:

2 For the delivery year beginning June 1, 2018,  
3 the maximum amount of renewable energy credits to  
4 be supplied by an alternative retail electric  
5 supplier under this subparagraph (H) shall be 68%  
6 multiplied by 25% multiplied by 14.5% multiplied  
7 by the amount of metered electricity  
8 (megawatt-hours) delivered by the alternative  
9 retail electric supplier to Illinois retail  
10 customers during the delivery year ending May 31,  
11 2016.

12 For delivery years beginning June 1, 2019 and  
13 each year thereafter, the maximum amount of  
14 renewable energy credits to be supplied by an  
15 alternative retail electric supplier under this  
16 subparagraph (H) shall be 68% multiplied by 50%  
17 multiplied by 16% multiplied by the amount of  
18 metered electricity (megawatt-hours) delivered by  
19 the alternative retail electric supplier to  
20 Illinois retail customers during the delivery year  
21 ending May 31, 2016, provided that the 16% value  
22 shall increase by 1.5% each delivery year  
23 thereafter to 25% by the delivery year beginning  
24 June 1, 2025, and thereafter the 25% value shall  
25 apply to each delivery year.

26 For each delivery year, the total amount of

1 renewable energy credits supplied by all alternative  
2 retail electric suppliers under this subparagraph (H)  
3 shall not exceed 9% of the Illinois target renewable  
4 energy credit quantity. The Illinois target renewable  
5 energy credit quantity for the delivery year beginning  
6 June 1, 2018 is 14.5% multiplied by the total amount of  
7 metered electricity (megawatt-hours) delivered in the  
8 delivery year immediately preceding that delivery  
9 year, provided that the 14.5% shall increase by 1.5%  
10 each delivery year thereafter to 25% by the delivery  
11 year beginning June 1, 2025, and thereafter the 25%  
12 value shall apply to each delivery year.

13 If the requirements set forth in items (i) through  
14 (iii) of this subparagraph (H) are met, the charges  
15 that would otherwise be applicable to the retail  
16 customers of the alternative retail electric supplier  
17 under paragraph (6) of this subsection (c) for the  
18 applicable delivery year shall be reduced by the ratio  
19 of the quantity of renewable energy credits supplied by  
20 the alternative retail electric supplier compared to  
21 that supplier's target renewable energy credit  
22 quantity. The supplier's target renewable energy  
23 credit quantity for the delivery year beginning June 1,  
24 2018 is 14.5% multiplied by the total amount of metered  
25 electricity (megawatt-hours) delivered by the  
26 alternative retail supplier in that delivery year,

1 provided that the 14.5% shall increase by 1.5% each  
2 delivery year thereafter to 25% by the delivery year  
3 beginning June 1, 2025, and thereafter the 25% value  
4 shall apply to each delivery year.

5 On or before April 1 of each year, the Agency shall  
6 annually publish a report on its website that  
7 identifies the aggregate amount of renewable energy  
8 credits supplied by alternative retail electric  
9 suppliers under this subparagraph (H).

10 (I) The Agency shall design its long-term renewable  
11 energy procurement plan to maximize the State's interest in  
12 the health, safety, and welfare of its residents, including  
13 but not limited to minimizing sulfur dioxide, nitrogen  
14 oxide, particulate matter and other pollution that  
15 adversely affects public health in this State, increasing  
16 fuel and resource diversity in this State, enhancing the  
17 reliability and resiliency of the electricity distribution  
18 system in this State, meeting goals to limit carbon dioxide  
19 emissions under federal or State law, and contributing to a  
20 cleaner and healthier environment for the citizens of this  
21 State. In order to further these legislative purposes,  
22 renewable energy credits shall be eligible to be counted  
23 toward the renewable energy requirements of this  
24 subsection (c) if they are generated from facilities  
25 located in this State. The Agency may qualify renewable  
26 energy credits from facilities located in states adjacent



1 to Illinois if the generator demonstrates and the Agency  
2 determines that the operation of such facility or  
3 facilities will help promote the State's interest in the  
4 health, safety, and welfare of its residents based on the  
5 public interest criteria described above. To ensure that  
6 the public interest criteria are applied to the procurement  
7 and given full effect, the Agency's long-term procurement  
8 plan shall describe in detail how each public interest  
9 factor shall be considered and weighted for facilities  
10 located in states adjacent to Illinois.

11 (J) In order to promote the competitive development of  
12 renewable energy resources in furtherance of the State's  
13 interest in the health, safety, and welfare of its  
14 residents, renewable energy credits shall not be eligible  
15 to be counted toward the renewable energy requirements of  
16 this subsection (c) if they are sourced from a generating  
17 unit whose costs were being recovered through rates  
18 regulated by this State or any other state or states on or  
19 after January 1, 2017. Each contract executed to purchase  
20 renewable energy credits under this subsection (c) shall  
21 provide for the contract's termination if the costs of the  
22 generating unit supplying the renewable energy credits  
23 subsequently begin to be recovered through rates regulated  
24 by this State or any other state or states; and each  
25 contract shall further provide that, in that event, the  
26 supplier of the credits must return 110% of all payments

1 received under the contract. Amounts returned under the  
2 requirements of this subparagraph (J) shall be retained by  
3 the utility and all of these amounts shall be used for the  
4 procurement of additional renewable energy credits from  
5 new wind or new photovoltaic resources as defined in this  
6 subsection (c). The long-term plan shall provide that these  
7 renewable energy credits shall be procured in the next  
8 procurement event.

9 Notwithstanding the limitations of this subparagraph  
10 (J), renewable energy credits sourced from generating  
11 units that are constructed, purchased, owned, or leased by  
12 an electric utility as part of an approved project,  
13 program, or pilot under Section 1-56 of this Act shall be  
14 eligible to be counted toward the renewable energy  
15 requirements of this subsection (c), regardless of how the  
16 costs of these units are recovered.

17 (K) The long-term renewable resources procurement plan  
18 developed by the Agency in accordance with subparagraph (A)  
19 of this paragraph (1) shall include an Adjustable Block  
20 program for the procurement of renewable energy credits  
21 from new photovoltaic projects that are distributed  
22 renewable energy generation devices ~~or new photovoltaic~~  
23 ~~community renewable generation projects~~. The Adjustable  
24 Block program shall be designed to provide for the steady,  
25 predictable, and sustainable growth of new solar  
26 photovoltaic development in Illinois. To this end, the

1     Adjustable Block program shall provide a transparent  
2     annual schedule of prices and quantities to enable the  
3     photovoltaic market to scale up and for renewable energy  
4     credit prices to adjust at a predictable rate over time.  
5     The prices set by the Adjustable Block program can be  
6     reflected as a set value or as the product of a formula.

7             The Adjustable Block program shall include for each  
8     category of eligible projects: a schedule of standard block  
9     purchase prices to be offered; a series of steps, with  
10    associated nameplate capacity and purchase prices that  
11    adjust from step to step; and automatic opening of the next  
12    step as soon as the nameplate capacity and available  
13    purchase prices for an open step are fully committed or  
14    reserved. Only projects energized on or after June 1, 2017  
15    shall be eligible for the Adjustable Block program. The  
16    Agency shall develop program features and implementation  
17    processes that create consistent market signals, making  
18    the program predictable and sustainable for solar industry  
19    companies, thus allowing them to scale up long-term hiring  
20    and investment activities. For each block group the Agency  
21    shall determine the number of blocks, the amount of  
22    generation capacity in each block, and the purchase price  
23    for each block, provided that the purchase price provided  
24    and the total amount of generation in all blocks for all  
25    block groups shall be sufficient to meet the goals in this  
26    subsection (c). The Agency shall establish program

1 eligibility requirements that ensure that projects that  
2 enter the program are sufficiently mature to indicate a  
3 demonstrable path to completion. The Agency may  
4 periodically review its prior decisions establishing the  
5 number of blocks, the amount of generation capacity in each  
6 block, and the purchase price for each block, and may  
7 propose, on an expedited basis, changes to these previously  
8 set values, including but not limited to redistributing  
9 these amounts and the available funds as necessary and  
10 appropriate, subject to Commission approval as part of the  
11 periodic plan revision process described in Section  
12 16-111.5 of the Public Utilities Act. The Agency may define  
13 different block sizes, purchase prices, or other distinct  
14 terms and conditions for projects located in different  
15 utility service territories if the Agency deems it  
16 necessary to meet the goals in this subsection (c).

17 The Adjustable Block program shall include at least the  
18 following block groups ~~in at least the following amounts,~~  
19 which may be adjusted upon review by the Agency and  
20 approval by the Commission as described in this  
21 subparagraph (K):

22 (i) ~~At least 25% from~~ distributed renewable energy  
23 generation devices with a nameplate capacity of no more  
24 than 25 ~~10~~ kilowatts.

25 (ii) ~~At least 25% from~~ distributed renewable  
26 energy generation devices with a nameplate capacity of

1 more than 25 ~~10~~ kilowatts and no more than 2,000  
2 kilowatts. The Agency may create sub-categories within  
3 this category to account for the differences between  
4 projects for small commercial customers, large  
5 commercial customers, and public or non-profit  
6 customers.

7 (iii) Other block groups as specified by the Agency  
8 and approved by the Commission in the long-term  
9 renewable resources procurement plan in order to meet  
10 the goals of this subsection (c). ~~At least 25% from~~  
11 ~~photovoltaic community renewable generation projects.~~

12 ~~(iv) The remaining 25% shall be allocated as~~  
13 ~~specified by the Agency in the long term renewable~~  
14 ~~resources procurement plan.~~

15 The Adjustable Block program shall be designed to  
16 ensure that renewable energy credits are procured from  
17 photovoltaic distributed renewable energy generation  
18 devices ~~and new photovoltaic community renewable energy~~  
19 ~~generation projects~~ in diverse locations, including urban  
20 and rural areas, and are not concentrated in a few  
21 geographic areas or excluding particular geographic areas.

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

1 renewable generation projects.

2 (L) The procurement of photovoltaic renewable energy  
3 credits under the Adjustable Block Program established  
4 under items (i) through (iv) of subparagraph (K) and the  
5 Community Solar Program established under subparagraph (N)  
6 of this paragraph (1) shall be subject to the following  
7 contract and payment terms:

8 (i) The Agency shall procure contracts of at least  
9 15 years in length.

10 (ii) For those renewable energy credits that  
11 qualify and are procured from projects with a nameplate  
12 capacity of no more than 10 kilowatts ~~under item (i) of~~  
13 ~~subparagraph (K) of this paragraph (1),~~ the renewable  
14 energy credit purchase price shall be paid in full by  
15 the contracting utilities at the time that the facility  
16 producing the renewable energy credits is  
17 interconnected at the distribution system level of the  
18 utility and energized. The electric utility shall  
19 receive and retire all renewable energy credits  
20 generated by the project for the first 15 years of  
21 operation.

22 (iii) For those renewable energy credits that  
23 qualify and are procured from projects with a nameplate  
24 capacity of more than 10 kilowatts but no more than 200  
25 kilowatts or from photovoltaic community renewable  
26 projects that include a community ownership component

1 or are owned by a public entity under item (ii) and  
2 (iii) of subparagraph (K) of this paragraph (1) and any  
3 additional categories of distributed generation  
4 included in the long-term renewable resources  
5 procurement plan and approved by the Commission, 20  
6 percent of the renewable energy credit purchase price  
7 shall be paid by the contracting utilities at the time  
8 that the facility producing the renewable energy  
9 credits is interconnected at the distribution system  
10 level of the utility and energized. The remaining  
11 portion shall be paid ratably over the subsequent  
12 4-year period. The electric utility shall receive and  
13 retire all renewable energy credits generated by the  
14 project for the first 15 years of operation.

15 (iv) For those renewable energy credits that  
16 qualify and are procured from all other projects under  
17 subparagraphs (K) or (N) of this paragraph (1), the  
18 renewable energy credit purchase price shall be paid by  
19 the contracting utilities over the 15-year life of the  
20 contract. The electric utility shall receive and  
21 retire all renewable energy credits generated by the  
22 project for the first 15 years of operation.

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

26 (vi) ~~(v)~~ The utility shall be the counterparty to

1 the contracts executed under this subparagraph (L)  
2 that are approved by the Commission under the process  
3 described in Section 16-111.5 of the Public Utilities  
4 Act. No contract shall be executed for an amount that  
5 is less than one renewable energy credit per year.

6 (vii) ~~(vi)~~ If, at any time, approved applications  
7 for the Adjustable Block program exceed funds  
8 collected by the electric utility or would cause the  
9 Agency to exceed the limitation described in  
10 subparagraph (E) of this paragraph (1) on the amount of  
11 renewable energy resources that may be procured, then  
12 the Agency shall consider future uncommitted funds to  
13 be reserved for these contracts on a first-come,  
14 first-served basis, with the delivery of renewable  
15 energy credits required beginning at the time that the  
16 reserved funds become available.

17 (viii) ~~(vii)~~ Nothing in this Section shall require  
18 the utility to advance any payment or pay any amounts  
19 that exceed the actual amount of revenues collected by  
20 the utility under paragraph (6) of this subsection (c)  
21 and subsection (k) of Section 16-108 of the Public  
22 Utilities Act, and contracts executed under this  
23 Section shall expressly incorporate this limitation.

24 (ix) Notwithstanding items (ii), (iii), and (iv)  
25 of this subparagraph (L), the Agency shall not be  
26 restricted from offering additional payment structures



1       if it determines that such adjustments will better  
2       achieve the goals of this subsection (c), as  
3       prioritized in subparagraph (F) of this subsection  
4       (c). Any such adjustments shall be approved by the  
5       Commission as a long-term plan amendment under Section  
6       16-111.5 of the Public Utilities Act.

7       (M) The Agency shall be authorized to retain one or  
8       more experts or expert consulting firms to develop,  
9       administer, implement, operate, and evaluate the  
10      Adjustable Block program described in subparagraph (K) of  
11      this paragraph (1), and the Agency shall retain the  
12      consultant or consultants in the same manner, to the extent  
13      practicable, as the Agency retains others to administer  
14      provisions of this Act, including, but not limited to, the  
15      procurement administrator. The selection of experts and  
16      expert consulting firms and the procurement process  
17      described in this subparagraph (M) are exempt from the  
18      requirements of Section 20-10 of the Illinois Procurement  
19      Code, under Section 20-10 of that Code. The Agency shall  
20      strive to minimize administrative expenses in the  
21      implementation of the Adjustable Block program.

22      The Agency and its consultant or consultants shall  
23      monitor block activity, share program activity with  
24      stakeholders and conduct regularly scheduled meetings to  
25      discuss program activity and market conditions. If  
26      necessary, the Agency may make prospective administrative

1 adjustments to the Adjustable Block program design, such as  
2 redistributing available funds or making adjustments to  
3 purchase prices as necessary to achieve the goals of this  
4 subsection (c). Program modifications to any price,  
5 capacity block, or other program element that do not  
6 deviate from the Commission's approved value by more than  
7 25% shall take effect immediately and are not subject to  
8 Commission review and approval. Program modifications to  
9 any price, capacity block, or other program element that  
10 deviate more than 25% from the Commission's approved value  
11 must be approved by the Commission as a long-term plan  
12 amendment under Section 16-111.5 of the Public Utilities  
13 Act. The Agency shall consider stakeholder feedback when  
14 making adjustments to the Adjustable Block design and shall  
15 notify stakeholders in advance of any planned changes.

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

22 (N) The long-term renewable resources procurement plan  
23 required by this subsection (c) shall include a Community  
24 Solar Program for solar photovoltaic community renewable  
25 generation projects and may include additional community  
26 renewable generation programs or procurements open to

1 other or additional renewable technology program. The  
2 Agency shall establish the terms, conditions, and ~~program~~  
3 requirements for the Community Solar Program and for any  
4 other program or procurement for community renewable  
5 generation projects with a goal to expand renewable energy  
6 generating facility access to a broader group of energy  
7 consumers, to ensure robust participation opportunities  
8 for residential and small commercial customers and those  
9 who cannot install renewable energy on their own  
10 properties, create opportunities for subscribers to  
11 participate in local renewables projects in both urban and  
12 rural communities across the state, enable communities to  
13 self-organize their own renewables projects, and increase  
14 community ownership of renewables projects. Any plan  
15 approved by the Commission shall allow subscriptions to  
16 community renewable generation projects to be portable and  
17 transferable. For purposes of this subparagraph (N):

18 "Community" means:

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

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

24 a space understood by its residents to be  
25 delineated through geographic boundaries or  
26 landmarks.

1 "Community benefit" means:

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

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

13 "Community ownership" means an arrangement in  
14 which:

15 an electric generating facility is, or over  
16 time will be, in significant part, owned  
17 collectively by members of the community to which  
18 an electric generating facility provides benefits;  
19 members of that community participate in  
20 decisions regarding the governance, operation,  
21 maintenance, and upgrades of and to that facility;  
22 and

23 members of that community benefit from regular  
24 use of that facility.

25 "Portable" , "~~portable~~" means that subscriptions  
26 may be retained by the subscriber even if the

1 subscriber relocates or changes its address within the  
2 same utility service territory.

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

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

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

14 (i) include community ownership;

15 (ii) are put forward by approved vendors or  
16 companies that take higher numbers of the equity  
17 actions described in paragraph (7) of this subsection  
18 (c);

19 (iii) provide additional community benefit, beyond  
20 project participation as a subscriber;

21 (iv) ensure meaningful involvement in project  
22 organization and development by non-profit  
23 organizations, public entities, or community members;

24 (v) increase the geographic diversity of projects  
25 in the Community Solar Program;

26 (vi) are also brownfield site photovoltaic

1           projects;

2           (vii) ensure engagement in project operations and  
3           management by non-profit organizations, public  
4           entities, or community members; or

5           (viii) serve only local subscribers.

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

11          The Community Solar Program shall procure renewable  
12          energy credits in the following manner: (1) for a portion  
13          of the overall renewable energy credits to be procured  
14          under the Community Solar Program, the Agency shall  
15          initiate a request for projects that serve a minimum of 50%  
16          residential and small business subscribers and maximize  
17          the Community Criteria in this subparagraph (N); and (2)  
18          the Agency shall score all projects based on their ability  
19          to meet the Community Criteria. Both projects that better  
20          meet individual criteria as well as projects that address a  
21          higher number of criteria shall receive a higher score. The  
22          Agency shall also consider renewable energy credit price  
23          when qualifying and scoring projects. The Agency shall  
24          select the highest scoring projects to advance, subject to  
25          budget availability, reserving a portion of the capacity  
26          selected through the request for projects for those

1 projects that include a community ownership component.  
2 Once projects that maximize the Community Criteria have  
3 been selected, the Agency shall initiate a procurement for  
4 the remaining renewable energy credits from photovoltaic  
5 community renewable generation devices needed to meet the  
6 goals of subparagraph (C) of this paragraph (1). The Agency  
7 shall strive to procure renewable energy credits through  
8 the Community Solar Program 4 times per delivery year. This  
9 manner of procuring renewable energy credits for the  
10 Community Solar Program may be adjusted upon review by the  
11 Agency and approval by the Commission through the long-term  
12 renewable resources procurement plan update process in  
13 order to better meet the goals of this subsection (c) and  
14 the requirements of this subparagraph (N).

15 Electric utilities shall provide a monetary credit to a  
16 subscriber's subsequent bill for service for the  
17 proportional output of a community renewable generation  
18 project attributable to that subscriber as specified in  
19 Section 16-107.5 of the Public Utilities Act.

20 The Agency shall purchase renewable energy credits  
21 from subscribed shares of photovoltaic community renewable  
22 generation projects through the Community Solar Program  
23 described in this subparagraph (N) ~~Adjustable-Block~~  
24 ~~program described in subparagraph (K) of this paragraph (1)~~  
25 or through the Illinois Solar for All Program described in  
26 Section 1-56 of this Act. The Agency shall purchase

1 renewable energy credits from unsubscribed shares of  
2 photovoltaic community renewable generation projects that  
3 have achieved a subscription level of 80% or higher at the  
4 average winning price from the most recent procurement of  
5 renewable energy credits from utility-scale solar  
6 photovoltaic projects or another amount established  
7 through the long-term planning process described in  
8 subparagraph (A) of this paragraph (1) of this subsection  
9 (c). The electric utility shall purchase any unsubscribed  
10 energy from community renewable generation projects that  
11 are Qualifying Facilities ("QF") under the electric  
12 utility's tariff for purchasing the output from QFs under  
13 Public Utilities Regulatory Policies Act of 1978.

14 The owners of and any subscribers to a community  
15 renewable generation project shall not be considered  
16 public utilities or alternative retail electricity  
17 suppliers under the Public Utilities Act solely as a result  
18 of their interest in or subscription to a community  
19 renewable generation project and shall not be required to  
20 become an alternative retail electric supplier by  
21 participating in a community renewable generation project  
22 with a public utility.

23 (O) For the delivery year beginning June 1, 2018, the  
24 long-term renewable resources procurement plan required by  
25 this subsection (c) shall provide for the Agency to procure  
26 contracts to continue offering the Illinois Solar for All



1 Program described in subsection (b) of Section 1-56 of this  
2 Act, and the contracts approved by the Commission shall be  
3 executed by the utilities that are subject to this  
4 subsection (c). The long-term renewable resources  
5 procurement plan shall allocate 5% of the funds available  
6 under the plan for the applicable delivery year, or  
7 \$10,000,000 per delivery year, whichever is greater, to  
8 fund the programs, and the plan shall determine the amount  
9 of funding to be apportioned to the programs identified in  
10 subsection (b) of Section 1-56 of this Act; provided that  
11 for the delivery years beginning June 1, 2017, June 1,  
12 2021, and June 1, 2025, the long-term renewable resources  
13 procurement plan shall allocate 10% of the funds available  
14 under the plan for the applicable delivery year, or  
15 \$20,000,000 per delivery year, whichever is greater, and  
16 \$10,000,000 of such funds in such year shall be used by an  
17 electric utility that serves more than 3,000,000 retail  
18 customers in the State to implement a Commission-approved  
19 plan under Section 16-108.12 of the Public Utilities Act.  
20 In making the determinations required under this  
21 subparagraph (O), the Commission shall consider the  
22 experience and performance under the programs and any  
23 evaluation reports. The Commission shall also provide for  
24 an independent evaluation of those programs on a periodic  
25 basis that are funded under this subparagraph (O).

26 (P) The Agency shall preference the procurement of

1 renewable energy credits from new utility-scale  
2 photovoltaic and wind projects that provide additional  
3 land use and environmental benefits such as:

4 (i) agriculture-friendly benefits;

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

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

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

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

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

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

25 (1.5) No later than May 31, 2021, all Illinois electric  
26 cooperatives and municipal utilities shall develop a plan

1 to ensure that their members and customers have access to  
2 renewable energy on a reasonably equivalent basis to all  
3 other residents in the State, including the overall  
4 percentage goals listed in subparagraph (A) of paragraph  
5 (1) of this Section and the carbon-free resources goals of  
6 subsection (k) of this Section 1-75. These plans shall be  
7 developed through a public process involving municipal  
8 utility and cooperative members, customers, and other  
9 members of the public, and shall be filed with the Illinois  
10 Commerce Commission at least every 2 years.

11 (2) (Blank).

12 (3) (Blank).

13 (4) The electric utility shall retire all renewable  
14 energy credits used to comply with the standard.

15 (5) Beginning with the 2010 delivery year and ending  
16 June 1, 2017, an electric utility subject to this  
17 subsection (c) shall apply the lesser of the maximum  
18 alternative compliance payment rate or the most recent  
19 estimated alternative compliance payment rate for its  
20 service territory for the corresponding compliance period,  
21 established pursuant to subsection (d) of Section 16-115D  
22 of the Public Utilities Act to its retail customers that  
23 take service pursuant to the electric utility's hourly  
24 pricing tariff or tariffs. The electric utility shall  
25 retain all amounts collected as a result of the application  
26 of the alternative compliance payment rate or rates to such

1 customers, and, beginning in 2011, the utility shall  
2 include in the information provided under item (1) of  
3 subsection (d) of Section 16-111.5 of the Public Utilities  
4 Act the amounts collected under the alternative compliance  
5 payment rate or rates for the prior year ending May 31.  
6 Notwithstanding any limitation on the procurement of  
7 renewable energy resources imposed by item (2) of this  
8 subsection (c), the Agency shall increase its spending on  
9 the purchase of renewable energy resources to be procured  
10 by the electric utility for the next plan year by an amount  
11 equal to the amounts collected by the utility under the  
12 alternative compliance payment rate or rates in the prior  
13 year ending May 31.

14 (6) The electric utility shall be entitled to recover  
15 all of its costs associated with the procurement of  
16 renewable energy credits under plans approved under this  
17 Section and Section 16-111.5 of the Public Utilities Act.  
18 These costs shall include associated reasonable expenses  
19 for implementing the procurement programs, including, but  
20 not limited to, the costs of administering and evaluating  
21 the Adjustable Block program, through an automatic  
22 adjustment clause tariff in accordance with subsection (k)  
23 of Section 16-108 of the Public Utilities Act.

24 (7) Renewable energy credits procured from new  
25 photovoltaic projects or new distributed renewable energy  
26 generation devices under this Section after June 1, 2017

1 (the effective date of Public Act 99-906) must be procured  
2 from devices installed by a qualified person in compliance  
3 with the requirements of Section 16-128A of the Public  
4 Utilities Act and any rules or regulations adopted  
5 thereunder.

6 In meeting the renewable energy requirements of this  
7 subsection (c), to the extent feasible and consistent with  
8 State and federal law, the renewable energy credit  
9 procurements, Adjustable Block solar program, ~~and~~  
10 community renewable generation program, and Illinois Solar  
11 for All Program shall provide employment opportunities for  
12 all segments of the population and workforce, including  
13 minority-owned and women-owned ~~female-owned~~ business  
14 enterprises, as well as minority-owned and women-owned  
15 worker cooperatives or other such employee-owned entities,  
16 and shall not, consistent with State and federal law,  
17 discriminate based on race or socioeconomic status.  
18 Specifically, as the Agency conducts competitive  
19 procurement processes and implements programs to procure  
20 renewable energy credits identified in the long-term  
21 renewable resources procurement plan, the Agency must  
22 prefer the procurement of renewable energy credits  
23 from those entities, including approved vendors,  
24 companies, nonprofits, worker cooperatives, and others,  
25 that meet multiple equity actions, with a higher preference  
26 given to approved vendors, companies, nonprofit entities,

1 worker cooperatives, and other entities that meet multiple  
2 equity actions, including, but not limited to, the  
3 following:

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

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

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

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

1           wage.

2           (E) Community Benefits Action: (i) for projects  
3           100 kW in size or larger, project has an executed  
4           Community Benefits Agreement that could include, but  
5           is not limited to, a commitment to hire local workers,  
6           union workers, displaced fossil fuel workers  
7           transitioning to clean energy work, or Clean Jobs  
8           Workforce Hubs graduates, a commitment to pay workers  
9           at or above the prevailing wage, and a commitment to  
10          give communities ownership opportunities in clean  
11          energy projects; and (ii) for projects under 100 kW in  
12          size, companies pay their workforces at or above the  
13          prevailing wage.

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

16       (d) Clean coal portfolio standard.

17           (1) The procurement plans shall include electricity  
18       generated using clean coal. Each utility shall enter into  
19       one or more sourcing agreements with the initial clean coal  
20       facility, as provided in paragraph (3) of this subsection  
21       (d), covering electricity generated by the initial clean  
22       coal facility representing at least 5% of each utility's  
23       total supply to serve the load of eligible retail customers  
24       in 2015 and each year thereafter, as described in paragraph  
25       (3) of this subsection (d), subject to the limits specified  
26       in paragraph (2) of this subsection (d). It is the goal of

1 the State that by January 1, 2025, 25% of the electricity  
2 used in the State shall be generated by cost-effective  
3 clean coal facilities. For purposes of this subsection (d),  
4 "cost-effective" means that the expenditures pursuant to  
5 such sourcing agreements do not cause the limit stated in  
6 paragraph (2) of this subsection (d) to be exceeded and do  
7 not exceed cost-based benchmarks, which shall be developed  
8 to assess all expenditures pursuant to such sourcing  
9 agreements covering electricity generated by clean coal  
10 facilities, other than the initial clean coal facility, by  
11 the procurement administrator, in consultation with the  
12 Commission staff, Agency staff, and the procurement  
13 monitor and shall be subject to Commission review and  
14 approval.

15 A utility party to a sourcing agreement shall  
16 immediately retire any emission credits that it receives in  
17 connection with the electricity covered by such agreement.

18 Utilities shall maintain adequate records documenting  
19 the purchases under the sourcing agreement to comply with  
20 this subsection (d) and shall file an accounting with the  
21 load forecast that must be filed with the Agency by July 15  
22 of each year, in accordance with subsection (d) of Section  
23 16-111.5 of the Public Utilities Act.

24 A utility shall be deemed to have complied with the  
25 clean coal portfolio standard specified in this subsection  
26 (d) if the utility enters into a sourcing agreement as



1 required by this subsection (d).

2 (2) For purposes of this subsection (d), the required  
3 execution of sourcing agreements with the initial clean  
4 coal facility for a particular year shall be measured as a  
5 percentage of the actual amount of electricity  
6 (megawatt-hours) supplied by the electric utility to  
7 eligible retail customers in the planning year ending  
8 immediately prior to the agreement's execution. For  
9 purposes of this subsection (d), the amount paid per  
10 kilowatthour means the total amount paid for electric  
11 service expressed on a per kilowatthour basis. For purposes  
12 of this subsection (d), the total amount paid for electric  
13 service includes without limitation amounts paid for  
14 supply, transmission, distribution, surcharges and add-on  
15 taxes.

16 Notwithstanding the requirements of this subsection  
17 (d), the total amount paid under sourcing agreements with  
18 clean coal facilities pursuant to the procurement plan for  
19 any given year shall be reduced by an amount necessary to  
20 limit the annual estimated average net increase due to the  
21 costs of these resources included in the amounts paid by  
22 eligible retail customers in connection with electric  
23 service to:

24 (A) in 2010, no more than 0.5% of the amount paid  
25 per kilowatthour by those customers during the year  
26 ending May 31, 2009;

1 (B) in 2011, the greater of an additional 0.5% of  
2 the amount paid per kilowatthour by those customers  
3 during the year ending May 31, 2010 or 1% of the amount  
4 paid per kilowatthour by those customers during the  
5 year ending May 31, 2009;

6 (C) in 2012, the greater of an additional 0.5% of  
7 the amount paid per kilowatthour by those customers  
8 during the year ending May 31, 2011 or 1.5% of the  
9 amount paid per kilowatthour by those customers during  
10 the year ending May 31, 2009;

11 (D) in 2013, the greater of an additional 0.5% of  
12 the amount paid per kilowatthour by those customers  
13 during the year ending May 31, 2012 or 2% of the amount  
14 paid per kilowatthour by those customers during the  
15 year ending May 31, 2009; and

16 (E) thereafter, the total amount paid under  
17 sourcing agreements with clean coal facilities  
18 pursuant to the procurement plan for any single year  
19 shall be reduced by an amount necessary to limit the  
20 estimated average net increase due to the cost of these  
21 resources included in the amounts paid by eligible  
22 retail customers in connection with electric service  
23 to no more than the greater of (i) 2.015% of the amount  
24 paid per kilowatthour by those customers during the  
25 year ending May 31, 2009 or (ii) the incremental amount  
26 per kilowatthour paid for these resources in 2013.

1           These requirements may be altered only as provided by  
2           statute.

3           No later than June 30, 2015, the Commission shall  
4           review the limitation on the total amount paid under  
5           sourcing agreements, if any, with clean coal facilities  
6           pursuant to this subsection (d) and report to the General  
7           Assembly its findings as to whether that limitation unduly  
8           constrains the amount of electricity generated by  
9           cost-effective clean coal facilities that is covered by  
10          sourcing agreements.

11          (3) Initial clean coal facility. In order to promote  
12          development of clean coal facilities in Illinois, each  
13          electric utility subject to this Section shall execute a  
14          sourcing agreement to source electricity from a proposed  
15          clean coal facility in Illinois (the "initial clean coal  
16          facility") that will have a nameplate capacity of at least  
17          500 MW when commercial operation commences, that has a  
18          final Clean Air Act permit on June 1, 2009 (the effective  
19          date of Public Act 95-1027), and that will meet the  
20          definition of clean coal facility in Section 1-10 of this  
21          Act when commercial operation commences. The sourcing  
22          agreements with this initial clean coal facility shall be  
23          subject to both approval of the initial clean coal facility  
24          by the General Assembly and satisfaction of the  
25          requirements of paragraph (4) of this subsection (d) and  
26          shall be executed within 90 days after any such approval by

1 the General Assembly. The Agency and the Commission shall  
2 have authority to inspect all books and records associated  
3 with the initial clean coal facility during the term of  
4 such a sourcing agreement. A utility's sourcing agreement  
5 for electricity produced by the initial clean coal facility  
6 shall include:

7 (A) a formula contractual price (the "contract  
8 price") approved pursuant to paragraph (4) of this  
9 subsection (d), which shall:

10 (i) be determined using a cost of service  
11 methodology employing either a level or deferred  
12 capital recovery component, based on a capital  
13 structure consisting of 45% equity and 55% debt,  
14 and a return on equity as may be approved by the  
15 Federal Energy Regulatory Commission, which in any  
16 case may not exceed the lower of 11.5% or the rate  
17 of return approved by the General Assembly  
18 pursuant to paragraph (4) of this subsection (d);  
19 and

20 (ii) provide that all miscellaneous net  
21 revenue, including but not limited to net revenue  
22 from the sale of emission allowances, if any,  
23 substitute natural gas, if any, grants or other  
24 support provided by the State of Illinois or the  
25 United States Government, firm transmission  
26 rights, if any, by-products produced by the

1 facility, energy or capacity derived from the  
2 facility and not covered by a sourcing agreement  
3 pursuant to paragraph (3) of this subsection (d) or  
4 item (5) of subsection (d) of Section 16-115 of the  
5 Public Utilities Act, whether generated from the  
6 synthesis gas derived from coal, from SNG, or from  
7 natural gas, shall be credited against the revenue  
8 requirement for this initial clean coal facility;

9 (B) power purchase provisions, which shall:

10 (i) provide that the utility party to such  
11 sourcing agreement shall pay the contract price  
12 for electricity delivered under such sourcing  
13 agreement;

14 (ii) require delivery of electricity to the  
15 regional transmission organization market of the  
16 utility that is party to such sourcing agreement;

17 (iii) require the utility party to such  
18 sourcing agreement to buy from the initial clean  
19 coal facility in each hour an amount of energy  
20 equal to all clean coal energy made available from  
21 the initial clean coal facility during such hour  
22 times a fraction, the numerator of which is such  
23 utility's retail market sales of electricity  
24 (expressed in kilowatthours sold) in the State  
25 during the prior calendar month and the  
26 denominator of which is the total retail market

1 sales of electricity (expressed in kilowatthours  
2 sold) in the State by utilities during such prior  
3 month and the sales of electricity (expressed in  
4 kilowatthours sold) in the State by alternative  
5 retail electric suppliers during such prior month  
6 that are subject to the requirements of this  
7 subsection (d) and paragraph (5) of subsection (d)  
8 of Section 16-115 of the Public Utilities Act,  
9 provided that the amount purchased by the utility  
10 in any year will be limited by paragraph (2) of  
11 this subsection (d); and

12 (iv) be considered pre-existing contracts in  
13 such utility's procurement plans for eligible  
14 retail customers;

15 (C) contract for differences provisions, which  
16 shall:

17 (i) require the utility party to such sourcing  
18 agreement to contract with the initial clean coal  
19 facility in each hour with respect to an amount of  
20 energy equal to all clean coal energy made  
21 available from the initial clean coal facility  
22 during such hour times a fraction, the numerator of  
23 which is such utility's retail market sales of  
24 electricity (expressed in kilowatthours sold) in  
25 the utility's service territory in the State  
26 during the prior calendar month and the

1 denominator of which is the total retail market  
2 sales of electricity (expressed in kilowatthours  
3 sold) in the State by utilities during such prior  
4 month and the sales of electricity (expressed in  
5 kilowatthours sold) in the State by alternative  
6 retail electric suppliers during such prior month  
7 that are subject to the requirements of this  
8 subsection (d) and paragraph (5) of subsection (d)  
9 of Section 16-115 of the Public Utilities Act,  
10 provided that the amount paid by the utility in any  
11 year will be limited by paragraph (2) of this  
12 subsection (d);

13 (ii) provide that the utility's payment  
14 obligation in respect of the quantity of  
15 electricity determined pursuant to the preceding  
16 clause (i) shall be limited to an amount equal to  
17 (1) the difference between the contract price  
18 determined pursuant to subparagraph (A) of  
19 paragraph (3) of this subsection (d) and the  
20 day-ahead price for electricity delivered to the  
21 regional transmission organization market of the  
22 utility that is party to such sourcing agreement  
23 (or any successor delivery point at which such  
24 utility's supply obligations are financially  
25 settled on an hourly basis) (the "reference  
26 price") on the day preceding the day on which the

1 electricity is delivered to the initial clean coal  
2 facility busbar, multiplied by (2) the quantity of  
3 electricity determined pursuant to the preceding  
4 clause (i); and

5 (iii) not require the utility to take physical  
6 delivery of the electricity produced by the  
7 facility;

8 (D) general provisions, which shall:

9 (i) specify a term of no more than 30 years,  
10 commencing on the commercial operation date of the  
11 facility;

12 (ii) provide that utilities shall maintain  
13 adequate records documenting purchases under the  
14 sourcing agreements entered into to comply with  
15 this subsection (d) and shall file an accounting  
16 with the load forecast that must be filed with the  
17 Agency by July 15 of each year, in accordance with  
18 subsection (d) of Section 16-111.5 of the Public  
19 Utilities Act;

20 (iii) provide that all costs associated with  
21 the initial clean coal facility will be  
22 periodically reported to the Federal Energy  
23 Regulatory Commission and to purchasers in  
24 accordance with applicable laws governing  
25 cost-based wholesale power contracts;

26 (iv) permit the Illinois Power Agency to



1           assume ownership of the initial clean coal  
2           facility, without monetary consideration and  
3           otherwise on reasonable terms acceptable to the  
4           Agency, if the Agency so requests no less than 3  
5           years prior to the end of the stated contract term;

6           (v) require the owner of the initial clean coal  
7           facility to provide documentation to the  
8           Commission each year, starting in the facility's  
9           first year of commercial operation, accurately  
10          reporting the quantity of carbon emissions from  
11          the facility that have been captured and  
12          sequestered and report any quantities of carbon  
13          released from the site or sites at which carbon  
14          emissions were sequestered in prior years, based  
15          on continuous monitoring of such sites. If, in any  
16          year after the first year of commercial operation,  
17          the owner of the facility fails to demonstrate that  
18          the initial clean coal facility captured and  
19          sequestered at least 50% of the total carbon  
20          emissions that the facility would otherwise emit  
21          or that sequestration of emissions from prior  
22          years has failed, resulting in the release of  
23          carbon dioxide into the atmosphere, the owner of  
24          the facility must offset excess emissions. Any  
25          such carbon offsets must be permanent, additional,  
26          verifiable, real, located within the State of

1 Illinois, and legally and practicably enforceable.  
2 The cost of such offsets for the facility that are  
3 not recoverable shall not exceed \$15 million in any  
4 given year. No costs of any such purchases of  
5 carbon offsets may be recovered from a utility or  
6 its customers. All carbon offsets purchased for  
7 this purpose and any carbon emission credits  
8 associated with sequestration of carbon from the  
9 facility must be permanently retired. The initial  
10 clean coal facility shall not forfeit its  
11 designation as a clean coal facility if the  
12 facility fails to fully comply with the applicable  
13 carbon sequestration requirements in any given  
14 year, provided the requisite offsets are  
15 purchased. However, the Attorney General, on  
16 behalf of the People of the State of Illinois, may  
17 specifically enforce the facility's sequestration  
18 requirement and the other terms of this contract  
19 provision. Compliance with the sequestration  
20 requirements and offset purchase requirements  
21 specified in paragraph (3) of this subsection (d)  
22 shall be reviewed annually by an independent  
23 expert retained by the owner of the initial clean  
24 coal facility, with the advance written approval  
25 of the Attorney General. The Commission may, in the  
26 course of the review specified in item (vii),

1           reduce the allowable return on equity for the  
2           facility if the facility willfully fails to comply  
3           with the carbon capture and sequestration  
4           requirements set forth in this item (v);

5           (vi) include limits on, and accordingly  
6           provide for modification of, the amount the  
7           utility is required to source under the sourcing  
8           agreement consistent with paragraph (2) of this  
9           subsection (d);

10          (vii) require Commission review: (1) to  
11          determine the justness, reasonableness, and  
12          prudence of the inputs to the formula referenced in  
13          subparagraphs (A)(i) through (A)(iii) of paragraph  
14          (3) of this subsection (d), prior to an adjustment  
15          in those inputs including, without limitation, the  
16          capital structure and return on equity, fuel  
17          costs, and other operations and maintenance costs  
18          and (2) to approve the costs to be passed through  
19          to customers under the sourcing agreement by which  
20          the utility satisfies its statutory obligations.  
21          Commission review shall occur no less than every 3  
22          years, regardless of whether any adjustments have  
23          been proposed, and shall be completed within 9  
24          months;

25          (viii) limit the utility's obligation to such  
26          amount as the utility is allowed to recover through

1 tariffs filed with the Commission, provided that  
2 neither the clean coal facility nor the utility  
3 waives any right to assert federal pre-emption or  
4 any other argument in response to a purported  
5 disallowance of recovery costs;

6 (ix) limit the utility's or alternative retail  
7 electric supplier's obligation to incur any  
8 liability until such time as the facility is in  
9 commercial operation and generating power and  
10 energy and such power and energy is being delivered  
11 to the facility busbar;

12 (x) provide that the owner or owners of the  
13 initial clean coal facility, which is the  
14 counterparty to such sourcing agreement, shall  
15 have the right from time to time to elect whether  
16 the obligations of the utility party thereto shall  
17 be governed by the power purchase provisions or the  
18 contract for differences provisions;

19 (xi) append documentation showing that the  
20 formula rate and contract, insofar as they relate  
21 to the power purchase provisions, have been  
22 approved by the Federal Energy Regulatory  
23 Commission pursuant to Section 205 of the Federal  
24 Power Act;

25 (xii) provide that any changes to the terms of  
26 the contract, insofar as such changes relate to the

1 power purchase provisions, are subject to review  
2 under the public interest standard applied by the  
3 Federal Energy Regulatory Commission pursuant to  
4 Sections 205 and 206 of the Federal Power Act; and

5 (xiii) conform with customary lender  
6 requirements in power purchase agreements used as  
7 the basis for financing non-utility generators.

8 (4) Effective date of sourcing agreements with the  
9 initial clean coal facility. Any proposed sourcing  
10 agreement with the initial clean coal facility shall not  
11 become effective unless the following reports are prepared  
12 and submitted and authorizations and approvals obtained:

13 (i) Facility cost report. The owner of the initial  
14 clean coal facility shall submit to the Commission, the  
15 Agency, and the General Assembly a front-end  
16 engineering and design study, a facility cost report,  
17 method of financing (including but not limited to  
18 structure and associated costs), and an operating and  
19 maintenance cost quote for the facility (collectively  
20 "facility cost report"), which shall be prepared in  
21 accordance with the requirements of this paragraph (4)  
22 of subsection (d) of this Section, and shall provide  
23 the Commission and the Agency access to the work  
24 papers, relied upon documents, and any other backup  
25 documentation related to the facility cost report.

26 (ii) Commission report. Within 6 months following

1 receipt of the facility cost report, the Commission, in  
2 consultation with the Agency, shall submit a report to  
3 the General Assembly setting forth its analysis of the  
4 facility cost report. Such report shall include, but  
5 not be limited to, a comparison of the costs associated  
6 with electricity generated by the initial clean coal  
7 facility to the costs associated with electricity  
8 generated by other types of generation facilities, an  
9 analysis of the rate impacts on residential and small  
10 business customers over the life of the sourcing  
11 agreements, and an analysis of the likelihood that the  
12 initial clean coal facility will commence commercial  
13 operation by and be delivering power to the facility's  
14 busbar by 2016. To assist in the preparation of its  
15 report, the Commission, in consultation with the  
16 Agency, may hire one or more experts or consultants,  
17 the costs of which shall be paid for by the owner of  
18 the initial clean coal facility. The Commission and  
19 Agency may begin the process of selecting such experts  
20 or consultants prior to receipt of the facility cost  
21 report.

22 (iii) General Assembly approval. The proposed  
23 sourcing agreements shall not take effect unless,  
24 based on the facility cost report and the Commission's  
25 report, the General Assembly enacts authorizing  
26 legislation approving (A) the projected price, stated

1 in cents per kilowatthour, to be charged for  
2 electricity generated by the initial clean coal  
3 facility, (B) the projected impact on residential and  
4 small business customers' bills over the life of the  
5 sourcing agreements, and (C) the maximum allowable  
6 return on equity for the project; and

7 (iv) Commission review. If the General Assembly  
8 enacts authorizing legislation pursuant to  
9 subparagraph (iii) approving a sourcing agreement, the  
10 Commission shall, within 90 days of such enactment,  
11 complete a review of such sourcing agreement. During  
12 such time period, the Commission shall implement any  
13 directive of the General Assembly, resolve any  
14 disputes between the parties to the sourcing agreement  
15 concerning the terms of such agreement, approve the  
16 form of such agreement, and issue an order finding that  
17 the sourcing agreement is prudent and reasonable.

18 The facility cost report shall be prepared as follows:

19 (A) The facility cost report shall be prepared by  
20 duly licensed engineering and construction firms  
21 detailing the estimated capital costs payable to one or  
22 more contractors or suppliers for the engineering,  
23 procurement and construction of the components  
24 comprising the initial clean coal facility and the  
25 estimated costs of operation and maintenance of the  
26 facility. The facility cost report shall include:

1           (i) an estimate of the capital cost of the core  
2           plant based on one or more front end engineering  
3           and design studies for the gasification island and  
4           related facilities. The core plant shall include  
5           all civil, structural, mechanical, electrical,  
6           control, and safety systems.

7           (ii) an estimate of the capital cost of the  
8           balance of the plant, including any capital costs  
9           associated with sequestration of carbon dioxide  
10          emissions and all interconnects and interfaces  
11          required to operate the facility, such as  
12          transmission of electricity, construction or  
13          backfeed power supply, pipelines to transport  
14          substitute natural gas or carbon dioxide, potable  
15          water supply, natural gas supply, water supply,  
16          water discharge, landfill, access roads, and coal  
17          delivery.

18          The quoted construction costs shall be expressed  
19          in nominal dollars as of the date that the quote is  
20          prepared and shall include capitalized financing costs  
21          during construction, taxes, insurance, and other  
22          owner's costs, and an assumed escalation in materials  
23          and labor beyond the date as of which the construction  
24          cost quote is expressed.

25          (B) The front end engineering and design study for  
26          the gasification island and the cost study for the



1 balance of plant shall include sufficient design work  
2 to permit quantification of major categories of  
3 materials, commodities and labor hours, and receipt of  
4 quotes from vendors of major equipment required to  
5 construct and operate the clean coal facility.

6 (C) The facility cost report shall also include an  
7 operating and maintenance cost quote that will provide  
8 the estimated cost of delivered fuel, personnel,  
9 maintenance contracts, chemicals, catalysts,  
10 consumables, spares, and other fixed and variable  
11 operations and maintenance costs. The delivered fuel  
12 cost estimate will be provided by a recognized third  
13 party expert or experts in the fuel and transportation  
14 industries. The balance of the operating and  
15 maintenance cost quote, excluding delivered fuel  
16 costs, will be developed based on the inputs provided  
17 by duly licensed engineering and construction firms  
18 performing the construction cost quote, potential  
19 vendors under long-term service agreements and plant  
20 operating agreements, or recognized third party plant  
21 operator or operators.

22 The operating and maintenance cost quote  
23 (including the cost of the front end engineering and  
24 design study) shall be expressed in nominal dollars as  
25 of the date that the quote is prepared and shall  
26 include taxes, insurance, and other owner's costs, and

1 an assumed escalation in materials and labor beyond the  
2 date as of which the operating and maintenance cost  
3 quote is expressed.

4 (D) The facility cost report shall also include an  
5 analysis of the initial clean coal facility's ability  
6 to deliver power and energy into the applicable  
7 regional transmission organization markets and an  
8 analysis of the expected capacity factor for the  
9 initial clean coal facility.

10 (E) Amounts paid to third parties unrelated to the  
11 owner or owners of the initial clean coal facility to  
12 prepare the core plant construction cost quote,  
13 including the front end engineering and design study,  
14 and the operating and maintenance cost quote will be  
15 reimbursed through Coal Development Bonds.

16 (5) Re-powering and retrofitting coal-fired power  
17 plants previously owned by Illinois utilities to qualify as  
18 clean coal facilities. During the 2009 procurement  
19 planning process and thereafter, the Agency and the  
20 Commission shall consider sourcing agreements covering  
21 electricity generated by power plants that were previously  
22 owned by Illinois utilities and that have been or will be  
23 converted into clean coal facilities, as defined by Section  
24 1-10 of this Act. Pursuant to such procurement planning  
25 process, the owners of such facilities may propose to the  
26 Agency sourcing agreements with utilities and alternative

1 retail electric suppliers required to comply with  
2 subsection (d) of this Section and item (5) of subsection  
3 (d) of Section 16-115 of the Public Utilities Act, covering  
4 electricity generated by such facilities. In the case of  
5 sourcing agreements that are power purchase agreements,  
6 the contract price for electricity sales shall be  
7 established on a cost of service basis. In the case of  
8 sourcing agreements that are contracts for differences,  
9 the contract price from which the reference price is  
10 subtracted shall be established on a cost of service basis.  
11 The Agency and the Commission may approve any such utility  
12 sourcing agreements that do not exceed cost-based  
13 benchmarks developed by the procurement administrator, in  
14 consultation with the Commission staff, Agency staff and  
15 the procurement monitor, subject to Commission review and  
16 approval. The Commission shall have authority to inspect  
17 all books and records associated with these clean coal  
18 facilities during the term of any such contract.

19 (6) Costs incurred under this subsection (d) or  
20 pursuant to a contract entered into under this subsection  
21 (d) shall be deemed prudently incurred and reasonable in  
22 amount and the electric utility shall be entitled to full  
23 cost recovery pursuant to the tariffs filed with the  
24 Commission.

25 (d-5) Zero emission standard.

26 (1) Beginning with the delivery year commencing on June

1        1, 2017, the Agency shall, for electric utilities that  
2        serve at least 100,000 retail customers in this State,  
3        procure contracts with zero emission facilities that are  
4        reasonably capable of generating cost-effective zero  
5        emission credits in an amount approximately equal to 16% of  
6        the actual amount of electricity delivered by each electric  
7        utility to retail customers in the State during calendar  
8        year 2014. For an electric utility serving fewer than  
9        100,000 retail customers in this State that requested,  
10       under Section 16-111.5 of the Public Utilities Act, that  
11       the Agency procure power and energy for all or a portion of  
12       the utility's Illinois load for the delivery year  
13       commencing June 1, 2016, the Agency shall procure contracts  
14       with zero emission facilities that are reasonably capable  
15       of generating cost-effective zero emission credits in an  
16       amount approximately equal to 16% of the portion of power  
17       and energy to be procured by the Agency for the utility.  
18       The duration of the contracts procured under this  
19       subsection (d-5) shall be for a term of 10 years ending May  
20       31, 2027. The quantity of zero emission credits to be  
21       procured under the contracts shall be all of the zero  
22       emission credits generated by the zero emission facility in  
23       each delivery year; however, if the zero emission facility  
24       is owned by more than one entity, then the quantity of zero  
25       emission credits to be procured under the contracts shall  
26       be the amount of zero emission credits that are generated

1 from the portion of the zero emission facility that is  
2 owned by the winning supplier.

3 The 16% value identified in this paragraph (1) is the  
4 average of the percentage targets in subparagraph (B) of  
5 paragraph (1) of subsection (c) of this Section ~~1-75 of~~  
6 ~~this Act~~ for the 5 delivery years beginning June 1, 2017.

7 The procurement process shall be subject to the  
8 following provisions:

9 (A) Those zero emission facilities that intend to  
10 participate in the procurement shall submit to the  
11 Agency the following eligibility information for each  
12 zero emission facility on or before the date  
13 established by the Agency:

14 (i) the in-service date and remaining useful  
15 life of the zero emission facility;

16 (ii) the amount of power generated annually  
17 for each of the years 2005 through 2015, and the  
18 projected zero emission credits to be generated  
19 over the remaining useful life of the zero emission  
20 facility, which shall be used to determine the  
21 capability of each facility;

22 (iii) the annual zero emission facility cost  
23 projections, expressed on a per megawatthour  
24 basis, over the next 6 delivery years, which shall  
25 include the following: operation and maintenance  
26 expenses; fully allocated overhead costs, which

1 shall be allocated using the methodology developed  
2 by the Institute for Nuclear Power Operations;  
3 fuel expenditures; non-fuel capital expenditures;  
4 spent fuel expenditures; a return on working  
5 capital; the cost of operational and market risks  
6 that could be avoided by ceasing operation; and any  
7 other costs necessary for continued operations,  
8 provided that "necessary" means, for purposes of  
9 this item (iii), that the costs could reasonably be  
10 avoided only by ceasing operations of the zero  
11 emission facility; and

12 (iv) a commitment to continue operating, for  
13 the duration of the contract or contracts executed  
14 under the procurement held under this subsection  
15 (d-5), the zero emission facility that produces  
16 the zero emission credits to be procured in the  
17 procurement.

18 The information described in item (iii) of this  
19 subparagraph (A) may be submitted on a confidential  
20 basis and shall be treated and maintained by the  
21 Agency, the procurement administrator, and the  
22 Commission as confidential and proprietary and exempt  
23 from disclosure under subparagraphs (a) and (g) of  
24 paragraph (1) of Section 7 of the Freedom of  
25 Information Act. The Office of Attorney General shall  
26 have access to, and maintain the confidentiality of,

1       such information pursuant to Section 6.5 of the  
2       Attorney General Act.

3       (B) The price for each zero emission credit  
4       procured under this subsection (d-5) for each delivery  
5       year shall be in an amount that equals the Social Cost  
6       of Carbon, expressed on a price per megawatthour basis.  
7       However, to ensure that the procurement remains  
8       affordable to retail customers in this State if  
9       electricity prices increase, the price in an  
10      applicable delivery year shall be reduced below the  
11      Social Cost of Carbon by the amount ("Price  
12      Adjustment") by which the market price index for the  
13      applicable delivery year exceeds the baseline market  
14      price index for the consecutive 12-month period ending  
15      May 31, 2016. If the Price Adjustment is greater than  
16      or equal to the Social Cost of Carbon in an applicable  
17      delivery year, then no payments shall be due in that  
18      delivery year. The components of this calculation are  
19      defined as follows:

20           (i) Social Cost of Carbon: The Social Cost of  
21           Carbon is \$16.50 per megawatthour, which is based  
22           on the U.S. Interagency Working Group on Social  
23           Cost of Carbon's price in the August 2016 Technical  
24           Update using a 3% discount rate, adjusted for  
25           inflation for each year of the program. Beginning  
26           with the delivery year commencing June 1, 2023, the

1 price per megawatthour shall increase by \$1 per  
2 megawatthour, and continue to increase by an  
3 additional \$1 per megawatthour each delivery year  
4 thereafter.

5 (ii) Baseline market price index: The baseline  
6 market price index for the consecutive 12-month  
7 period ending May 31, 2016 is \$31.40 per  
8 megawatthour, which is based on the sum of (aa) the  
9 average day-ahead energy price across all hours of  
10 such 12-month period at the PJM Interconnection  
11 LLC Northern Illinois Hub, (bb) 50% multiplied by  
12 the Base Residual Auction, or its successor,  
13 capacity price for the rest of the RTO zone group  
14 determined by PJM Interconnection LLC, divided by  
15 24 hours per day, and (cc) 50% multiplied by the  
16 Planning Resource Auction, or its successor,  
17 capacity price for Zone 4 determined by the  
18 Midcontinent Independent System Operator, Inc.,  
19 divided by 24 hours per day.

20 (iii) Market price index: The market price  
21 index for a delivery year shall be the sum of  
22 projected energy prices and projected capacity  
23 prices determined as follows:

24 (aa) Projected energy prices: the  
25 projected energy prices for the applicable  
26 delivery year shall be calculated once for the



1 year using the forward market price for the PJM  
2 Interconnection, LLC Northern Illinois Hub.  
3 The forward market price shall be calculated as  
4 follows: the energy forward prices for each  
5 month of the applicable delivery year averaged  
6 for each trade date during the calendar year  
7 immediately preceding that delivery year to  
8 produce a single energy forward price for the  
9 delivery year. The forward market price  
10 calculation shall use data published by the  
11 Intercontinental Exchange, or its successor.

12 (bb) Projected capacity prices:

13 (I) For the delivery years commencing  
14 June 1, 2017, June 1, 2018, and June 1,  
15 2019, the projected capacity price shall  
16 be equal to the sum of (1) 50% multiplied  
17 by the Base Residual Auction, or its  
18 successor, price for the rest of the RTO  
19 zone group as determined by PJM  
20 Interconnection LLC, divided by 24 hours  
21 per day and, (2) 50% multiplied by the  
22 resource auction price determined in the  
23 resource auction administered by the  
24 Midcontinent Independent System Operator,  
25 Inc., in which the largest percentage of  
26 load cleared for Local Resource Zone 4,

1 divided by 24 hours per day, and where such  
2 price is determined by the Midcontinent  
3 Independent System Operator, Inc.

4 (II) For the delivery year commencing  
5 June 1, 2020, and each year thereafter, the  
6 projected capacity price shall be equal to  
7 the sum of (1) 50% multiplied by the Base  
8 Residual Auction, or its successor, price  
9 for the ComEd zone as determined by PJM  
10 Interconnection LLC, divided by 24 hours  
11 per day, and (2) 50% multiplied by the  
12 resource auction price determined in the  
13 resource auction administered by the  
14 Midcontinent Independent System Operator,  
15 Inc., in which the largest percentage of  
16 load cleared for Local Resource Zone 4,  
17 divided by 24 hours per day, and where such  
18 price is determined by the Midcontinent  
19 Independent System Operator, Inc.

20 For purposes of this subsection (d-5):

21 "Rest of the RTO" and "ComEd Zone" shall have  
22 the meaning ascribed to them by PJM  
23 Interconnection, LLC.

24 "RTO" means regional transmission  
25 organization.

26 (C) No later than 45 days after June 1, 2017 (the

1 effective date of Public Act 99-906), the Agency shall  
2 publish its proposed zero emission standard  
3 procurement plan. The plan shall be consistent with the  
4 provisions of this paragraph (1) and shall provide that  
5 winning bids shall be selected based on public interest  
6 criteria that include, but are not limited to,  
7 minimizing carbon dioxide emissions that result from  
8 electricity consumed in Illinois and minimizing sulfur  
9 dioxide, nitrogen oxide, and particulate matter  
10 emissions that adversely affect the citizens of this  
11 State. In particular, the selection of winning bids  
12 shall take into account the incremental environmental  
13 benefits resulting from the procurement, such as any  
14 existing environmental benefits that are preserved by  
15 the procurements held under Public Act 99-906 and would  
16 cease to exist if the procurements were not held,  
17 including the preservation of zero emission  
18 facilities. The plan shall also describe in detail how  
19 each public interest factor shall be considered and  
20 weighted in the bid selection process to ensure that  
21 the public interest criteria are applied to the  
22 procurement and given full effect.

23 For purposes of developing the plan, the Agency  
24 shall consider any reports issued by a State agency,  
25 board, or commission under House Resolution 1146 of the  
26 98th General Assembly and paragraph (4) of subsection

1 (d) of this Section ~~1-75 of this Act~~, as well as  
2 publicly available analyses and studies performed by  
3 or for regional transmission organizations that serve  
4 the State and their independent market monitors.

5 Upon publishing of the zero emission standard  
6 procurement plan, copies of the plan shall be posted  
7 and made publicly available on the Agency's website.  
8 All interested parties shall have 10 days following the  
9 date of posting to provide comment to the Agency on the  
10 plan. All comments shall be posted to the Agency's  
11 website. Following the end of the comment period, but  
12 no more than 60 days later than June 1, 2017 (the  
13 effective date of Public Act 99-906), the Agency shall  
14 revise the plan as necessary based on the comments  
15 received and file its zero emission standard  
16 procurement plan with the Commission.

17 If the Commission determines that the plan will  
18 result in the procurement of cost-effective zero  
19 emission credits, then the Commission shall, after  
20 notice and hearing, but no later than 45 days after the  
21 Agency filed the plan, approve the plan or approve with  
22 modification. For purposes of this subsection (d-5),  
23 "cost effective" means the projected costs of  
24 procuring zero emission credits from zero emission  
25 facilities do not cause the limit stated in paragraph  
26 (2) of this subsection to be exceeded.

1 (C-5) As part of the Commission's review and  
2 acceptance or rejection of the procurement results,  
3 the Commission shall, in its public notice of  
4 successful bidders:

5 (i) identify how the winning bids satisfy the  
6 public interest criteria described in subparagraph  
7 (C) of this paragraph (1) of minimizing carbon  
8 dioxide emissions that result from electricity  
9 consumed in Illinois and minimizing sulfur  
10 dioxide, nitrogen oxide, and particulate matter  
11 emissions that adversely affect the citizens of  
12 this State;

13 (ii) specifically address how the selection of  
14 winning bids takes into account the incremental  
15 environmental benefits resulting from the  
16 procurement, including any existing environmental  
17 benefits that are preserved by the procurements  
18 held under Public Act 99-906 and would have ceased  
19 to exist if the procurements had not been held,  
20 such as the preservation of zero emission  
21 facilities;

22 (iii) quantify the environmental benefit of  
23 preserving the resources identified in item (ii)  
24 of this subparagraph (C-5), including the  
25 following:

26 (aa) the value of avoided greenhouse gas

1 emissions measured as the product of the zero  
2 emission facilities' output over the contract  
3 term multiplied by the U.S. Environmental  
4 Protection Agency eGrid subregion carbon  
5 dioxide emission rate and the U.S. Interagency  
6 Working Group on Social Cost of Carbon's price  
7 in the August 2016 Technical Update using a 3%  
8 discount rate, adjusted for inflation for each  
9 delivery year; and

10 (bb) the costs of replacement with other  
11 zero carbon dioxide resources, including wind  
12 and photovoltaic, based upon the simple  
13 average of the following:

14 (I) the price, or if there is more than  
15 one price, the average of the prices, paid  
16 for renewable energy credits from new  
17 utility-scale wind projects in the  
18 procurement events specified in item (i)  
19 of subparagraph (G) of paragraph (1) of  
20 subsection (c) of this Section ~~1-75 of this~~  
21 ~~Act~~; and

22 (II) the price, or if there is more  
23 than one price, the average of the prices,  
24 paid for renewable energy credits from new  
25 utility-scale solar projects and  
26 brownfield site photovoltaic projects in

1 the procurement events specified in item  
2 (ii) of subparagraph (G) of paragraph (1)  
3 of subsection (c) of this Section ~~1-75 of~~  
4 ~~this Act~~ and, after January 1, 2015,  
5 renewable energy credits from photovoltaic  
6 distributed generation projects in  
7 procurement events held under subsection  
8 (c) of this Section ~~1-75 of this Act~~.

9 Each utility shall enter into binding contractual  
10 arrangements with the winning suppliers.

11 The procurement described in this subsection  
12 (d-5), including, but not limited to, the execution of  
13 all contracts procured, shall be completed no later  
14 than May 10, 2017. Based on the effective date of  
15 Public Act 99-906, the Agency and Commission may, as  
16 appropriate, modify the various dates and timelines  
17 under this subparagraph and subparagraphs (C) and (D)  
18 of this paragraph (1). The procurement and plan  
19 approval processes required by this subsection (d-5)  
20 shall be conducted in conjunction with the procurement  
21 and plan approval processes required by subsection (c)  
22 of this Section and Section 16-111.5 of the Public  
23 Utilities Act, to the extent practicable.  
24 Notwithstanding whether a procurement event is  
25 conducted under Section 16-111.5 of the Public  
26 Utilities Act, the Agency shall immediately initiate a

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

3 (D) Following the procurement event described in  
4 this paragraph (1) and consistent with subparagraph  
5 (B) of this paragraph (1), the Agency shall calculate  
6 the payments to be made under each contract for the  
7 next delivery year based on the market price index for  
8 that delivery year. The Agency shall publish the  
9 payment calculations no later than May 25, 2017 and  
10 every May 25 thereafter.

11 (E) Notwithstanding the requirements of this  
12 subsection (d-5), the contracts executed under this  
13 subsection (d-5) shall provide that the zero emission  
14 facility may, as applicable, suspend or terminate  
15 performance under the contracts in the following  
16 instances:

17 (i) A zero emission facility shall be excused  
18 from its performance under the contract for any  
19 cause beyond the control of the resource,  
20 including, but not restricted to, acts of God,  
21 flood, drought, earthquake, storm, fire,  
22 lightning, epidemic, war, riot, civil disturbance  
23 or disobedience, labor dispute, labor or material  
24 shortage, sabotage, acts of public enemy,  
25 explosions, orders, regulations or restrictions  
26 imposed by governmental, military, or lawfully



1 established civilian authorities, which, in any of  
2 the foregoing cases, by exercise of commercially  
3 reasonable efforts the zero emission facility  
4 could not reasonably have been expected to avoid,  
5 and which, by the exercise of commercially  
6 reasonable efforts, it has been unable to  
7 overcome. In such event, the zero emission  
8 facility shall be excused from performance for the  
9 duration of the event, including, but not limited  
10 to, delivery of zero emission credits, and no  
11 payment shall be due to the zero emission facility  
12 during the duration of the event.

13 (ii) A zero emission facility shall be  
14 permitted to terminate the contract if legislation  
15 is enacted into law by the General Assembly that  
16 imposes or authorizes a new tax, special  
17 assessment, or fee on the generation of  
18 electricity, the ownership or leasehold of a  
19 generating unit, or the privilege or occupation of  
20 such generation, ownership, or leasehold of  
21 generation units by a zero emission facility.  
22 However, the provisions of this item (ii) do not  
23 apply to any generally applicable tax, special  
24 assessment or fee, or requirements imposed by  
25 federal law.

26 (iii) A zero emission facility shall be

1 permitted to terminate the contract in the event  
2 that the resource requires capital expenditures in  
3 excess of \$40,000,000 that were neither known nor  
4 reasonably foreseeable at the time it executed the  
5 contract and that a prudent owner or operator of  
6 such resource would not undertake.

7 (iv) A zero emission facility shall be  
8 permitted to terminate the contract in the event  
9 the Nuclear Regulatory Commission terminates the  
10 resource's license.

11 (F) If the zero emission facility elects to  
12 terminate a contract under ~~this~~ subparagraph (E)7 of  
13 this paragraph (1), then the Commission shall reopen  
14 the docket in which the Commission approved the zero  
15 emission standard procurement plan under subparagraph  
16 (C) of this paragraph (1) and, after notice and  
17 hearing, enter an order acknowledging the contract  
18 termination election if such termination is consistent  
19 with the provisions of this subsection (d-5).

20 (2) For purposes of this subsection (d-5), the amount  
21 paid per kilowatthour means the total amount paid for  
22 electric service expressed on a per kilowatthour basis. For  
23 purposes of this subsection (d-5), the total amount paid  
24 for electric service includes, without limitation, amounts  
25 paid for supply, transmission, distribution, surcharges,  
26 and add-on taxes.

1           Notwithstanding the requirements of this subsection  
2           (d-5), the contracts executed under this subsection (d-5)  
3           shall provide that the total of zero emission credits  
4           procured under a procurement plan shall be subject to the  
5           limitations of this paragraph (2). For each delivery year,  
6           the contractual volume receiving payments in such year  
7           shall be reduced for all retail customers based on the  
8           amount necessary to limit the net increase that delivery  
9           year to the costs of those credits included in the amounts  
10          paid by eligible retail customers in connection with  
11          electric service to no more than 1.65% of the amount paid  
12          per kilowatthour by eligible retail customers during the  
13          year ending May 31, 2009. The result of this computation  
14          shall apply to and reduce the procurement for all retail  
15          customers, and all those customers shall pay the same  
16          single, uniform cents per kilowatthour charge under  
17          subsection (k) of Section 16-108 of the Public Utilities  
18          Act. To arrive at a maximum dollar amount of zero emission  
19          credits to be paid for the particular delivery year, the  
20          resulting per kilowatthour amount shall be applied to the  
21          actual amount of kilowatthours of electricity delivered by  
22          the electric utility in the delivery year immediately prior  
23          to the procurement, to all retail customers in its service  
24          territory. Unpaid contractual volume for any delivery year  
25          shall be paid in any subsequent delivery year in which such  
26          payments can be made without exceeding the amount specified

1 in this paragraph (2). The calculations required by this  
2 paragraph (2) shall be made only once for each procurement  
3 plan year. Once the determination as to the amount of zero  
4 emission credits to be paid is made based on the  
5 calculations set forth in this paragraph (2), no subsequent  
6 rate impact determinations shall be made and no adjustments  
7 to those contract amounts shall be allowed. All costs  
8 incurred under those contracts and in implementing this  
9 subsection (d-5) shall be recovered by the electric utility  
10 as provided in this Section.

11 No later than June 30, 2019, the Commission shall  
12 review the limitation on the amount of zero emission  
13 credits procured under this subsection (d-5) and report to  
14 the General Assembly its findings as to whether that  
15 limitation unduly constrains the procurement of  
16 cost-effective zero emission credits.

17 (3) Six years after the execution of a contract under  
18 this subsection (d-5), the Agency shall determine whether  
19 the actual zero emission credit payments received by the  
20 supplier over the 6-year period exceed the Average ZEC  
21 Payment. In addition, at the end of the term of a contract  
22 executed under this subsection (d-5), or at the time, if  
23 any, a zero emission facility's contract is terminated  
24 under subparagraph (E) of paragraph (1) of this subsection  
25 (d-5), then the Agency shall determine whether the actual  
26 zero emission credit payments received by the supplier over

1 the term of the contract exceed the Average ZEC Payment,  
2 after taking into account any amounts previously credited  
3 back to the utility under this paragraph (3). If the Agency  
4 determines that the actual zero emission credit payments  
5 received by the supplier over the relevant period exceed  
6 the Average ZEC Payment, then the supplier shall credit the  
7 difference back to the utility. The amount of the credit  
8 shall be remitted to the applicable electric utility no  
9 later than 120 days after the Agency's determination, which  
10 the utility shall reflect as a credit on its retail  
11 customer bills as soon as practicable; however, the credit  
12 remitted to the utility shall not exceed the total amount  
13 of payments received by the facility under its contract.

14 For purposes of this Section, the Average ZEC Payment  
15 shall be calculated by multiplying the quantity of zero  
16 emission credits delivered under the contract times the  
17 average contract price. The average contract price shall be  
18 determined by subtracting the amount calculated under  
19 subparagraph (B) of this paragraph (3) from the amount  
20 calculated under subparagraph (A) of this paragraph (3), as  
21 follows:

22 (A) The average of the Social Cost of Carbon, as  
23 defined in subparagraph (B) of paragraph (1) of this  
24 subsection (d-5), during the term of the contract.

25 (B) The average of the market price indices, as  
26 defined in subparagraph (B) of paragraph (1) of this

1 subsection (d-5), during the term of the contract,  
2 minus the baseline market price index, as defined in  
3 subparagraph (B) of paragraph (1) of this subsection  
4 (d-5).

5 If the subtraction yields a negative number, then the  
6 Average ZEC Payment shall be zero.

7 (4) Cost-effective zero emission credits procured from  
8 zero emission facilities shall satisfy the applicable  
9 definitions set forth in Section 1-10 of this Act.

10 (5) The electric utility shall retire all zero emission  
11 credits used to comply with the requirements of this  
12 subsection (d-5).

13 (6) Electric utilities shall be entitled to recover all  
14 of the costs associated with the procurement of zero  
15 emission credits through an automatic adjustment clause  
16 tariff in accordance with subsection (k) and (m) of Section  
17 16-108 of the Public Utilities Act, and the contracts  
18 executed under this subsection (d-5) shall provide that the  
19 utilities' payment obligations under such contracts shall  
20 be reduced if an adjustment is required under subsection  
21 (m) of Section 16-108 of the Public Utilities Act.

22 (7) This subsection (d-5) shall become inoperative on  
23 January 1, 2028.

24 (e) The draft procurement plans are subject to public  
25 comment, as required by Section 16-111.5 of the Public  
26 Utilities Act.

1 (f) The Agency shall submit the final procurement plan to  
2 the Commission. The Agency shall revise a procurement plan if  
3 the Commission determines that it does not meet the standards  
4 set forth in Section 16-111.5 of the Public Utilities Act.

5 (g) The Agency shall assess fees to each affected utility  
6 to recover the costs incurred in preparation of the annual  
7 procurement plan for the utility.

8 (h) The Agency shall assess fees to each bidder to recover  
9 the costs incurred in connection with a competitive procurement  
10 process.

11 (i) A renewable energy credit, carbon emission credit, or  
12 zero emission credit can only be used once to comply with a  
13 single portfolio or other standard as set forth in subsection  
14 (c), subsection (d), or subsection (d-5) of this Section,  
15 respectively. A renewable energy credit, carbon emission  
16 credit, or zero emission credit cannot be used to satisfy the  
17 requirements of more than one standard. If more than one type  
18 of credit is issued for the same megawatt hour of energy, only  
19 one credit can be used to satisfy the requirements of a single  
20 standard. After such use, the credit must be retired together  
21 with any other credits issued for the same megawatt hour of  
22 energy.

23 (j) Renewable energy supply.

24 (1) Beginning with the energy to be delivered in the  
25 delivery year commencing on June 1, 2023, the Agency shall  
26 assess the feasibility of procuring cost-effective,

1 long-term contracts for energy supply from renewable  
2 energy projects as provided under subparagraph (P) of  
3 subsection (c) of this Section, in accordance with the  
4 requirements of Section 16-111.5 of the Public Utilities  
5 Act for the eligible retail customers of electric utilities  
6 that on December 31, 2005 provided electric service to at  
7 least 100,000 customers in Illinois.

8 (2) Long-term contracts as described in this  
9 subsection (j) shall refer to contracts that are preferably  
10 no less than a 15-year period, but in no case less than a  
11 5-year period.

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

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



1       (k) Carbon-free resources.

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

12           (i) For the purposes of this subsection (k),  
13       "qualified resources" means: (1) energy efficiency  
14       measures that are implemented pursuant to plans  
15       approved by the Commission under Sections 8-103,  
16       8-103B, and 8-104 of the Public Utilities Act; (2)  
17       renewable energy resources as defined in Section 1-10  
18       of this Act; (3) zero emission facilities as defined in  
19       Section 1-10 of this Act; and (4) resources eligible as  
20       part of a Clean Peak Program under subsection (l) of  
21       this Section.

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

1           (iii) For the purposes of this Section, "Base  
2           Residual Auction" has the meaning given to it in the  
3           Open Access Transmission Tariff, Reliability Assurance  
4           Agreement, and manuals of PJM Interconnection, LLC.

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

24           (3) Duration of capacity procurement structure. The  
25           Agency's obligation under this subsection (k) shall  
26           continue annually until capacity is procured for the

1 delivery year commencing June 1, 2032. Prior to that time,  
2 the obligation shall cease only if and when the Agency  
3 concludes the enactment of a national carbon policy that  
4 includes a price on carbon, the implementation of a carbon  
5 pricing mechanism by PJM Interconnection, LLC, or such  
6 other changes in law related to carbon or carbon emissions  
7 as would affect its ability to meet the obligations and  
8 goals of the carbon-free capacity procurement described in  
9 this subsection (k). The Agency shall, in making such a  
10 determination, maintain its obligation to meet the terms  
11 and conditions of the Fixed Resource Requirement  
12 Alternative as described in the Open Access Transmission  
13 Tariff, Reliability Assurance Agreement, and manuals of  
14 PJM Interconnection, LLC or its successor.

15 (4) Electric utilities notification to PJM  
16 Interconnection, LLC. Prior to the first Base Residual  
17 Auction of PJM for which the Agency is procuring capacity,  
18 any electric utility affected by this procurement shall  
19 make timely written notification to PJM Interconnection,  
20 LLC or its successor that it is electing the Fixed Resource  
21 Requirement Alternative pursuant to the Reliability  
22 Assurance Agreement of PJM Interconnection, LLC or its  
23 successor, by which the electric utility will procure its  
24 Unforced Capacity Obligation for any delivery years for  
25 which the Agency will be procuring capacity pursuant to  
26 this subsection (k). The utility election shall include

1 notification of the performance penalties to be issued in  
2 the form of physical penalties, as that term is defined and  
3 understood in the PJM Interconnection, LLC manuals,  
4 Reliability Assurance Agreement, and Open Access  
5 Transmission Tariff. Following PJM Interconnection, LLC or  
6 its successor's validation of the electric utility's  
7 eligibility to participate in the Fixed Resource  
8 Requirement Alternative, the utility shall timely submit  
9 its Fixed Resource Requirement Alternative Capacity Plan  
10 pursuant to the requirements set forth in, and as defined  
11 by, the Reliability Assurance Agreement of PJM  
12 Interconnection, LLC, or its successor, as such Agreement  
13 may be updated from time to time. The utility shall timely  
14 update its Plan on an annual basis, as required by such  
15 Agreement. The utility's submission of its Fixed Resource  
16 Requirement Alternative Capacity Plan, and updates  
17 thereto, pursuant to this paragraph (4) and such Agreement  
18 shall be consistent with the results of the Agency's  
19 procurement or procurements of capacity for the applicable  
20 delivery year.

21 (5) Capacity obligation. The capacity portion of  
22 qualified resources shall be counted toward fulfillment of  
23 zonal capacity obligations for all retail customers within  
24 the local delivery area of any affected electric utility as  
25 determined by PJM Interconnection, LLC for the purposes of  
26 the Fixed Resource Requirement Alternative. The Agency

1 shall calculate the eligible capacity contribution of  
2 qualified resources procured, and match it to an equivalent  
3 megawatt quantity or portion of capacity obligation of load  
4 within the local delivery zone. The resulting capacity and  
5 load obligation shall be reported in accordance with the  
6 applicable provisions of the Open Access Transmission  
7 Tariff, Reliability Assurance Agreement and manuals of PJM  
8 Interconnection, LLC.

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

17 (i) Initial multi-year carbon-free capacity  
18 procurement. No later than January 30, 2020, the Agency  
19 shall conduct a procurement of capacity from qualified  
20 resources capable of supplying 75,000,000 MWh of  
21 carbon-free energy, under long-term contracts for  
22 capacity delivery beginning with the delivery year  
23 commencing June 1, 2023. Contracts for such capacity  
24 shall not exceed 15 years or the operating life of a  
25 resource as determined by the Nuclear Regulatory  
26 Council as of January 1, 2019, whichever is shorter.

1 Resources eligible for this procurement are qualified  
2 resources that (A) commence construction after January  
3 1, 2020, or have never sold zero-emission credits  
4 pursuant to subsection (d-5) of this Section and (B)  
5 count toward the capacity obligation. Resources that  
6 have a Pseudo-Tie, as such term is used by PJM  
7 Interconnection, LLC, are not eligible for this  
8 procurement. Resources shall be selected based on the  
9 public interest criteria provided under subsection  
10 (d-5) of this Section. The price for capacity under  
11 this procurement shall be the resource's offer price,  
12 expressed on a dollar per megawatt-hour basis,  
13 multiplied by estimated annual generation. In no event  
14 shall the Agency select an offer price that exceeds the  
15 Social Cost of Carbon. Payments to selected resources  
16 shall be made pursuant to the prudency review defined  
17 in this subsection (k), and subject to the consumer  
18 protection mechanisms in paragraph (8) of this  
19 subsection (k).

20 Bidders in the procurement shall have a choice  
21 between 2 contracts: (A) a 15-year fixed-term contract  
22 with no price adjustment other than the initial  
23 prudency review cap, or (B) an up to 15-year adjustable  
24 contract, subject to the prudency review cap as  
25 adjusted and through the consumer protection  
26 adjustment, with a seller's option to terminate after

1       10 years and a buyer's option to terminate after 10  
2       years if the Fixed Resource Requirement Alternative  
3       ends as described in paragraph (12) of this subsection  
4       (k). The Agency shall conduct this procurement as soon  
5       as is practicable after the effective date of this Act  
6       and as soon as is necessary to meet the requirements of  
7       the Fixed Resource Requirement Alternative as  
8       described by the PJM Interconnection, LLC manuals,  
9       Reliability Assurance Agreement, and Open Access  
10       Transmission Tariff.

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

21       (ii) Annual long-term renewable energy capacity  
22       procurements. No later than January 30, 2020, the  
23       Agency shall conduct an initial procurement of  
24       capacity from new wind projects and new solar projects,  
25       as defined under subparagraph (C) of paragraph (1) of  
26       subsection (c) of this Section, capable of providing up

1 to 6,000,000 MWh of renewable energy under long-term  
2 contracts for capacity delivery beginning with the  
3 delivery year commencing June 1, 2023. Resources  
4 eligible for this procurement are those that have  
5 commenced construction after January 1, 2020. Nothing  
6 shall prevent a winning bidder from entering service  
7 after January 1, 2020 and prior to June 1, 2023.  
8 Successful bidders in the procurement shall be  
9 eligible for a 15-year fixed-term contract, subject to  
10 the prudency review.

11 No later than January 30 of each year thereafter,  
12 the Agency shall conduct an annual procurement of  
13 capacity from new wind projects and new solar projects,  
14 as provided under subparagraph (C) of paragraph (1) of  
15 subsection (c) of this Section, beginning with the  
16 delivery year commencing June 1, 2024, to procure  
17 capacity necessary to meet the annual capacity  
18 obligation. In each annual procurement, the Agency  
19 shall procure incremental additional capacity from new  
20 wind and solar projects, through long-term contracts,  
21 that counts toward the capacity obligation and is  
22 capable of providing 2,000,000 MWh of renewable energy  
23 each year, such that the Agency procures capacity from  
24 renewable energy resources capable of providing  
25 20,000,000 MWh of renewable energy annually under the  
26 annual long-term renewable energy capacity



1 procurements by the end of the 2030 delivery year.  
2 Successful bidders in the procurement shall be  
3 eligible for a 15-year fixed-term contract, subject to  
4 the prudency review in this paragraph.

5 For all contracts under this item (ii), the price  
6 for capacity in each year of the contract shall be the  
7 resource's offer price, expressed on a dollar per  
8 megawatt-hour basis, as adjusted by the prudency  
9 review cap in this paragraph (6), less the market price  
10 index defined in item (iii) of subparagraph (B) of  
11 paragraph (1) of subsection (d-5) of this Section,  
12 multiplied by the estimated annual generation of the  
13 resource. In the event the resource's offer price is  
14 equal to or less than the prudency review cap  
15 established in this paragraph (6), the electric  
16 utility shall receive and retire all renewable energy  
17 credits generated by the project for the duration of  
18 the contract, and credit the difference between the  
19 offer price and the prudency review cap in dollars per  
20 megawatt-hour, multiplied by the estimated annual  
21 generation of the resource, to the renewable energy  
22 resources budget for each year of the contract. If the  
23 resource's offer price is greater than the prudency  
24 review cap established in this paragraph (6), the  
25 project shall be allowed to sell all renewable energy  
26 credits generated by the project in the procurements

1 described in subparagraph (C) of paragraph (1) of  
2 subsection (c) of this Section.

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

14 (iii) Annual carbon-free capacity procurements.  
15 The Agency shall conduct an annual carbon-free  
16 capacity procurement beginning with the delivery year  
17 commencing June 1, 2023 to procure capacity necessary  
18 to meet the annual capacity obligation. The annual  
19 procurement quantity shall be adjusted to reflect any  
20 capacity already procured through the initial  
21 multi-year capacity procurement described in items (i)  
22 and (ii) of this paragraph (6). All qualified resources  
23 are eligible for this procurement. Resources shall be  
24 qualified based on the public interest criteria  
25 provided in subsection (d-5) of this Section.  
26 Contracts offered through this procurement shall be

1 limited to a duration of one delivery year for  
2 qualified resources, with the exception of energy  
3 efficiency and demand response resources as defined in  
4 Section 1-10 of this Act. The procurement shall be  
5 competitively bid and payments to selected resources  
6 shall be made on a pay-as-bid basis as an incremental  
7 price to the zonal capacity price determined by PJM  
8 Interconnection, LLC during the applicable delivery  
9 year's Base Residual Auction. The Agency shall include  
10 in this annual carbon-free capacity procurement a  
11 competitive procurement for demand response resources,  
12 as defined in Section 1-10 of this Act, resources with  
13 contract durations not to exceed 5 years. Such  
14 procurement shall be subject to a bid cap to be  
15 determined in relation to the applicable delivery  
16 year's Net Cost of New Entry, or Net CONE, as specified  
17 by PJM Interconnection, LLC.

18 (iv) Annual open capacity procurements. The Agency  
19 shall conduct annual capacity procurements beginning  
20 with the delivery year commencing June 1, 2023 to  
21 ensure that capacity necessary to meet the annual  
22 capacity obligation is procured. The annual amount of  
23 capacity procured through item (iii) of this paragraph  
24 (6) shall be adjusted to reflect any capacity already  
25 procured through the procurements described in items  
26 (i), (ii) and (iii) of this paragraph (6). Both

1 qualified and non-qualified resources are eligible for  
2 this procurement so long as the resource can provide  
3 capacity that is eligible to meet the annual zonal  
4 capacity obligation. Contracts offered through this  
5 procurement shall not exceed 3 years. Payments to  
6 selected resources shall be made on a pay-as-bid basis  
7 as an incremental value to the zonal capacity price  
8 determined by PJM Interconnection, LLC during the  
9 applicable delivery year's Base Residual Auction. The  
10 Agency shall design the annual open capacity  
11 procurements to ensure the utility can meet the minimum  
12 requirements of a Fixed Resource Requirement  
13 Alternative, as described by the PJM Interconnection,  
14 LLC manuals, Reliability Assurance Agreement, and Open  
15 Access Transmission Tariff, while not intruding on the  
16 ability of the Agency to meet and prioritize the  
17 carbon-free procurements, in the applicable delivery  
18 year or in future delivery years.

19 (v) Mid-point carbon-free capacity procurement.  
20 The Agency shall conduct a procurement event for the  
21 delivery year commencing June 1, 2027. Quantity  
22 procured through this event shall be capable of  
23 supplying 12 terawatt hours of carbon-free energy from  
24 qualified resources. Resources eligible for this  
25 procurement include qualified resources that have  
26 never sold or no longer sell zero-emission credits and

1 qualified resources that have never sold renewable  
2 energy credits. Resources shall be qualified based on  
3 the public interest criteria provided in subsection  
4 (d-5) of this Section. Payments to selected resources  
5 shall be made pursuant to the prudency review cap  
6 provided in this subsection (k). Contracts offered  
7 pursuant to this item (iv) of this paragraph (6) for  
8 renewable energy projects shall be for 15 years, with a  
9 seller's option to terminate the contract after 10  
10 years. Contracts offered pursuant to item (iv) of this  
11 paragraph (6) for all other qualified resources shall  
12 be for a maximum of 5 years.

13 (vi) Annual carbon-free peak capacity  
14 procurements. The Agency shall conduct an annual  
15 procurement targeted at a megawatt quantity sufficient  
16 to meet the capacity obligation for the 100 hours  
17 annually that are projected to have the highest peak  
18 demand. Resources eligible for this procurement  
19 include qualified demand response, energy efficiency,  
20 and energy storage resources as well as  
21 price-responsive demand resources as that term is  
22 defined and used by PJM Interconnection, LLC.  
23 Resources shall be selected based on public interest  
24 criteria as provided in subsection (d-5) of this  
25 Section, and annual zonal capacity requirements.  
26 Contracts offered pursuant to this procurement shall

1       not exceed 5 years. Selected resources will receive  
2       compensation based on the benefits of reduced peak  
3       energy demand, including, but not limited to, the  
4       benefits of avoided capacity costs, capital  
5       investments, and environmental damages.

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

18      (7) Prudency review. The Agency shall conduct a  
19      prudency review of the prices paid for the winning bids in  
20      the capacity procurements provided in items (i) through (v)  
21      of paragraph (6) to ensure they are cost effective, and  
22      implement a prudency review cap to limit the price paid to  
23      winning bidders to no more than the established amount. The  
24      prudency review cap shall limit the price paid per  
25      megawatt-hour to no greater than the zonal capacity price  
26      paid in the delivery year commencing June 1, 2018, divided

1 by 24, plus the NI Hub average forward price for the  
2 delivery year commencing June 1, 2018, less a certain  
3 percentage. For the delivery year commencing June 1, 2027  
4 and thereafter, the prudency cap shall be increased to a  
5 new fixed level to account for inflation. It may be  
6 adjusted in individual years based on the consumer  
7 protection adjustment described in paragraph (8) of this  
8 subsection (k). The prudency review cap shall be increased  
9 or decreased if the average basis differential from the NI  
10 HUB price to resources with contracts as part of the  
11 Multi-Year Carbon-Free Capacity Procurement exceeds \$3 per  
12 megawatt-hour, or is less than \$1 per megawatt-hour. The  
13 prudency cap shall also be adjusted down to account for new  
14 market or out-of-market payments received by qualified  
15 resources and not reflected in energy prices.

16 (8) Consumer protection adjustment. The consumer  
17 protection adjustment shall limit total annual capacity  
18 payments under the procurements provided in in items (i)  
19 through (v) of paragraph (6) so that the costs paid for  
20 capacity, energy, renewable energy credits, and zero  
21 emission credits by all customers in the PJM  
22 Interconnection, LLC territory in a given year shall not  
23 exceed the consumer protection adjustment baseline,  
24 defined as the total such costs paid by customers for the  
25 delivery year commencing June 1, 2018, less 5% of that  
26 total. This consumer protection adjustment baseline shall

1 be adjusted by 1% each year beginning with the delivery  
2 year commencing June 1, 2024. If exceeded, the prudency  
3 review cap for contracts procured pursuant to paragraph (6)  
4 of this subsection (k) and the capacity component of the  
5 procurements provided in items (i) through (v) of paragraph  
6 (6) shall be reduced by a dollar/MWh value until total  
7 costs are equal to the consumer protection adjustment  
8 baseline.

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

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

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

21 (iii) support the programs described in the Clean  
22 Jobs Workforce Hubs Act, Expanding Clean Energy  
23 Entrepreneurship Act, and the Energy Community  
24 Reinvestment Act, through the funding of any funding  
25 shortfalls identified by the Department of Commerce  
26 and Economic Opportunity, upon receipt of notification



1           and invoice from the Department as described in the  
2           Energy Community Reinvestment Fund Act; and

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

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

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

21          For any single capacity procurement conducted by the  
22          Agency, eligible resources may manage the risk of  
23          performance penalties by joining with other resources in a  
24          pool that will be assessed as a single unit for the  
25          purposes of determining performance. Such a pool may be  
26          self-selected by the resources or created by the Agency.

1     For renewable resources, penalties for a single resource  
2     for non-performance shall be capped at \$500/MWh per  
3     performance assessment interval based on physical penalty  
4     need and attributable resources, with performance  
5     penalties only assessed if the portfolio as a whole is  
6     found to underperform and attribution for underperformance  
7     is from that resources. Any additional cost for the  
8     purchase of additional megawatts of capacity, as required  
9     by physical non-performance penalty attributable to the  
10    resource, shall be funded from the renewable energy  
11    resources budget. If an individual resource continually  
12    underperforms, the Agency shall adjust the maximum allowed  
13    capacity obligation and payment of that resource going  
14    forward.

15        (10) Planning process. The Agency shall include its  
16    plans for capacity procurements as described in this  
17    subsection (k) in the procurement plan described in Section  
18    16-111.5 of the Public Utilities Act. If the effective date  
19    of this amendatory Act of the 101st General Assembly would  
20    make coordination with that process impracticable, the  
21    Agency is authorized to conduct a separate planning process  
22    for the delivery year beginning June 1, 2023 or as required  
23    by PJM Interconnection, LLC and as described as follows:

24            (A) No later than 45 days after the effective date  
25    of this amendatory Act of the 101st General Assembly,  
26    the Agency shall publish its proposed capacity

1 procurement plan for the delivery year commencing June  
2 1, 2023. The plan shall be consistent with the  
3 provisions of this subsection (k) and shall describe in  
4 detail how each public interest factor shall be  
5 considered and weighted in the bid selection process to  
6 ensure that the public interest criteria are applied to  
7 the procurement and given full effect.

8 (B) Upon publishing of the capacity procurement  
9 plan, copies of the plan shall be posted and made  
10 publicly available on the Agency's website. All  
11 interested parties shall have 10 days following the  
12 date of posting to provide comment to the Agency on the  
13 plan. All comments shall be posted to the Agency's  
14 website. Following the end of the comment period, but  
15 no more than 60 days after the effective date of this  
16 amendatory Act of the 101st General Assembly, the  
17 Agency shall revise the plan as necessary based on the  
18 comments received and file its capacity procurement  
19 plan with the Commission.

20 (C) If the Commission determines that the plan will  
21 result in the procurement of capacity consistent with  
22 the requirements of this subsection (k), then the  
23 Commission shall, after notice and hearing, but no  
24 later than 45 days after the Agency filed the plan,  
25 approve the plan or approve with modification.

26 (11) Other powers and duties. The Agency shall have the

1 authority to adjust the procurement practices described in  
2 Section 16-111.5 of the Public Utilities Act that address  
3 resource bidding, credit requirements, default, and other  
4 practices that affect the conduct of procurement events  
5 described in this subsection (k). Such adjustment shall be  
6 made only to achieve the goals described in paragraph (1)  
7 of this subsection (k) or to ensure compliance with  
8 requirements of the PJM Interconnection, LLC manuals,  
9 Reliability Assurance Agreement, or Open Access  
10 Transmission Tariff.

11 (12) End of Fixed Resource Requirement Alternative. If  
12 at any time prior to the delivery year beginning June 1,  
13 2023, the Fixed Resource Requirement Alternative is no  
14 longer available for use by any electric utility affected  
15 by this subsection (k), the Agency shall review and  
16 determine the most cost-effective way to achieve the goals  
17 of this subsection (k). Resource owners with contracts  
18 whose performance is not yet complete may choose to sell  
19 any remaining capacity at cost to the affected electric  
20 utility for use in satisfying the PJM Interconnection, LLC  
21 zonal obligation. Renewable energy resources with a  
22 contract for bundled capacity shall continue to receive  
23 variable REC payments that are intended to replace any lost  
24 value from the end of the Fixed Resource Requirement  
25 Alternative.

26 (13) Consumer savings mechanism. Electric utilities

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

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

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

20       (30 ILCS 105/5.891 new)

21       Sec. 5.891. The Energy Community Reinvestment Fund.

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

1 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

2 Sec. 201. Tax imposed.

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

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

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

17 (2) In the case of an individual, trust or estate, for  
18 taxable years beginning prior to July 1, 1989 and ending  
19 after June 30, 1989, an amount equal to the sum of (i) 2  
20 1/2% of the taxpayer's net income for the period prior to  
21 July 1, 1989, as calculated under Section 202.3, and (ii)  
22 3% of the taxpayer's net income for the period after June  
23 30, 1989, as calculated under Section 202.3.

24 (3) In the case of an individual, trust or estate, for  
25 taxable years beginning after June 30, 1989, and ending

1 prior to January 1, 2011, an amount equal to 3% of the  
2 taxpayer's net income for the taxable year.

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

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

14 (5.1) In the case of an individual, trust, or estate,  
15 for taxable years beginning prior to January 1, 2015, and  
16 ending after December 31, 2014, an amount equal to the sum  
17 of (i) 5% of the taxpayer's net income for the period prior  
18 to January 1, 2015, as calculated under Section 202.5, and  
19 (ii) 3.75% of the taxpayer's net income for the period  
20 after December 31, 2014, as calculated under Section 202.5.

21 (5.2) In the case of an individual, trust, or estate,  
22 for taxable years beginning on or after January 1, 2015,  
23 and ending prior to July 1, 2017, an amount equal to 3.75%  
24 of the taxpayer's net income for the taxable year.

25 (5.3) In the case of an individual, trust, or estate,  
26 for taxable years beginning prior to July 1, 2017, and

1 ending after June 30, 2017, an amount equal to the sum of  
2 (i) 3.75% of the taxpayer's net income for the period prior  
3 to July 1, 2017, as calculated under Section 202.5, and  
4 (ii) 4.95% of the taxpayer's net income for the period  
5 after June 30, 2017, as calculated under Section 202.5.

6 (5.4) In the case of an individual, trust, or estate,  
7 for taxable years beginning on or after July 1, 2017, an  
8 amount equal to 4.95% of the taxpayer's net income for the  
9 taxable year.

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

13 (7) In the case of a corporation, for taxable years  
14 beginning prior to July 1, 1989 and ending after June 30,  
15 1989, an amount equal to the sum of (i) 4% of the  
16 taxpayer's net income for the period prior to July 1, 1989,  
17 as calculated under Section 202.3, and (ii) 4.8% of the  
18 taxpayer's net income for the period after June 30, 1989,  
19 as calculated under Section 202.3.

20 (8) In the case of a corporation, for taxable years  
21 beginning after June 30, 1989, and ending prior to January  
22 1, 2011, an amount equal to 4.8% of the taxpayer's net  
23 income for the taxable year.

24 (9) In the case of a corporation, for taxable years  
25 beginning prior to January 1, 2011, and ending after  
26 December 31, 2010, an amount equal to the sum of (i) 4.8%



1 of the taxpayer's net income for the period prior to  
2 January 1, 2011, as calculated under Section 202.5, and  
3 (ii) 7% of the taxpayer's net income for the period after  
4 December 31, 2010, as calculated under Section 202.5.

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

9 (11) In the case of a corporation, for taxable years  
10 beginning prior to January 1, 2015, and ending after  
11 December 31, 2014, an amount equal to the sum of (i) 7% of  
12 the taxpayer's net income for the period prior to January  
13 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
14 of the taxpayer's net income for the period after December  
15 31, 2014, as calculated under Section 202.5.

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

20 (13) In the case of a corporation, for taxable years  
21 beginning prior to July 1, 2017, and ending after June 30,  
22 2017, an amount equal to the sum of (i) 5.25% of the  
23 taxpayer's net income for the period prior to July 1, 2017,  
24 as calculated under Section 202.5, and (ii) 7% of the  
25 taxpayer's net income for the period after June 30, 2017,  
26 as calculated under Section 202.5.

1           (14) In the case of a corporation, for taxable years  
2           beginning on or after July 1, 2017, an amount equal to 7%  
3           of the taxpayer's net income for the taxable year.

4           The rates under this subsection (b) are subject to the  
5           provisions of Section 201.5.

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

19          (d) Additional Personal Property Tax Replacement Income  
20          Tax Rates. The personal property tax replacement income tax  
21          imposed by this subsection and subsection (c) of this Section  
22          in the case of a corporation, other than a Subchapter S  
23          corporation and except as adjusted by subsection (d-1), shall  
24          be an additional amount equal to 2.85% of such taxpayer's net  
25          income for the taxable year, except that beginning on January  
26          1, 1981, and thereafter, the rate of 2.85% specified in this

1 subsection shall be reduced to 2.5%, and in the case of a  
2 partnership, trust or a Subchapter S corporation shall be an  
3 additional amount equal to 1.5% of such taxpayer's net income  
4 for the taxable year.

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

1 purposes of this subsection (d-1), an inter-affiliate includes  
2 a mutual insurer under common management.

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

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

9 (B) the privilege tax imposed by Section 409 of the  
10 Illinois Insurance Code, the fire insurance company  
11 tax imposed by Section 12 of the Fire Investigation  
12 Act, and the fire department taxes imposed under  
13 Section 11-10-1 of the Illinois Municipal Code,  
14 equals 1.25% for taxable years ending prior to December 31,  
15 2003, or 1.75% for taxable years ending on or after  
16 December 31, 2003, of the net taxable premiums written for  
17 the taxable year, as described by subsection (1) of Section  
18 409 of the Illinois Insurance Code. This paragraph will in  
19 no event increase the rates imposed under subsections (b)  
20 and (d).

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

1 subsection (d).

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

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

7 (1) A taxpayer shall be allowed a credit equal to .5%  
8 of the basis of qualified property placed in service during  
9 the taxable year, provided such property is placed in  
10 service on or after July 1, 1984. There shall be allowed an  
11 additional credit equal to .5% of the basis of qualified  
12 property placed in service during the taxable year,  
13 provided such property is placed in service on or after  
14 July 1, 1986, and the taxpayer's base employment within  
15 Illinois has increased by 1% or more over the preceding  
16 year as determined by the taxpayer's employment records  
17 filed with the Illinois Department of Employment Security.  
18 Taxpayers who are new to Illinois shall be deemed to have  
19 met the 1% growth in base employment for the first year in  
20 which they file employment records with the Illinois  
21 Department of Employment Security. The provisions added to  
22 this Section by Public Act 85-1200 (and restored by Public  
23 Act 87-895) shall be construed as declaratory of existing  
24 law and not as a new enactment. If, in any year, the  
25 increase in base employment within Illinois over the  
26 preceding year is less than 1%, the additional credit shall

1 be limited to that percentage times a fraction, the  
2 numerator of which is .5% and the denominator of which is  
3 1%, but shall not exceed .5%. The investment credit shall  
4 not be allowed to the extent that it would reduce a  
5 taxpayer's liability in any tax year below zero, nor may  
6 any credit for qualified property be allowed for any year  
7 other than the year in which the property was placed in  
8 service in Illinois. For tax years ending on or after  
9 December 31, 1987, and on or before December 31, 1988, the  
10 credit shall be allowed for the tax year in which the  
11 property is placed in service, or, if the amount of the  
12 credit exceeds the tax liability for that year, whether it  
13 exceeds the original liability or the liability as later  
14 amended, such excess may be carried forward and applied to  
15 the tax liability of the 5 taxable years following the  
16 excess credit years if the taxpayer (i) makes investments  
17 which cause the creation of a minimum of 2,000 full-time  
18 equivalent jobs in Illinois, (ii) is located in an  
19 enterprise zone established pursuant to the Illinois  
20 Enterprise Zone Act and (iii) is certified by the  
21 Department of Commerce and Community Affairs (now  
22 Department of Commerce and Economic Opportunity) as  
23 complying with the requirements specified in clause (i) and  
24 (ii) by July 1, 1986. The Department of Commerce and  
25 Community Affairs (now Department of Commerce and Economic  
26 Opportunity) shall notify the Department of Revenue of all

1 such certifications immediately. For tax years ending  
2 after December 31, 1988, the credit shall be allowed for  
3 the tax year in which the property is placed in service,  
4 or, if the amount of the credit exceeds the tax liability  
5 for that year, whether it exceeds the original liability or  
6 the liability as later amended, such excess may be carried  
7 forward and applied to the tax liability of the 5 taxable  
8 years following the excess credit years. The credit shall  
9 be applied to the earliest year for which there is a  
10 liability. If there is credit from more than one tax year  
11 that is available to offset a liability, earlier credit  
12 shall be applied first.

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

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

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

1 (C) is acquired by purchase as defined in Section  
2 179(d) of the Internal Revenue Code;

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

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

13 (3) For purposes of this subsection (e),  
14 "manufacturing" means the material staging and production  
15 of tangible personal property by procedures commonly  
16 regarded as manufacturing, processing, fabrication, or  
17 assembling which changes some existing material into new  
18 shapes, new qualities, or new combinations. For purposes of  
19 this subsection (e) the term "mining" shall have the same  
20 meaning as the term "mining" in Section 613(c) of the  
21 Internal Revenue Code. For purposes of this subsection (e),  
22 the term "retailing" means the sale of tangible personal  
23 property for use or consumption and not for resale, or  
24 services rendered in conjunction with the sale of tangible  
25 personal property for use or consumption and not for  
26 resale. For purposes of this subsection (e), "tangible



1 personal property" has the same meaning as when that term  
2 is used in the Retailers' Occupation Tax Act, and, for  
3 taxable years ending after December 31, 2008, does not  
4 include the generation, transmission, or distribution of  
5 electricity.

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

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

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

16 (7) If during any taxable year, any property ceases to  
17 be qualified property in the hands of the taxpayer within  
18 48 months after being placed in service, or the situs of  
19 any qualified property is moved outside Illinois within 48  
20 months after being placed in service, the Personal Property  
21 Tax Replacement Income Tax for such taxable year shall be  
22 increased. Such increase shall be determined by (i)  
23 recomputing the investment credit which would have been  
24 allowed for the year in which credit for such property was  
25 originally allowed by eliminating such property from such  
26 computation and, (ii) subtracting such recomputed credit

1 from the amount of credit previously allowed. For the  
2 purposes of this paragraph (7), a reduction of the basis of  
3 qualified property resulting from a redetermination of the  
4 purchase price shall be deemed a disposition of qualified  
5 property to the extent of such reduction.

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

11 (9) Each taxable year ending before December 31, 2000,  
12 a partnership may elect to pass through to its partners the  
13 credits to which the partnership is entitled under this  
14 subsection (e) for the taxable year. A partner may use the  
15 credit allocated to him or her under this paragraph only  
16 against the tax imposed in subsections (c) and (d) of this  
17 Section. If the partnership makes that election, those  
18 credits shall be allocated among the partners in the  
19 partnership in accordance with the rules set forth in  
20 Section 704(b) of the Internal Revenue Code, and the rules  
21 promulgated under that Section, and the allocated amount of  
22 the credits shall be allowed to the partners for that  
23 taxable year. The partnership shall make this election on  
24 its Personal Property Tax Replacement Income Tax return for  
25 that taxable year. The election to pass through the credits  
26 shall be irrevocable.

1           For taxable years ending on or after December 31, 2000,  
2           a partner that qualifies its partnership for a subtraction  
3           under subparagraph (I) of paragraph (2) of subsection (d)  
4           of Section 203 or a shareholder that qualifies a Subchapter  
5           S corporation for a subtraction under subparagraph (S) of  
6           paragraph (2) of subsection (b) of Section 203 shall be  
7           allowed a credit under this subsection (e) equal to its  
8           share of the credit earned under this subsection (e) during  
9           the taxable year by the partnership or Subchapter S  
10          corporation, determined in accordance with the  
11          determination of income and distributive share of income  
12          under Sections 702 and 704 and Subchapter S of the Internal  
13          Revenue Code. This paragraph is exempt from the provisions  
14          of Section 250.

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

17               (1) A taxpayer shall be allowed a credit against the  
18               tax imposed by subsections (a) and (b) of this Section for  
19               investment in qualified property which is placed in service  
20               in an Enterprise Zone created pursuant to the Illinois  
21               Enterprise Zone Act or, for property placed in service on  
22               or after July 1, 2006, a River Edge Redevelopment Zone  
23               established pursuant to the River Edge Redevelopment Zone  
24               Act, or for investment in renewable energy enterprises  
25               located in Clean Energy Empowerment Zones created pursuant  
26               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:

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

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

8           (C) is acquired by purchase as defined in Section  
9 179(d) of the Internal Revenue Code;

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

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

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

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

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

1           (6) If during any taxable year, any property ceases to  
2 be qualified property in the hands of the taxpayer within  
3 48 months after being placed in service, or the situs of  
4 any qualified property is moved outside the Enterprise Zone  
5 or River Edge Redevelopment Zone within 48 months after  
6 being placed in service, the tax imposed under subsections  
7 (a) and (b) of this Section for such taxable year shall be  
8 increased. Such increase shall be determined by (i)  
9 recomputing the investment credit which would have been  
10 allowed for the year in which credit for such property was  
11 originally allowed by eliminating such property from such  
12 computation, and (ii) subtracting such recomputed credit  
13 from the amount of credit previously allowed. For the  
14 purposes of this paragraph (6), a reduction of the basis of  
15 qualified property resulting from a redetermination of the  
16 purchase price shall be deemed a disposition of qualified  
17 property to the extent of such reduction.

18           (7) There shall be allowed an additional credit equal  
19 to 0.5% of the basis of qualified property placed in  
20 service during the taxable year in a River Edge  
21 Redevelopment Zone, provided such property is placed in  
22 service on or after July 1, 2006, and the taxpayer's base  
23 employment within Illinois has increased by 1% or more over  
24 the preceding year as determined by the taxpayer's  
25 employment records filed with the Illinois Department of  
26 Employment Security. Taxpayers who are new to Illinois

1 shall be deemed to have met the 1% growth in base  
2 employment for the first year in which they file employment  
3 records with the Illinois Department of Employment  
4 Security. If, in any year, the increase in base employment  
5 within Illinois over the preceding year is less than 1%,  
6 the additional credit shall be limited to that percentage  
7 times a fraction, the numerator of which is 0.5% and the  
8 denominator of which is 1%, but shall not exceed 0.5%.

9 (g) (Blank).

10 (h) Investment credit; High Impact Business.

11 (1) Subject to subsections (b) and (b-5) of Section 5.5  
12 of the Illinois Enterprise Zone Act, a taxpayer shall be  
13 allowed a credit against the tax imposed by subsections (a)  
14 and (b) of this Section for investment in qualified  
15 property which is placed in service by a Department of  
16 Commerce and Economic Opportunity designated High Impact  
17 Business. The credit shall be .5% of the basis for such  
18 property. The credit shall not be available (i) until the  
19 minimum investments in qualified property set forth in  
20 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
21 Enterprise Zone Act have been satisfied or (ii) until the  
22 time authorized in subsection (b-5) of the Illinois  
23 Enterprise Zone Act for entities designated as High Impact  
24 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
25 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
26 Act, and shall not be allowed to the extent that it would

1       reduce a taxpayer's liability for the tax imposed by  
2       subsections (a) and (b) of this Section to below zero. The  
3       credit applicable to such investments shall be taken in the  
4       taxable year in which such investments have been completed.  
5       The credit for additional investments beyond the minimum  
6       investment by a designated high impact business authorized  
7       under subdivision (a)(3)(A) of Section 5.5 of the Illinois  
8       Enterprise Zone Act shall be available only in the taxable  
9       year in which the property is placed in service and shall  
10      not be allowed to the extent that it would reduce a  
11      taxpayer's liability for the tax imposed by subsections (a)  
12      and (b) of this Section to below zero. For tax years ending  
13      on or after December 31, 1987, the credit shall be allowed  
14      for the tax year in which the property is placed in  
15      service, or, if the amount of the credit exceeds the tax  
16      liability for that year, whether it exceeds the original  
17      liability or the liability as later amended, such excess  
18      may be carried forward and applied to the tax liability of  
19      the 5 taxable years following the excess credit year. The  
20      credit shall be applied to the earliest year for which  
21      there is a liability. If there is credit from more than one  
22      tax year that is available to offset a liability, the  
23      credit accruing first in time shall be applied first.

24           Changes made in this subdivision (h)(1) by Public Act  
25      88-670 restore changes made by Public Act 85-1182 and  
26      reflect existing law.



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

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

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

9               (C) is acquired by purchase as defined in Section  
10 179(d) of the Internal Revenue Code; and

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

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

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

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

25           (6) If during any taxable year ending on or before  
26 December 31, 1996, any property ceases to be qualified

1 property in the hands of the taxpayer within 48 months  
2 after being placed in service, or the situs of any  
3 qualified property is moved outside Illinois within 48  
4 months after being placed in service, the tax imposed under  
5 subsections (a) and (b) of this Section for such taxable  
6 year shall be increased. Such increase shall be determined  
7 by (i) recomputing the investment credit which would have  
8 been allowed for the year in which credit for such property  
9 was originally allowed by eliminating such property from  
10 such computation, and (ii) subtracting such recomputed  
11 credit from the amount of credit previously allowed. For  
12 the purposes of this paragraph (6), a reduction of the  
13 basis of qualified property resulting from a  
14 redetermination of the purchase price shall be deemed a  
15 disposition of qualified property to the extent of such  
16 reduction.

17 (7) Beginning with tax years ending after December 31,  
18 1996, if a taxpayer qualifies for the credit under this  
19 subsection (h) and thereby is granted a tax abatement and  
20 the taxpayer relocates its entire facility in violation of  
21 the explicit terms and length of the contract under Section  
22 18-183 of the Property Tax Code, the tax imposed under  
23 subsections (a) and (b) of this Section shall be increased  
24 for the taxable year in which the taxpayer relocated its  
25 facility by an amount equal to the amount of credit  
26 received by the taxpayer under this subsection (h).

1           (i) Credit for Personal Property Tax Replacement Income  
2 Tax. For tax years ending prior to December 31, 2003, a credit  
3 shall be allowed against the tax imposed by subsections (a) and  
4 (b) of this Section for the tax imposed by subsections (c) and  
5 (d) of this Section. This credit shall be computed by  
6 multiplying the tax imposed by subsections (c) and (d) of this  
7 Section by a fraction, the numerator of which is base income  
8 allocable to Illinois and the denominator of which is Illinois  
9 base income, and further multiplying the product by the tax  
10 rate imposed by subsections (a) and (b) of this Section.

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

25           If, during any taxable year ending on or after December 31,  
26 1986, the tax imposed by subsections (c) and (d) of this

1 Section for which a taxpayer has claimed a credit under this  
2 subsection (i) is reduced, the amount of credit for such tax  
3 shall also be reduced. Such reduction shall be determined by  
4 recomputing the credit to take into account the reduced tax  
5 imposed by subsections (c) and (d). If any portion of the  
6 reduced amount of credit has been carried to a different  
7 taxable year, an amended return shall be filed for such taxable  
8 year to reduce the amount of credit claimed.

9 (j) Training expense credit. Beginning with tax years  
10 ending on or after December 31, 1986 and prior to December 31,  
11 2003, a taxpayer shall be allowed a credit against the tax  
12 imposed by subsections (a) and (b) under this Section for all  
13 amounts paid or accrued, on behalf of all persons employed by  
14 the taxpayer in Illinois or Illinois residents employed outside  
15 of Illinois by a taxpayer, for educational or vocational  
16 training in semi-technical or technical fields or semi-skilled  
17 or skilled fields, which were deducted from gross income in the  
18 computation of taxable income. The credit against the tax  
19 imposed by subsections (a) and (b) shall be 1.6% of such  
20 training expenses. For partners, shareholders of subchapter S  
21 corporations, and owners of limited liability companies, if the  
22 liability company is treated as a partnership for purposes of  
23 federal and State income taxation, there shall be allowed a  
24 credit under this subsection (j) to be determined in accordance  
25 with the determination of income and distributive share of  
26 income under Sections 702 and 704 and subchapter S of the

1 Internal Revenue Code.

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

12 (k) Research and development credit. For tax years ending  
13 after July 1, 1990 and prior to December 31, 2003, and  
14 beginning again for tax years ending on or after December 31,  
15 2004, and ending prior to January 1, 2022, a taxpayer shall be  
16 allowed a credit against the tax imposed by subsections (a) and  
17 (b) of this Section for increasing research activities in this  
18 State. The credit allowed against the tax imposed by  
19 subsections (a) and (b) shall be equal to 6 1/2% of the  
20 qualifying expenditures for increasing research activities in  
21 this State. For partners, shareholders of subchapter S  
22 corporations, and owners of limited liability companies, if the  
23 liability company is treated as a partnership for purposes of  
24 federal and State income taxation, there shall be allowed a  
25 credit under this subsection to be determined in accordance  
26 with the determination of income and distributive share of

1 income under Sections 702 and 704 and subchapter S of the  
2 Internal Revenue Code.

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

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

24 If an unused credit is carried forward to a given year from  
25 2 or more earlier years, that credit arising in the earliest  
26 year will be applied first against the tax liability for the

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

10 No inference shall be drawn from this amendatory Act of the  
11 91st General Assembly in construing this Section for taxable  
12 years beginning before January 1, 1999.

13 It is the intent of the General Assembly that the research  
14 and development credit under this subsection (k) shall apply  
15 continuously for all tax years ending on or after December 31,  
16 2004 and ending prior to January 1, 2022, including, but not  
17 limited to, the period beginning on January 1, 2016 and ending  
18 on the effective date of this amendatory Act of the 100th  
19 General Assembly. All actions taken in reliance on the  
20 continuation of the credit under this subsection (k) by any  
21 taxpayer are hereby validated.

22 (l) Environmental Remediation Tax Credit.

23 (i) For tax years ending after December 31, 1997 and on  
24 or before December 31, 2001, a taxpayer shall be allowed a  
25 credit against the tax imposed by subsections (a) and (b)  
26 of this Section for certain amounts paid for unreimbursed

1 eligible remediation costs, as specified in this  
2 subsection. For purposes of this Section, "unreimbursed  
3 eligible remediation costs" means costs approved by the  
4 Illinois Environmental Protection Agency ("Agency") under  
5 Section 58.14 of the Environmental Protection Act that were  
6 paid in performing environmental remediation at a site for  
7 which a No Further Remediation Letter was issued by the  
8 Agency and recorded under Section 58.10 of the  
9 Environmental Protection Act. The credit must be claimed  
10 for the taxable year in which Agency approval of the  
11 eligible remediation costs is granted. The credit is not  
12 available to any taxpayer if the taxpayer or any related  
13 party caused or contributed to, in any material respect, a  
14 release of regulated substances on, in, or under the site  
15 that was identified and addressed by the remedial action  
16 pursuant to the Site Remediation Program of the  
17 Environmental Protection Act. After the Pollution Control  
18 Board rules are adopted pursuant to the Illinois  
19 Administrative Procedure Act for the administration and  
20 enforcement of Section 58.9 of the Environmental  
21 Protection Act, determinations as to credit availability  
22 for purposes of this Section shall be made consistent with  
23 those rules. For purposes of this Section, "taxpayer"  
24 includes a person whose tax attributes the taxpayer has  
25 succeeded to under Section 381 of the Internal Revenue Code  
26 and "related party" includes the persons disallowed a



1 deduction for losses by paragraphs (b), (c), and (f)(1) of  
2 Section 267 of the Internal Revenue Code by virtue of being  
3 a related taxpayer, as well as any of its partners. The  
4 credit allowed against the tax imposed by subsections (a)  
5 and (b) shall be equal to 25% of the unreimbursed eligible  
6 remediation costs in excess of \$100,000 per site, except  
7 that the \$100,000 threshold shall not apply to any site  
8 contained in an enterprise zone as determined by the  
9 Department of Commerce and Community Affairs (now  
10 Department of Commerce and Economic Opportunity). The  
11 total credit allowed shall not exceed \$40,000 per year with  
12 a maximum total of \$150,000 per site. For partners and  
13 shareholders of subchapter S corporations, there shall be  
14 allowed a credit under this subsection to be determined in  
15 accordance with the determination of income and  
16 distributive share of income under Sections 702 and 704 and  
17 subchapter S of the Internal Revenue Code.

18 (ii) A credit allowed under this subsection that is  
19 unused in the year the credit is earned may be carried  
20 forward to each of the 5 taxable years following the year  
21 for which the credit is first earned until it is used. The  
22 term "unused credit" does not include any amounts of  
23 unreimbursed eligible remediation costs in excess of the  
24 maximum credit per site authorized under paragraph (i).  
25 This credit shall be applied first to the earliest year for  
26 which there is a liability. If there is a credit under this

1 subsection from more than one tax year that is available to  
2 offset a liability, the earliest credit arising under this  
3 subsection shall be applied first. A credit allowed under  
4 this subsection may be sold to a buyer as part of a sale of  
5 all or part of the remediation site for which the credit  
6 was granted. The purchaser of a remediation site and the  
7 tax credit shall succeed to the unused credit and remaining  
8 carry-forward period of the seller. To perfect the  
9 transfer, the assignor shall record the transfer in the  
10 chain of title for the site and provide written notice to  
11 the Director of the Illinois Department of Revenue of the  
12 assignor's intent to sell the remediation site and the  
13 amount of the tax credit to be transferred as a portion of  
14 the sale. In no event may a credit be transferred to any  
15 taxpayer if the taxpayer or a related party would not be  
16 eligible under the provisions of subsection (i).

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

20 (m) Education expense credit. Beginning with tax years  
21 ending after December 31, 1999, a taxpayer who is the custodian  
22 of one or more qualifying pupils shall be allowed a credit  
23 against the tax imposed by subsections (a) and (b) of this  
24 Section for qualified education expenses incurred on behalf of  
25 the qualifying pupils. The credit shall be equal to 25% of  
26 qualified education expenses, but in no event may the total

1 credit under this subsection claimed by a family that is the  
2 custodian of qualifying pupils exceed (i) \$500 for tax years  
3 ending prior to December 31, 2017, and (ii) \$750 for tax years  
4 ending on or after December 31, 2017. In no event shall a  
5 credit under this subsection reduce the taxpayer's liability  
6 under this Act to less than zero. Notwithstanding any other  
7 provision of law, for taxable years beginning on or after  
8 January 1, 2017, no taxpayer may claim a credit under this  
9 subsection (m) if the taxpayer's adjusted gross income for the  
10 taxable year exceeds (i) \$500,000, in the case of spouses  
11 filing a joint federal tax return or (ii) \$250,000, in the case  
12 of all other taxpayers. This subsection is exempt from the  
13 provisions of Section 250 of this Act.

14 For purposes of this subsection:

15 "Qualifying pupils" means individuals who (i) are  
16 residents of the State of Illinois, (ii) are under the age of  
17 21 at the close of the school year for which a credit is  
18 sought, and (iii) during the school year for which a credit is  
19 sought were full-time pupils enrolled in a kindergarten through  
20 twelfth grade education program at any school, as defined in  
21 this subsection.

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

26 "School" means any public or nonpublic elementary or

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

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

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

12 (i) For tax years ending on or after December 31, 2006,  
13 a taxpayer shall be allowed a credit against the tax  
14 imposed by subsections (a) and (b) of this Section for  
15 certain amounts paid for unreimbursed eligible remediation  
16 costs, as specified in this subsection. For purposes of  
17 this Section, "unreimbursed eligible remediation costs"  
18 means costs approved by the Illinois Environmental  
19 Protection Agency ("Agency") under Section 58.14a of the  
20 Environmental Protection Act that were paid in performing  
21 environmental remediation at a site within a River Edge  
22 Redevelopment Zone for which a No Further Remediation  
23 Letter was issued by the Agency and recorded under Section  
24 58.10 of the Environmental Protection Act. The credit must  
25 be claimed for the taxable year in which Agency approval of  
26 the eligible remediation costs is granted. The credit is

1 not available to any taxpayer if the taxpayer or any  
2 related party caused or contributed to, in any material  
3 respect, a release of regulated substances on, in, or under  
4 the site that was identified and addressed by the remedial  
5 action pursuant to the Site Remediation Program of the  
6 Environmental Protection Act. Determinations as to credit  
7 availability for purposes of this Section shall be made  
8 consistent with rules adopted by the Pollution Control  
9 Board pursuant to the Illinois Administrative Procedure  
10 Act for the administration and enforcement of Section 58.9  
11 of the Environmental Protection Act. For purposes of this  
12 Section, "taxpayer" includes a person whose tax attributes  
13 the taxpayer has succeeded to under Section 381 of the  
14 Internal Revenue Code and "related party" includes the  
15 persons disallowed a deduction for losses by paragraphs  
16 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
17 Code by virtue of being a related taxpayer, as well as any  
18 of its partners. The credit allowed against the tax imposed  
19 by subsections (a) and (b) shall be equal to 25% of the  
20 unreimbursed eligible remediation costs in excess of  
21 \$100,000 per site.

22 (ii) A credit allowed under this subsection that is  
23 unused in the year the credit is earned may be carried  
24 forward to each of the 5 taxable years following the year  
25 for which the credit is first earned until it is used. This  
26 credit shall be applied first to the earliest year for

1       which there is a liability. If there is a credit under this  
2       subsection from more than one tax year that is available to  
3       offset a liability, the earliest credit arising under this  
4       subsection shall be applied first. A credit allowed under  
5       this subsection may be sold to a buyer as part of a sale of  
6       all or part of the remediation site for which the credit  
7       was granted. The purchaser of a remediation site and the  
8       tax credit shall succeed to the unused credit and remaining  
9       carry-forward period of the seller. To perfect the  
10      transfer, the assignor shall record the transfer in the  
11      chain of title for the site and provide written notice to  
12      the Director of the Illinois Department of Revenue of the  
13      assignor's intent to sell the remediation site and the  
14      amount of the tax credit to be transferred as a portion of  
15      the sale. In no event may a credit be transferred to any  
16      taxpayer if the taxpayer or a related party would not be  
17      eligible under the provisions of subsection (i).

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

21           (o) For each of taxable years during the Compassionate Use  
22      of Medical Cannabis Pilot Program, a surcharge is imposed on  
23      all taxpayers on income arising from the sale or exchange of  
24      capital assets, depreciable business property, real property  
25      used in the trade or business, and Section 197 intangibles of  
26      an organization registrant under the Compassionate Use of

1 Medical Cannabis Pilot Program Act. The amount of the surcharge  
2 is equal to the amount of federal income tax liability for the  
3 taxable year attributable to those sales and exchanges. The  
4 surcharge imposed does not apply if:

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

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

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

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

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

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

26 (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



1 certificate at the time of purchase, which shall be issued by  
2 the Department in a form prescribed by the Department. The  
3 Department shall adopt by rule all other requirements necessary  
4 for the implementation and operation of this Section.

5 Section 90-35. The School Code is amended by adding Section  
6 2-3.176 as follows:

7 (105 ILCS 5/2-3.176 new)

8 Sec. 2-3.176. Clean energy jobs curriculum.

9 (a) The General Assembly recognizes that clean energy is a  
10 growing and important sector of the State's economy and that  
11 significant job opportunity exists in the sector. Consistent  
12 with Section 5-30 of the Clean Jobs Workforce Hubs Act, the  
13 Board shall participate in the development of the clean energy  
14 jobs curriculum convened by the Department of Commerce and  
15 Economic Opportunity. The Board shall identify and  
16 collaboratively with stakeholders identified by the Board  
17 develop curriculum based on anticipated clean energy job  
18 availability and growth including participation from  
19 stakeholders engaged in delivering existing clean energy jobs  
20 workforce development programs in Illinois, specifically those  
21 programs tailored to members of economically disadvantaged  
22 communities, members of environmental justice communities,  
23 communities of color, persons with a criminal record, persons  
24 who are or were foster children, displaced energy workers, and

1 members of any of these groups who are also women or  
2 transgender persons, as well as including youth. Clean energy  
3 jobs considered shall be consistent with "clean energy jobs" as  
4 defined in Section 5-10 of the Clean Jobs Workforce Hubs Act,  
5 including, but not limited to, solar photovoltaic, solar  
6 thermal, wind energy, energy efficiency, site assessment,  
7 sales, and back office.

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

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

15 Section 90-40. The Public Utilities Act is amended by  
16 changing Sections 8-103B, 9-220.3, 16-107, 16-107.5, 16-107.6,  
17 16-111.5, and 16-128B and by adding Sections 8-104.1, 8-512,  
18 9-222.1B, 16-107.7, 16-107.8, 16-108, 16-108.5, 16-108.9,  
19 16-108.17, 16-111.10, and 16-115E as follows:

20 (220 ILCS 5/8-103B)

21 Sec. 8-103B. Energy efficiency and demand-response  
22 measures.

23 (a) It is the policy of the State that electric utilities  
24 are required to use cost-effective energy efficiency and

1 demand-response measures to reduce delivery load. Requiring  
2 investment in cost-effective energy efficiency and  
3 demand-response measures will reduce direct and indirect costs  
4 to consumers by decreasing environmental impacts and by  
5 avoiding or delaying the need for new generation, transmission,  
6 and distribution infrastructure. It serves the public interest  
7 to allow electric utilities to recover costs for reasonably and  
8 prudently incurred expenditures for energy efficiency and  
9 demand-response measures. As used in this Section,  
10 "cost-effective" means that the measures satisfy the total  
11 resource cost test. The low-income measures described in  
12 subsection (c) of this Section shall not be required to meet  
13 the total resource cost test. For purposes of this Section, the  
14 terms "energy-efficiency", "demand-response", "electric  
15 utility", and "total resource cost test" have the meanings set  
16 forth in the Illinois Power Agency Act.

17 (a-5) This Section applies to electric utilities serving  
18 more than 500,000 retail customers in the State for those  
19 multi-year plans commencing after December 31, 2017.

20 (b) For purposes of this Section, electric utilities  
21 subject to this Section that serve more than 3,000,000 retail  
22 customers in the State shall be deemed to have achieved a  
23 cumulative persisting annual savings of 6.6% from energy  
24 efficiency measures and programs implemented during the period  
25 beginning January 1, 2012 and ending December 31, 2017, which  
26 percent is based on the deemed average weather normalized sales

1 of electric power and energy during calendar years 2014, 2015,  
2 and 2016 of 88,000,000 MWhs. ~~For the purposes of this~~  
3 ~~subsection (b) and subsection (b-5), the 88,000,000 MWhs of~~  
4 ~~deemed electric power and energy sales shall be reduced by the~~  
5 ~~number of MWhs equal to the sum of the annual consumption of~~  
6 ~~customers that are exempt from subsections (a) through (j) of~~  
7 ~~this Section under subsection (l) of this Section, as averaged~~  
8 ~~across the calendar years 2014, 2015, and 2016.~~ After 2017, the  
9 deemed value of cumulative persisting annual savings from  
10 energy efficiency measures and programs implemented during the  
11 period beginning January 1, 2012 and ending December 31, 2017,  
12 shall be reduced each year, as follows, and the applicable  
13 value shall be applied to and count toward the utility's  
14 achievement of the cumulative persisting annual savings goals  
15 set forth in subsection (b-5):

16 (1) 5.8% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2018;

18 (2) 5.2% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2019;

20 (3) 4.5% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2020;

22 (4) 4.0% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2021;

24 (5) 3.5% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2022;

26 (6) 3.1% deemed cumulative persisting annual savings

1 for the year ending December 31, 2023;

2 (7) 2.8% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2024;

4 (8) 2.5% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2025;

6 (9) 2.3% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2026;

8 (10) 2.1% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2027;

10 (11) 1.8% deemed cumulative persisting annual savings  
11 for the year ending December 31, 2028;

12 (12) 1.7% deemed cumulative persisting annual savings  
13 for the year ending December 31, 2029; ~~and~~

14 (13) 1.5% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2030;~~;~~

16 (14) 1.3% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2031;

18 (15) 1.1% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2032;

20 (16) 0.9% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2033;

22 (17) 0.7% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2034;

24 (18) 0.5% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2035;

26 (19) 0.4% deemed cumulative persisting annual savings

1 for the year ending December 31, 2036;

2 (20) 0.3% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2037;

4 (21) 0.2% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2038;

6 (22) 0.1% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2039; and

8 (23) 0.0% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2040 and all subsequent  
10 years.

11 For purposes of this Section, "cumulative persisting  
12 annual savings" means the total electric energy savings in a  
13 given year from measures installed in that year or in previous  
14 years, but no earlier than January 1, 2012, that are still  
15 operational and providing savings in that year because the  
16 measures have not yet reached the end of their useful lives.

17 (b-5) Beginning in 2018, electric utilities subject to this  
18 Section that serve more than 3,000,000 retail customers in the  
19 State shall achieve the following cumulative persisting annual  
20 savings goals, as modified by subsection (f) of this Section  
21 and as compared to the deemed baseline of 88,000,000 MWhs of  
22 electric power and energy sales set forth in subsection (b), ~~as~~  
23 ~~reduced by the number of MWhs equal to the sum of the annual~~  
24 ~~consumption of customers that are exempt from subsections (a)~~  
25 ~~through (j) of this Section under subsection (1) of this~~  
26 ~~Section as averaged across the calendar years 2014, 2015, and~~

1 ~~2016,~~ through the implementation of energy efficiency measures  
2 during the applicable year and in prior years, but no earlier  
3 than January 1, 2012:

4 (1) 7.8% cumulative persisting annual savings for the  
5 year ending December 31, 2018;

6 (2) 9.1% cumulative persisting annual savings for the  
7 year ending December 31, 2019;

8 (3) 10.4% cumulative persisting annual savings for the  
9 year ending December 31, 2020;

10 (4) 11.8% cumulative persisting annual savings for the  
11 year ending December 31, 2021;

12 (5) 13.1% cumulative persisting annual savings for the  
13 year ending December 31, 2022;

14 (6) 14.4% cumulative persisting annual savings for the  
15 year ending December 31, 2023;

16 (7) 15.7% cumulative persisting annual savings for the  
17 year ending December 31, 2024;

18 (8) 17% cumulative persisting annual savings for the  
19 year ending December 31, 2025;

20 (9) 17.9% cumulative persisting annual savings for the  
21 year ending December 31, 2026;

22 (10) 18.8% cumulative persisting annual savings for  
23 the year ending December 31, 2027;

24 (11) 19.7% cumulative persisting annual savings for  
25 the year ending December 31, 2028;

26 (12) 20.6% cumulative persisting annual savings for

1 the year ending December 31, 2029; and

2 (13) 21.5% cumulative persisting annual savings for  
3 the year ending December 31, 2030.

4 No later than December 31, 2020, the Illinois Commerce  
5 Commission shall establish additional cumulative persisting  
6 annual savings goals for the years 2031 through 2035. The  
7 Commission shall also establish additional cumulative  
8 persisting annual savings goals every 5 years thereafter to  
9 ensure utilities always have goals that extend at least 11  
10 years into the future. The cumulative persisting annual savings  
11 goals beyond the year 2030 shall increase by 0.9 percentage  
12 points per year, absent a Commission decision to initiate a  
13 proceeding to consider establishing goals that increase by more  
14 or less than that amount. Such a proceeding must be conducted  
15 in accordance with the procedures described in subsection (f)  
16 of this Section. If such a proceeding is initiated, the  
17 cumulative persisting annual savings goals established by the  
18 Commission through that proceeding shall reflect the  
19 Commission's best estimate of the maximum amount of additional  
20 savings that are forecast to be cost-effectively achievable  
21 unless such best estimates would result in goals that represent  
22 less than 0.5 percentage point annual increases in total  
23 cumulative persisting annual savings. The Commission may only  
24 establish goals that represent less than 0.5 percentage point  
25 annual increases in cumulative persisting annual savings if it  
26 can demonstrate, based on clear and convincing evidence, that



1 0.5 percentage point increases are not cost-effectively  
2 achievable. The Commission shall inform its decision based on  
3 an energy efficiency potential study that conforms to the  
4 requirements of subsection (f-5) of this Section.

5 (b-10) For purposes of this Section, electric utilities  
6 subject to this Section that serve less than 3,000,000 retail  
7 customers but more than 500,000 retail customers in the State  
8 shall be deemed to have achieved a cumulative persisting annual  
9 savings of 6.6% from energy efficiency measures and programs  
10 implemented during the period beginning January 1, 2012 and  
11 ending December 31, 2017, which is based on the deemed average  
12 weather normalized sales of electric power and energy during  
13 calendar years 2014, 2015, and 2016 of 36,900,000 MWhs. ~~For the~~  
14 ~~purposes of this subsection (b-10) and subsection (b-15), the~~  
15 ~~36,900,000 MWhs of deemed electric power and energy sales shall~~  
16 ~~be reduced by the number of MWhs equal to the sum of the annual~~  
17 ~~consumption of customers that are exempt from subsections (a)~~  
18 ~~through (j) of this Section under subsection (l) of this~~  
19 ~~Section, as averaged across the calendar years 2014, 2015, and~~  
20 ~~2016.~~ After 2017, the deemed value of cumulative persisting  
21 annual savings from energy efficiency measures and programs  
22 implemented during the period beginning January 1, 2012 and  
23 ending December 31, 2017, shall be reduced each year, as  
24 follows, and the applicable value shall be applied to and count  
25 toward the utility's achievement of the cumulative persisting  
26 annual savings goals set forth in subsection (b-15):

1 (1) 5.8% deemed cumulative persisting annual savings  
2 for the year ending December 31, 2018;

3 (2) 5.2% deemed cumulative persisting annual savings  
4 for the year ending December 31, 2019;

5 (3) 4.5% deemed cumulative persisting annual savings  
6 for the year ending December 31, 2020;

7 (4) 4.0% deemed cumulative persisting annual savings  
8 for the year ending December 31, 2021;

9 (5) 3.5% deemed cumulative persisting annual savings  
10 for the year ending December 31, 2022;

11 (6) 3.1% deemed cumulative persisting annual savings  
12 for the year ending December 31, 2023;

13 (7) 2.8% deemed cumulative persisting annual savings  
14 for the year ending December 31, 2024;

15 (8) 2.5% deemed cumulative persisting annual savings  
16 for the year ending December 31, 2025;

17 (9) 2.3% deemed cumulative persisting annual savings  
18 for the year ending December 31, 2026;

19 (10) 2.1% deemed cumulative persisting annual savings  
20 for the year ending December 31, 2027;

21 (11) 1.8% deemed cumulative persisting annual savings  
22 for the year ending December 31, 2028;

23 (12) 1.7% deemed cumulative persisting annual savings  
24 for the year ending December 31, 2029; and

25 (13) 1.5% deemed cumulative persisting annual savings  
26 for the year ending December 31, 2030;~~and~~

1           (14) 1.3% deemed cumulative persisting annual savings  
2           for the year ending December 31, 2031;

3           (15) 1.1% deemed cumulative persisting annual savings  
4           for the year ending December 31, 2032;

5           (16) 0.9% deemed cumulative persisting annual savings  
6           for the year ending December 31, 2033;

7           (17) 0.7% deemed cumulative persisting annual savings  
8           for the year ending December 31, 2034;

9           (18) 0.5% deemed cumulative persisting annual savings  
10          for the year ending December 31, 2035;

11          (19) 0.4% deemed cumulative persisting annual savings  
12          for the year ending December 31, 2036;

13          (20) 0.3% deemed cumulative persisting annual savings  
14          for the year ending December 31, 2037;

15          (21) 0.2% deemed cumulative persisting annual savings  
16          for the year ending December 31, 2038;

17          (22) 0.1% deemed cumulative persisting annual savings  
18          for the year ending December 31, 2039; and

19          (23) 0.0% deemed cumulative persisting annual savings  
20          for the year ending December 31, 2040 and all subsequent  
21          years.

22          (b-15) Beginning in 2018, electric utilities subject to  
23          this Section that serve less than 3,000,000 retail customers  
24          but more than 500,000 retail customers in the State shall  
25          achieve the following cumulative persisting annual savings  
26          goals, ~~as modified by subsection (b-20) and subsection (f) of~~

1 ~~this Section and as compared to the deemed baseline as reduced~~  
2 ~~by the number of MWhs equal to the sum of the annual~~  
3 ~~consumption of customers that are exempt from subsections (a)~~  
4 ~~through (j) of this Section under subsection (1) of this~~  
5 ~~Section as averaged across the calendar years 2014, 2015, and~~  
6 ~~2016,~~ through the implementation of energy efficiency measures  
7 during the applicable year and in prior years, but no earlier  
8 than January 1, 2012:

9 (1) 7.4% cumulative persisting annual savings for the  
10 year ending December 31, 2018;

11 (2) 8.2% cumulative persisting annual savings for the  
12 year ending December 31, 2019;

13 (3) 9.0% cumulative persisting annual savings for the  
14 year ending December 31, 2020;

15 (4) 9.8% cumulative persisting annual savings for the  
16 year ending December 31, 2021;

17 (5) 10.6% cumulative persisting annual savings for the  
18 year ending December 31, 2022;

19 (6) 11.4% cumulative persisting annual savings for the  
20 year ending December 31, 2023;

21 (7) 12.2% cumulative persisting annual savings for the  
22 year ending December 31, 2024;

23 (8) 13% cumulative persisting annual savings for the  
24 year ending December 31, 2025;

25 (9) 13.6% cumulative persisting annual savings for the  
26 year ending December 31, 2026;

1           (10) 14.2% cumulative persisting annual savings for  
2           the year ending December 31, 2027;

3           (11) 14.8% cumulative persisting annual savings for  
4           the year ending December 31, 2028;

5           (12) 15.4% cumulative persisting annual savings for  
6           the year ending December 31, 2029; and

7           (13) 16% cumulative persisting annual savings for the  
8           year ending December 31, 2030.

9           No later than December 31, 2020, the Illinois Commerce  
10          Commission shall establish additional cumulative persisting  
11          annual savings goals for the years 2031 through 2035. The  
12          Commission shall also establish additional cumulative  
13          persisting annual savings goals every 5 years thereafter to  
14          ensure utilities always have goals that extend at least 11  
15          years into the future. The cumulative persisting annual savings  
16          goals beyond the year 2030 shall increase by 0.6 percentage  
17          points per year, absent a Commission decision to initiate a  
18          proceeding to consider establishing goals that increase by more  
19          or less than that amount. Such a proceeding must be conducted  
20          in accordance with the procedures described in subsection (f)  
21          of this Section. If such a proceeding is initiated, the  
22          cumulative persisting annual savings goals established by the  
23          Commission through that proceeding shall reflect the  
24          Commission's best estimate of the maximum amount of additional  
25          savings that are forecast to be cost-effectively achievable  
26          unless such best estimates would result in goals that represent

1 less than 0.4 percentage point annual increases in total  
2 cumulative persisting annual savings. The Commission may only  
3 establish goals that represent less than 0.4 percentage point  
4 annual increases in cumulative persisting annual savings if it  
5 can demonstrate, based on clear and convincing evidence, that  
6 0.4 percentage point increases are not cost-effectively  
7 achievable. The Commission shall inform its decision based on  
8 an energy efficiency potential study that conforms to the  
9 requirements of subsection (f-5) of this Section.

10 ~~The difference between the cumulative persisting annual~~  
11 ~~savings goal for the applicable calendar year and the~~  
12 ~~cumulative persisting annual savings goal for the immediately~~  
13 ~~preceding calendar year is 0.8% for the period of January 1,~~  
14 ~~2018 through December 31, 2025 and 0.6% for the period of~~  
15 ~~January 1, 2026 through December 31, 2030.~~

16 (b-20) Each electric utility subject to this Section may  
17 include cost-effective voltage optimization measures in its  
18 plans submitted under subsections (f) and (g) of this Section,  
19 and the costs incurred by a utility to implement the measures  
20 under a Commission-approved plan shall be recovered under the  
21 provisions of Article IX or Section 16-108.5 of this Act. For  
22 purposes of this Section, the measure life of voltage  
23 optimization measures shall be 15 years. The measure life  
24 period is independent of the depreciation rate of the voltage  
25 optimization assets deployed. Utilities may claim savings from  
26 voltage optimization on circuits for more than 15 years if they

1 can demonstrate that they have made additional investments  
2 necessary to enable voltage optimization savings to continue  
3 beyond 15 years. Such demonstrations must be subject to the  
4 review of independent evaluation.

5 Within 270 days after June 1, 2017 (the effective date of  
6 Public Act 99-906) ~~this amendatory Act of the 99th General~~  
7 ~~Assembly~~, an electric utility that serves less than 3,000,000  
8 retail customers but more than 500,000 retail customers in the  
9 State shall file a plan with the Commission that identifies the  
10 cost-effective voltage optimization investment the electric  
11 utility plans to undertake through December 31, 2024. The  
12 Commission, after notice and hearing, shall approve or approve  
13 with modification the plan within 120 days after the plan's  
14 filing and, in the order approving or approving with  
15 modification the plan, the Commission shall adjust the  
16 applicable cumulative persisting annual savings goals set  
17 forth in subsection (b-15) to reflect any amount of  
18 cost-effective energy savings approved by the Commission that  
19 is greater than or less than the following cumulative  
20 persisting annual savings values attributable to voltage  
21 optimization for the applicable year:

22 (1) 0.0% of cumulative persisting annual savings for  
23 the year ending December 31, 2018;

24 (2) 0.17% of cumulative persisting annual savings for  
25 the year ending December 31, 2019;

26 (3) 0.17% of cumulative persisting annual savings for

1 the year ending December 31, 2020;

2 (4) 0.33% of cumulative persisting annual savings for  
3 the year ending December 31, 2021;

4 (5) 0.5% of cumulative persisting annual savings for  
5 the year ending December 31, 2022;

6 (6) 0.67% of cumulative persisting annual savings for  
7 the year ending December 31, 2023;

8 (7) 0.83% of cumulative persisting annual savings for  
9 the year ending December 31, 2024; and

10 (8) 1.0% of cumulative persisting annual savings for  
11 the year ending December 31, 2025 and all subsequent years.

12 (b-25) In the event an electric utility jointly offers an  
13 energy efficiency measure or program with a gas utility under  
14 plans approved under this Section and Section 8-104 of this  
15 Act, the electric utility may continue offering the program,  
16 including the gas energy efficiency measures, in the event the  
17 gas utility discontinues funding the program. In that event,  
18 the energy savings value associated with such other fuels shall  
19 be converted to electric energy savings on an equivalent Btu  
20 basis for the premises. However, the electric utility shall  
21 prioritize programs for low-income residential customers to  
22 the extent practicable. An electric utility may recover the  
23 costs of offering the gas energy efficiency measures under this  
24 subsection (b-25).

25 For those energy efficiency measures or programs that save  
26 both electricity and other fuels but are not jointly offered



1 with a gas utility under plans approved under this Section and  
2 Section 8-104 or not offered with an affiliated gas utility  
3 under paragraph (6) of subsection (f) of Section 8-104 of this  
4 Act, the electric utility may count savings of fuels other than  
5 electricity toward the achievement of its annual savings goal,  
6 and the energy savings value associated with such other fuels  
7 shall be converted to electric energy savings on an equivalent  
8 Btu basis at the premises.

9 In no event shall more than 10% of each year's applicable  
10 annual total savings requirement ~~incremental goal~~ as defined in  
11 paragraph (7) of subsection (g) of this Section be met through  
12 savings of fuels other than electricity.

13 (b-30) Beginning with the delivery year commencing June 1,  
14 2020, an electric utility subject to this Section and serving  
15 more than 3,000,000 retail customers in this State shall offer  
16 a peak demand reduction program. The program shall be designed  
17 to reduce peak demand in the utility's service territory as  
18 that territory is defined by PJM Interconnection, LLC or its  
19 successors. Reductions in peak demand will provide value to  
20 utility customers by reducing energy and capacity costs and  
21 align energy usage with the use of renewable energy resources.

22 (1) The program shall be designed to achieve reductions  
23 in peak demand of 2,400 MW by the delivery year commencing  
24 June 1, 2025, or 5 years after the effective date of this  
25 amendatory Act of the 101st General Assembly, whichever  
26 comes later. The reductions shall be measured against the

1 peak load as measured for the delivery year commencing June  
2 1, 2018. For the delivery year commencing June 1, 2026 and  
3 each delivery year thereafter, the utility shall continue  
4 to maintain the peak reduction target.

5 (2) Eligible resources for this program include the  
6 following programs so long as those programs' capacity  
7 commitments are not otherwise reflected in the PJM  
8 Interconnection, LLC marketplace or procurements of the  
9 Illinois Power Agency pursuant to subsection (k) of Section  
10 1-75 of the Illinois Power Agency Act or Section 16-111.5  
11 of this Act:

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

14 (ii) energy storage resources;

15 (iii) reductions derived from dynamic or  
16 time-of-use pricing programs offered by the utility,  
17 including programs offered pursuant to Section  
18 16-107.7 of this Act; and

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

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

25 (3) Customers participating in these programs and  
26 providing quantifiable reductions in capacity shall be the

1     amount of compensation the utility obtains through markets  
2     or programs at the applicable regional transmission  
3     organization or Illinois Power Agency procurements as  
4     described in subsection (k) of Section 1-75 of the Illinois  
5     Power Act.

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

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

15            (c) Electric utilities shall be responsible for overseeing  
16    the design, development, and filing of energy efficiency plans  
17    with the Commission and may, as part of that implementation,  
18    outsource various aspects of program development and  
19    implementation. A minimum of 10%, for electric utilities that  
20    serve more than 3,000,000 retail customers in the State, and a  
21    minimum of 7%, for electric utilities that serve less than  
22    3,000,000 retail customers but more than 500,000 retail  
23    customers in the State, of the utility's entire portfolio  
24    funding level for a given year shall be used to procure  
25    cost-effective energy efficiency measures from units of local  
26    government, municipal corporations, school districts, public

1 housing, ~~and~~ community college districts, and buildings owned  
2 by nonprofit organizations, provided that a minimum percentage  
3 of available funds shall be used to procure energy efficiency  
4 from public housing, which percentage shall be equal to public  
5 housing's share of public building energy consumption.

6 The utilities shall also implement energy efficiency  
7 measures targeted at low-income households, which, for  
8 purposes of this Section, shall be defined as households at or  
9 below 80% of area median income, and expenditures to implement  
10 the measures shall be no less than \$40,000,000 ~~\$25,000,000~~ per  
11 year for electric utilities that serve more than 3,000,000  
12 retail customers in the State and no less than \$13,000,000  
13 ~~\$8,350,000~~ per year for electric utilities that serve less than  
14 3,000,000 retail customers but more than 500,000 retail  
15 customers in the State. The ratio of spending on efficiency  
16 programs targeted at low-income multi-family buildings to  
17 spending on efficiency programs targeted at low-income  
18 single-family buildings shall be designed to achieve levels of  
19 savings from each building type that are approximately  
20 proportional to the magnitude of cost-effective lifetime  
21 savings potential in each building type.

22 The utilities shall work to bundle low-income energy  
23 efficiency offerings with other programs that serve low-income  
24 households to maximize the benefits going to these households.  
25 The utilities shall market and implement low-income energy  
26 efficiency programs in coordination with low-income assistance

1 programs, Solar for All, and weatherization whenever  
2 practicable. The program implementer shall walk the customer  
3 through the enrollment process for any programs for which the  
4 customer is eligible. The utilities shall also pilot targeting  
5 customers with high arrearages, high energy intensity (ratio of  
6 energy usage divided by home or unit square footage), or energy  
7 assistance programs with energy efficiency offerings, and then  
8 track reduction in arrearages as a result of the targeting.  
9 This targeting and bundling of low-income energy programs shall  
10 be offered to both low-income single-family and multi-family  
11 customers (owners and residents).

12 The utilities shall also implement a health and safety fund  
13 of a minimum of 0.5%, for electric utilities that serve more  
14 than 3,000,000 retail customers in the State, and a minimum of  
15 0.5%, for electric utilities that serve less than 3,000,000  
16 retail customers but more than 500,000 retail customers in the  
17 State, of the utility's entire portfolio funding level for a  
18 given year, that shall be used for the purpose of making grants  
19 for technical assistance, construction, reconstruction,  
20 improvement, or repair of buildings to facilitate their  
21 participation in the energy efficiency programs targeted at  
22 low-income single-family and multi-family households. These  
23 funds may also be used for the purpose of making grants for  
24 technical assistance, construction, reconstruction,  
25 improvement, or repair of the following buildings to facilitate  
26 their participation in the energy efficiency programs created

1 by this Section: (1) buildings that are owned or operated by  
2 registered 501(c)(3) public charities; and (2) day care  
3 centers, day care homes, or group day care homes, as defined  
4 under 89 Ill. Adm. Code Part 406, 407, or 408, respectively.

5 Each electric utility shall assess opportunities to  
6 implement cost-effective energy efficiency measures and  
7 programs through a public housing authority or authorities  
8 located in its service territory. If such opportunities are  
9 identified, the utility shall propose such measures and  
10 programs to address the opportunities. Expenditures to address  
11 such opportunities shall be credited toward the minimum  
12 procurement and expenditure requirements set forth in this  
13 subsection (c).

14 Implementation of energy efficiency measures and programs  
15 targeted at low-income households should be contracted, when it  
16 is practicable, to independent third parties that have  
17 demonstrated capabilities to serve such households, with a  
18 preference for not-for-profit entities and government agencies  
19 that have existing relationships with or experience serving  
20 low-income communities in the State.

21 Each electric utility shall develop and implement  
22 reporting procedures that address and assist in determining the  
23 amount of energy savings that can be applied to the low-income  
24 procurement and expenditure requirements set forth in this  
25 subsection (c).

26 The electric utilities shall assist in the convening of

1 ~~shall also convene~~ a low-income energy efficiency advisory  
2 committee to allow a variety of stakeholders, especially those  
3 living in or working with low-income communities, to assist in  
4 the design and evaluation of the low-income and public housing  
5 energy efficiency programs. The committee shall be comprised of  
6 the electric utilities subject to the requirements of this  
7 Section, the gas utilities subject to the requirements of  
8 Section 8-104.1 ~~8-104~~ of this Act, the utilities' low-income  
9 energy efficiency implementation contractors, nonprofit  
10 organizations, community action agencies, advocacy groups,  
11 State and local governmental agencies, public housing  
12 organizations, and representatives of community-based  
13 organizations. There shall be a leadership committee comprised  
14 of a variety of stakeholders, with at least one community-based  
15 organization involved. The leadership committee may elect to  
16 hire a facilitator, and if it chooses to do so, it shall lead  
17 the selection process. The hired facilitator would be required  
18 to be fair and responsive to the needs of all stakeholders  
19 involved in the committee. All meetings must be accessible,  
20 with rotating locations, call-in options, and materials and  
21 agendas circulated well in advance. There shall also be  
22 opportunities for input outside of meetings from those with  
23 limited capacity and ability to attend, via one-on-one  
24 meetings, surveys, and calls. Meetings shall also include  
25 opportunities to bundle and coordinate low-income energy  
26 efficiency with other programs that serve low-income

1 communities, such as Solar for All and energy assistance  
2 programs. Meetings shall include educational opportunities for  
3 stakeholders to learn more about these additional offerings,  
4 and the committee shall assist in figuring out the best methods  
5 for coordinated delivery and implementation of offerings when  
6 serving low-income communities.

7 (d) Notwithstanding any other provision of law to the  
8 contrary, a utility providing approved energy efficiency  
9 measures and, if applicable, demand-response measures in the  
10 State shall be permitted to recover all reasonable and  
11 prudently incurred costs of those measures from all retail  
12 customers, except as provided in subsection (1) of this  
13 Section, as follows, provided that nothing in this subsection  
14 (d) permits the double recovery of such costs from customers:

15 (1) The utility may recover its costs through an  
16 automatic adjustment clause tariff filed with and approved  
17 by the Commission. The tariff shall be established outside  
18 the context of a general rate case. Each year the  
19 Commission shall initiate a review to reconcile any amounts  
20 collected with the actual costs and to determine the  
21 required adjustment to the annual tariff factor to match  
22 annual expenditures. To enable the financing of the  
23 incremental capital expenditures, including regulatory  
24 assets, for electric utilities that serve less than  
25 3,000,000 retail customers but more than 500,000 retail  
26 customers in the State, the utility's actual year-end



1 capital structure that includes a common equity ratio,  
2 excluding goodwill, of up to and including 50% of the total  
3 capital structure shall be deemed reasonable and used to  
4 set rates.

5 (2) A utility may recover its costs through an energy  
6 efficiency formula rate approved by the Commission under a  
7 filing under subsections (f) and (g) of this Section, which  
8 shall specify the cost components that form the basis of  
9 the rate charged to customers with sufficient specificity  
10 to operate in a standardized manner and be updated annually  
11 with transparent information that reflects the utility's  
12 actual costs to be recovered during the applicable rate  
13 year, which is the period beginning with the first billing  
14 day of January and extending through the last billing day  
15 of the following December. The energy efficiency formula  
16 rate shall be implemented through a tariff filed with the  
17 Commission under subsections (f) and (g) of this Section  
18 that is consistent with the provisions of this paragraph  
19 (2) and that shall be applicable to all delivery services  
20 customers. The Commission shall conduct an investigation  
21 of the tariff in a manner consistent with the provisions of  
22 this paragraph (2), subsections (f) and (g) of this  
23 Section, and the provisions of Article IX of this Act to  
24 the extent they do not conflict with this paragraph (2).  
25 The energy efficiency formula rate approved by the  
26 Commission shall remain in effect at the discretion of the

1 utility and shall do the following:

2 (A) Provide for the recovery of the utility's  
3 actual costs incurred under this Section that are  
4 prudently incurred and reasonable in amount consistent  
5 with Commission practice and law. The sole fact that a  
6 cost differs from that incurred in a prior calendar  
7 year or that an investment is different from that made  
8 in a prior calendar year shall not imply the imprudence  
9 or unreasonableness of that cost or investment.

10 (B) Reflect the utility's actual year-end capital  
11 structure for the applicable calendar year, excluding  
12 goodwill, subject to a determination of prudence and  
13 reasonableness consistent with Commission practice and  
14 law. To enable the financing of the incremental capital  
15 expenditures, including regulatory assets, for  
16 electric utilities that serve less than 3,000,000  
17 retail customers but more than 500,000 retail  
18 customers in the State, a participating electric  
19 utility's actual year-end capital structure that  
20 includes a common equity ratio, excluding goodwill, of  
21 up to and including 50% of the total capital structure  
22 shall be deemed reasonable and used to set rates.

23 (C) Include a cost of equity, which shall be  
24 calculated as the sum of the following:

25 (i) the average for the applicable calendar  
26 year of the monthly average yields of 30-year U.S.

1 Treasury bonds published by the Board of Governors  
2 of the Federal Reserve System in its weekly H.15  
3 Statistical Release or successor publication; and  
4 (ii) 580 basis points.

5 At such time as the Board of Governors of the  
6 Federal Reserve System ceases to include the monthly  
7 average yields of 30-year U.S. Treasury bonds in its  
8 weekly H.15 Statistical Release or successor  
9 publication, the monthly average yields of the U.S.  
10 Treasury bonds then having the longest duration  
11 published by the Board of Governors in its weekly H.15  
12 Statistical Release or successor publication shall  
13 instead be used for purposes of this paragraph (2).

14 (D) Permit and set forth protocols, subject to a  
15 determination of prudence and reasonableness  
16 consistent with Commission practice and law, for the  
17 following:

18 (i) recovery of incentive compensation expense  
19 that is based on the achievement of operational  
20 metrics, including metrics related to budget  
21 controls, outage duration and frequency, safety,  
22 customer service, efficiency and productivity, and  
23 environmental compliance; however, this protocol  
24 shall not apply if such expense related to costs  
25 incurred under this Section is recovered under  
26 Article IX or Section 16-108.5 of this Act;

1 incentive compensation expense that is based on  
2 net income or an affiliate's earnings per share  
3 shall not be recoverable under the energy  
4 efficiency formula rate;

5 (ii) recovery of pension and other  
6 post-employment benefits expense, provided that  
7 such costs are supported by an actuarial study;  
8 however, this protocol shall not apply if such  
9 expense related to costs incurred under this  
10 Section is recovered under Article IX or Section  
11 16-108.5 of this Act;

12 (iii) recovery of existing regulatory assets  
13 over the periods previously authorized by the  
14 Commission;

15 (iv) as described in subsection (e),  
16 amortization of costs incurred under this Section;  
17 and

18 (v) projected, weather normalized billing  
19 determinants for the applicable rate year.

20 (E) Provide for an annual reconciliation, as  
21 described in paragraph (3) of this subsection (d), less  
22 any deferred taxes related to the reconciliation, with  
23 interest at an annual rate of return equal to the  
24 utility's weighted average cost of capital, including  
25 a revenue conversion factor calculated to recover or  
26 refund all additional income taxes that may be payable

1 or receivable as a result of that return, of the energy  
2 efficiency revenue requirement reflected in rates for  
3 each calendar year, beginning with the calendar year in  
4 which the utility files its energy efficiency formula  
5 rate tariff under this paragraph (2), with what the  
6 revenue requirement would have been had the actual cost  
7 information for the applicable calendar year been  
8 available at the filing date.

9 The utility shall file, together with its tariff, the  
10 projected costs to be incurred by the utility during the  
11 rate year under the utility's multi-year plan approved  
12 under subsections (f) and (g) of this Section, including,  
13 but not limited to, the projected capital investment costs  
14 and projected regulatory asset balances with  
15 correspondingly updated depreciation and amortization  
16 reserves and expense, that shall populate the energy  
17 efficiency formula rate and set the initial rates under the  
18 formula.

19 The Commission shall review the proposed tariff in  
20 conjunction with its review of a proposed multi-year plan,  
21 as specified in paragraph (5) of subsection (g) of this  
22 Section. The review shall be based on the same evidentiary  
23 standards, including, but not limited to, those concerning  
24 the prudence and reasonableness of the costs incurred by  
25 the utility, the Commission applies in a hearing to review  
26 a filing for a general increase in rates under Article IX

1 of this Act. The initial rates shall take effect beginning  
2 with the January monthly billing period following the  
3 Commission's approval.

4 The tariff's rate design and cost allocation across  
5 customer classes shall be consistent with the utility's  
6 automatic adjustment clause tariff in effect on June 1,  
7 2017 (the effective date of Public Act 99-906) ~~this~~  
8 ~~amendatory Act of the 99th General Assembly~~; however, the  
9 Commission may revise the tariff's rate design and cost  
10 allocation in subsequent proceedings under paragraph (3)  
11 of this subsection (d).

12 If the energy efficiency formula rate is terminated,  
13 the then current rates shall remain in effect until such  
14 time as the energy efficiency costs are incorporated into  
15 new rates that are set under this subsection (d) or Article  
16 IX of this Act, subject to retroactive rate adjustment,  
17 with interest, to reconcile rates charged with actual  
18 costs.

19 (3) The provisions of this paragraph (3) shall only  
20 apply to an electric utility that has elected to file an  
21 energy efficiency formula rate under paragraph (2) of this  
22 subsection (d). Subsequent to the Commission's issuance of  
23 an order approving the utility's energy efficiency formula  
24 rate structure and protocols, and initial rates under  
25 paragraph (2) of this subsection (d), the utility shall  
26 file, on or before June 1 of each year, with the Chief

1 Clerk of the Commission its updated cost inputs to the  
2 energy efficiency formula rate for the applicable rate year  
3 and the corresponding new charges, as well as the  
4 information described in paragraph (9) of subsection (g) of  
5 this Section. Each such filing shall conform to the  
6 following requirements and include the following  
7 information:

8 (A) The inputs to the energy efficiency formula  
9 rate for the applicable rate year shall be based on the  
10 projected costs to be incurred by the utility during  
11 the rate year under the utility's multi-year plan  
12 approved under subsections (f) and (g) of this Section,  
13 including, but not limited to, projected capital  
14 investment costs and projected regulatory asset  
15 balances with correspondingly updated depreciation and  
16 amortization reserves and expense. The filing shall  
17 also include a reconciliation of the energy efficiency  
18 revenue requirement that was in effect for the prior  
19 rate year (as set by the cost inputs for the prior rate  
20 year) with the actual revenue requirement for the prior  
21 rate year (determined using a year-end rate base) that  
22 uses amounts reflected in the applicable FERC Form 1  
23 that reports the actual costs for the prior rate year.  
24 Any over-collection or under-collection indicated by  
25 such reconciliation shall be reflected as a credit  
26 against, or recovered as an additional charge to,

1           respectively, with interest calculated at a rate equal  
2           to the utility's weighted average cost of capital  
3           approved by the Commission for the prior rate year, the  
4           charges for the applicable rate year. Such  
5           over-collection or under-collection shall be adjusted  
6           to remove any deferred taxes related to the  
7           reconciliation, for purposes of calculating interest  
8           at an annual rate of return equal to the utility's  
9           weighted average cost of capital approved by the  
10          Commission for the prior rate year, including a revenue  
11          conversion factor calculated to recover or refund all  
12          additional income taxes that may be payable or  
13          receivable as a result of that return. Each  
14          reconciliation shall be certified by the participating  
15          utility in the same manner that FERC Form 1 is  
16          certified. The filing shall also include the charge or  
17          credit, if any, resulting from the calculation  
18          required by subparagraph (E) of paragraph (2) of this  
19          subsection (d).

20                 Notwithstanding any other provision of law to the  
21                 contrary, the intent of the reconciliation is to  
22                 ultimately reconcile both the revenue requirement  
23                 reflected in rates for each calendar year, beginning  
24                 with the calendar year in which the utility files its  
25                 energy efficiency formula rate tariff under paragraph  
26                 (2) of this subsection (d), with what the revenue



1 requirement determined using a year-end rate base for  
2 the applicable calendar year would have been had the  
3 actual cost information for the applicable calendar  
4 year been available at the filing date.

5 For purposes of this Section, "FERC Form 1" means  
6 the Annual Report of Major Electric Utilities,  
7 Licensees and Others that electric utilities are  
8 required to file with the Federal Energy Regulatory  
9 Commission under the Federal Power Act, Sections 3,  
10 4(a), 304 and 209, modified as necessary to be  
11 consistent with 83 Ill. Admin. Code Part 415 as of May  
12 1, 2011. Nothing in this Section is intended to allow  
13 costs that are not otherwise recoverable to be  
14 recoverable by virtue of inclusion in FERC Form 1.

15 (B) The new charges shall take effect beginning on  
16 the first billing day of the following January billing  
17 period and remain in effect through the last billing  
18 day of the next December billing period regardless of  
19 whether the Commission enters upon a hearing under this  
20 paragraph (3).

21 (C) The filing shall include relevant and  
22 necessary data and documentation for the applicable  
23 rate year. Normalization adjustments shall not be  
24 required.

25 Within 45 days after the utility files its annual  
26 update of cost inputs to the energy efficiency formula

1 rate, the Commission shall with reasonable notice,  
2 initiate a proceeding concerning whether the projected  
3 costs to be incurred by the utility and recovered during  
4 the applicable rate year, and that are reflected in the  
5 inputs to the energy efficiency formula rate, are  
6 consistent with the utility's approved multi-year plan  
7 under subsections (f) and (g) of this Section and whether  
8 the costs incurred by the utility during the prior rate  
9 year were prudent and reasonable. The Commission shall also  
10 have the authority to investigate the information and data  
11 described in paragraph (9) of subsection (g) of this  
12 Section, including the proposed adjustment to the  
13 utility's return on equity component of its weighted  
14 average cost of capital. During the course of the  
15 proceeding, each objection shall be stated with  
16 particularity and evidence provided in support thereof,  
17 after which the utility shall have the opportunity to rebut  
18 the evidence. Discovery shall be allowed consistent with  
19 the Commission's Rules of Practice, which Rules of Practice  
20 shall be enforced by the Commission or the assigned  
21 administrative law judge. The Commission shall apply the  
22 same evidentiary standards, including, but not limited to,  
23 those concerning the prudence and reasonableness of the  
24 costs incurred by the utility, during the proceeding as it  
25 would apply in a proceeding to review a filing for a  
26 general increase in rates under Article IX of this Act. The

1 Commission shall not, however, have the authority in a  
2 proceeding under this paragraph (3) to consider or order  
3 any changes to the structure or protocols of the energy  
4 efficiency formula rate approved under paragraph (2) of  
5 this subsection (d). In a proceeding under this paragraph  
6 (3), the Commission shall enter its order no later than the  
7 earlier of 195 days after the utility's filing of its  
8 annual update of cost inputs to the energy efficiency  
9 formula rate or December 15. The utility's proposed return  
10 on equity calculation, as described in paragraphs (7)  
11 through (9) of subsection (g) of this Section, shall be  
12 deemed the final, approved calculation on December 15 of  
13 the year in which it is filed unless the Commission enters  
14 an order on or before December 15, after notice and  
15 hearing, that modifies such calculation consistent with  
16 this Section. The Commission's determinations of the  
17 prudence and reasonableness of the costs incurred, and  
18 determination of such return on equity calculation, for the  
19 applicable calendar year shall be final upon entry of the  
20 Commission's order and shall not be subject to reopening,  
21 reexamination, or collateral attack in any other  
22 Commission proceeding, case, docket, order, rule, or  
23 regulation; however, nothing in this paragraph (3) shall  
24 prohibit a party from petitioning the Commission to rehear  
25 or appeal to the courts the order under the provisions of  
26 this Act.

1           (e) Beginning on June 1, 2017 (the effective date of Public  
2 Act 99-906) ~~this amendatory Act of the 99th General Assembly~~, a  
3 utility subject to the requirements of this Section may elect  
4 to defer, as a regulatory asset, up to the full amount of its  
5 expenditures incurred under this Section for each annual  
6 period, including, but not limited to, any expenditures  
7 incurred above the funding level set by subsection (f) of this  
8 Section for a given year. The total expenditures deferred as a  
9 regulatory asset in a given year shall be amortized and  
10 recovered over a period that is equal to the weighted average  
11 of the energy efficiency measure lives implemented for that  
12 year that are reflected in the regulatory asset. The  
13 unamortized balance shall be recognized as of December 31 for a  
14 given year. The utility shall also earn a return on the total  
15 of the unamortized balances of all of the energy efficiency  
16 regulatory assets, less any deferred taxes related to those  
17 unamortized balances, at an annual rate equal to the utility's  
18 weighted average cost of capital that includes, based on a  
19 year-end capital structure, the utility's actual cost of debt  
20 for the applicable calendar year and a cost of equity, which  
21 shall be calculated as the sum of the (i) the average for the  
22 applicable calendar year of the monthly average yields of  
23 30-year U.S. Treasury bonds published by the Board of Governors  
24 of the Federal Reserve System in its weekly H.15 Statistical  
25 Release or successor publication; and (ii) 580 basis points,  
26 including a revenue conversion factor calculated to recover or

1 refund all additional income taxes that may be payable or  
2 receivable as a result of that return. Capital investment costs  
3 shall be depreciated and recovered over their useful lives  
4 consistent with generally accepted accounting principles. The  
5 weighted average cost of capital shall be applied to the  
6 capital investment cost balance, less any accumulated  
7 depreciation and accumulated deferred income taxes, as of  
8 December 31 for a given year.

9 When an electric utility creates a regulatory asset under  
10 the provisions of this Section, the costs are recovered over a  
11 period during which customers also receive a benefit which is  
12 in the public interest. Accordingly, it is the intent of the  
13 General Assembly that an electric utility that elects to create  
14 a regulatory asset under the provisions of this Section shall  
15 recover all of the associated costs as set forth in this  
16 Section. After the Commission has approved the prudence and  
17 reasonableness of the costs that comprise the regulatory asset,  
18 the electric utility shall be permitted to recover all such  
19 costs, and the value and recoverability through rates of the  
20 associated regulatory asset shall not be limited, altered,  
21 impaired, or reduced.

22 (f) Beginning in 2017, each electric utility shall file an  
23 energy efficiency plan with the Commission to meet the energy  
24 efficiency standards for the next applicable multi-year period  
25 beginning January 1 of the year following the filing, according  
26 to the schedule set forth in paragraphs (1) through (3) of this

1 subsection (f). If a utility does not file such a plan on or  
2 before the applicable filing deadline for the plan, it shall  
3 face a penalty of \$100,000 per day until the plan is filed.

4 (1) No later than 30 days after June 1, 2017 (the  
5 effective date of Public Act 99-906) ~~this amendatory Act of~~  
6 ~~the 99th General Assembly or May 1, 2017, whichever is~~  
7 ~~later~~, each electric utility shall file a 4-year energy  
8 efficiency plan commencing on January 1, 2018 that is  
9 designed to achieve the cumulative persisting annual  
10 savings goals specified in paragraphs (1) through (4) of  
11 subsection (b-5) of this Section or in paragraphs (1)  
12 through (4) of subsection (b-15) of this Section, as  
13 applicable, through implementation of energy efficiency  
14 measures; however, the goals may be reduced if the  
15 utility's expenditures are limited pursuant to subsection  
16 (m) of this Section or, for a utility that serves less than  
17 3,000,000 retail customers, if each of the following  
18 conditions are met: (A) the plan's analysis and forecasts  
19 of the utility's ability to acquire energy savings  
20 demonstrate that achievement of such goals is not cost  
21 effective; and (B) the amount of energy savings achieved by  
22 the utility as determined by the independent evaluator for  
23 the most recent year for which savings have been evaluated  
24 preceding the plan filing was less than the average annual  
25 amount of savings required to achieve the goals for the  
26 applicable 4-year plan period. Except as provided in

1 subsection (m) of this Section, annual increases in  
2 cumulative persisting annual savings goals during the  
3 applicable 4-year plan period shall not be reduced to  
4 amounts that are less than the maximum amount of cumulative  
5 persisting annual savings that is forecast to be  
6 cost-effectively achievable during the 4-year plan period.  
7 The Commission shall review any proposed goal reduction as  
8 part of its review and approval of the utility's proposed  
9 plan.

10 (2) No later than March 1, 2021, each electric utility  
11 shall file a 4-year energy efficiency plan commencing on  
12 January 1, 2022 that is designed to achieve the cumulative  
13 persisting annual savings goals specified in paragraphs  
14 (5) through (8) of subsection (b-5) of this Section or in  
15 paragraphs (5) through (8) of subsection (b-15) of this  
16 Section, as applicable, through implementation of energy  
17 efficiency measures; however, the goals may be reduced if  
18 the utility's expenditures are limited pursuant to  
19 subsection (m) of this Section or, each of the following  
20 conditions are met: (A) the plan's analysis and forecasts  
21 of the utility's ability to acquire energy savings  
22 demonstrate by clear and convincing evidence that  
23 achievement of such goals is not cost effective; and (B)  
24 the amount of energy savings achieved by the utility as  
25 determined by the independent evaluator for the most recent  
26 year for which savings have been evaluated preceding the

1 plan filing was less than the average annual amount of  
2 savings required to achieve the goals for the applicable  
3 4-year plan period. Except as provided in subsection (m) of  
4 this Section, annual increases in cumulative persisting  
5 annual savings goals during the applicable 4-year plan  
6 period shall not be reduced to amounts that are less than  
7 the maximum amount of cumulative persisting annual savings  
8 that is forecast to be cost-effectively achievable during  
9 the 4-year plan period. The Commission shall review any  
10 proposed goal reduction as part of its review and approval  
11 of the utility's proposed plan, taking into account the  
12 results of the potential study required by subsection (f-5)  
13 of this Section.

14 (3) No later than March 1, 2025, each electric utility  
15 shall file a 4-year ~~5-year~~ energy efficiency plan  
16 commencing on January 1, 2026 that is designed to achieve  
17 the cumulative persisting annual savings goals specified  
18 in paragraphs (9) through (12) ~~(13)~~ of subsection (b-5) of  
19 this Section or in paragraphs (9) through (12) ~~(13)~~ of  
20 subsection (b-15) of this Section, as applicable, through  
21 implementation of energy efficiency measures; however, the  
22 goals may be reduced if the utility's expenditures are  
23 limited pursuant to subsection (m) of this Section or, each  
24 of the following conditions are met: (A) the plan's  
25 analysis and forecasts of the utility's ability to acquire  
26 energy savings demonstrate by clear and convincing



1 evidence that achievement of such goals is not cost  
2 effective; and (B) the amount of energy savings achieved by  
3 the utility as determined by the independent evaluator for  
4 the most recent year for which savings have been evaluated  
5 preceding the plan filing was less than the average annual  
6 amount of savings required to achieve the goals for the  
7 applicable 4-year ~~5-year~~ plan period. Except as provided in  
8 subsection (m) of this Section, annual increases in  
9 cumulative persisting annual savings goals during the  
10 applicable 4-year ~~5-year~~ plan period shall not be reduced  
11 to amounts that are less than the maximum amount of  
12 cumulative persisting annual savings that is forecast to be  
13 cost-effectively achievable during the 4-year ~~5-year~~ plan  
14 period. The Commission shall review any proposed goal  
15 reduction as part of its review and approval of the  
16 utility's proposed plan, taking into account the results of  
17 the potential study required by subsection (f-5) of this  
18 Section.

19 (4) No later than March 1, 2029, and every 4 years  
20 thereafter, each electric utility shall file a 4-year  
21 energy efficiency plan commencing on January 1, 2030, and  
22 every 4 years thereafter, respectively, that is designed to  
23 achieve the cumulative persisting annual savings goals  
24 established by the Illinois Commerce Commission pursuant  
25 to direction of subsections (b-5) and (b-15) of this  
26 Section, as applicable, through implementation of energy

1 efficiency measures; however, the goals may be reduced if  
2 the utility's expenditures are limited pursuant to  
3 subsection (m) of this Section or, each of the following  
4 conditions are met: (A) the plan's analysis and forecasts  
5 of the utility's ability to acquire energy savings  
6 demonstrate by clear and convincing evidence that  
7 achievement of such goals is not cost effective; and (B)  
8 the amount of energy savings achieved by the utility as  
9 determined by the independent evaluator for the most recent  
10 year for which savings have been evaluated preceding the  
11 plan filing was less than the average annual amount of  
12 savings required to achieve the goals for the applicable  
13 4-year plan period. Except as provided in subsection (m) of  
14 this Section, annual increases in cumulative persisting  
15 annual savings goals during the applicable 4-year plan  
16 period shall not be reduced to amounts that are less than  
17 the maximum amount of cumulative persisting annual savings  
18 that is forecast to be cost-effectively achievable during  
19 the 4-year plan period. The Commission shall review any  
20 proposed goal reduction as part of its review and approval  
21 of the utility's proposed plan.

22 Each utility's plan shall set forth the utility's proposals  
23 to meet the energy efficiency standards identified in  
24 subsection (b-5) or (b-15), as applicable and as such standards  
25 may have been modified under this subsection (f), taking into  
26 account the unique circumstances of the utility's service

1 territory and results of an energy efficiency potential study  
2 as described in subsection (f-5) of this Section. For those  
3 plans commencing on January 1, 2018, the Commission shall seek  
4 public comment on the utility's plan and shall issue an order  
5 approving or disapproving each plan no later than ~~August 31,~~  
6 ~~2017, or~~ 105 days after June 1, 2017 (the effective date of  
7 Public Act 99-906) ~~this amendatory Act of the 99th General~~  
8 ~~Assembly, whichever is later.~~ For those plans commencing after  
9 December 31, 2021, the Commission shall seek public comment on  
10 the utility's plan and shall issue an order approving or  
11 disapproving each plan within 6 months after its submission. If  
12 the Commission disapproves a plan, the Commission shall, within  
13 30 days, describe in detail the reasons for the disapproval and  
14 describe a path by which the utility may file a revised draft  
15 of the plan to address the Commission's concerns  
16 satisfactorily. If the utility does not refile with the  
17 Commission within 60 days, the utility shall be subject to  
18 penalties at a rate of \$100,000 per day until the plan is  
19 filed. This process shall continue, and penalties shall accrue,  
20 until the utility has successfully filed a portfolio of energy  
21 efficiency and demand-response measures. Penalties shall be  
22 deposited into the Energy Efficiency Trust Fund.

23 (f-5) Energy efficiency potential study. An energy  
24 efficiency potential study shall be commissioned and overseen  
25 by the Illinois Commerce Commission. The potential study shall  
26 be a dual fuel study, addressing both gas and electric

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

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

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

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

26 (iv) the experience of other similar utilities, areas

1 and jurisdictions in maximizing achievement of  
2 cost-effective savings.

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

5 (g) In submitting proposed plans and funding levels under  
6 subsection (f) of this Section to meet the savings goals  
7 identified in subsection (b-5) or (b-15) of this Section, as  
8 applicable, the utility shall:

9 (1) Demonstrate that its proposed energy efficiency  
10 measures will achieve the applicable requirements that are  
11 identified in subsection (b-5) or (b-15) of this Section,  
12 as modified by subsection (f) of this Section.

13 (2) (Blank). ~~Present specific proposals to implement~~  
14 ~~new building and appliance standards that have been placed~~  
15 ~~into effect.~~

16 (2.5) Demonstrate consideration of program options for  
17 (A) advancing new building codes, appliance standards, and  
18 municipal regulations governing existing building  
19 efficiency improvements and (B) supporting efforts to  
20 improve compliance with new building codes, appliance  
21 standards and municipal regulations, as potentially  
22 cost-effective means of acquiring energy savings to count  
23 toward savings goals.

24 (3) Demonstrate that its overall portfolio of  
25 measures, not including low-income programs described in  
26 subsection (c) of this Section, is cost-effective using the

1 total resource cost test or complies with paragraphs (1)  
2 through (3) of subsection (f) of this Section and  
3 represents a diverse cross-section of opportunities for  
4 customers of all rate classes, other than those customers  
5 described in subsection (l) of this Section, to participate  
6 in the programs. Individual measures need not be cost  
7 effective.

8 (3.5) Demonstrate that the utility's plan integrates  
9 the delivery of energy efficiency programs with natural gas  
10 efficiency programs, programs promoting distributed solar,  
11 programs promoting demand response and other efforts to  
12 address bill payment issues, including, but not limited to,  
13 LIHEAP and the Percent Income Payment Plan, to the extent  
14 such integration is practical and has the potential to  
15 enhance customer engagement, minimize market confusion, or  
16 reduce administrative costs.

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

20 (A) beginning with the year commencing January 1,  
21 2019, electric utilities that serve more than  
22 3,000,000 retail customers in the State shall fund  
23 third-party energy efficiency programs in an amount  
24 that is no less than \$25,000,000 per year, and electric  
25 utilities that serve less than 3,000,000 retail  
26 customers but more than 500,000 retail customers in the

1 State shall fund third-party energy efficiency  
2 programs in an amount that is no less than \$8,350,000  
3 per year;

4 (B) during 2018, the utility shall conduct a  
5 solicitation process for purposes of requesting  
6 proposals from third-party vendors for those  
7 third-party energy efficiency programs to be offered  
8 during one or more of the years commencing January 1,  
9 2019, January 1, 2020, and January 1, 2021; for those  
10 multi-year plans commencing on January 1, 2022 and  
11 January 1, 2026, the utility shall conduct a  
12 solicitation process during 2021 and 2025,  
13 respectively, for purposes of requesting proposals  
14 from third-party vendors for those third-party energy  
15 efficiency programs to be offered during one or more  
16 years of the respective multi-year plan period; for  
17 each solicitation process, the utility shall identify  
18 the sector, technology, or geographical area for which  
19 it is seeking requests for proposals; the solicitation  
20 process must be either for programs that fill gaps in  
21 the utility's program portfolio or for programs that  
22 target business sectors, building types, geographies,  
23 or other specific parts of its customer base with  
24 initiatives that would be more effective at reaching  
25 these customer segments than the utilities' programs  
26 filed in its energy efficiency plans.

1 (C) the utility shall propose the bidder  
2 qualifications, performance measurement process, and  
3 contract structure, which must include a performance  
4 payment mechanism and general terms and conditions;  
5 the proposed qualifications, process, and structure  
6 shall be subject to Commission approval; and

7 (D) the utility shall retain an independent third  
8 party to score the proposals received through the  
9 solicitation process described in this paragraph (4),  
10 rank them according to their cost per lifetime  
11 kilowatt-hours saved, and assemble the portfolio of  
12 third-party programs.

13 The electric utility shall recover all costs  
14 associated with Commission-approved, third-party  
15 administered programs regardless of the success of those  
16 programs.

17 (4.5) Implement cost-effective demand-response  
18 measures to reduce peak demand by 0.1% over the prior year  
19 for eligible retail customers, as defined in Section  
20 16-111.5 of this Act, and for customers that elect hourly  
21 service from the utility pursuant to Section 16-107 of this  
22 Act, provided those customers have not been declared  
23 competitive. This requirement continues until December 31,  
24 2026.

25 (5) Include a proposed or revised cost-recovery tariff  
26 mechanism, as provided for under subsection (d) of this



1 Section, to fund the proposed energy efficiency and  
2 demand-response measures and to ensure the recovery of the  
3 prudently and reasonably incurred costs of  
4 Commission-approved programs.

5 (6) Provide for an annual independent evaluation of the  
6 performance of the cost-effectiveness of the utility's  
7 portfolio of measures, as well as a full review of the  
8 multi-year plan results of the broader net program impacts  
9 and, to the extent practical, for adjustment of the  
10 measures on a going-forward basis as a result of the  
11 evaluations. The resources dedicated to evaluation shall  
12 not exceed 3% of portfolio resources in any given year.

13 (7) For electric utilities that serve more than  
14 3,000,000 retail customers in the State:

15 (A) Through December 31, 2025, provide for an  
16 adjustment to the return on equity component of the  
17 utility's weighted average cost of capital calculated  
18 under subsection (d) of this Section:

19 (i) If the independent evaluator determines  
20 that the utility achieved a cumulative persisting  
21 annual savings that is less than the applicable  
22 annual incremental goal, then the return on equity  
23 component shall be reduced by a maximum of 200  
24 basis points in the event that the utility achieved  
25 no more than 75% of such goal. If the utility  
26 achieved more than 75% of the applicable annual

1 incremental goal but less than 100% of such goal,  
2 then the return on equity component shall be  
3 reduced by 8 basis points for each percent by which  
4 the utility failed to achieve the goal.

5 (ii) If the independent evaluator determines  
6 that the utility achieved a cumulative persisting  
7 annual savings that is more than the applicable  
8 annual incremental goal, then the return on equity  
9 component shall be increased by a maximum of 200  
10 basis points in the event that the utility achieved  
11 at least 125% of such goal. If the utility achieved  
12 more than 100% of the applicable annual  
13 incremental goal but less than 125% of such goal,  
14 then the return on equity component shall be  
15 increased by 8 basis points for each percent by  
16 which the utility achieved above the goal. If the  
17 applicable annual incremental goal was reduced  
18 under paragraphs (1) or (2) of subsection (f) of  
19 this Section, then the following adjustments shall  
20 be made to the calculations described in this item  
21 (ii):

22 (aa) the calculation for determining  
23 achievement that is at least 125% of the  
24 applicable annual incremental goal shall use  
25 the unreduced applicable annual incremental  
26 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 ~~2030~~, provide for an adjustment to the return on equity component of the utility's weighted average cost of capital calculated under subsection (d) of this Section:

(i) If the independent evaluator determines that the utility achieved a cumulative persisting annual savings that is less than the applicable annual incremental goal, then the return on equity component shall be reduced by a maximum of 200 basis points in the event that the utility achieved no more than 66% of such goal. If the utility achieved more than 66% of the applicable annual

1 incremental goal but less than 100% of such goal,  
2 then the return on equity component shall be  
3 reduced by 6 basis points for each percent by which  
4 the utility failed to achieve the goal.

5 (ii) If the independent evaluator determines  
6 that the utility achieved a cumulative persisting  
7 annual savings that is more than the applicable  
8 annual incremental goal, then the return on equity  
9 component shall be increased by a maximum of 200  
10 basis points in the event that the utility achieved  
11 at least 134% of such goal. If the utility achieved  
12 more than 100% of the applicable annual  
13 incremental goal but less than 134% of such goal,  
14 then the return on equity component shall be  
15 increased by 6 basis points for each percent by  
16 which the utility achieved above the goal. If the  
17 applicable annual incremental goal was reduced  
18 under paragraph (3) of subsection (f) of this  
19 Section, then the following adjustments shall be  
20 made to the calculations described in this item  
21 (ii):

22 (aa) the calculation for determining  
23 achievement that is at least 134% of the  
24 applicable annual incremental goal shall use  
25 the unreduced applicable annual incremental  
26 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

1 goal been achieved, then the return on equity  
2 component shall be reduced by a maximum of 200  
3 basis points if the utility achieved no more than  
4 75% of its applicable annual total savings  
5 requirement as defined in paragraph (7.5) of this  
6 subsection. If the utility achieved more than 75%  
7 of the applicable annual total savings requirement  
8 but less than 100% of such goal, then the return on  
9 equity component shall be reduced by 8 basis points  
10 for each percent by which the utility failed to  
11 achieve the goal.

12 (ii) If the independent evaluator determines  
13 that the utility achieved a cumulative persisting  
14 annual savings that is more than would have been  
15 achieved had the applicable annual incremental  
16 goal been achieved, then the return on equity  
17 component shall be increased by a maximum of 200  
18 basis points if the utility achieved at least 125%  
19 of its applicable annual total savings  
20 requirement. If the utility achieved more than  
21 100% of the applicable annual total savings  
22 requirement but less than 125% of such goal, then  
23 the return on equity component shall be increased  
24 by 8 basis points for each percent by which the  
25 utility achieved above the applicable annual total  
26 savings requirement. If the applicable annual

1 incremental goal was reduced under paragraphs (1)  
2 or (2) of subsection (f) of this Section, then the  
3 following adjustments shall be made to the  
4 calculations described in this item (ii):

5 (aa) the calculation for determining  
6 achievement that is at least 125% of the  
7 applicable annual total savings requirement  
8 shall use the unreduced applicable annual  
9 incremental goal to set the value; and

10 (bb) the calculation for determining  
11 achievement that is less than 125% but more  
12 than 100% of the applicable annual total  
13 savings requirement shall use the reduced  
14 applicable annual incremental goal to set the  
15 value for 100% achievement of the goal and  
16 shall use the unreduced goal to set the value  
17 for 125% achievement. The 8 basis point value  
18 shall also be modified, as necessary, so that  
19 the 200 basis points are evenly apportioned  
20 among each percentage point value between 100%  
21 and 125% achievement.

22 (7.5) For purposes of this Section, the term  
23 "applicable annual incremental goal" means the difference  
24 between the cumulative persisting annual savings goal for  
25 the calendar year that is the subject of the independent  
26 evaluator's determination and the cumulative persisting

1 annual savings goal for the immediately preceding calendar  
2 year, as such goals are defined in subsections (b-5) and  
3 (b-15) of this Section and as these goals may have been  
4 modified as provided for under subsection (b-20) and  
5 paragraphs (1) through (3) of subsection (f) of this  
6 Section. Under subsections (b), (b-5), (b-10), and (b-15)  
7 of this Section, a utility must first replace energy  
8 savings from measures that have reached the end of their  
9 measure lives and would otherwise have to be replaced to  
10 meet the applicable savings goals identified in subsection  
11 (b-5) or (b-15) of this Section before any progress towards  
12 achievement of its applicable annual incremental goal may  
13 be counted. Notwithstanding anything else set forth in this  
14 Section, the difference between the actual annual  
15 incremental savings achieved in any given year, including  
16 the replacement of energy savings from measures that have  
17 expired, and the applicable annual incremental goal shall  
18 not affect adjustments to the return on equity for  
19 subsequent calendar years under this subsection (g).

20 As used in this Section, "applicable annual total  
21 savings requirement" means the sum of (i) the applicable  
22 annual savings goal; plus (ii) the amount of new annual  
23 savings required to replace savings from efficiency  
24 measures that provided cumulative persisting annual  
25 savings in the previous year, including savings from  
26 programs in 2012 through 2017 for which savings are deemed



1 in subsections (b) and (b-10), but which reached the end of  
2 their measure lives by the end of the previous year.

3 (8) For electric utilities that serve less than  
4 3,000,000 retail customers but more than 500,000 retail  
5 customers in the State:

6 (A) Through December 31, 2025, the applicable  
7 annual incremental goal shall be compared to the annual  
8 incremental savings as determined by the independent  
9 evaluator.

10 (i) The return on equity component shall be  
11 reduced by 8 basis points for each percent by which  
12 the utility did not achieve 84.4% of the applicable  
13 annual incremental goal.

14 (ii) The return on equity component shall be  
15 increased by 8 basis points for each percent by  
16 which the utility exceeded 100% of the applicable  
17 annual incremental goal.

18 (iii) The return on equity component shall not  
19 be increased or decreased if the annual  
20 incremental savings as determined by the  
21 independent evaluator is greater than 84.4% of the  
22 applicable annual incremental goal and less than  
23 100% of the applicable annual incremental goal.

24 (iv) The return on equity component shall not  
25 be increased or decreased by an amount greater than  
26 200 basis points pursuant to this subparagraph

1 (A).

2 (B) For the period of January 1, 2026 through  
3 December 31, 2029 and in all subsequent 4-year periods  
4 ~~2030~~, the applicable annual incremental goal shall be  
5 compared to the annual incremental savings as  
6 determined by the independent evaluator.

7 (i) The return on equity component shall be  
8 reduced by 6 basis points for each percent by which  
9 the utility did not achieve 100% of the applicable  
10 annual incremental goal.

11 (ii) The return on equity component shall be  
12 increased by 6 basis points for each percent by  
13 which the utility exceeded 100% of the applicable  
14 annual incremental goal.

15 (iii) The return on equity component shall not  
16 be increased or decreased by an amount greater than  
17 200 basis points pursuant to this subparagraph  
18 (B).

19 (C) Notwithstanding provisions in subparagraphs  
20 (A) and (B) of paragraph (7) of this subsection, if the  
21 applicable annual incremental goal for an electric  
22 utility is ever less than 0.6% of deemed average  
23 weather normalized sales of electric power and energy  
24 during calendar years 2014, 2015 and 2016, an  
25 adjustment to the return on equity component of the  
26 utility's weighted average cost of capital calculated

1 under subsection (d) of this Section shall be made as  
2 follows:

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

7 (ii) The return on equity component shall be  
8 increased by 8 basis points for each percent by  
9 which the utility exceeded 100% of the applicable  
10 annual total savings requirement.

11 (iii) The return on equity component shall not  
12 be increased or decreased by an amount greater than  
13 200 basis points pursuant to this subparagraph  
14 (C).

15 (D) ~~(C)~~ If the applicable annual incremental goal  
16 was reduced under paragraphs (1), (2), ~~or~~ (3), or (4)  
17 of subsection (f) of this Section, then the following  
18 adjustments shall be made to the calculations  
19 described in subparagraphs (A), ~~and~~ (B), and (C) of  
20 this paragraph (8):

21 (i) The calculation for determining  
22 achievement that is at least 125% or 134%, as  
23 applicable, of the applicable annual incremental  
24 goal or the applicable annual total savings  
25 requirement, as applicable, shall use the  
26 unreduced applicable annual incremental goal to

1 set the value.

2 (ii) For the period through December 31, 2025,  
3 the calculation for determining achievement that  
4 is less than 125% but more than 100% of the  
5 applicable annual incremental goal or the  
6 applicable annual total savings requirement, as  
7 applicable, shall use the reduced applicable  
8 annual incremental goal to set the value for 100%  
9 achievement of the goal and shall use the unreduced  
10 goal to set the value for 125% achievement. The 8  
11 basis point value shall also be modified, as  
12 necessary, so that the 200 basis points are evenly  
13 apportioned among each percentage point value  
14 between 100% and 125% achievement.

15 (iii) For the period of January 1, 2026 through  
16 December 31, 2029 and all subsequent 4-year  
17 periods, the calculation for determining  
18 achievement that is less than 125% or 134%, as  
19 applicable, but more than 100% of the applicable  
20 annual incremental goal or the applicable annual  
21 total savings requirement, as applicable, shall  
22 use the reduced applicable annual incremental goal  
23 to set the value for 100% achievement of the goal  
24 and shall use the unreduced goal to set the value  
25 for 125% achievement. The 6 or 8 basis point  
26 values, as applicable, shall also be modified, as

1           necessary, so that the 200 basis points are evenly  
2           apportioned among each percentage point value  
3           between 100% and 125% or between 100% and 134%  
4           achievement, as applicable. ~~2030, the calculation~~  
5           ~~for determining achievement that is less than 134%~~  
6           ~~but more than 100% of the applicable annual~~  
7           ~~incremental goal shall use the reduced applicable~~  
8           ~~annual incremental goal to set the value for 100%~~  
9           ~~achievement of the goal and shall use the unreduced~~  
10           ~~goal to set the value for 125% achievement. The 6~~  
11           ~~basis point value shall also be modified, as~~  
12           ~~necessary, so that the 200 basis points are evenly~~  
13           ~~apportioned among each percentage point value~~  
14           ~~between 100% and 134% achievement.~~

15           (9) The utility shall submit the energy savings data to  
16           the independent evaluator no later than 30 days after the  
17           close of the plan year. The independent evaluator shall  
18           determine the cumulative persisting annual savings for a  
19           given plan year, as well as an estimate of job impacts and  
20           other macroeconomic impacts of the efficiency programs for  
21           that year, no later than 120 days after the close of the  
22           plan year. The utility shall submit an informational filing  
23           to the Commission no later than 160 days after the close of  
24           the plan year that attaches the independent evaluator's  
25           final report identifying the cumulative persisting annual  
26           savings for the year and calculates, under paragraph (7) or

1 (8) of this subsection (g), as applicable, any resulting  
2 change to the utility's return on equity component of the  
3 weighted average cost of capital applicable to the next  
4 plan year beginning with the January monthly billing period  
5 and extending through the December monthly billing period.  
6 However, if the utility recovers the costs incurred under  
7 this Section under paragraphs (2) and (3) of subsection (d)  
8 of this Section, then the utility shall not be required to  
9 submit such informational filing, and shall instead submit  
10 the information that would otherwise be included in the  
11 informational filing as part of its filing under paragraph  
12 (3) of such subsection (d) that is due on or before June 1  
13 of each year.

14 For those utilities that must submit the informational  
15 filing, the Commission may, on its own motion or by  
16 petition, initiate an investigation of such filing,  
17 provided, however, that the utility's proposed return on  
18 equity calculation shall be deemed the final, approved  
19 calculation on December 15 of the year in which it is filed  
20 unless the Commission enters an order on or before December  
21 15, after notice and hearing, that modifies such  
22 calculation consistent with this Section.

23 The adjustments to the return on equity component  
24 described in paragraphs (7) and (8) of this subsection (g)  
25 shall be applied as described in such paragraphs through a  
26 separate tariff mechanism, which shall be filed by the

1 utility under subsections (f) and (g) of this Section.

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

10 (h) No more than 6% of energy efficiency and  
11 demand-response program revenue may be allocated for research,  
12 development, or pilot deployment of new equipment or measures.

13 (i) When practicable, electric utilities shall incorporate  
14 advanced metering infrastructure data into the planning,  
15 implementation, and evaluation of energy efficiency measures  
16 and programs, subject to the data privacy and confidentiality  
17 protections of applicable law.

18 (j) The independent evaluator shall follow the guidelines  
19 and use the savings set forth in Commission-approved energy  
20 efficiency policy manuals and technical reference manuals, as  
21 each may be updated from time to time. Until such time as  
22 measure life values for energy efficiency measures implemented  
23 for low-income households under subsection (c) of this Section  
24 are incorporated into such Commission-approved manuals, the  
25 low-income measures shall have the same measure life values  
26 that are established for same measures implemented in

1 households that are not low-income households.

2 (k) Notwithstanding any provision of law to the contrary,  
3 an electric utility subject to the requirements of this Section  
4 may file a tariff cancelling an automatic adjustment clause  
5 tariff in effect under this Section or Section 8-103, which  
6 shall take effect no later than one business day after the date  
7 such tariff is filed. Thereafter, the utility shall be  
8 authorized to defer and recover its expenditures incurred under  
9 this Section through a new tariff authorized under subsection  
10 (d) of this Section or in the utility's next rate case under  
11 Article IX or Section 16-108.5 of this Act, with interest at an  
12 annual rate equal to the utility's weighted average cost of  
13 capital as approved by the Commission in such case. If the  
14 utility elects to file a new tariff under subsection (d) of  
15 this Section, the utility may file the tariff within 10 days  
16 after June 1, 2017 (the effective date of Public Act 99-906)  
17 ~~this amendatory Act of the 99th General Assembly~~, and the cost  
18 inputs to such tariff shall be based on the projected costs to  
19 be incurred by the utility during the calendar year in which  
20 the new tariff is filed and that were not recovered under the  
21 tariff that was cancelled as provided for in this subsection.  
22 Such costs shall include those incurred or to be incurred by  
23 the utility under its multi-year plan approved under  
24 subsections (f) and (g) of this Section, including, but not  
25 limited to, projected capital investment costs and projected  
26 regulatory asset balances with correspondingly updated



1 depreciation and amortization reserves and expense. The  
2 Commission shall, after notice and hearing, approve, or approve  
3 with modification, such tariff and cost inputs no later than 75  
4 days after the utility filed the tariff, provided that such  
5 approval, or approval with modification, shall be consistent  
6 with the provisions of this Section to the extent they do not  
7 conflict with this subsection (k). The tariff approved by the  
8 Commission shall take effect no later than 5 days after the  
9 Commission enters its order approving the tariff.

10 No later than 60 days after the effective date of the  
11 tariff cancelling the utility's automatic adjustment clause  
12 tariff, the utility shall file a reconciliation that reconciles  
13 the moneys collected under its automatic adjustment clause  
14 tariff with the costs incurred during the period beginning June  
15 1, 2016 and ending on the date that the electric utility's  
16 automatic adjustment clause tariff was cancelled. In the event  
17 the reconciliation reflects an under-collection, the utility  
18 shall recover the costs as specified in this subsection (k). If  
19 the reconciliation reflects an over-collection, the utility  
20 shall apply the amount of such over-collection as a one-time  
21 credit to retail customers' bills.

22 (1) (Blank). ~~For the calendar years covered by a multi-year~~  
23 ~~plan commencing after December 31, 2017, subsections (a)~~  
24 ~~through (j) of this Section do not apply to any retail~~  
25 ~~customers of an electric utility that serves more than~~  
26 ~~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 (l) 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,

1 "eligible retail customers" shall have the meaning set forth in  
2 Section 16-111.5 of this Act. Once the Commission has approved  
3 a plan under subsections (f) and (g) of this Section, no  
4 subsequent rate impact determinations shall be made.

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

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

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

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

22 (4) Contracting equity action: 51% of the entity's  
23 subcontractors or vendors are entities defined under  
24 Section 2 of the Business Enterprise for Minorities, Women,  
25 and Persons with Disabilities Act or 30% of the workers  
26 associated with the project, including from all

1 subcontractors and vendors, are people of color (members of  
2 a racial or ethnic minority group) paid at or above the  
3 prevailing rate of wage.

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

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

8 (220 ILCS 5/8-104.1 new)

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

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

21 (b) In this Section:

22 "Energy efficiency" means measures that reduce the amount  
23 of energy required to achieve a given end use. "Energy  
24 efficiency" also includes measures that reduce the total Btus  
25 of electricity and natural gas needed to meet the end use or

1 uses.

2 "Cost-effective" means that the measures satisfy the total  
3 resource cost test that, for purposes of this Section, means a  
4 standard that is met if, for an investment in energy  
5 efficiency, the benefit-cost ratio is greater than one. The  
6 benefit-cost ratio is the ratio of the net present value of the  
7 total benefits of the measures to the net present value of the  
8 total costs as calculated over the lifetime of the measures.  
9 The total resource cost test compares the sum of avoided  
10 natural gas utility costs, representing the benefits that  
11 accrue to the natural gas system and the participant in the  
12 delivery of those efficiency measures and including avoided  
13 costs associated with the use of electricity or other fuels,  
14 avoided cost associated with reduced water consumption, and  
15 avoided costs associated with reduced operation and  
16 maintenance costs, as well as other quantifiable societal  
17 benefits, to the sum of all incremental costs of end use  
18 measures (including both utility and participant  
19 contributions), plus costs to administer, deliver, and  
20 evaluate each demand-side measure, to quantify the net savings  
21 obtained by substituting demand-side measures for supply  
22 resources. In calculating avoided costs, reasonable estimates  
23 shall be included for financial costs likely to be imposed by  
24 future regulation of emissions of greenhouse gases. In  
25 discounting future societal costs and benefits for the purpose  
26 of calculating net present values, a societal discount rate

1 based on actual, long-term Treasury bond yields shall be used.  
2 The low-income measures described in subsection (f) of this  
3 Section shall not be required to meet the total resource cost  
4 test.

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

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

14 (d) Beginning in 2020, gas utilities subject to this  
15 Section shall achieve the following cumulative persisting  
16 annual savings goals, as compared to a deemed baseline  
17 equivalent to the utility's average annual therm throughput in  
18 2016 through 2018 through the implementation of energy  
19 efficiency measures during the applicable year and in prior  
20 years, but no earlier than January 1, 2020:

21 (1) 1.2% cumulative persisting annual savings for the  
22 year ending December 31, 2020;

23 (2) 2.1% cumulative persisting annual savings for the  
24 year ending December 31, 2021;

25 (3) 3.0% cumulative persisting annual savings for the  
26 year ending December 31, 2022;

1           (4) 3.9% cumulative persisting annual savings for the  
2           year ending December 31, 2023;

3           (5) 4.8% cumulative persisting annual savings for the  
4           year ending December 31, 2024;

5           (6) 5.7% cumulative persisting annual savings for the  
6           year ending December 31, 2025;

7           (7) 6.6% cumulative persisting annual savings for the  
8           year ending December 31, 2026;

9           (8) 7.4% cumulative persisting annual savings for the  
10          year ending December 31, 2027;

11          (9) 8.2% cumulative persisting annual savings for the  
12          year ending December 31, 2028;

13          (10) 9.0% cumulative persisting annual savings for the  
14          year ending December 31, 2029;

15          (11) 9.8% cumulative persisting annual savings for the  
16          year ending December 31, 2030;

17          (12) 10.6% cumulative persisting annual savings for  
18          the year ending December 31, 2031;

19          (13) 11.4% cumulative persisting annual savings for  
20          the year ending December 31, 2032;

21          (14) 12.1% cumulative persisting annual savings for  
22          the year ending December 31, 2033;

23          (15) 12.8% cumulative persisting annual savings for  
24          the year ending December 31, 2034; and

25          (16) 13.5% cumulative persisting annual savings for  
26          the year ending December 31, 2035.



1       No later than December 31, 2025, the Illinois Commerce  
2       Commission shall establish additional cumulative persisting  
3       annual savings goals for the years 2036 through 2040. The  
4       Commission shall also establish additional cumulative  
5       persisting annual savings goals every 5 years thereafter to  
6       ensure utilities always have goals that extend at least 11  
7       years into the future. The cumulative persisting annual savings  
8       goals beyond the year 2035 shall increase by 0.6 percentage  
9       points per year absent a Commission decision to initiate a  
10       proceeding to consider establishing goals that increase by more  
11       or less than that amount. Such a proceeding must be conducted  
12       in accordance with the procedures described in subsection (f)  
13       of this Section. If such a proceeding is initiated, the  
14       cumulative persisting annual savings goals established by the  
15       Commission through that proceeding shall reflect the  
16       Commission's best estimate of the maximum amount of additional  
17       gas savings that are forecast to be cost-effectively achievable  
18       unless such best estimates would result in goals that represent  
19       less than 0.4 percentage point annual increases in total  
20       cumulative persisting annual savings. The Commission may only  
21       establish goals that represent less than 0.4 percentage point  
22       annual increases in cumulative persisting annual savings if it  
23       can demonstrate, based on clear and convincing evidence, that  
24       0.4 percentage point increases are not cost-effectively  
25       achievable. The Commission shall inform its decision based on  
26       an energy efficiency potential study that conforms to the

1 requirements of subsection (j-5) of this Section.

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

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

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

26 (f) Gas utilities are responsible for overseeing the

1 design, development, and filing of energy efficiency plans with  
2 the Commission and may, as part of that implementation,  
3 outsource various aspects of program development and  
4 implementation. A minimum of 10% of the utility's entire  
5 portfolio funding level for a given year shall be used to  
6 procure cost-effective energy efficiency measures from units  
7 of local government, municipal corporations, school districts,  
8 public housing, community college districts, and  
9 nonprofit-owned buildings provided that a minimum percentage  
10 of available funds shall be used to procure energy efficiency  
11 from public housing, which percentage shall be equal to public  
12 housing's share of public building energy consumption.

13 The utilities shall also implement energy efficiency  
14 measures targeted at low-income single-family and multi-family  
15 households, which, for purposes of this Section, shall be  
16 defined as households at or below 80% of area median income,  
17 and expenditures to implement the measures shall be no less  
18 than 25% of the utility's total efficiency portfolio budget.

19 At least 70% of spending on programs targeted at low-income  
20 households shall go toward integrated whole building  
21 efficiency programs, as defined in subsection (g), or  
22 individual measures that reduce space heating needs through  
23 improvements to the building envelope, heating distribution  
24 systems, or heating system controls. Programs targeted at  
25 low-income households, which address single-family and  
26 multi-family buildings shall be treated such that forecast

1 savings to be achieved in each building type are approximately  
2 in proportional to the magnitude of cost-effective energy  
3 efficiency opportunities in these respective building types.

4 Each gas utility shall assess opportunities to implement  
5 cost-effective energy efficiency measures and programs through  
6 a public housing authority or authorities located in its  
7 service territory. If such opportunities are identified, the  
8 utility shall propose such measures and programs to address the  
9 opportunities. Expenditures to address such opportunities  
10 shall be credited toward the minimum procurement and  
11 expenditure requirements set forth in this subsection (f).

12 Implementation of energy efficiency measures and programs  
13 targeted at low-income households shall be contracted, when it  
14 is practical, to independent third parties that have  
15 demonstrated capabilities to serve such households, with a  
16 preference for not-for-profit entities and government agencies  
17 that have existing relationships with or experience serving  
18 low-income communities in the State.

19 Each gas utility shall develop and implement reporting  
20 procedures that address and assist in determining the amount of  
21 energy savings that can be applied to the low-income  
22 procurement and expenditure requirements set forth in this  
23 subsection (f).

24 Each gas utility shall implement a health and safety fund  
25 of a minimum of 0.5% of the utility's entire portfolio funding  
26 level for a given year, that shall be used for the purpose of

1 making grants for technical assistance, construction,  
2 reconstruction, improvement, or repair of buildings to  
3 facilitate their participation in the energy efficiency  
4 programs targeted at low-income single-family and multi-family  
5 households. These funds may also be used for the purpose of  
6 making grants for technical assistance, construction,  
7 reconstruction, improvement, or repair of the following  
8 buildings to facilitate their participation in the energy  
9 efficiency programs created by this Section: (1) buildings that  
10 are owned or operated by registered 501(c)(3) public charities;  
11 and (2) day care centers, day care homes, or group day care  
12 homes, as defined by 89 Ill. Adm. Code Part 406, 407, or 408,  
13 respectively.

14 The gas utilities shall participate in a low-income energy  
15 efficiency advisory committee designed to allow a variety of  
16 stakeholders, especially those living in or working with  
17 low-income and public housing communities, to assist in the  
18 design and evaluation of the low-income energy efficiency  
19 programs. The committee shall be comprised of the electric  
20 utilities subject to the requirements of Section 8-103B of this  
21 Act, the gas utilities subject to the requirements of this  
22 Section, the utilities' low-income energy efficiency  
23 implementation contractors, nonprofit organizations, community  
24 action agencies, advocacy groups, State and local governmental  
25 agencies, public housing organizations, and representatives of  
26 community-based organizations. There shall be a leadership

1 committee comprised of a variety of stakeholders, with at least  
2 one community-based organization involved. The leadership  
3 committee may elect to hire a facilitator, and if it chooses to  
4 do so, it shall lead the selection process. The hired  
5 facilitator would be required to be fair and responsive to the  
6 needs of all stakeholders involved in the committee. All  
7 meetings must be accessible, with rotating locations, call-in  
8 options, and materials and agendas circulated well in advance.  
9 There shall also be opportunities for input outside of meetings  
10 from those with limited capacity and ability to attend, via  
11 one-on-one meetings, surveys, and calls. Meetings shall also  
12 include opportunities to bundle and coordinate low-income  
13 energy efficiency with other programs that serve low-income  
14 communities, such as Solar for All and energy assistance  
15 programs. Meetings shall include educational opportunities for  
16 stakeholders to learn more about these additional offerings,  
17 and the committee shall assist in figuring out the best methods  
18 for coordinated delivery and implementation of offerings when  
19 serving low-income communities.

20 (g) At least 50% of the entire efficiency program portfolio  
21 budget shall be spent on any combination of (1) heating energy  
22 savings from integrated whole building efficiency programs;  
23 and (2) individual efficiency measures that reduce the amount  
24 of space heating needs through improvements to the efficiency  
25 of building envelopes (including, but not limited to,  
26 insulation measures, efficient windows and air leakage

1 reduction), improvements to systems for distributing heat  
2 (including, but not limited to, duct leakage reduction, duct  
3 insulation or pipe insulation) in buildings, improvements to  
4 ventilation systems (including, but not limited to heat  
5 recovery ventilation and demand control ventilation measures)  
6 or improvements to controls of heating equipment (including but  
7 not limited to advanced thermostats). Spending on efficient  
8 furnaces, efficient boilers, or other efficient heating  
9 equipment measures outside of or separate from integrated whole  
10 building efficiency programs is permitted within the  
11 efficiency program portfolio, but does not count toward the  
12 minimum spending requirement in this subsection (g). Spending  
13 on integrated whole building efficiency programs targeted to  
14 low-income customers, as well as spending on individual  
15 building envelope, heating distribution system, ventilation  
16 system and heating system control measures installed in  
17 low-income homes does count toward this requirement. The  
18 portion of portfolio spending on program marketing, training of  
19 installers, audits of buildings, inspections of work  
20 performed, and other administrative and technical expenses  
21 that are clearly tied to promotion and delivery of integrated  
22 whole building efficiency programs or installation of building  
23 envelope, heating distribution system, or ventilation system  
24 and heating system control measures shall count toward this  
25 requirement. If this minimum requirement is not met, any  
26 performance incentive earned under paragraph (7) of subsection

1 (j) should be reduced by the percentage point level of  
2 shortfall in meeting this requirement; if the utility is  
3 subject to a performance penalty, then the magnitude of the  
4 penalty shall be increased by the percentage point shortfall in  
5 meeting this requirement.

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

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

22 (i) Beginning in 2019, each gas utility shall file an  
23 energy efficiency plan with the Commission to meet the energy  
24 efficiency standards for the next applicable multi-year period  
25 beginning January 1 of the year following the filing, according  
26 to the schedule set forth in paragraphs (1) through (5) of this



1 subsection (i). If a utility does not file such a plan on or  
2 before the applicable filing deadline for the plan, it shall  
3 face a penalty of \$100,000 per day until the plan is filed.

4 (1) No later than 120 days after the effective date of  
5 this amendatory Act of the 101st General Assembly, each gas  
6 utility shall file an energy efficiency plan to supersede  
7 its previously filed energy efficiency plan for the year  
8 beginning January 1, 2020 that is designed to achieve the  
9 cumulative persisting annual savings goals specified in  
10 paragraphs (1) and (2) of subsection (d) of this Section  
11 through implementation of energy efficiency measures.

12 (2) No later March 1, 2021, each gas utility shall file  
13 a 4-year energy efficiency plan commencing on January 1,  
14 2022 that is designed to achieve the cumulative persisting  
15 annual savings goals specified in paragraphs (3) through  
16 (6) of subsection (d) of this Section through  
17 implementation of energy efficiency measures; however, the  
18 goals may be reduced if each of the following conditions  
19 are met: (A) the plan's analysis and forecasts of the  
20 utility's ability to acquire energy savings demonstrate  
21 beyond a reasonable doubt that achievement of such goals is  
22 not cost-effective; and (B) the amount of energy savings  
23 planned to be achieved by the utility in 2021, as  
24 documented pursuant to paragraph (1) of this subsection (i)  
25 and approved by the Illinois Commerce Commission, was less  
26 than the average annual amount of savings required to

1 achieve the goals for the applicable 4-year plan period.  
2 Annual increases in cumulative persisting annual savings  
3 goals during the applicable 4-year plan period shall not be  
4 reduced to amounts that are less than the maximum amount of  
5 cumulative persisting annual savings that is forecast to be  
6 cost-effectively achievable during the 4-year plan period.  
7 The Commission shall review any proposed goal reduction as  
8 part of its review and approval of the utility's proposed  
9 plan, taking into account the results of the potential  
10 study required by subsection (j-5) of this Section.

11 (3) No later than March 1, 2025, each gas utility shall  
12 file a 4-year energy efficiency plan commencing on January  
13 1, 2026 that is designed to achieve the cumulative  
14 persisting annual savings goals specified in paragraphs  
15 (7) through (10) of subsection (d) of this Section through  
16 implementation of energy efficiency measures; however, the  
17 goals may be reduced if each of the following conditions  
18 are met: (A) the plan's analysis and forecasts of the  
19 utility's ability to acquire energy savings demonstrate  
20 beyond a reasonable doubt that achievement of such goals is  
21 not cost-effective; and (B) the amount of energy savings  
22 achieved by the utility as determined by the independent  
23 evaluator for the most recent year for which savings have  
24 been evaluated preceding the plan filing was less than the  
25 average annual amount of savings required to achieve the  
26 goals for the applicable 4-year plan period. Annual

1 increases in cumulative persisting annual savings goals  
2 during the applicable 4-year plan period shall not be  
3 reduced to amounts that are less than the maximum amount of  
4 cumulative persisting annual savings that is forecast to be  
5 cost-effectively achievable during the 4-year plan period.  
6 The Commission shall review any proposed goal reduction as  
7 part of its review and approval of the utility's proposed  
8 plan, taking into account the results of the potential  
9 study required by subsection (j-5) of this Section.

10 (4) No later than March 1, 2029, each gas utility shall  
11 file a 4-year energy efficiency plan commencing on January  
12 1, 2030 that is designed to achieve the cumulative  
13 persisting annual savings goals specified in paragraphs  
14 (11) through (14) of subsection (d) of this Section through  
15 implementation of energy efficiency measures; however, the  
16 goals may be reduced if each of the following conditions  
17 are met: (A) the plan's analysis and forecasts of the  
18 utility's ability to acquire energy savings demonstrate  
19 beyond a reasonable doubt that achievement of such goals is  
20 not cost-effective; and (B) the amount of energy savings  
21 achieved by the utility as determined by the independent  
22 evaluator for the most recent year for which savings have  
23 been evaluated preceding the plan filing was less than the  
24 average annual amount of savings required to achieve the  
25 goals for the applicable 4-year plan period. Annual  
26 increases in cumulative persisting annual savings goals

1 during the applicable 4-year plan period shall not be  
2 reduced to amounts that are less than the maximum amount of  
3 cumulative persisting annual savings that is forecast to be  
4 cost-effectively achievable during the 4-year plan period.  
5 The Commission shall review any proposed goal reduction as  
6 part of its review and approval of the utility's proposed  
7 plan, taking into account the results of the potential  
8 study required by subsection (j-5) of this Section.

9 (5) No later than March 1, beginning in 2033 and each 4  
10 years afterwards, each gas utility shall file a 4-year  
11 energy efficiency plan commencing on January 1, beginning  
12 in 2034 and each 4-year period afterwards, that is designed  
13 to achieve the cumulative persisting annual savings goals  
14 established by the Illinois Commerce Commission pursuant  
15 to direction of subsection (d) of this Section, through  
16 implementation of energy efficiency measures; however, the  
17 goals may be reduced if each of the following conditions  
18 are met: (A) the plan's analysis and forecasts of the  
19 utility's ability to acquire energy savings demonstrate  
20 beyond a reasonable doubt that achievement of such goals is  
21 not cost-effective; and (B) the amount of energy savings  
22 achieved by the utility as determined by the independent  
23 evaluator for the most recent year for which savings have  
24 been evaluated preceding the plan filing was less than the  
25 average annual amount of savings required to achieve the  
26 goals for the applicable 4-year plan period. Annual

1 increases in cumulative persisting annual savings goals  
2 during the applicable 4-year plan period shall not be  
3 reduced to amounts that are less than the maximum amount of  
4 cumulative persisting annual savings that is forecast to be  
5 cost-effectively achievable during the 4-year plan period.

6 The Commission shall review any proposed goal reduction as  
7 part of its review and approval of the utility's proposed  
8 plan, taking into account the results of the potential  
9 study required by subsection (j-5) of this Section.

10 Each utility's plan shall set forth the utility's proposals  
11 to meet the energy efficiency standards identified in  
12 subsection (d). For those plans commencing on January 1, 2021,  
13 the Commission shall seek public comment on the utility's plan  
14 and shall issue an order approving or disapproving each plan no  
15 later than August 31, 2020, or 105 days after the effective  
16 date of this amendatory Act of the 101st General Assembly,  
17 whichever is later. For those plans commencing after December  
18 31, 2022, the Commission shall seek public comment on the  
19 utility's plan and shall issue an order approving or  
20 disapproving each plan within 6 months after its submission. If  
21 the Commission disapproves a plan, the Commission shall, within  
22 30 days, describe in detail the reasons for the disapproval and  
23 describe a path by which the utility may file a revised draft  
24 of the plan to address the Commission's concerns  
25 satisfactorily. If the utility does not refile with the  
26 Commission within 60 days, the utility shall be subject to

1 penalties at a rate of \$100,000 per day until the plan is  
2 filed. This process shall continue, and penalties shall accrue,  
3 until the utility has successfully filed a portfolio of energy  
4 efficiency measures. Penalties shall be deposited into the  
5 Energy Efficiency Trust Fund.

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

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

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

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

1 be cost effective.

2 (3.5) Demonstrate that the utility's plan integrates  
3 the delivery of energy efficiency programs with electric  
4 efficiency programs and other efforts to address bill  
5 payment issues, including, but not limited to, LIHEAP and  
6 the Percent Income Payment Plan, to the extent such  
7 integration is practical and has the potential to enhance  
8 customer engagement, minimize market confusion, or reduce  
9 administrative costs.

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

13 (A) Beginning with the year commencing January 1,  
14 2021, gas utilities shall fund third-party energy  
15 efficiency programs in an amount that is no less than  
16 10% of total efficiency portfolio budgets per year.

17 (B) For multi-year plans commencing on January 1,  
18 2022, January 1, 2026, January 1, 2030, and every 4  
19 years thereafter, the utility shall conduct a  
20 solicitation process during 2021, 2025, 2029, and  
21 every 4 years thereafter, respectively, for purposes  
22 of requesting proposals from third-party vendors for  
23 those third-party energy efficiency programs to be  
24 offered during one or more years of the respective  
25 multi-year plan period; for each solicitation process,  
26 the utility shall identify the sector, technology, or

1 geographical area for which it is seeking requests for  
2 proposals; the solicitation process must be for  
3 programs that fill gaps in the utility's program  
4 portfolio or targets business sectors, building types,  
5 geographies or other specific parts of its customer  
6 base with initiatives that would be more effective at  
7 reaching these customer segments than the utilities'  
8 programs filed in its energy efficiency plans.

9 (C) The utility shall propose the bidder  
10 qualifications, performance measurement process, and  
11 contract structure, which must include a performance  
12 payment mechanism and general terms and conditions;  
13 the proposed qualifications, process, and structure  
14 shall be subject to Commission approval.

15 (D) The utility shall retain an independent third  
16 party to score the proposals received through the  
17 solicitation process described in this paragraph (4),  
18 rank them according to their cost per lifetime  
19 kilowatt-hours saved, and assemble the portfolio of  
20 third-party programs.

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

24 (5) Include a proposed or revised cost-recovery  
25 mechanism, as provided for under subsection (h) of this  
26 Section, to fund the proposed energy efficiency measures



1 and to ensure the recovery of the prudently and reasonably  
2 incurred costs of Commission-approved programs.

3 (6) Provide for an annual independent evaluation of the  
4 performance of the cost-effectiveness of the utility's  
5 portfolio of measures, as well as a full review of the  
6 multi-year plan results of the broader net program impacts  
7 and, to the extent practical, for adjustment of the  
8 measures on a going-forward basis as a result of the  
9 evaluations. The resources dedicated to evaluation shall  
10 not exceed 3% of portfolio resources in any given year.

11 (7) Each gas utility shall be eligible to earn a  
12 shareholder incentive for effective implementation of its  
13 efficiency programs. The incentive shall be tied to each  
14 utility's annual energy efficiency spending and its  
15 savings relative to its applicable annual total savings  
16 requirement as defined in paragraph (8) of this subsection  
17 (j). There shall be no incentive if the independent  
18 evaluator determines the utility failed to achieve savings  
19 equal to at least 85% of its applicable annual total  
20 savings requirement. The utility shall earn an incentive  
21 equal 0.5% of total annual efficiency spending in the year  
22 being evaluated for every one percentage point above 85% up  
23 to 100% of its applicable annual total savings requirement  
24 that the utility achieved in that year, such that the  
25 utility shall earn an incentive equal to 7.5% of spending  
26 for meeting 100% of its applicable annual total savings

1 requirement. The utility shall earn an additional 0.3% of  
2 spending for every one percentage point above 100% of its  
3 applicable annual total savings requirement achieved, with  
4 a maximum incentive of 15% for achieving 125% of its  
5 applicable annual total savings requirement.

6 (7.5) In this Section, "applicable annual incremental  
7 goal" means the difference between the cumulative  
8 persisting annual savings goal for the calendar year that  
9 is the subject of the independent evaluator's  
10 determination and the cumulative persisting annual savings  
11 goal for the immediately preceding calendar year, as such  
12 goals are defined in subsection (d) of this Section. Under  
13 subsection (d) of this Section, a utility must first  
14 replace energy savings from measures that have reached the  
15 end of their measure lives and would otherwise have to be  
16 replaced to meet the applicable savings goals identified in  
17 subsection (d) of this Section before any progress toward  
18 achievement of its applicable annual incremental goal may  
19 be counted. Notwithstanding anything else set forth in this  
20 Section, the difference between the actual annual  
21 incremental savings achieved in any given year, including  
22 the replacement of energy savings from measures that have  
23 expired, and the applicable annual incremental goal shall  
24 not affect adjustments to the return on equity for  
25 subsequent calendar years under this subsection (j).

26 (8) In this Section, "applicable annual total savings

1 requirement" means the total amount of new annual savings  
2 that the utility must achieve in any given year to achieve  
3 the applicable annual incremental goal. This shall be equal  
4 to the applicable annual incremental goal plus the total  
5 new annual savings that are required to replace savings  
6 from efficiency measures that provided cumulative  
7 persistent annual savings in the previous year but expired  
8 in or at the end of the previous year and are therefore no  
9 longer producing savings.

10 (9) The utility shall submit the energy savings data to  
11 the independent evaluator no later than 30 days after the  
12 close of the plan year. The independent evaluator shall  
13 determine the cumulative persisting annual savings and the  
14 utility's performance relative to its applicable annual  
15 total savings requirement for a given plan year no later  
16 than 120 days after the close of the plan year. The  
17 independent evaluator must also estimate the job impacts  
18 and other macroeconomic impacts of the utility's  
19 efficiency programs. The utility shall submit an  
20 informational filing to the Commission no later than 160  
21 days after the close of the plan year that attaches the  
22 independent evaluator's final report identifying the  
23 cumulative persisting annual savings for the year and  
24 calculates, under paragraph (7) of this subsection (j), as  
25 applicable, the magnitude of any shareholder incentive  
26 that the utility has earned.

1           (10) Gas utilities shall report annually to the  
2           Illinois Commerce Commission and General Assembly on how  
3           hiring, contracting, job training, and other practices  
4           related to its energy efficiency programs enhance the  
5           diversity of vendors working on such programs. These  
6           reports must include data on vendor and employee diversity.

7           (j-5) Energy efficiency potential study. An energy  
8           efficiency potential study shall be commissioned and overseen  
9           by the Illinois Commerce Commission. The potential study shall  
10          be a dual-fuel study, addressing both gas and electric  
11          efficiency potential, such that the requirements both in this  
12          subsection (j-5) and in subsection (f-5) of Section 8-103B are  
13          met in an integrated and cost-efficient manner. The potential  
14          study shall be designed and conducted with input from a  
15          Potential Study Stakeholder Committee established by the  
16          Commission. This Committee shall be comprised of  
17          representatives from each electric utility, the Illinois  
18          Attorney General's office, at least 2 environmental  
19          stakeholders, at least one community-based organization, and  
20          additional parties representing consumers. The Committee shall  
21          provide input, at a minimum, into the scope of work for the  
22          studies, the selection of vendors to perform the studies in  
23          accordance with appropriate confidentiality and conflict of  
24          interest provisions, and draft work products. The Committee  
25          shall make best efforts to achieve consensus on the key  
26          elements of the potential study, including:

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

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

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

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

11           When the committee is not able to reach consensus, the  
12           Commission shall make the final decision.

13           (k) No more than 6% of energy efficiency and  
14           demand-response program revenue may be allocated for research,  
15           development, or pilot deployment of new equipment or measures.

16           (l) When practical, gas utilities shall incorporate  
17           advanced metering infrastructure data into the planning,  
18           implementation, and evaluation of energy efficiency measures  
19           and programs, subject to the data privacy and confidentiality  
20           protections of applicable law.

21           (m) The independent evaluator shall follow the guidelines  
22           and use the savings set forth in Commission-approved energy  
23           efficiency policy manuals and technical reference manuals, as  
24           each may be updated from time to time. Until measure life  
25           values for energy efficiency measures implemented for  
26           low-income households under subsection (f) of this Section are

1 incorporated into such Commission-approved manuals, the  
2 low-income measures shall have the same measure life values  
3 that are established for same measures implemented in  
4 households that are not low-income households.

5 (220 ILCS 5/8-512 new)

6 Sec. 8-512. Renewable energy access plan.

7 (a) It is the policy of this State to promote  
8 cost-effective transmission system development that ensures  
9 reliability of the electric transmission system, lowers carbon  
10 emissions, minimizes long-term costs for consumers, and  
11 supports the electric policy goals of this State.

12 The General Assembly finds that:

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

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

23 (3) The State of Illinois does not currently have a  
24 comprehensive power and environmental policy planning  
25 process to identify transmission infrastructure needs that

1 can serve as a vital input into the regional and  
2 inter-regional transmission organization planning  
3 processes conducted under Order No. 1000 and other laws.

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

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

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

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

1 this State.

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

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

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

23 (b) Consistent with the findings identified in subsection  
24 (a), the Commission shall prepare and submit a renewable energy  
25 access plan to the General Assembly no later than December 31,  
26 2021. To assist and support the Commission in the development



1 of the plan, the Commission shall retain the services of  
2 technical and policy experts with relevant fields of expertise,  
3 solicit technical and policy analysis from the public, and  
4 provide for a 120-day open public comment period after  
5 publication of a draft report, which shall be published no  
6 later than 90 days after the comment period ends. The plan  
7 shall, at a minimum, do the following:

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

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

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

21 (4) introduce and consider programs, policies, and  
22 electric transmission projects that can be adopted within  
23 this State and advocated for at regional transmission  
24 organizations, that promote the cost effective delivery of  
25 power from renewable energy resources interconnected to  
26 the bulk electric system to meet the renewable portfolio

1 standard targets under subsection (c) of Section 1-75 of  
2 the Illinois Power Agency Act, and to meet current and  
3 future public policy goals of other states, the region, or  
4 the nation;

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

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

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

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

1 access plan zones.

2 (220 ILCS 5/9-220.3)

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

4 Sec. 9-220.3. Natural gas surcharges authorized.

5 (a) Tariff.

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

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

21 (3) The Commission shall issue an order approving, or  
22 approving with modification to ensure compliance with this  
23 Section, the tariff no later than 120 days after such  
24 filing of the tariffs filed pursuant to this Section. The  
25 utility shall have 7 days following the date of service of

1 the order to notify the Commission in writing whether it  
2 will accept any modifications so identified in the order or  
3 whether it has elected not to proceed with the tariff. If  
4 the order includes no modifications or if the utility  
5 notifies the Commission that it will accept such  
6 modifications, the tariff shall take effect on the first  
7 day of the calendar year in which the Commission issues the  
8 order, subject to petitions for rehearing and appellate  
9 procedures. After the tariff takes effect, the utility may,  
10 upon 10 days' notice to the Commission, file to withdraw  
11 the tariff at any time, and the Commission shall approve  
12 such filing without suspension or hearing, subject to a  
13 final reconciliation as provided in subsection (e) of this  
14 Section.

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

26 (5) A natural gas utility that is subject to its

1 delivery base rates being fixed at their current rates  
2 pursuant to a Commission order entered in Docket No.  
3 11-0046, notwithstanding the effective date of its tariff  
4 authorized pursuant to this Section, shall reflect in a  
5 tariff surcharge only those projects placed in service  
6 after the fixed rate period of the merger agreement has  
7 expired by its terms.

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

23 (1) the installation of facilities to retire and  
24 replace underground natural gas facilities, including  
25 facilities appurtenant to facilities constructed of those  
26 materials such as meters, regulators, and services, and

1 that are constructed of cast iron, wrought iron, ductile  
2 iron, unprotected coated steel, unprotected bare steel,  
3 mechanically coupled steel, copper, Cellulose Acetate  
4 Butyrate (CAB) plastic, pre-1973 DuPont Aldyl "A"  
5 polyethylene, PVC, or other types of materials identified  
6 by a State or federal governmental agency as being prone to  
7 leakage;

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

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

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

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

20 (B) the communications hardware and software and  
21 associated system software that creates a network  
22 between advanced gas meters and utility business  
23 systems and allows the collection and distribution of  
24 gas-related information to customers and other parties  
25 in addition to providing information to the utility  
26 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 (1) operating and maintenance costs; and

2 (2) costs of facilities that are revenue-producing,  
3 which means facilities that are constructed or installed  
4 for the purpose of serving new customers.

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

8 (1) recognize that the General Assembly identifies  
9 improved public safety and reliability of natural gas  
10 facilities as the cornerstone upon which this Section is  
11 designed, and qualifying projects should be encouraged,  
12 selected, and prioritized based on these factors; and

13 (2) provide information to the Commission as requested  
14 to demonstrate that (i) the projects included in the tariff  
15 are indeed qualifying projects and (ii) the projects are  
16 selected and prioritized taking into account improved  
17 public safety and reliability.

18 (3) The amount of qualifying infrastructure investment  
19 eligible for recovery under the tariff in the applicable  
20 calendar year is limited to the lesser of (i) the actual  
21 qualifying infrastructure plant placed in service in the  
22 applicable calendar year and (ii) the difference by which  
23 total plant additions in the applicable calendar year  
24 exceed the baseline amount, and subject to the limitation  
25 in subsection (g) of this Section. A natural gas utility  
26 can recover the costs of qualifying infrastructure



1 investments through an approved surcharge tariff from the  
2 beginning of each calendar year subject to the  
3 reconciliation initiated under paragraph (2) of subsection  
4 (e) of this Section, during which the Commission may make  
5 adjustments to ensure that the limits defined in this  
6 paragraph are not exceeded. Further, if total plant  
7 additions in a calendar year do not exceed the baseline  
8 amount in the applicable calendar year, the Commission,  
9 during the reconciliation initiated under paragraph (2) of  
10 subsection (e) of this Section for the applicable calendar  
11 year, shall adjust the amount of qualifying infrastructure  
12 investment eligible for recovery under the tariff to zero.

13 (4) For purposes of this Section, "baseline amount"  
14 means an amount equal to the utility's average of total  
15 depreciation expense, as reported on page 336, column (b)  
16 of the utility's ILCC Form 21, for the calendar years 2006  
17 through 2010.

18 (e) Review of investment.

19 (1) The amount of qualifying infrastructure investment  
20 shall be shown on an Information Sheet supplemental to the  
21 surcharge tariff and filed with the Commission monthly or  
22 some other time period at the option of the utility. The  
23 Information Sheet shall be accompanied by data showing the  
24 calculation of the qualifying infrastructure investment  
25 adjustment. Unless otherwise ordered by the Commission,  
26 each qualifying infrastructure investment adjustment shown

1 on an Information Sheet shall become effective pursuant to  
2 the utility's approved tariffs.

3 (2) For each calendar year in which a surcharge tariff  
4 is in effect, the natural gas utility shall file a petition  
5 with the Commission to initiate hearings to reconcile  
6 amounts billed under each surcharge authorized pursuant to  
7 this Section with the actual prudently incurred costs  
8 recoverable under this tariff in the preceding year. The  
9 petition filed by the natural gas utility shall include  
10 testimony and schedules that support the accuracy and the  
11 prudence of the qualifying infrastructure investment for  
12 the calendar year being reconciled. The petition filed  
13 shall also include the number of jobs attributable to the  
14 natural gas surcharge tariff as required by rule. The  
15 review of the utility's investment shall include  
16 identification and review of all plant that was ranked  
17 within the highest risk categories in that utility's most  
18 recent Distribution Integrity Management Plan.

19 (f) The rate of return applied shall be the overall rate of  
20 return authorized by the Commission in the utility's last gas  
21 rate case.

22 (g) The cumulative amount of increases billed under the  
23 surcharge, since the utility's most recent delivery service  
24 rate order, shall not exceed an annual average 4% of the  
25 utility's delivery base rate revenues, but shall not exceed  
26 5.5% in any given year. On the effective date of new delivery

1 base rates, the surcharge shall be reduced to zero with respect  
2 to qualifying infrastructure investment that is transferred to  
3 the rate base used to establish the utility's delivery base  
4 rates, provided that the utility may continue to charge or  
5 refund any reconciliation adjustment determined pursuant to  
6 subsection (e) of this Section.

7 (h) If a gas utility obtains a surcharge tariff under this  
8 Section 9-220.3, then it and its affiliates are excused from  
9 the rate case filing requirements contained in Sections  
10 9-220(h) and 9-220(h-1). In the event a natural gas utility,  
11 prior to the effective date of this amendatory Act of the 98th  
12 General Assembly, made a rate case filing that is still pending  
13 on the effective date of this amendatory Act of the 98th  
14 General Assembly, the natural gas utility may, at the time it  
15 files its surcharge tariff with the Commission, also file a  
16 notice with the Commission to withdraw its rate case filing.  
17 Any affiliate of such natural gas utility may also file to  
18 withdraw its rate case filing. Upon receipt of such notice, the  
19 Commission shall dismiss the rate case filing with prejudice  
20 and such tariffs and the record related thereto shall not be  
21 the subject of any further hearing, investigation, or  
22 proceeding of any kind related to rates for gas delivery  
23 services. Notwithstanding the foregoing, a natural gas utility  
24 shall not be permitted to withdraw a rate case filing for which  
25 a proposed order recommending a rate reduction is pending. A  
26 natural gas utility shall not be permitted to withdraw the gas

1 delivery services tariffs that are the subject of Commission  
2 Docket Nos. 12-0511/12-0512 (cons.). None of the costs incurred  
3 for the withdrawn rate case are recoverable from ratepayers.

4 (i) The Commission shall promulgate rules and regulations  
5 to carry out the provisions of this Section under the emergency  
6 rulemaking provisions set forth in Section 5-45 of the Illinois  
7 Administrative Procedure Act, and such emergency rules shall be  
8 effective no later than 30 days after the effective date of  
9 this amendatory Act of the 98th General Assembly.

10 (j) Utilities that have elected to recover qualifying  
11 infrastructure investment costs pursuant to this Section shall  
12 file annually their Distribution Integrity Management Plan  
13 (DIMP) with the Commission no later than June 1 of each year  
14 the utility has said tariff in effect. The DIMP shall include  
15 the following information:

16 (1) Baseline Distribution System Data: Information  
17 such as demand, system pressures and flows, and metering  
18 infrastructure.

19 (2) Financial Data: historical and projected spending  
20 on distribution system infrastructure.

21 (3) Scenario Analysis: Discussion of projected changes  
22 in usage over time.

23 (4) Descriptions of all qualifying infrastructure  
24 investment proposed for the coming year.

25 (k) Within 45 days after filing, the Commission shall, with  
26 reasonable notice, open an investigation to consider whether

1 the Plan meets the objectives set forth in this subsection and  
2 contains the information required by subsection (j). The  
3 Commission shall issue a final order approving the Plan, with  
4 any modifications the Commission deems reasonable and  
5 appropriate to achieve the goals of this Section, within 270  
6 days of the Plan filing. The investigation will assess whether  
7 the DIMP:

8 (1) ensures optimized utilization of utility  
9 infrastructure assets and resources to minimize total  
10 system costs;

11 (2) enables greater customer engagement, empowerment,  
12 and options for services;

13 (3) to the maximum extent possible, achieves and or  
14 supports the achievement of greenhouse gas emissions  
15 reductions as described by Section 9.10 of the  
16 Environmental Protection Act; and

17 (4) supports existing Illinois policy goals promoting  
18 energy efficiency.

19 The Commission process shall maximize the sharing of  
20 information, ensure robust stakeholder participation, and  
21 recognize the responsibility of the utility to ultimately  
22 manage the grid in a safe, reliable manner.

23 (1) ~~(j)~~ This Section is repealed December 31, 2023.

24 (Source: P.A. 98-57, eff. 7-5-13.)

25 (220 ILCS 5/9-222.1B new)

1       Sec. 9-222.1B. Clean Energy Empowerment Zone exemption. A  
2       renewable energy enterprise that is located within a Clean  
3       Energy Empowerment Zone established under the Energy Community  
4       Reinvestment Act shall be exempt from the additional charges  
5       added to the renewable energy enterprise's utility bills as a  
6       pass-on of municipal and State utility taxes under Sections  
7       9-221 and 9-222 of this Act, to the extent such charges are  
8       exempted by ordinance adopted in accordance with paragraph (e)  
9       of Section 8-11-2 of the Illinois Municipal Code in the case of  
10       municipal utility taxes, and to the extent such charges are  
11       exempted by the percentage specified by the Department of  
12       Commerce and Economic Opportunity in the case of State utility  
13       taxes, provided such renewable energy enterprise meets the  
14       following criteria:

15               (1) it (i) makes investments that cause the creation of  
16               a minimum of 200 full-time equivalent jobs in Illinois;  
17               (ii) makes investments of at least \$175,000,000 that cause  
18               the creation of a minimum of 150 full-time equivalent jobs  
19               in Illinois; (iii) makes investments that cause the  
20               retention of a minimum of 300 full-time equivalent jobs in  
21               the manufacturing sector, as defined by the North American  
22               Industry Classification System, in an area in Illinois in  
23               which the unemployment rate is above 9% and makes an  
24               application to the Department within 3 months after the  
25               effective date of this amendatory Act of the 101st General  
26               Assembly and certifies relocation of the 300 full-time

1 equivalent jobs within 48 months after the application; or  
2 (iv) makes investments that cause the retention of a  
3 minimum of 1,000 full-time jobs in Illinois;

4 (2) it is located in a Clean Energy Empowerment Zone  
5 established under the Energy Community Reinvestment Act;  
6 and

7 (3) it is certified by the Department of Commerce and  
8 Economic Opportunity as complying with the requirements  
9 specified in clauses (1) and (2) of this Section.

10 The Department of Commerce and Economic Opportunity shall  
11 determine the period during which such exemption from the  
12 charges imposed under Section 9-222 is in effect which shall  
13 not exceed 30 years or the term of the Clean Energy Empowerment  
14 Zone, whichever period is shorter, except that the exemption  
15 period for a renewable energy enterprise qualifying under item  
16 (iii) of clause (1) of this Section shall not exceed 30 years.

17 The Department of Commerce and Economic Opportunity shall  
18 have the power to adopt rules to carry out the provisions of  
19 this Section including procedures for complying with the  
20 requirements specified in clauses (1) and (2) of this Section  
21 and procedures for applying for the exemptions authorized under  
22 this Section; to define the amounts and types of eligible  
23 investments that a renewable energy enterprise must make in  
24 order to receive State utility tax exemptions pursuant to  
25 Sections 9-222 and 9-222.1 of this Act; to approve such utility  
26 tax exemptions for renewable energy enterprise whose

1 investments are not yet placed in service; and to require that  
2 renewable energy enterprise granted tax exemptions repay the  
3 exempted tax should the renewable energy enterprise fail to  
4 comply with the terms and conditions of the certification.  
5 However, no renewable energy enterprise shall be required, as a  
6 condition for certification under clause (3) of this Section,  
7 to attest that its decision to invest under clause (1) of this  
8 Section and to locate under clause (2) of this Section is  
9 predicated upon the availability of the exemptions authorized  
10 by this Section.

11 A renewable energy enterprise shall be exempt, in whole or  
12 in part, from the pass-on charges of municipal utility taxes  
13 imposed under Section 9-221, only if it meets the criteria  
14 specified in clauses (1) through (3) of this Section and the  
15 municipality has adopted an ordinance authorizing the  
16 exemption under paragraph (e) of Section 8-11-2 of the Illinois  
17 Municipal Code. Upon certification of the renewable energy  
18 enterprise by the Department of Commerce and Economic  
19 Opportunity, the Department of Commerce and Economic  
20 Opportunity shall notify the Department of Revenue of such  
21 certification. The Department of Revenue shall notify the  
22 public utilities of the exemption status renewable energy  
23 enterprises from the pass-on charges of State and municipal  
24 utility taxes. Such exemption status shall be effective within  
25 3 months after certification of the renewable energy  
26 enterprise.



(220 ILCS 5/16-107)

Sec. 16-107. Real-time pricing.

(a) Each electric utility shall file, on or before May 1, 1998, a tariff or tariffs which allow nonresidential retail customers in the electric utility's service area to elect real-time pricing beginning October 1, 1998.

(b) Each electric utility shall file, on or before May 1, 2000, a tariff or tariffs which allow residential retail customers in the electric utility's service area to elect real-time pricing beginning October 1, 2000.

(b-5) Each electric utility shall file a tariff or tariffs allowing residential retail customers in the electric utility's service area to elect real-time pricing beginning January 2, 2007. The Commission may, after notice and hearing, approve the tariff or tariffs. A 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

1 real-time pricing. However, this limitation shall cease to  
2 apply on such date that the provision of electric power and  
3 energy is declared competitive under Section 16-113 of this Act  
4 for the customer group or groups to which this subsection (b-5)  
5 applies.

6 A proceeding under this subsection (b-5) may not exceed 120  
7 days in length.

8 (b-10) Each electric utility providing real-time pricing  
9 pursuant to subsection (b-5) shall install a meter capable of  
10 recording hourly interval energy use at the service location of  
11 each customer that elects real-time pricing pursuant to this  
12 subsection.

13 (b-15) If the Commission issues an order pursuant to  
14 subsection (b-5), the affected electric utility shall contract  
15 with an entity not affiliated with the electric utility to  
16 serve as a program administrator to develop and implement a  
17 program to provide consumer outreach, enrollment, and  
18 education concerning real-time pricing and to establish and  
19 administer an information system and technical and other  
20 customer assistance that is necessary to enable customers to  
21 manage electricity use. The program administrator: (i) shall be  
22 selected and compensated by the electric utility, subject to  
23 Commission approval; (ii) shall have demonstrated technical  
24 and managerial competence in the development and  
25 administration of demand management programs; and (iii) may  
26 develop and implement risk management, energy efficiency, and

1 other services related to energy use management for which the  
2 program administrator shall be compensated by participants in  
3 the program receiving such services. The electric utility shall  
4 provide the program administrator with all information and  
5 assistance necessary to perform the program administrator's  
6 duties, including, but not limited to, customer, account, and  
7 energy use data. The electric utility shall permit the program  
8 administrator to include inserts in residential customer bills  
9 2 times per year to assist with customer outreach and  
10 enrollment.

11 The program administrator shall submit an annual report to  
12 the electric utility no later than April 1 of each year  
13 describing the operation and results of the program, including  
14 information concerning the number and types of customers using  
15 real-time pricing, changes in customers' energy use patterns,  
16 an assessment of the value of the program to both participants  
17 and non-participants, and recommendations concerning  
18 modification of the program and the tariff or tariffs filed  
19 under subsection (b-5). This report shall be filed by the  
20 electric utility with the Commission within 30 days of receipt  
21 and shall be available to the public on the Commission's web  
22 site.

23 (b-20) The Commission shall monitor the performance of  
24 programs established pursuant to subsection (b-15) and shall  
25 order the termination or modification of a program if it  
26 determines that the program is not, after a reasonable period

1 of time for development not to exceed 4 years, resulting in net  
2 benefits to the residential customers of the electric utility.

3 (b-25) An electric utility shall be entitled to recover  
4 reasonable costs incurred in complying with this Section,  
5 provided that recovery of the costs is fairly apportioned among  
6 its residential customers as provided in this subsection  
7 (b-25). The electric utility may apportion costs on the  
8 residential customers who elect real-time pricing, but may also  
9 impose some of the costs of real-time pricing on customers who  
10 do not elect real-time pricing.

11 (c) The electric utility's tariff or tariffs filed pursuant  
12 to this Section shall be subject to Article IX.

13 (d) This Section does not apply to any electric utility  
14 providing service to 100,000 or fewer customers.

15 (e) Eligible customers shall include, but are not limited  
16 to, customers participating in net electricity metering under  
17 the terms of Section 16-107.5 of this Act.

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

19 (220 ILCS 5/16-107.5)

20 Sec. 16-107.5. Net electricity metering.

21 (a) The General Assembly ~~Legislature~~ finds and declares  
22 that a program to provide net electricity metering, as defined  
23 in this Section, for eligible customers can encourage private  
24 investment in renewable energy resources, stimulate economic  
25 growth, enhance the continued diversification of Illinois'

1 energy resource mix, and protect the Illinois environment. The  
2 General Assembly further finds and declares that ensuring a  
3 smooth, predictable transition from full net metering of the  
4 retail electricity rate to the distributed generation rebate  
5 described in Section 16-107.6 of this Act is important to  
6 achieve these legislative goals. In implementing this  
7 transition, the Commission shall ensure that distributed  
8 generation customers are fairly compensated for the benefits  
9 and services that customer-sited distributed generation  
10 provides and that the distributed generation market in Illinois  
11 continues to experience stable growth for both small and large  
12 customers.

13 (b) As used in this Section, (i) "community renewable  
14 generation project" shall have the meaning set forth in Section  
15 1-10 of the Illinois Power Agency Act; (ii) "eligible customer"  
16 means a retail customer that individually or collectively with  
17 other customers located at the same premise owns, hosts, or  
18 operates, including any third-party owned systems, a solar,  
19 wind, or other eligible renewable electrical generating  
20 facility with a rated capacity of not more than 2,000 kilowatts  
21 that is located on the customer's premises and is intended  
22 primarily to offset the current or future ~~customer's own~~  
23 electrical requirements of customers located on that premise,  
24 when accounting for shading, orientation, and other siting  
25 factors that can reasonably be expected to alter an eligible  
26 renewable electrical generating facility's generation output;

1 (iii) "electricity provider" means an electric utility or  
2 alternative retail electric supplier; (iv) "eligible renewable  
3 electrical generating facility" means a generator, which may  
4 include the co-location of an energy storage system, that is  
5 interconnected under rules adopted by the Commission and is  
6 powered by solar electric energy, wind, dedicated crops grown  
7 for electricity generation, agricultural residues, untreated  
8 and unadulterated wood waste, landscape trimmings, livestock  
9 manure, anaerobic digestion of livestock or food processing  
10 waste, fuel cells or microturbines powered by renewable fuels,  
11 or hydroelectric energy; (v) "net electricity metering" (or  
12 "net metering") means the measurement, during the billing  
13 period applicable to an eligible customer, of the net amount of  
14 electricity supplied by an electricity provider to the  
15 customer's premises or provided to the electricity provider by  
16 the customer or subscriber; (vi) "subscriber" shall have the  
17 meaning as set forth in Section 1-10 of the Illinois Power  
18 Agency Act; ~~and~~ (vii) "subscription" shall have the meaning set  
19 forth in Section 1-10 of the Illinois Power Agency Act; (viii)  
20 "energy storage system" means commercially available  
21 technology that is capable of absorbing energy and storing it  
22 for a period of time for use at a later time, including, but  
23 not limited to, electrochemical, thermal, and  
24 electromechanical technologies, and may be interconnected  
25 behind the customer's meter or interconnected behind its own  
26 meter; and (ix) "future electrical requirements" means the

1 reasonable anticipation of load growth, such as from the  
2 addition of an electric vehicle, the addition of electric space  
3 heating or water heating, modeled electrical requirements upon  
4 occupation of a new or vacant property, as well as other  
5 reasonable expectations of future electrical use.

6 (c) A net metering facility shall be equipped with metering  
7 equipment that can measure the flow of electricity in both  
8 directions at the same rate.

9 (1) For eligible customers whose electric service has  
10 not been declared competitive pursuant to Section 16-113 of  
11 this Act as of July 1, 2011 and whose electric delivery  
12 service is provided and measured on a kilowatt-hour basis  
13 and electric supply service is not provided based on hourly  
14 pricing, this shall typically be accomplished through use  
15 of a single, bi-directional meter. If the eligible  
16 customer's existing electric revenue meter does not meet  
17 this requirement, the electricity provider shall arrange  
18 for the local electric utility or a meter service provider  
19 to install and maintain a new revenue meter at the  
20 electricity provider's expense, which may be the smart  
21 meter described by subsection (b) of Section 16-108.5 of  
22 this Act.

23 (2) For eligible customers whose electric service has  
24 not been declared competitive pursuant to Section 16-113 of  
25 this Act as of July 1, 2011 and whose electric delivery  
26 service is provided and measured on a kilowatt demand basis

1 and electric supply service is not provided based on hourly  
2 pricing, this shall typically be accomplished through use  
3 of a dual channel meter capable of measuring the flow of  
4 electricity both into and out of the customer's facility at  
5 the same rate and ratio. If such customer's existing  
6 electric revenue meter does not meet this requirement, then  
7 the electricity provider shall arrange for the local  
8 electric utility or a meter service provider to install and  
9 maintain a new revenue meter at the electricity provider's  
10 expense, which may be the smart meter described by  
11 subsection (b) of Section 16-108.5 of this Act.

12 (3) For all other eligible customers, until such time  
13 as the local electric utility installs a smart meter, as  
14 described by subsection (b) of Section 16-108.5 of this  
15 Act, the electricity provider may arrange for the local  
16 electric utility or a meter service provider to install and  
17 maintain metering equipment capable of measuring the flow  
18 of electricity both into and out of the customer's facility  
19 at the same rate and ratio, typically through the use of a  
20 dual channel meter. If the eligible customer's existing  
21 electric revenue meter does not meet this requirement, then  
22 the costs of installing such equipment shall be paid for by  
23 the customer.

24 (d) An electricity provider shall measure and charge or  
25 credit for the net electricity supplied to eligible customers  
26 or provided by eligible customers whose electric service has



1 not been declared competitive pursuant to Section 16-113 of  
2 this Act as of July 1, 2011 and whose electric delivery service  
3 is provided and measured on a kilowatt-hour basis and electric  
4 supply service is not provided based on hourly pricing in the  
5 following manner:

6 (1) If the amount of electricity used by the customer  
7 during the billing period exceeds the amount of electricity  
8 produced by the customer, the electricity provider shall  
9 charge the customer for the net electricity supplied to and  
10 used by the customer as provided in subsection (e-5) of  
11 this Section.

12 (2) If the amount of electricity produced by a customer  
13 during the billing period exceeds the amount of electricity  
14 used by the customer during that billing period, the  
15 electricity provider supplying that customer shall apply a  
16 1:1 kilowatt-hour credit to a subsequent bill for service  
17 to the customer for the net electricity supplied to the  
18 electricity provider. The electricity provider shall  
19 continue to carry over any excess kilowatt-hour credits  
20 earned and apply those credits to subsequent billing  
21 periods to offset any customer-generator consumption in  
22 those billing periods until all credits are used or until  
23 the end of the annualized period.

24 (3) At the end of the year or annualized over the  
25 period that service is supplied by means of net metering,  
26 or in the event that the retail customer terminates service

1 with the electricity provider prior to the end of the year  
2 or the annualized period, any remaining credits in the  
3 customer's account shall expire.

4 (d-5) An electricity provider shall measure and charge or  
5 credit for the net electricity supplied to eligible customers  
6 or provided by eligible customers whose electric service has  
7 not been declared competitive pursuant to Section 16-113 of  
8 this Act as of July 1, 2011 and whose electric delivery service  
9 is provided and measured on a kilowatt-hour basis and electric  
10 supply service is provided based on hourly pricing or  
11 time-of-use rates in the following manner:

12 (1) If the amount of electricity used by the customer  
13 during any hourly period exceeds the amount of electricity  
14 produced by the customer, the electricity provider shall  
15 charge the customer for the net electricity supplied to and  
16 used by the customer according to the terms of the contract  
17 or tariff to which the same customer would be assigned to  
18 or be eligible for if the customer was not a net metering  
19 customer.

20 (2) If the amount of electricity produced by a customer  
21 during any hourly period or time-of-use period exceeds the  
22 amount of electricity used by the customer during that  
23 hourly period or time-of-use period, the energy provider  
24 shall apply a credit for the net kilowatt-hours produced in  
25 such period. The credit shall consist of an energy credit  
26 and a delivery service credit. The energy credit shall be

1       valued at the same price per kilowatt-hour as the electric  
2       service provider would charge for kilowatt-hour energy  
3       sales during that same hourly or time-of-use period. The  
4       delivery credit shall be equal to the net kilowatt-hours  
5       produced in such hourly or time-of-use period times a  
6       credit that reflects all kilowatt-hour based charges in the  
7       customer's electric service rate, excluding energy  
8       charges.

9       (e) An electricity provider shall measure and charge or  
10      credit for the net electricity supplied to eligible customers  
11      whose electric service has not been declared competitive  
12      pursuant to Section 16-113 of this Act as of July 1, 2011 and  
13      whose electric delivery service is provided and measured on a  
14      kilowatt demand basis and electric supply service is not  
15      provided based on hourly pricing in the following manner:

16           (1) If the amount of electricity used by the customer  
17           during the billing period exceeds the amount of electricity  
18           produced by the customer, then the electricity provider  
19           shall charge the customer for the net electricity supplied  
20           to and used by the customer as provided in subsection (e-5)  
21           of this Section. The customer shall remain responsible for  
22           all taxes, fees, and utility delivery charges that would  
23           otherwise be applicable to the net amount of electricity  
24           used by the customer.

25           (2) If the amount of electricity produced by a customer  
26           during the billing period exceeds the amount of electricity

1        used by the customer during that billing period, then the  
2        electricity provider supplying that customer shall apply a  
3        1:1 kilowatt-hour credit that reflects the kilowatt-hour  
4        based charges in the customer's electric service rate to a  
5        subsequent bill for service to the customer for the net  
6        electricity supplied to the electricity provider. The  
7        electricity provider shall continue to carry over any  
8        excess kilowatt-hour credits earned and apply those  
9        credits to subsequent billing periods to offset any  
10       customer-generator consumption in those billing periods  
11       until all credits are used or until the end of the  
12       annualized period.

13       (3) At the end of the year or annualized over the  
14       period that service is supplied by means of net metering,  
15       or in the event that the retail customer terminates service  
16       with the electricity provider prior to the end of the year  
17       or the annualized period, any remaining credits in the  
18       customer's account shall expire.

19       (e-5) An electricity provider shall provide electric  
20       service to eligible customers who utilize net metering at  
21       non-discriminatory rates that are identical, with respect to  
22       rate structure, retail rate components, and any monthly  
23       charges, to the rates that the customer would be charged if not  
24       a net metering customer. An electricity provider shall not  
25       charge net metering customers any fee or charge or require  
26       additional equipment, insurance, or any other requirements not

1 specifically authorized by interconnection standards  
2 authorized by the Commission, unless the fee, charge, or other  
3 requirement would apply to other similarly situated customers  
4 who are not net metering customers. The customer will remain  
5 responsible for all taxes, fees, and utility delivery charges  
6 that would otherwise be applicable to the net amount of  
7 electricity used by the customer. Subsections (c) through (e)  
8 of this Section shall not be construed to prevent an  
9 arms-length agreement between an electricity provider and an  
10 eligible customer that sets forth different prices, terms, and  
11 conditions for the provision of net metering service,  
12 including, but not limited to, the provision of the appropriate  
13 metering equipment for non-residential customers.

14 (f) Notwithstanding the requirements of subsections (c)  
15 through (e-5) of this Section, an electricity provider must  
16 require dual-channel metering for customers operating eligible  
17 renewable electrical generating facilities with a nameplate  
18 rating up to 2,000 kilowatts and to whom the provisions of  
19 neither subsection (d), (d-5), nor (e) of this Section apply.  
20 In such cases, electricity charges and credits shall be  
21 determined as follows:

22 (1) The electricity provider shall assess and the  
23 customer remains responsible for all taxes, fees, and  
24 utility delivery charges that would otherwise be  
25 applicable to the gross amount of kilowatt-hours supplied  
26 to the eligible customer by the electricity provider.

1           (2) Each month that service is supplied by means of  
2           dual-channel metering, the electricity provider shall  
3           compensate the eligible customer for any excess  
4           kilowatt-hour credits at the electricity provider's  
5           avoided cost of electricity supply over the monthly period  
6           or as otherwise specified by the terms of a power-purchase  
7           agreement negotiated between the customer and electricity  
8           provider.

9           (3) For all eligible net metering customers taking  
10          service from an electricity provider under contracts or  
11          tariffs employing hourly or time of use rates, any monthly  
12          consumption of electricity shall be calculated according  
13          to the terms of the contract or tariff to which the same  
14          customer would be assigned to or be eligible for if the  
15          customer was not a net metering customer. When those same  
16          customer-generators are net generators during any discrete  
17          hourly or time of use period, the net kilowatt-hours  
18          produced shall be valued at the same price per  
19          kilowatt-hour as the electric service provider would  
20          charge for retail kilowatt-hour sales during that same time  
21          of use period.

22          (g) For purposes of federal and State laws providing  
23          renewable energy credits or greenhouse gas credits, the  
24          eligible customer shall be treated as owning and having title  
25          to the renewable energy attributes, renewable energy credits,  
26          and greenhouse gas emission credits related to any electricity

1 produced by the qualified generating unit. The electricity  
2 provider may not condition participation in a net metering  
3 program on the signing over of a customer's renewable energy  
4 credits; provided, however, this subsection (g) shall not be  
5 construed to prevent an arms-length agreement between an  
6 electricity provider and an eligible customer that sets forth  
7 the ownership or title of the credits.

8 (h) Within 120 days after the effective date of this  
9 amendatory Act of the 95th General Assembly, the Commission  
10 shall establish standards for net metering and, if the  
11 Commission has not already acted on its own initiative,  
12 standards for the interconnection of eligible renewable  
13 generating equipment to the utility system. The  
14 interconnection standards shall address any procedural  
15 barriers, delays, and administrative costs associated with the  
16 interconnection of customer-generation while ensuring the  
17 safety and reliability of the units and the electric utility  
18 system. The Commission shall consider the Institute of  
19 Electrical and Electronics Engineers (IEEE) Standard 1547 and  
20 the issues of (i) reasonable and fair fees and costs, (ii)  
21 clear timelines for major milestones in the interconnection  
22 process, (iii) nondiscriminatory terms of agreement, and (iv)  
23 any best practices for interconnection of distributed  
24 generation.

25 (h-3) Upon the effective date of this amendatory Act of the  
26 101st General Assembly, it shall be the policy of the State

1 that:

2 (1) Electric utilities must provide interconnection  
3 customers with a detailed accounting of the components of  
4 the utility's cost to study and perform system upgrades,  
5 with itemized lists of equipment costs, labor costs,  
6 engineering costs, and administrative costs associated  
7 with the study or system upgrade.

8 (2) An electric utility that has failed to meet an  
9 interconnection timeline by more than 20 days will be  
10 subject to a penalty of \$1,000 for each day over 20 days  
11 past the applicable date upon which the utility action was  
12 due.

13 (3) The Illinois Commerce Commission will, within 60  
14 days after the effective date of this amendatory Act of the  
15 101st General Assembly, hire or contract with an  
16 independent grid engineer to address delays and disputes  
17 between the utility and the interconnection customer.  
18 Specifically, this independent engineer will:

19 (A) review utility cost estimates at the request of  
20 interconnection customers;

21 (B) resolve technical disputes between utilities  
22 and interconnection customers regarding necessary  
23 upgrades and costs thereof;

24 (C) authorize customers to self-supply  
25 interconnection studies when the electric utility is  
26 unable to provide such studies at a reasonable cost and



1 schedule; and

2 (D) authorize customers to self-build system  
3 upgrades consistent with electric utility standards  
4 when the electric utility cannot provide such upgrades  
5 and interconnection facilities at a reasonable cost  
6 and schedule.

7 The process to hire or contract with an independent  
8 grid engineer described in this paragraph (3) is exempt  
9 from Section 20-10 of that Code.

10 (h-5) Within 90 days after the effective date of this  
11 amendatory Act of the 101st General Assembly, the Commission  
12 shall open a proceeding to update the interconnection standards  
13 and applicable utility tariffs. For the public interest,  
14 safety, and welfare of Illinois citizens, the Commission may  
15 adopt emergency rules under Section 5-45 of the Illinois  
16 Administrative Procedure Act to implement the requirements of  
17 subsection (h-3) and this subsection (h-5). In addition to the  
18 requirements of subsection (h-3), the Commission shall also  
19 revise the standards to address critical standards for  
20 interconnection and the following issues:

21 (1) transparency and accuracy of costs, both direct and  
22 indirect, while maintaining system security through the  
23 effective management of confidentiality agreements;

24 (2) standardization of typical costs associated with  
25 interconnection;

26 (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,

1           ownership, and operation;

2           (B) fair study assumptions that reflect the  
3           operational profile of the energy storage device;

4           (C) streamlined notification-only interconnection  
5           requirements for non-exporting systems that meet  
6           utility criteria for safety and reliability, as is  
7           determined through a robust stakeholder process; and

8           (D) enabling exports from customer-sited energy  
9           storage systems for participation either in utility  
10          programs or wholesale markets;

11          (10) establishment of a dispute resolution process  
12          designed to address instances of unreasonable impediments  
13          by the electric utility to the critical standards for  
14          interconnection enumerated in paragraphs (1) through (9)  
15          of this subsection (h-5). The Commission will make  
16          available adequate Commission staff for this dispute  
17          resolution process to ensure that matters are decided on an  
18          expedited basis; and

19          (11) other policies, processes, tariffs, and standards  
20          associated with interconnection, including the creation of  
21          standards and processes that support the achievement of the  
22          objectives in subparagraph (K) of paragraph (1) of  
23          subsection (c) of Section 1-75 of the Illinois Power Agency  
24          Act

25          As part of this proceeding initiated under this subsection  
26          (h-5), the Commission shall establish an interconnection

1 working group. The working group shall include representatives  
2 from electric utilities, developers of renewable electric  
3 generating facilities, representatives of interconnection  
4 customers, Commission staff, and other stakeholders. The  
5 working group shall be facilitated by Commission staff. The  
6 working group shall examine and make recommendations regarding  
7 best practices for interconnection process and customer  
8 service for interconnecting customer adopting distributed  
9 energy resources, including energy storage, interconnection of  
10 new technologies, including smart inverters and energy  
11 storage, and, without limitation, other technical, policy, and  
12 tariff issues related to and affecting interconnection  
13 performance and customer service.

14 The working group shall report to the Commission on changes  
15 to interconnection rules and tariffs and any other  
16 recommendations as determined by the working group within 6  
17 months of its first meeting. The report shall include positions  
18 and recommendations of the working group and individual working  
19 group members. The report of the working group shall be entered  
20 into evidence in the rulemaking process mandated by this  
21 subsection (h-5). The working group shall be reconvened one  
22 year following the enactment of the rules adopted pursuant to  
23 this subsection (h-5) to recommend any additional changes and  
24 assess the performance of the rules in meeting the goals as  
25 described above.

26 (i) All electricity providers shall begin to offer net

1 metering no later than April 1, 2008.

2 (j) An electricity provider shall provide net metering to  
3 eligible customers served by a distribution utility until the  
4 load of all ~~its~~ net metering customers receiving delivery  
5 service from the distribution utility equals 5% of the total  
6 peak demand delivered ~~supplied~~ by that electricity utility  
7 ~~provider~~ during the previous year. After such time as the load  
8 of the electricity utility's ~~provider's~~ net metering customers  
9 equals 5% of the total peak demand delivered ~~supplied~~ by that  
10 electricity utility ~~provider~~ during the previous year and after  
11 the distributed generation rebate tariff for the electricity  
12 utility prescribed by subsection (e) of Section 16-107.6 of  
13 this Act has gone into effect and the rebate is approved and  
14 available to eligible customers, eligible customers that begin  
15 taking net metering shall only be eligible for netting of  
16 energy.

17 (k) Each electricity provider shall maintain records and  
18 report annually to the Commission the total number of net  
19 metering customers served by the provider, as well as the type,  
20 capacity, and energy sources of the generating systems used by  
21 the net metering customers. Nothing in this Section shall limit  
22 the ability of an electricity provider to request the redaction  
23 of information deemed by the Commission to be confidential  
24 business information.

25 (1)(1) Notwithstanding the definition of "eligible  
26 customer" in item (ii) of subsection (b) of this Section,

1 each electricity provider shall allow net metering as set  
2 forth in this subsection (1) and for the following  
3 projects:

4 (A) properties owned or leased by multiple  
5 customers that contribute to the operation of an  
6 eligible renewable electrical generating facility  
7 through an ownership or leasehold interest of at least  
8 200 watts in such facility, such as a community-owned  
9 wind project, a community-owned biomass project, a  
10 community-owned solar project, or a community methane  
11 digester processing livestock waste from multiple  
12 sources, provided that the facility is also located  
13 within the utility's service territory;

14 (B) individual units, apartments, or properties  
15 located in a single building that are owned or leased  
16 by multiple customers and collectively served by a  
17 common eligible renewable electrical generating  
18 facility, such as an office or apartment building, a  
19 shopping center or strip mall served by photovoltaic  
20 panels on the roof; and

21 (C) subscriptions to community renewable  
22 generation projects, including community renewable  
23 generation projects located behind the meter of a host  
24 facility and partially used for on-site load.

25 In addition, the nameplate capacity of the eligible  
26 renewable electric generating facility that serves the

1 demand of the properties, units, or apartments identified  
2 in paragraphs (1) and (2) of this subsection (1) shall not  
3 exceed 2,000 kilowatts in nameplate capacity in total. Any  
4 eligible renewable electrical generating facility or  
5 community renewable generation project that is powered by  
6 photovoltaic electric energy and installed after the  
7 effective date of this amendatory Act of the 99th General  
8 Assembly must be installed by a qualified person in  
9 compliance with the requirements of Section 16-128A of the  
10 Public Utilities Act and any rules or regulations adopted  
11 thereunder.

12 (2) Notwithstanding anything to the contrary, an  
13 electricity provider shall provide credits for the  
14 electricity produced by the projects described in  
15 paragraph (1) of this subsection (1). The electricity  
16 provider shall provide credits at the subscriber's energy  
17 supply rate on the subscriber's monthly bill equal to the  
18 subscriber's share of the production of electricity from  
19 the project, as determined by paragraph (3) of this  
20 subsection (1).

21 (3) For the purposes of facilitating net metering, the  
22 owner or operator of the eligible renewable electrical  
23 generating facility or community renewable generation  
24 project shall be responsible for determining the amount of  
25 the credit that each customer or subscriber participating  
26 in a project under this subsection (1) is to receive in the

1 following manner:

2 (A) The owner or operator shall, on a monthly  
3 basis, provide to the electric utility the  
4 kilowatthours of generation attributable to each of  
5 the utility's retail customers and subscribers  
6 participating in projects under this subsection (1) in  
7 accordance with the customer's or subscriber's share  
8 of the eligible renewable electric generating  
9 facility's or community renewable generation project's  
10 output of power and energy for such month. The owner or  
11 operator shall electronically transmit such  
12 calculations and associated documentation to the  
13 electric utility, in a format or method set forth in  
14 the applicable tariff, on a monthly basis so that the  
15 electric utility can reflect the monetary credits on  
16 customers' and subscribers' electric utility bills.  
17 The electric utility shall be permitted to revise its  
18 tariffs to implement the provisions of this amendatory  
19 Act of the 101st ~~99th~~ General Assembly. The owner or  
20 operator shall separately provide the electric utility  
21 with the documentation detailing the calculations  
22 supporting the credit in the manner set forth in the  
23 applicable tariff.

24 (B) For those participating customers and  
25 subscribers who receive their energy supply from an  
26 alternative retail electric supplier, the electric



1 utility shall remit to the applicable alternative  
2 retail electric supplier the information provided  
3 under subparagraph (A) of this paragraph (3) for such  
4 customers and subscribers in a manner set forth in such  
5 alternative retail electric supplier's net metering  
6 program, or as otherwise agreed between the utility and  
7 the alternative retail electric supplier. The  
8 alternative retail electric supplier shall then submit  
9 to the utility the amount of the charges for power and  
10 energy to be applied to such customers and subscribers,  
11 including the amount of the credit associated with net  
12 metering.

13 (C) A participating customer or subscriber may  
14 provide authorization as required by applicable law  
15 that directs the electric utility to submit  
16 information to the owner or operator of the eligible  
17 renewable electrical generating facility or community  
18 renewable generation project to which the customer or  
19 subscriber has an ownership or leasehold interest or a  
20 subscription. Such information shall be limited to the  
21 components of the net metering credit calculated under  
22 this subsection (1), including the bill credit rate,  
23 total kilowatthours, and total monetary credit value  
24 applied to the customer's or subscriber's bill for the  
25 monthly billing period.

26 For community renewable generation projects located

1       behind the meter of a host facility, the determination of  
2       the quantity of energy eligible for crediting to  
3       participating customers or subscribers of the community  
4       renewable generation project shall be based on any energy  
5       production of the project that exceeds the host's  
6       instantaneous on-site consumption during the applicable  
7       billing period.

8       (1-5) Within 90 days after the effective date of this  
9       amendatory Act of the 101st ~~99th~~ General Assembly, each  
10      electric utility subject to this Section shall file a tariff to  
11      implement the provisions of subsection (1) of this Section,  
12      which shall, consistent with the provisions of subsection (1),  
13      describe the terms and conditions under which owners or  
14      operators of qualifying properties, units, or apartments may  
15      participate in net metering. The Commission shall approve, or  
16      approve with modification, the tariff within 120 days after the  
17      effective date of this amendatory Act of the 101st ~~99th~~ General  
18      Assembly.

19      (m) Nothing in this Section shall affect the right of an  
20      electricity provider to continue to provide, or the right of a  
21      retail customer to continue to receive service pursuant to a  
22      contract for electric service between the electricity provider  
23      and the retail customer in accordance with the prices, terms,  
24      and conditions provided for in that contract. Either the  
25      electricity provider or the customer may require compliance  
26      with the prices, terms, and conditions of the contract.

1 (n) At such time, if any, that the load of the electricity  
2 utility's ~~provider's~~ net metering customers equals 5% of the  
3 total peak demand delivered ~~supplied~~ by that electricity  
4 utility ~~provider~~ during the previous year, as specified in  
5 subsection (j) of this Section, and the distributed generation  
6 rebate tariff for the electricity utility prescribed by  
7 subsection (e) of Section 16-107.6 of this Act has gone into  
8 effect and the rebate is approved and available to eligible  
9 customers, the net metering services described in subsections  
10 (d), (d-5), (e), (e-5), and (f) of this Section shall no longer  
11 be offered, except as to those retail customers that are  
12 receiving net metering service under these subsections at the  
13 time the net metering services under those subsections are no  
14 longer offered, who shall continue to receive net metering  
15 services described in subsections (d), (d-5), (e), (e-5), and  
16 (f) of this Section for the lifetime of the system, regardless  
17 of whether those retail customers change electricity  
18 providers. Those retail customers that begin taking net  
19 metering service after the date that net metering services are  
20 no longer offered under such subsections shall be subject to  
21 the provisions set forth in the following paragraphs (1)  
22 through (3) of this subsection (n):

23 (1) An electricity provider shall charge or credit for  
24 the net electricity supplied to eligible customers or  
25 provided by eligible customers whose electric supply  
26 service is not provided based on hourly pricing in the

1 following manner:

2 (A) If the amount of electricity used by the  
3 customer during the billing period exceeds the amount  
4 of electricity produced by the customer, then the  
5 electricity provider shall charge the customer for the  
6 net kilowatt-hour based electricity charges reflected  
7 in the customer's electric service rate supplied to and  
8 used by the customer as provided in paragraph (3) of  
9 this subsection (n).

10 (B) If the amount of electricity produced by a  
11 customer during the billing period exceeds the amount  
12 of electricity used by the customer during that billing  
13 period, then the electricity provider supplying that  
14 customer shall apply a 1:1 kilowatt-hour energy credit  
15 that reflects the kilowatt-hour based energy charges  
16 in the customer's electric service rate to a subsequent  
17 bill for service to the customer for the net  
18 electricity supplied to the electricity provider. The  
19 electricity provider shall continue to carry over any  
20 excess kilowatt-hour energy credits earned and apply  
21 those credits to subsequent billing periods to offset  
22 any customer-generator consumption in those billing  
23 periods until all credits are used or until the end of  
24 the annualized period.

25 (C) At the end of the year or annualized over the  
26 period that service is supplied by means of net

1 metering, or in the event that the retail customer  
2 terminates service with the electricity provider prior  
3 to the end of the year or the annualized period, any  
4 remaining credits in the customer's account shall  
5 expire.

6 (2) An electricity provider shall charge or credit for  
7 the net electricity supplied to eligible customers or  
8 provided by eligible customers whose electric supply  
9 service is provided based on hourly pricing in the  
10 following manner:

11 (A) If the amount of electricity used by the  
12 customer during any hourly period exceeds the amount of  
13 electricity produced by the customer, then the  
14 electricity provider shall charge the customer for the  
15 net electricity supplied to and used by the customer as  
16 provided in paragraph (3) of this subsection (n).

17 (B) If the amount of electricity produced by a  
18 customer during any hourly period exceeds the amount of  
19 electricity used by the customer during that hourly  
20 period, the energy provider shall calculate an energy  
21 credit for the net kilowatt-hours produced in such  
22 period. The value of the energy credit shall be  
23 calculated using the same price per kilowatt-hour as  
24 the electric service provider would charge for  
25 kilowatt-hour energy sales during that same hourly  
26 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

1 to prevent an arms-length agreement between an electricity  
2 provider and an eligible customer that sets forth different  
3 prices, terms, and conditions for the provision of net  
4 metering service, including, but not limited to, the  
5 provision of the appropriate metering equipment for  
6 non-residential customers. Nothing in this paragraph (3)  
7 shall be interpreted to mandate that a utility that is only  
8 required to provide delivery services to a given customer  
9 must also sell electricity to such customer.

10 (o) Within 90 days after the effective date of this  
11 amendatory Act of the 101st General Assembly, each electric  
12 utility subject to this Section shall file a tariff that shall,  
13 consistent with the provisions this Section, propose the terms  
14 and conditions under which an eligible customer may participate  
15 in net metering. The Commission shall approve, or approve with  
16 modification based on stakeholder process, the tariff within  
17 120 days after the effective date of this amendatory Act of the  
18 101st General Assembly. Each electric utility shall file any  
19 changes to terms as a subsequent tariff for approval or  
20 approval with modifications from Commission.

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

22 (220 ILCS 5/16-107.6)

23 Sec. 16-107.6. Distributed generation rebate.

24 (a) In this Section:

25 "Distributed energy resource" means a wide range of

1 technologies that are located on the customer side of the  
2 customer's electric meter and can provide value to the  
3 distribution system, including but not limited to distributed  
4 generation, energy storage, electric vehicles, and demand  
5 response technologies.

6 "Distribution system reliability event" means when, for  
7 standard service voltage, voltage variations are measured at  
8 any customer's point of delivery above a maximum of 127 volts  
9 or below a minimum of 113 volts for periods longer than 2  
10 minutes in each instance.

11 "Smart inverter" means a device that converts direct  
12 current into alternating current and meets the IEEE 1547-2018  
13 equipment standards. Until devices that meet the IEEE 1547-2018  
14 standard are available, devices that meet the UL1741SA standard  
15 are acceptable ~~can autonomously contribute to grid support~~  
16 ~~during excursions from normal operating voltage and frequency~~  
17 ~~conditions by providing each of the following: dynamic reactive~~  
18 ~~and real power support, voltage and frequency ride-through,~~  
19 ~~ramp rate controls, communication systems with ability to~~  
20 ~~accept external commands, and other functions from the electric~~  
21 ~~utility.~~

22 "Subscriber" has the meaning set forth in Section 1-10 of  
23 the Illinois Power Agency Act.

24 "Subscription" has the meaning set forth in Section 1-10 of  
25 the Illinois Power Agency Act.

26 "Threshold date" means the date on which the load of an



1 electricity provider's net metering customers equals 5% of the  
2 total peak demand supplied by that electricity provider during  
3 the previous year, as specified under subsection (j) of Section  
4 16-107.5 of this Act.

5 (b) An electric utility that serves more than 200,000  
6 customers in the State shall file a petition with the  
7 Commission requesting approval of the utility's tariff to  
8 provide a rebate to a retail customer who owns or operates  
9 distributed generation that meets the following criteria:

10 (1) has a nameplate generating capacity no greater than  
11 2,000 kilowatts and is primarily used to offset that  
12 customer's electricity load;

13 (2) is located on the customer's premises, for the  
14 customer's own use, and not for commercial use or sales,  
15 including, but not limited to, wholesale sales of electric  
16 power and energy;

17 (3) is located in the electric utility's service  
18 territory; and

19 (4) is interconnected under rules adopted by the  
20 Commission by means of the inverter or smart inverter  
21 required by this Section, as applicable.

22 For purposes of this Section, "distributed generation"  
23 shall satisfy the definition of distributed renewable energy  
24 generation device set forth in Section 1-10 of the Illinois  
25 Power Agency Act to the extent such definition is consistent  
26 with the requirements of this Section.

1 In addition, any new photovoltaic distributed generation  
2 that is installed after the effective date of this amendatory  
3 Act of the 99th General Assembly must be installed by a  
4 qualified person, as defined by subsection (i) of Section 1-56  
5 of the Illinois Power Agency Act.

6 The tariff shall provide that the utility shall be  
7 permitted to operate and control the smart inverter associated  
8 with the distributed generation that is the subject of the  
9 rebate for the purpose of preserving reliability during  
10 distribution system reliability events and shall address the  
11 terms and conditions of the operation and the compensation  
12 associated with the operation. Nothing in this Section shall  
13 negate or supersede Institute of Electrical and Electronics  
14 Engineers equipment ~~interconnection requirements or~~ standards  
15 or other similar standards or requirements. The tariff shall  
16 also provide for additional uses of the smart inverter that  
17 shall be separately compensated and which may include, but are  
18 not limited to, voltage and VAR support, ~~regulation~~, and other  
19 grid services. The tariff shall not limit the ability of the  
20 smart inverter or the other distributed energy resources to  
21 participate in wholesale market products such as regulation,  
22 demand response, or other services. As part of the proceeding  
23 described in subsection (e) of this Section, the Commission  
24 shall review and determine whether other distributed energy  
25 resources ~~smart inverters~~ can provide any additional uses or  
26 services. If the Commission determines that an additional use

1 or service would be beneficial, the Commission shall determine  
2 the terms and conditions of the operation and how the use or  
3 service should be separately compensated. The compensation  
4 shall be provided through contracts for services and shall be  
5 considered operating expenses for the purposes of cost recovery  
6 under Section 16-108.5 and Article IX of this Act.

7 (c) The proposed tariff authorized by subsection (b) of  
8 this Section shall include the following participation terms  
9 and formulae to calculate the value of the rebates to be  
10 applied under this Section for distributed generation that  
11 satisfies the criteria set forth in subsection (b) of this  
12 Section:

13 (1) Until the utility files its tariff or tariffs to  
14 place into effect the rebate values established by the  
15 Commission under subsection (e) of this Section,  
16 non-residential customers that are taking service under a  
17 net metering program offered by an electricity provider  
18 under the terms of Section 16-107.5 of this Act may apply  
19 for a rebate as provided for in this Section. The value of  
20 the rebate shall be \$250 per kilowatt of nameplate  
21 generating capacity, measured as nominal DC power output,  
22 of a non-residential customer's distributed generation.

23 (2) After the utility's tariff or tariffs setting the  
24 new rebate values established under subsection (d) of this  
25 Section take effect, retail customers may, as applicable,  
26 make the following elections:

1           (A) Residential customers that are taking service  
2           under a net metering program offered by an electricity  
3           provider under the terms of Section 16-107.5 of this  
4           Act on the threshold date may elect to either continue  
5           to take such service under the terms of such program as  
6           in effect on such threshold date for the useful life of  
7           the customer's eligible renewable electric generating  
8           facility as defined in such Section, or file an  
9           application to receive a rebate under the terms of this  
10          Section, provided that such application must be  
11          submitted within 6 months after the effective date of  
12          the tariff approved under subsection (d) of this  
13          Section. The value of the rebate shall be the amount  
14          established by the Commission and reflected in the  
15          utility's tariff pursuant to subsection (e) of this  
16          Section.

17          (B) Non-residential customers that are taking  
18          service under a net metering program offered by an  
19          electricity provider under the terms of Section  
20          16-107.5 of this Act on the threshold date may apply  
21          for a rebate as provided for in this Section. The value  
22          of the rebate shall be the amount established by the  
23          Commission and reflected in the utility's tariff  
24          pursuant to subsection (e) of this Section.

25          (3) Upon approval of a rebate application submitted  
26          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 (4) To be eligible for a rebate described in this  
6 subsection (c), customers who begin taking service after  
7 the effective date of this amendatory Act of the 99th  
8 General Assembly under a net metering program offered by an  
9 electricity provider under the terms of Section 16-107.5 of  
10 this Act must have a smart inverter associated with the  
11 customer's distributed generation.

12 (d) The Commission shall review the proposed tariff  
13 submitted under subsections (b) and (c) of this Section and may  
14 make changes to the tariff that are consistent with this  
15 Section and with the Commission's authority under Article IX of  
16 this Act, subject to notice and hearing. Following notice and  
17 hearing, the Commission shall issue an order approving, or  
18 approving with modification, such tariff no later than 240 days  
19 after the utility files its tariff.

20 (e) When the total generating capacity of the electricity  
21 provider's net metering customers is equal to 3%, the  
22 Commission shall open an investigation into a ~~an annual~~ process  
23 and formula for calculating the compensation ~~value of rebates~~  
24 for the retail customers described in subsections (b) and (f)  
25 of this Section ~~that submit rebate applications after the~~  
26 ~~threshold date for an electric utility that elected to file a~~

1 ~~tariff pursuant to this Section.~~ The investigation shall  
2 include diverse sets of stakeholders, calculations for valuing  
3 distributed energy resource benefits to the grid based on best  
4 practices, and assessments of present and future technological  
5 capabilities of distributed energy resources. The value of such  
6 compensation rebates shall reflect the value of the distributed  
7 energy resources generation to the distribution system ~~at the~~  
8 ~~location at which it is interconnected,~~ taking into account the  
9 geographic, time-based, and performance-based benefits, as  
10 well as technological capabilities and present and future grid  
11 needs. The Commission shall consider the electric utility's  
12 distribution system plan developed pursuant to Section  
13 16-108.7 of this Act to help identify the value of distributed  
14 energy resources for the purposes of calculating the rebates  
15 described in this subsection. The approved tariff shall provide  
16 for volumetric-based cost recovery. The Commission shall  
17 determine additional compensation for distributed generation  
18 that creates savings and value on the distribution system by  
19 being co-located or in close proximity to electric vehicle  
20 charging infrastructure in use by medium-duty and heavy-duty  
21 vehicles, primarily serving environmental justice communities,  
22 as outlined in the utility distribution system planning process  
23 under Section 16-108.17 of this Act. No later than 10 days  
24 after the Commission enters its final order under this  
25 subsection (e), the utility shall file its tariff or tariffs in  
26 compliance with the order, and the Commission shall approve, or

1 approve with modification, the tariff or tariffs within 240 ~~45~~  
2 days after the utility's filing. For those rebate applications  
3 filed after the threshold date but before the utility's tariff  
4 or tariffs filed pursuant to this subsection (e) take effect,  
5 the value of the rebate shall remain at the value established  
6 in subsection (c) of this Section until the tariff is approved.  
7 As part of the process, the Commission shall ensure that the  
8 distributed generation rebate results in stable growth of both  
9 small and large distributed generation projects in Illinois as  
10 provided in subsection (j) of Section 16-107.5 of this Act,  
11 with particular attention to impacts to the growth residential  
12 distributed generation customers. The Commission shall have  
13 the authority to establish interim rebate values for part or  
14 all of a utility's service territory to ensure transparency and  
15 stability of compensation for distributed energy resources in  
16 the utility's service territory.

17 (f) Notwithstanding any provision of this Act to the  
18 contrary, the owner, developer, or subscriber of a generation  
19 facility that is part of a net metering program provided under  
20 subsection (1) of Section 16-107.5 shall also be eligible to  
21 apply for the rebate described in this Section. A subscriber to  
22 the generation facility may apply for a rebate in the amount of  
23 the subscriber's subscription only if the owner, developer, or  
24 previous subscriber to the same panel or panels has not already  
25 submitted an application, and, regardless of whether the  
26 subscriber is a residential or non-residential customer, may be

1 allowed the amount identified in paragraph (1) of subsection  
2 (c) or in subsection (e) of this Section applicable to such  
3 customer on the date that the application is submitted. An  
4 application for a rebate for a portion of a project described  
5 in this subsection (f) may be submitted at or after the time  
6 that a related request for net metering is made.

7 (g) No later than 60 days after the utility receives an  
8 application for a rebate under its tariff approved under  
9 subsection (d) or (e) of this Section, the utility shall issue  
10 a rebate to the applicant under the terms of the tariff. In the  
11 event the application is incomplete or the utility is otherwise  
12 unable to calculate the payment based on the information  
13 provided by the owner, the utility shall issue the payment no  
14 later than 60 days after the application is complete or all  
15 requested information is received.

16 (h) An electric utility shall recover from its retail  
17 customers all of the costs of the rebates made under a tariff  
18 or tariffs placed into effect under this Section, including,  
19 but not limited to, the value of the rebates and all costs  
20 incurred by the utility to comply with and implement this  
21 Section, consistent with the following provisions:

22 (1) The utility shall defer the full amount of its  
23 costs incurred under this Section as a regulatory asset.  
24 The total costs deferred as a regulatory asset shall be  
25 amortized over a 15-year period. The unamortized balance  
26 shall be recognized as of December 31 for a given year. The



1 utility shall also earn a return on the total of the  
2 unamortized balance of the regulatory assets, less any  
3 deferred taxes related to the unamortized balance, at an  
4 annual rate equal to the utility's weighted average cost of  
5 capital that includes, based on a year-end capital  
6 structure, the utility's actual cost of debt for the  
7 applicable calendar year and a cost of equity, which shall  
8 be calculated as the sum of (i) the average for the  
9 applicable calendar year of the monthly average yields of  
10 30-year U.S. Treasury bonds published by the Board of  
11 Governors of the Federal Reserve System in its weekly H.15  
12 Statistical Release or successor publication; and (ii) 580  
13 basis points, including a revenue conversion factor  
14 calculated to recover or refund all additional income taxes  
15 that may be payable or receivable as a result of that  
16 return.

17 When an electric utility creates a regulatory asset  
18 under the provisions of this Section, the costs are  
19 recovered over a period during which customers also receive  
20 a benefit, which is in the public interest. Accordingly, it  
21 is the intent of the General Assembly that an electric  
22 utility that elects to create a regulatory asset under the  
23 provisions of this Section shall recover all of the  
24 associated costs, including, but not limited to, its cost  
25 of capital as set forth in this Section. After the  
26 Commission has approved the prudence and reasonableness of

1 the costs that comprise the regulatory asset, the electric  
2 utility shall be permitted to recover all such costs, and  
3 the value and recoverability through rates of the  
4 associated regulatory asset shall not be limited, altered,  
5 impaired, or reduced. To enable the financing of the  
6 incremental capital expenditures, including regulatory  
7 assets, for electric utilities that serve less than  
8 3,000,000 retail customers but more than 500,000 retail  
9 customers in the State, the utility's actual year-end  
10 capital structure that includes a common equity ratio,  
11 excluding goodwill, of up to and including 50% of the total  
12 capital structure shall be deemed reasonable and used to  
13 set rates.

14 (2) The utility, at its election, may recover all of  
15 the costs it incurs under this Section as part of a filing  
16 for a general increase in rates under Article IX of this  
17 Act, as part of an annual filing to update a  
18 performance-based formula rate under subsection (d) of  
19 Section 16-108.5 of this Act, or through an automatic  
20 adjustment clause tariff, provided that nothing in this  
21 paragraph (2) permits the double recovery of such costs  
22 from customers. If the utility elects to recover the costs  
23 it incurs under this Section through an automatic  
24 adjustment clause tariff, the utility may file its proposed  
25 tariff together with the tariff it files under subsection  
26 (b) of this Section or at a later time. The proposed tariff

1 shall provide for an annual reconciliation, less any  
2 deferred taxes related to the reconciliation, with  
3 interest at an annual rate of return equal to the utility's  
4 weighted average cost of capital as calculated under  
5 paragraph (1) of this subsection (h), including a revenue  
6 conversion factor calculated to recover or refund all  
7 additional income taxes that may be payable or receivable  
8 as a result of that return, of the revenue requirement  
9 reflected in rates for each calendar year, beginning with  
10 the calendar year in which the utility files its automatic  
11 adjustment clause tariff under this subsection (h), with  
12 what the revenue requirement would have been had the actual  
13 cost information for the applicable calendar year been  
14 available at the filing date. The Commission shall review  
15 the proposed tariff and may make changes to the tariff that  
16 are consistent with this Section and with the Commission's  
17 authority under Article IX of this Act, subject to notice  
18 and hearing. Following notice and hearing, the Commission  
19 shall issue an order approving, or approving with  
20 modification, such tariff no later than 240 days after the  
21 utility files its tariff.

22 (i) No later than 90 days after the Commission enters an  
23 order, or order on rehearing, whichever is later, approving an  
24 electric utility's proposed tariff under subsection (d) of this  
25 Section, the electric utility shall provide notice of the  
26 availability of rebates under this Section. Subsequent to the

1 utility's notice, any entity that offers in the State, for sale  
2 or lease, distributed generation and estimates the dollar  
3 saving attributable to such distributed generation shall  
4 provide estimates based on both delivery service credits and  
5 the rebates available under this Section.

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

7 (220 ILCS 5/16-107.7 new)

8 Sec. 16-107.7. Residential time-of-use pricing.

9 (a) The General Assembly finds that time-of-use rates and  
10 pricing plans can lower energy costs for consumers and reduce  
11 grid costs as well as help Illinois achieve its energy policy  
12 goals by improving load shape, encouraging energy  
13 conservation, and shifting usage away from periods where fossil  
14 fuels are used to meet peak demand. Further, by providing  
15 consumers information relating the costs of service to the time  
16 of energy usage, time-of-use rates can help consumers reduce  
17 their energy bills by using electricity when it is less costly.  
18 Time-of-use rates can help allocate electricity system costs  
19 more accurately and thus equitably to those who cause costs.  
20 Such rates can reduce the need for ramping resources and,  
21 increase the grid's ability to cost-effectively integrate  
22 greater quantities of variable renewable energy and  
23 distributed energy resources.

24 (b) An electric utility that has a tariff in effect under  
25 Section 16-108.5 as of the effective date of this amendatory

1 Act of the 101st General Assembly shall also offer at least one  
2 market-based, time-of-use rate for eligible retail customers  
3 that choose to take power and energy supply service from the  
4 utility. The utility shall file its time-of-use rate tariff no  
5 later than 120 days after the effective date of this amendatory  
6 Act of the 101st General Assembly, and each utility subject to  
7 this requirement shall implement the requirements of this  
8 paragraph by filing a tariff with the Commission. The tariff or  
9 tariffs shall be subject to the following provisions:

10 (1) If more than one tariff is proposed, at least one  
11 tariff shall include at least 3 time blocks: a peak time  
12 block defined as 2 p.m. to 7 p.m. on non-holiday weekdays  
13 or the 5 consecutive hours best reflecting the highest  
14 system peak demands, an off-peak time block defined as 10  
15 a.m. to 2 p.m. and 7 p.m. to 10 p.m. on non-holiday  
16 weekdays or the 7 total hours, occurring in some  
17 combination before and after the peak time period, which  
18 reflect the next highest system peak demands, and a  
19 super-off-peak time block defined as all other hours  
20 including weekend days.

21 (2) This tariff shall reflect as much as possible price  
22 ratios between the blocks as follows: the super-off-peak  
23 time block price shall be no less than zero but no greater  
24 than one-half of the price of the off-peak time block  
25 price, and the off-peak time block price shall be no  
26 greater than one-half of the price of the peak time block

1       price.

2           (3) Notwithstanding the requirements of Section  
3       16-103.3 of this Act, the time-of-use rate shall include  
4       the costs of electric capacity, costs of transmission  
5       services, and charges for network integration transmission  
6       service, transmission enhancement, and locational  
7       reliability, as these terms are defined in the PJM  
8       Interconnection LLC Open Access Transmission Tariff and  
9       manuals on January 1, 2019, within the prices for each time  
10       block and seasonal block in which the associated costs  
11       generally are incurred. If the Open Access Transmission  
12       Tariff or manuals subsequently renames those terms, the  
13       services reflected under those terms shall continue to be  
14       included in the time-of-use rate described in this  
15       paragraph (2).

16           (4) Adjustments to the charges set by the tariff may be  
17       made on a semi-annual basis, as follows: each May and  
18       November, the utility shall submit to the Commission,  
19       through an informational filing, its updated charges, and  
20       such charges shall take effect beginning with the June  
21       monthly billing period and December monthly billing  
22       period, respectively.

23           (5) The tariff shall include a purchased energy  
24       adjustment to fully recover the supply costs for the  
25       customers taking service under this tariff.

26       "Eligible customers" includes, but is not limited to,

1 customers participating in net electricity metering under the  
2 terms of Section 16-107.5 of this Act.

3 (c) The Commission shall, after notice and hearing, approve  
4 the tariff or tariffs with modifications the Commission finds  
5 necessary to improve the program design, customer  
6 participation in the program, or coordination with existing  
7 utility pricing programs, energy efficiency programs, demand  
8 response programs, and any other programs supporting Illinois  
9 energy policy goals and the integration of distributed energy  
10 resources. The Commission shall also consider how the proposed  
11 time-of-use rate design reflects the system costs and usage  
12 patterns of the utility. A proceeding under this subsection may  
13 not exceed 120 days in length.

14 (d) If the Commission issues an order pursuant to this  
15 subsection, the affected electric utility shall contract with  
16 an entity not affiliated with the electric utility to serve as  
17 a program administrator to develop and implement a program to  
18 provide consumer outreach, enrollment, and education  
19 concerning time-of-use pricing and to establish and administer  
20 an information system and technical and other customer  
21 assistance that is necessary to enable customers to manage  
22 electricity use. The program administrator: (i) shall be  
23 selected and compensated by the electric utility, subject to  
24 Commission approval; (ii) shall have demonstrated technical  
25 and managerial competence in the development and  
26 administration of demand management programs; and (iii) may

1 develop and implement risk management, energy efficiency, and  
2 other services related to energy use management for which the  
3 program administrator shall be compensated by participants in  
4 the program receiving such services. The electric utility shall  
5 provide the program administrator with all information and  
6 assistance necessary to perform the program administrator's  
7 duties, including, but not limited to, customer, account, and  
8 energy use data. The electric utility shall permit the program  
9 administrator to include inserts in residential customer bills  
10 2 times per year to assist with customer outreach and  
11 enrollment.

12 The program administrator shall submit an annual report to  
13 the electric utility no later than April 1 of each year  
14 describing the operation and results of the program, including  
15 information concerning the number and types of customers using  
16 the program, changes in customers' energy use patterns, an  
17 assessment of the value of the program to both participants and  
18 non-participants, and recommendations concerning modification  
19 of the program and the tariff or tariffs filed under this  
20 Section. This report shall be filed by the electric utility  
21 with the Commission within 30 days of receipt and shall be  
22 available to the public on the Commission's website.

23 (e) Once the tariff or tariffs has been in effect for 24  
24 months, the Commission may, upon complaint, petition, or its  
25 own initiative, open a proceeding to investigate whether  
26 changes or modifications to the tariff or tariffs, program



1 administration and any other program design element is  
2 necessary to achieve the goals described in subsection (a) of  
3 this Section. Such a proceeding may not last more than 120 days  
4 from the date upon which the investigation is opened by  
5 Commission order.

6 (f) An electric utility shall be entitled to recover  
7 reasonable costs incurred in complying with this Section,  
8 provided that recovery of the costs is fairly apportioned among  
9 its residential customers.

10 (g) The electric utility's tariff or tariffs filed pursuant  
11 to this Section shall be subject to the provisions of Article  
12 IX of this Act insofar as they do not conflict with this  
13 Section.

14 (h) This Section does not apply to any electric utility  
15 providing service to 100,000 or fewer customers.

16 (220 ILCS 5/16-107.8 new)

17 Sec. 16-107.8. Beneficial electrification.

18 (a) It is the intent of the General Assembly to decrease  
19 reliance on fossil fuels, reduce pollution from the  
20 transportation sector, increase access to electrification for  
21 all consumers, and ensure that electric vehicle adoption and  
22 increased electricity usage and demand do not place significant  
23 additional burdens on the electric system and create benefits  
24 for Illinois residents.

25 (b) For the purposes of this Section:

1       "Beneficial electrification programs" means programs that  
2       lower carbon dioxide emissions, replace fossil fuel use, create  
3       cost savings, improve electric grid operations, reduce  
4       increases to peak demand, improve electric usage load shape,  
5       and align electric usage with times of renewable generation.  
6       All beneficial electrification programs should provide for  
7       incentives such that customers are induced to use electricity  
8       at times of low overall system usage or at times when  
9       generation from renewable energy sources is high. "Beneficial  
10       electrification programs" include a portfolio of the  
11       following:

- 12               (1) time-of-use electric rates;
- 13               (2) hourly pricing electric rates;
- 14               (3) charging plans or rates set by electric vehicle  
15       service providers that encourage off-peak charging;
- 16               (4) optimized charging programs or programs that  
17       encourage charging at times beneficial to the electric  
18       grid;
- 19               (5) demand-response programs specifically related to  
20       electrification efforts;
- 21               (6) incentives for electrification and associated  
22       infrastructure tied to using electricity at beneficial  
23       times;
- 24               (7) incentives for electrification and associated  
25       infrastructure targeted to medium-duty and heavy-duty  
26       vehicles used by transit agencies;

1       (8) incentives for electrification and associated  
2       infrastructure targeted to school buses;

3       (9) incentives for electrification and associated  
4       infrastructure for medium-duty and heavy-duty government  
5       and private fleet vehicles;

6       (10) low-income programs that provide access to  
7       electric vehicles for communities where car ownership or  
8       new car ownership is not common;

9       (11) incentives for electrification in low-income and  
10       environmental justice communities;

11       (12) incentives or programs to enable quicker adoption  
12       of electric vehicles by developing public charging  
13       stations in dense areas, workplaces, and in low-income  
14       communities;

15       (13) incentives or programs to develop electric  
16       vehicles infrastructure to ensure electric vehicles can  
17       travel statewide, filling the gaps in deployment,  
18       particularly in rural areas or along highway corridors;

19       (14) incentives or planning to encourage the  
20       development in close proximity of electrification and  
21       renewable energy generation to reduce grid impacts; and

22       (15) other such programs as defined by the Commission.

23       "Optimized charging programs" mean programs whereby owners  
24       of electric vehicles can set their vehicles to be charged based  
25       on the electric system's current demand, retail or wholesale  
26       market rates, incentives, the carbon or other pollution

1 intensity of the electric generation mix, the provision of grid  
2 services, efficient use of the electric grid, or the  
3 availability of clean energy generation. Optimized charging  
4 programs may be operated by utilities as well as third parties.

5 (c) No later than May 31, 2020, electric utilities serving  
6 greater than 500,000 customers in the State shall initiate a  
7 stakeholder workshop process to solicit input on the design of  
8 beneficial electrification programs that the utility shall  
9 offer. The stakeholder workshop process shall take into  
10 consideration the benefits of electric vehicle adoption,  
11 including: (1) the benefit of lower bills for customers who do  
12 not charge electric vehicles; (2) benefits from electric  
13 vehicle usage of the distribution system; (3) the avoidance and  
14 reduction in capacity costs from optimized charging and  
15 off-peak charging; (4) energy price and cost reductions; and  
16 (5) environmental benefits, including greenhouse gas emission  
17 and other pollution reductions. The stakeholder workshop  
18 process shall also consider: (1) current barriers to  
19 mass-market adoption, including cost of ownership and  
20 availability of charging stations; (2) benefits of and  
21 incentives for medium-duty and heavy-duty fleet vehicle  
22 electrification; (3) opportunities for environmental justice  
23 and low-income communities to benefit from electrification.  
24 The workshops should consider barriers, incentives, enabling  
25 rate structures, and other opportunities for the bill reduction  
26 and environmental benefits described in this subsection.

1 Stakeholders and the electric utilities shall propose discrete  
2 beneficial electrification programs and shall provide  
3 estimates of the costs and benefits of those programs in the  
4 workshops. The process shall be open and transparent with  
5 inclusion of stakeholder interests, including stakeholders  
6 representing environmental justice and low-income communities.

7 (d) No later than October 31, 2020, electric utilities  
8 serving greater than 500,000 customers in the State shall file  
9 a Beneficial Electrification Plan with the Illinois Commerce  
10 Commission for programs that start no later than June 1, 2021.  
11 The Beneficial Electrification Plan shall specifically  
12 address, at a minimum, the following:

13 (1) the development and implementation of time-of-use  
14 rates and their benefit for electric vehicle users and for  
15 all customers;

16 (2) the development of optimized charging programs to  
17 achieve savings identified, and new contracts and  
18 compensation for services in those programs, through  
19 signals that allow electric vehicle charging to respond to  
20 local system conditions, manage critical peak periods,  
21 serve as a demand response or peak resource, and maximize  
22 renewable energy utilization and integration into the  
23 grid;

24 (3) plans to address environmental justice interests  
25 and the provision of opportunities for residents and  
26 businesses in environmental justice communities to

1 directly benefit from transportation electrification;

2 (4) financial and other challenges to electric vehicle  
3 usage in low-income communities, and strategies for  
4 overcoming those challenges, particularly in communities  
5 and for people for whom car ownership is not an option;

6 (5) plans to increase access to Level 3 Public Electric  
7 Vehicle Charging Infrastructure located along  
8 transportation corridors to serve vehicles that need  
9 quicker charging times and vehicles of persons who have no  
10 other access to charging infrastructure, regardless of  
11 whether those projects participate in optimized charging  
12 programs;

13 (6) opportunities for coordination and cohesion with  
14 electric vehicle and electric vehicle charging equipment  
15 incentives established by any agency, department, board,  
16 or commission of the State of Illinois, any other unit of  
17 government in the State, any national programs, or any unit  
18 of the federal government;

19 (7) ideas for the development of online tools,  
20 applications, and data sharing that provide essential  
21 information to those charging electric vehicles, and  
22 enable an automated charging response to price signals,  
23 emission signals, real-time renewable generation  
24 production, and other Commission-approved or  
25 customer-desired indicators of beneficial charging times;  
26 and

1       (8) an outline of proposed customer education  
2       measures, including a shadow billing option to allow  
3       customers to compare current and historical monthly bills  
4       under different rate plans, cost calculators to compare  
5       electric vehicles costs with internal combustion engine  
6       vehicle costs, the use of utility communications for  
7       proactive customer engagement on electric vehicles, rate  
8       and cost comparison information materials for car dealers  
9       and their customers, and direct outreach to diverse  
10       communities through community and other organizations.

11       (e) The initial Beneficial Electrification Plans submitted  
12       under subsection (d) shall include at least the following  
13       programs:

14       (1) Electric Vehicle Access for All Program.  
15       Reimbursement of at least \$7,500,000 per year, or 15% of  
16       the total plan budget, to the Department of Commerce and  
17       Economic Opportunity for programs developed under the  
18       Electric Vehicle Access for All Program.

19       (2) Medium-duty and Heavy-Duty Vehicle Charging  
20       Programs. The utility must offer rebates that average  
21       \$25,000,000 per year for the duration of the plan for  
22       rebates to government entity retail customers to support  
23       the electrification of public transit, as well as  
24       government, commercial and school bus fleet vehicles.  
25       Rebates for public transit agencies must be used either  
26       toward the purchase and installation of electric vehicle

1     charging infrastructure, or toward the purchase of an  
2     all-electric transit bus, to be used in transit routes that  
3     primarily serve low-income communities or environmental  
4     justice communities. The amount of the rebate should be  
5     designed to cover the expected capital gap and needs of  
6     Illinois transit agencies. Rebates for government,  
7     commercial, or other retail customers to support the  
8     electrification of fleets and school buses must be used  
9     toward the purchase and installation of electric vehicle  
10    charging infrastructure, or necessary supporting  
11    infrastructure, for vehicles that primarily serve or  
12    travel through low-income communities or environmental  
13    justice communities. Recipients of rebates under this  
14    paragraph must participate in an optimized charging  
15    program.

16         (3) Mass Market Program. The utility may spend up to  
17    the remaining plan budget each year on rebates that support  
18    the widespread adoption and integration of electric  
19    vehicles. The utility may offer a rebate program that  
20    offers retail customers a rebate of up to \$500 for the  
21    purchase or installation of electric vehicle charging  
22    infrastructure, provided that the customer takes electric  
23    service under an hourly pricing program or a time-of-use  
24    rate, or participates in an optimized charging program.  
25    Further, the utility shall offer a rebate program to  
26    incentivize the purchase and installation of up to 1,000



1 publicly accessible electric vehicle charging stations  
2 throughout its service territory, with a prioritization  
3 for workplace charging and public charging in dense urban  
4 areas and in low-income communities. Finally, the utility  
5 shall offer a rebate program to incentivize the development  
6 of up to 200 publicly accessible fast charging stations  
7 targeted to fill the gaps in deployment, and along state  
8 highway corridors.

9 (f) The Commission shall open an investigation into the  
10 utility's Beneficial Electrification Plan to determine if the  
11 proposed plan is cost-beneficial. The plan shall be determined  
12 to be cost-beneficial if the total cost of beneficial  
13 electrification expenditures is less than the net present value  
14 of increased electricity costs (defined as marginal avoided  
15 energy, avoided capacity, and avoided transmission and  
16 distribution system costs) avoided by programs under the plan,  
17 the net present value of reductions in other customer energy  
18 costs, and the societal value of reduced carbon emissions and  
19 surface-level pollutants, particularly in environmental  
20 justice communities. The calculation of costs and benefits  
21 should be based on net impacts. The Commission shall review the  
22 Plan and determine whether the portfolio of programs or  
23 initiatives as a whole is optimized to address all key policy  
24 objectives, including: maximizing total energy cost savings,  
25 maximizing rate reductions so that non-participants can  
26 benefit, facilitating better grid management, maximizing

1 carbon emission reductions, reducing other harmful emissions  
2 and particularly localized emission in economically  
3 disadvantaged and environmental justice communities, and  
4 addressing environmental justice interests by ensuring there  
5 are significant opportunities for residents and businesses in  
6 environmental justice communities to directly participate in  
7 and benefit from programs.

8 (g) The utility shall update its Beneficial  
9 Electrification Plan every 3 years and, beginning with the  
10 first update, shall be developed in conjunction with the  
11 distribution system planning process, including incorporation  
12 of stakeholder feedback from that process.

13 (h) The annual total cost of all programs and initiatives  
14 in the utility's Beneficial Electrification Plan shall not  
15 exceed \$50,000,000 per year and shall be recovered  
16 volumetrically from all retail customers.

17 (220 ILCS 5/16-108)

18 Sec. 16-108. Recovery of costs associated with the  
19 provision of delivery and other services.

20 (a) An electric utility shall file a delivery services  
21 tariff with the Commission at least 210 days prior to the date  
22 that it is required to begin offering such services pursuant to  
23 this Act. An electric utility shall provide the components of  
24 delivery services that are subject to the jurisdiction of the  
25 Federal Energy Regulatory Commission at the same prices, terms

1 and conditions set forth in its applicable tariff as approved  
2 or allowed into effect by that Commission. The Commission shall  
3 otherwise have the authority pursuant to Article IX to review,  
4 approve, and modify the prices, terms and conditions of those  
5 components of delivery services not subject to the jurisdiction  
6 of the Federal Energy Regulatory Commission, including the  
7 authority to determine the extent to which such delivery  
8 services should be offered on an unbundled basis. In making any  
9 such determination the Commission shall consider, at a minimum,  
10 the effect of additional unbundling on (i) the objective of  
11 just and reasonable rates, (ii) electric utility employees, and  
12 (iii) the development of competitive markets for electric  
13 energy services in Illinois.

14 (b) The Commission shall enter an order approving, or  
15 approving as modified, the delivery services tariff no later  
16 than 30 days prior to the date on which the electric utility  
17 must commence offering such services. The Commission may  
18 subsequently modify such tariff pursuant to this Act.

19 (c) The electric utility's tariffs shall define the classes  
20 of its customers for purposes of delivery services charges.  
21 Delivery services shall be priced and made available to all  
22 retail customers electing delivery services in each such class  
23 on a nondiscriminatory basis regardless of whether the retail  
24 customer chooses the electric utility, an affiliate of the  
25 electric utility, or another entity as its supplier of electric  
26 power and energy. Charges for delivery services shall be cost

1 based, and shall allow the electric utility to recover the  
2 costs of providing delivery services through its charges to its  
3 delivery service customers that use the facilities and services  
4 associated with such costs. Such costs shall include the costs  
5 of owning, operating and maintaining transmission and  
6 distribution facilities. The Commission shall also be  
7 authorized to consider whether, and if so to what extent, the  
8 following costs are appropriately included in the electric  
9 utility's delivery services rates: (i) the costs of that  
10 portion of generation facilities used for the production and  
11 absorption of reactive power in order that retail customers  
12 located in the electric utility's service area can receive  
13 electric power and energy from suppliers other than the  
14 electric utility, and (ii) the costs associated with the use  
15 and redispatch of generation facilities to mitigate  
16 constraints on the transmission or distribution system in order  
17 that retail customers located in the electric utility's service  
18 area can receive electric power and energy from suppliers other  
19 than the electric utility. Nothing in this subsection shall be  
20 construed as directing the Commission to allocate any of the  
21 costs described in (i) or (ii) that are found to be  
22 appropriately included in the electric utility's delivery  
23 services rates to any particular customer group or geographic  
24 area in setting delivery services rates.

25 (d) The Commission shall establish charges, terms and  
26 conditions for delivery services that are just and reasonable

1 and shall take into account customer impacts when establishing  
2 such charges. In establishing charges, terms and conditions for  
3 delivery services, the Commission shall take into account  
4 voltage level differences. A retail customer shall have the  
5 option to request to purchase electric service at any delivery  
6 service voltage reasonably and technically feasible from the  
7 electric facilities serving that customer's premises provided  
8 that there are no significant adverse impacts upon system  
9 reliability or system efficiency. A retail customer shall also  
10 have the option to request to purchase electric service at any  
11 point of delivery that is reasonably and technically feasible  
12 provided that there are no significant adverse impacts on  
13 system reliability or efficiency. Such requests shall not be  
14 unreasonably denied.

15 (e) Electric utilities shall recover the costs of  
16 installing, operating or maintaining facilities for the  
17 particular benefit of one or more delivery services customers,  
18 including without limitation any costs incurred in complying  
19 with a customer's request to be served at a different voltage  
20 level, directly from the retail customer or customers for whose  
21 benefit the costs were incurred, to the extent such costs are  
22 not recovered through the charges referred to in subsections  
23 (c) and (d) of this Section.

24 (f) An electric utility shall be entitled but not required  
25 to implement transition charges in conjunction with the  
26 offering of delivery services pursuant to Section 16-104. If an

1 electric utility implements transition charges, it shall  
2 implement such charges for all delivery services customers and  
3 for all customers described in subsection (h), but shall not  
4 implement transition charges for power and energy that a retail  
5 customer takes from cogeneration or self-generation facilities  
6 located on that retail customer's premises, if such facilities  
7 meet the following criteria:

8 (i) the cogeneration or self-generation facilities  
9 serve a single retail customer and are located on that  
10 retail customer's premises (for purposes of this  
11 subparagraph and subparagraph (ii), an industrial or  
12 manufacturing retail customer and a third party contractor  
13 that is served by such industrial or manufacturing customer  
14 through such retail customer's own electrical distribution  
15 facilities under the circumstances described in subsection  
16 (vi) of the definition of "alternative retail electric  
17 supplier" set forth in Section 16-102, shall be considered  
18 a single retail customer);

19 (ii) the cogeneration or self-generation facilities  
20 either (A) are sized pursuant to generally accepted  
21 engineering standards for the retail customer's electrical  
22 load at that premises (taking into account standby or other  
23 reliability considerations related to that retail  
24 customer's operations at that site) or (B) if the facility  
25 is a cogeneration facility located on the retail customer's  
26 premises, the retail customer is the thermal host for that

1 facility and the facility has been designed to meet that  
2 retail customer's thermal energy requirements resulting in  
3 electrical output beyond that retail customer's electrical  
4 demand at that premises, comply with the operating and  
5 efficiency standards applicable to "qualifying facilities"  
6 specified in title 18 Code of Federal Regulations Section  
7 292.205 as in effect on the effective date of this  
8 amendatory Act of 1999;

9 (iii) the retail customer on whose premises the  
10 facilities are located either has an exclusive right to  
11 receive, and corresponding obligation to pay for, all of  
12 the electrical capacity of the facility, or in the case of  
13 a cogeneration facility that has been designed to meet the  
14 retail customer's thermal energy requirements at that  
15 premises, an identified amount of the electrical capacity  
16 of the facility, over a minimum 5-year period; and

17 (iv) if the cogeneration facility is sized for the  
18 retail customer's thermal load at that premises but exceeds  
19 the electrical load, any sales of excess power or energy  
20 are made only at wholesale, are subject to the jurisdiction  
21 of the Federal Energy Regulatory Commission, and are not  
22 for the purpose of circumventing the provisions of this  
23 subsection (f).

24 If a generation facility located at a retail customer's  
25 premises does not meet the above criteria, an electric utility  
26 implementing transition charges shall implement a transition

1 charge until December 31, 2006 for any power and energy taken  
2 by such retail customer from such facility as if such power and  
3 energy had been delivered by the electric utility. Provided,  
4 however, that an industrial retail customer that is taking  
5 power from a generation facility that does not meet the above  
6 criteria but that is located on such customer's premises will  
7 not be subject to a transition charge for the power and energy  
8 taken by such retail customer from such generation facility if  
9 the facility does not serve any other retail customer and  
10 either was installed on behalf of the customer and for its own  
11 use prior to January 1, 1997, or is both predominantly fueled  
12 by byproducts of such customer's manufacturing process at such  
13 premises and sells or offers an average of 300 megawatts or  
14 more of electricity produced from such generation facility into  
15 the wholesale market. Such charges shall be calculated as  
16 provided in Section 16-102, and shall be collected on each  
17 kilowatt-hour delivered under a delivery services tariff to a  
18 retail customer from the date the customer first takes delivery  
19 services until December 31, 2006 except as provided in  
20 subsection (h) of this Section. Provided, however, that an  
21 electric utility, other than an electric utility providing  
22 service to at least 1,000,000 customers in this State on  
23 January 1, 1999, shall be entitled to petition for entry of an  
24 order by the Commission authorizing the electric utility to  
25 implement transition charges for an additional period ending no  
26 later than December 31, 2008. The electric utility shall file



1 its petition with supporting evidence no earlier than 16  
2 months, and no later than 12 months, prior to December 31,  
3 2006. The Commission shall hold a hearing on the electric  
4 utility's petition and shall enter its order no later than 8  
5 months after the petition is filed. The Commission shall  
6 determine whether and to what extent the electric utility shall  
7 be authorized to implement transition charges for an additional  
8 period. The Commission may authorize the electric utility to  
9 implement transition charges for some or all of the additional  
10 period, and shall determine the mitigation factors to be used  
11 in implementing such transition charges; provided, that the  
12 Commission shall not authorize mitigation factors less than  
13 110% of those in effect during the 12 months ended December 31,  
14 2006. In making its determination, the Commission shall  
15 consider the following factors: the necessity to implement  
16 transition charges for an additional period in order to  
17 maintain the financial integrity of the electric utility; the  
18 prudence of the electric utility's actions in reducing its  
19 costs since the effective date of this amendatory Act of 1997;  
20 the ability of the electric utility to provide safe, adequate  
21 and reliable service to retail customers in its service area;  
22 and the impact on competition of allowing the electric utility  
23 to implement transition charges for the additional period.

24 (g) The electric utility shall file tariffs that establish  
25 the transition charges to be paid by each class of customers to  
26 the electric utility in conjunction with the provision of

1 delivery services. The electric utility's tariffs shall define  
2 the classes of its customers for purposes of calculating  
3 transition charges. The electric utility's tariffs shall  
4 provide for the calculation of transition charges on a  
5 customer-specific basis for any retail customer whose average  
6 monthly maximum electrical demand on the electric utility's  
7 system during the 6 months with the customer's highest monthly  
8 maximum electrical demands equals or exceeds 3.0 megawatts for  
9 electric utilities having more than 1,000,000 customers, and  
10 for other electric utilities for any customer that has an  
11 average monthly maximum electrical demand on the electric  
12 utility's system of one megawatt or more, and (A) for which  
13 there exists data on the customer's usage during the 3 years  
14 preceding the date that the customer became eligible to take  
15 delivery services, or (B) for which there does not exist data  
16 on the customer's usage during the 3 years preceding the date  
17 that the customer became eligible to take delivery services, if  
18 in the electric utility's reasonable judgment there exists  
19 comparable usage information or a sufficient basis to develop  
20 such information, and further provided that the electric  
21 utility can require customers for which an individual  
22 calculation is made to sign contracts that set forth the  
23 transition charges to be paid by the customer to the electric  
24 utility pursuant to the tariff.

25 (h) An electric utility shall also be entitled to file  
26 tariffs that allow it to collect transition charges from retail

1 customers in the electric utility's service area that do not  
2 take delivery services but that take electric power or energy  
3 from an alternative retail electric supplier or from an  
4 electric utility other than the electric utility in whose  
5 service area the customer is located. Such charges shall be  
6 calculated, in accordance with the definition of transition  
7 charges in Section 16-102, for the period of time that the  
8 customer would be obligated to pay transition charges if it  
9 were taking delivery services, except that no deduction for  
10 delivery services revenues shall be made in such calculation,  
11 and usage data from the customer's class shall be used where  
12 historical usage data is not available for the individual  
13 customer. The customer shall be obligated to pay such charges  
14 on a lump sum basis on or before the date on which the customer  
15 commences to take service from the alternative retail electric  
16 supplier or other electric utility, provided, that the electric  
17 utility in whose service area the customer is located shall  
18 offer the customer the option of signing a contract pursuant to  
19 which the customer pays such charges ratably over the period in  
20 which the charges would otherwise have applied.

21 (i) An electric utility shall be entitled to add to the  
22 bills of delivery services customers charges pursuant to  
23 Sections 9-221, 9-222 (except as provided in Section 9-222.1),  
24 and Section 16-114 of this Act, Section 5-5 of the Electricity  
25 Infrastructure Maintenance Fee Law, Section 6-5 of the  
26 Renewable Energy, Energy Efficiency, and Coal Resources

1 Development Law of 1997, and Section 13 of the Energy  
2 Assistance Act.

3 (j) If a retail customer that obtains electric power and  
4 energy from cogeneration or self-generation facilities  
5 installed for its own use on or before January 1, 1997,  
6 subsequently takes service from an alternative retail electric  
7 supplier or an electric utility other than the electric utility  
8 in whose service area the customer is located for any portion  
9 of the customer's electric power and energy requirements  
10 formerly obtained from those facilities (including that amount  
11 purchased from the utility in lieu of such generation and not  
12 as standby power purchases, under a cogeneration displacement  
13 tariff in effect as of the effective date of this amendatory  
14 Act of 1997), the transition charges otherwise applicable  
15 pursuant to subsections (f), (g), or (h) of this Section shall  
16 not be applicable in any year to that portion of the customer's  
17 electric power and energy requirements formerly obtained from  
18 those facilities, provided, that for purposes of this  
19 subsection (j), such portion shall not exceed the average  
20 number of kilowatt-hours per year obtained from the  
21 cogeneration or self-generation facilities during the 3 years  
22 prior to the date on which the customer became eligible for  
23 delivery services, except as provided in subsection (f) of  
24 Section 16-110.

25 (k) The electric utility shall be entitled to recover  
26 through tariffed charges all of the costs associated with the

1 purchase of zero emission credits from zero emission facilities  
2 to meet the requirements of subsection (d-5) of Section 1-75 of  
3 the Illinois Power Agency Act. Such costs shall include the  
4 costs of procuring the zero emission credits, as well as the  
5 reasonable costs that the utility incurs as part of the  
6 procurement processes and to implement and comply with plans  
7 and processes approved by the Commission under such subsection  
8 (d-5). The costs shall be allocated across all retail customers  
9 through a single, uniform cents per kilowatt-hour charge  
10 applicable to all retail customers, which shall appear as a  
11 separate line item on each customer's bill. Beginning June 1,  
12 2017, the electric utility shall be entitled to recover through  
13 tariffed charges all of the costs associated with the purchase  
14 of renewable energy resources to meet the long-term goals and  
15 targets of the renewable energy resource standards of  
16 subsection (c) of Section 1-75 of the Illinois Power Agency  
17 Act, under procurement plans as approved in accordance with  
18 that Section and Section 16-111.5 of this Act. Such costs shall  
19 include the costs of procuring the renewable energy resources,  
20 as well as the reasonable costs that the utility incurs as part  
21 of the procurement processes and to implement and comply with  
22 plans and processes approved by the Commission under such  
23 Sections. The costs associated with the purchase of renewable  
24 energy resources shall be allocated across all retail customers  
25 in proportion to the amount of renewable energy resources the  
26 utility procures for such customers through a single, uniform

1 cents per kilowatt-hour charge applicable to such retail  
2 customers, which shall appear as a separate line item on each  
3 such customer's bill.

4 Notwithstanding whether the Commission has approved the  
5 initial long-term renewable resources procurement plan as of  
6 June 1, 2017, an electric utility shall place new tariffed  
7 charges into effect beginning with the June 2017 monthly  
8 billing period, to the extent practicable, to begin recovering  
9 the costs of procuring renewable energy resources, as those  
10 charges are calculated under the limitations described in  
11 subparagraph (E) of paragraph (1) of subsection (c) of Section  
12 1-75 of the Illinois Power Agency Act. Notwithstanding the date  
13 on which the utility places such new tariffed charges into  
14 effect, the utility shall be permitted to collect the charges  
15 under such tariff as if the tariff had been in effect beginning  
16 with the first day of the June 2017 monthly billing period.

17 Money collected from customers for the procurement of renewable  
18 energy resources in a given delivery may be spent by the  
19 utility for the procurement of renewable resources over any of  
20 the following 5 delivery years, after which money shall be  
21 credited back to retail customers, provided that up to  
22 \$170,000,000 of funds collected, but not used, in a given  
23 delivery year are first made available to the Illinois Solar  
24 for All Program established under subsection (b) of Section  
25 1-56 of the Illinois Power Agency Act to cover budget  
26 shortfalls due to unexpected fluctuations in the amount of

1 money available to that Program from the Illinois Power Agency  
2 Renewable Energy Resources Fund. The electric utility shall  
3 spend all money collected in earlier delivery years that has  
4 not yet been returned to customers, first, before spending  
5 money collected in later delivery years. The ~~For the delivery~~  
6 ~~years commencing June 1, 2017, June 1, 2018, and June 1, 2019,~~  
7 ~~the~~ electric utility shall deposit into a separate interest  
8 bearing account of a financial institution the monies collected  
9 under the tariffed charges. Any interest earned shall be  
10 credited back to retail customers under the reconciliation  
11 proceeding provided for in this subsection (k), provided that  
12 the electric utility shall first be reimbursed from the  
13 interest for the administrative costs that it incurs to  
14 administer and manage the account. Any taxes due on the funds  
15 in the account, or interest earned on it, will be paid from the  
16 account or, if insufficient monies are available in the  
17 account, from the monies collected under the tariffed charges  
18 to recover the costs of procuring renewable energy resources.  
19 Monies deposited in the account shall be subject to the review,  
20 reconciliation, and true-up process described in this  
21 subsection (k) that is applicable to the funds collected and  
22 costs incurred for the procurement of renewable energy  
23 resources.

24       The electric utility shall be entitled to recover all of  
25 the costs identified in this subsection (k) through automatic  
26 adjustment clause tariffs applicable to all of the utility's

1 retail customers that allow the electric utility to adjust its  
2 tariffed charges consistent with this subsection (k). The  
3 determination as to whether any excess funds were collected  
4 during a given delivery year for the purchase of renewable  
5 energy resources, and the crediting of any excess funds back to  
6 retail customers, shall not be made until after the close of  
7 the delivery year, which will ensure that the maximum amount of  
8 funds is available to implement the approved long-term  
9 renewable resources procurement plan during a given delivery  
10 year. The electric utility's collections under such automatic  
11 adjustment clause tariffs to recover the costs of renewable  
12 energy resources and zero emission credits from zero emission  
13 facilities shall be subject to separate annual review,  
14 reconciliation, and true-up against actual costs by the  
15 Commission under a procedure that shall be specified in the  
16 electric utility's automatic adjustment clause tariffs and  
17 that shall be approved by the Commission in connection with its  
18 approval of such tariffs. The procedure shall provide that any  
19 difference between the electric utility's collections for zero  
20 emission credits under the automatic adjustment charges for an  
21 annual period and the electric utility's actual costs of  
22 ~~renewable energy resources and~~ zero emission credits from zero  
23 emission facilities for that same annual period shall be  
24 refunded to or collected from, as applicable, the electric  
25 utility's retail customers in subsequent periods.

26 Nothing in this subsection (k) is intended to affect,



1 limit, or change the right of the electric utility to recover  
2 the costs associated with the procurement of renewable energy  
3 resources for periods commencing before, on, or after June 1,  
4 2017, as otherwise provided in the Illinois Power Agency Act.

5 ~~Notwithstanding anything to the contrary, the Commission~~  
6 ~~shall not conduct an annual review, reconciliation, and true up~~  
7 ~~associated with renewable energy resources' collections and~~  
8 ~~costs for the delivery years commencing June 1, 2017, June 1,~~  
9 ~~2018, June 1, 2019, and June 1, 2020, and shall instead conduct~~  
10 ~~a single review, reconciliation, and true up associated with~~  
11 ~~renewable energy resources' collections and costs for the~~  
12 ~~4-year period beginning June 1, 2017 and ending May 31, 2021,~~  
13 ~~provided that the review, reconciliation, and true up shall not~~  
14 ~~be initiated until after August 31, 2021. During the 4-year~~  
15 ~~period, the utility shall be permitted to collect and retain~~  
16 ~~funds under this subsection (k) and to purchase renewable~~  
17 ~~energy resources under an approved long term renewable~~  
18 ~~resources procurement plan using those funds regardless of the~~  
19 ~~delivery year in which the funds were collected during the~~  
20 ~~4-year period.~~

21 ~~If the amount of funds collected during the delivery year~~  
22 ~~commencing June 1, 2017, exceeds the costs incurred during that~~  
23 ~~delivery year, then up to half of this excess amount, as~~  
24 ~~calculated on June 1, 2018, may be used to fund the programs~~  
25 ~~under subsection (b) of Section 1-56 of the Illinois Power~~  
26 ~~Agency Act in the same proportion the programs are funded under~~

1 ~~that subsection (b). However, any amount identified under this~~  
2 ~~subsection (k) to fund programs under subsection (b) of Section~~  
3 ~~1-56 of the Illinois Power Agency Act shall be reduced if it~~  
4 ~~exceeds the funding shortfall. For purposes of this Section,~~  
5 ~~"funding shortfall" means the difference between \$200,000,000~~  
6 ~~and the amount appropriated by the General Assembly to the~~  
7 ~~Illinois Power Agency Renewable Energy Resources Fund during~~  
8 ~~the period that commences on the effective date of this~~  
9 ~~amendatory act of the 99th General Assembly and ends on August~~  
10 ~~1, 2018.~~

11 ~~If the amount of funds collected during the delivery year~~  
12 ~~commencing June 1, 2018, exceeds the costs incurred during that~~  
13 ~~delivery year, then up to half of this excess amount, as~~  
14 ~~calculated on June 1, 2019, may be used to fund the programs~~  
15 ~~under subsection (b) of Section 1-56 of the Illinois Power~~  
16 ~~Agency Act in the same proportion the programs are funded under~~  
17 ~~that subsection (b). However, any amount identified under this~~  
18 ~~subsection (k) to fund programs under subsection (b) of Section~~  
19 ~~1-56 of the Illinois Power Agency Act shall be reduced if it~~  
20 ~~exceeds the funding shortfall.~~

21 ~~If the amount of funds collected during the delivery year~~  
22 ~~commencing June 1, 2019, exceeds the costs incurred during that~~  
23 ~~delivery year, then up to half of this excess amount, as~~  
24 ~~calculated on June 1, 2020, may be used to fund the programs~~  
25 ~~under subsection (b) of Section 1-56 of the Illinois Power~~  
26 ~~Agency Act in the same proportion the programs are funded under~~

1 ~~that subsection (b). However, any amount identified under this~~  
2 ~~subsection (k) to fund programs under subsection (b) of Section~~  
3 ~~1-56 of the Illinois Power Agency Act shall be reduced if it~~  
4 ~~exceeds the funding shortfall.~~

5       The funding available under this subsection (k), if any,  
6 for the programs described under subsection (b) of Section 1-56  
7 of the Illinois Power Agency Act shall not reduce the amount of  
8 funding for the programs described in subparagraph (O) of  
9 paragraph (1) of subsection (c) of Section 1-75 of the Illinois  
10 Power Agency Act. If funding is available under this subsection  
11 (k) for programs described under subsection (b) of Section 1-56  
12 of the Illinois Power Agency Act, then the long-term renewable  
13 resources plan shall provide for the Agency to procure  
14 contracts in an amount that does not exceed the funding, and  
15 the contracts approved by the Commission shall be executed by  
16 the applicable utility or utilities.

17       (1) A utility that has terminated any contract executed  
18 under subsection (d-5) of Section 1-75 of the Illinois Power  
19 Agency Act shall be entitled to recover any remaining balance  
20 associated with the purchase of zero emission credits prior to  
21 such termination, and such utility shall also apply a credit to  
22 its retail customer bills in the event of any over-collection.

23       (m) (1) An electric utility that recovers its costs of  
24 procuring zero emission credits from zero emission  
25 facilities through a cents-per-kilowatthour charge under  
26 to subsection (k) of this Section shall be subject to the

1 requirements of this subsection (m). Notwithstanding  
2 anything to the contrary, such electric utility shall,  
3 beginning on April 30, 2018, and each April 30 thereafter  
4 until April 30, 2026, calculate whether any reduction must  
5 be applied to such cents-per-kilowatthour charge that is  
6 paid by retail customers of the electric utility that are  
7 exempt from subsections (a) through (j) of Section 8-103B  
8 of this Act under subsection (l) of Section 8-103B. Such  
9 charge shall be reduced for such customers for the next  
10 delivery year commencing on June 1 based on the amount  
11 necessary, if any, to limit the annual estimated average  
12 net increase for the prior calendar year due to the future  
13 energy investment costs to no more than 1.3% of 5.98 cents  
14 per kilowatt-hour, which is the average amount paid per  
15 kilowatthour for electric service during the year ending  
16 December 31, 2015 by Illinois industrial retail customers,  
17 as reported to the Edison Electric Institute.

18 The calculations required by this subsection (m) shall  
19 be made only once for each year, and no subsequent rate  
20 impact determinations shall be made.

21 (2) For purposes of this Section, "future energy  
22 investment costs" shall be calculated by subtracting the  
23 cents-per-kilowatthour charge identified in subparagraph  
24 (A) of this paragraph (2) from the sum of the  
25 cents-per-kilowatthour charges identified in subparagraph  
26 (B) of this paragraph (2):

1           (A) The cents-per-kilowatthour charge identified  
2           in the electric utility's tariff placed into effect  
3           under Section 8-103 of the Public Utilities Act that,  
4           on December 1, 2016, was applicable to those retail  
5           customers that are exempt from subsections (a) through  
6           (j) of Section 8-103B of this Act under subsection (l)  
7           of Section 8-103B.

8           (B)       The       sum       of       the       following  
9           cents-per-kilowatthour charges applicable to those  
10          retail customers that are exempt from subsections (a)  
11          through (j) of Section 8-103B of this Act under  
12          subsection (l) of Section 8-103B, provided that if one  
13          or more of the following charges has been in effect and  
14          applied to such customers for more than one calendar  
15          year, then each charge shall be equal to the average of  
16          the charges applied over a period that commences with  
17          the calendar year ending December 31, 2017 and ends  
18          with the most recently completed calendar year prior to  
19          the calculation required by this subsection (m):

20               (i) the cents-per-kilowatthour charge to  
21               recover the costs incurred by the utility under  
22               subsection (d-5) of Section 1-75 of the Illinois  
23               Power Agency Act, adjusted for any reductions  
24               required under this subsection (m); and

25               (ii) the cents-per-kilowatthour charge to  
26               recover the costs incurred by the utility under

1           Section 16-107.6 of the Public Utilities Act.

2           If no charge was applied for a given calendar year  
3           under item (i) or (ii) of this subparagraph (B), then  
4           the value of the charge for that year shall be zero.

5           (3) If a reduction is required by the calculation  
6           performed under this subsection (m), then the amount of the  
7           reduction shall be multiplied by the number of years  
8           reflected in the averages calculated under subparagraph  
9           (B) of paragraph (2) of this subsection (m). Such reduction  
10          shall be applied to the cents-per-kilowatthour charge that  
11          is applicable to those retail customers that are exempt  
12          from subsections (a) through (j) of Section 8-103B of this  
13          Act under subsection (1) of Section 8-103B beginning with  
14          the next delivery year commencing after the date of the  
15          calculation required by this subsection (m).

16          (4) The electric utility shall file a notice with the  
17          Commission on May 1 of 2018 and each May 1 thereafter until  
18          May 1, 2026 containing the reduction, if any, which must be  
19          applied for the delivery year which begins in the year of  
20          the filing. The notice shall contain the calculations made  
21          pursuant to this Section. By October 1 of each year  
22          beginning in 2018, each electric utility shall notify the  
23          Commission if it appears, based on an estimate of the  
24          calculation required in this subsection (m), that a  
25          reduction will be required in the next year.

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

(220 ILCS 5/16-108.5)

Sec. 16-108.5. Infrastructure investment and modernization; regulatory reform.

(a) (Blank).

(b) For purposes of this Section, "participating utility" means an electric utility or a combination utility serving more than 1,000,000 customers in Illinois that voluntarily elects and commits to undertake (i) the infrastructure investment program consisting of the commitments and obligations described in this subsection (b) and (ii) the customer assistance program consisting of the commitments and obligations described in subsection (b-10) of this Section, notwithstanding any other provisions of this Act and without obtaining any approvals from the Commission or any other agency other than as set forth in this Section, regardless of whether any such approval would otherwise be required. "Combination utility" means a utility that, as of January 1, 2011, provided electric service to at least one million retail customers in Illinois and gas service to at least 500,000 retail customers in Illinois. A participating utility shall recover the expenditures made under the infrastructure investment program through the ratemaking process, including, but not limited to, the performance-based formula rate and process set forth in this Section.

During the infrastructure investment program's peak

1 program year, a participating utility other than a combination  
2 utility shall create 2,000 full-time equivalent jobs in  
3 Illinois, and a participating utility that is a combination  
4 utility shall create 450 full-time equivalent jobs in Illinois  
5 related to the provision of electric service. These jobs shall  
6 include direct jobs, contractor positions, and induced jobs,  
7 but shall not include any portion of a job commitment, not  
8 specifically contingent on an amendatory Act of the 97th  
9 General Assembly becoming law, between a participating utility  
10 and a labor union that existed on December 30, 2011 (the  
11 effective date of Public Act 97-646) and that has not yet been  
12 fulfilled. A portion of the full-time equivalent jobs created  
13 by each participating utility shall include incremental  
14 personnel hired subsequent to December 30, 2011 (the effective  
15 date of Public Act 97-646). For purposes of this Section, "peak  
16 program year" means the consecutive 12-month period with the  
17 highest number of full-time equivalent jobs that occurs between  
18 the beginning of investment year 2 and the end of investment  
19 year 4.

20 A participating utility shall meet one of the following  
21 commitments, as applicable:

22 (1) Beginning no later than 180 days after a  
23 participating utility other than a combination utility  
24 files a performance-based formula rate tariff pursuant to  
25 subsection (c) of this Section, or, beginning no later than  
26 January 1, 2012 if such utility files such



1 performance-based formula rate tariff within 14 days of  
2 October 26, 2011 (the effective date of Public Act 97-616),  
3 the participating utility shall, except as provided in  
4 subsection (b-5):

5 (A) over a 5-year period, invest an estimated  
6 \$1,300,000,000 in electric system upgrades,  
7 modernization projects, and training facilities,  
8 including, but not limited to:

9 (i) distribution infrastructure improvements  
10 totaling an estimated \$1,000,000,000, including  
11 underground residential distribution cable  
12 injection and replacement and mainline cable  
13 system refurbishment and replacement projects;

14 (ii) training facility construction or upgrade  
15 projects totaling an estimated \$10,000,000,  
16 provided that, at a minimum, one such facility  
17 shall be located in a municipality having a  
18 population of more than 2 million residents and one  
19 such facility shall be located in a municipality  
20 having a population of more than 150,000 residents  
21 but fewer than 170,000 residents; any such new  
22 facility located in a municipality having a  
23 population of more than 2 million residents must be  
24 designed for the purpose of obtaining, and the  
25 owner of the facility shall apply for,  
26 certification under the United States Green

1 Building Council's Leadership in Energy Efficiency  
2 Design Green Building Rating System;

3 (iii) wood pole inspection, treatment, and  
4 replacement programs;

5 (iv) an estimated \$200,000,000 for reducing  
6 the susceptibility of certain circuits to  
7 storm-related damage, including, but not limited  
8 to, high winds, thunderstorms, and ice storms;  
9 improvements may include, but are not limited to,  
10 overhead to underground conversion and other  
11 engineered outcomes for circuits; the  
12 participating utility shall prioritize the  
13 selection of circuits based on each circuit's  
14 historical susceptibility to storm-related damage  
15 and the ability to provide the greatest customer  
16 benefit upon completion of the improvements; to be  
17 eligible for improvement, the participating  
18 utility's ability to maintain proper tree  
19 clearances surrounding the overhead circuit must  
20 not have been impeded by third parties; and

21 (B) over a 10-year period, invest an estimated  
22 \$1,300,000,000 to upgrade and modernize its  
23 transmission and distribution infrastructure and in  
24 Smart Grid electric system upgrades, including, but  
25 not limited to:

26 (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;

1 (ii) training facility construction or upgrade  
2 projects totaling an estimated \$1,000,000; any  
3 such new facility must be designed for the purpose  
4 of obtaining, and the owner of the facility shall  
5 apply for, certification under the United States  
6 Green Building Council's Leadership in Energy  
7 Efficiency Design Green Building Rating System;  
8 and

9 (iii) wood pole inspection, treatment, and  
10 replacement programs; and

11 (B) over a 10-year period, invest an estimated  
12 \$360,000,000 to upgrade and modernize its transmission  
13 and distribution infrastructure and in Smart Grid  
14 electric system upgrades, including, but not limited  
15 to:

16 (i) additional smart meters;  
17 (ii) distribution automation;  
18 (iii) associated cyber secure data  
19 communication network; and  
20 (iv) substation micro-processor relay  
21 upgrades.

22 For purposes of this Section, "Smart Grid electric system  
23 upgrades" shall have the meaning set forth in subsection (a) of  
24 Section 16-108.6 of this Act.

25 The investments in the infrastructure investment program  
26 described in this subsection (b) shall be incremental to the

1 participating utility's annual capital investment program, as  
2 defined by, for purposes of this subsection (b), the  
3 participating utility's average capital spend for calendar  
4 years 2008, 2009, and 2010 as reported in the applicable  
5 Federal Energy Regulatory Commission (FERC) Form 1; provided  
6 that where one or more utilities have merged, the average  
7 capital spend shall be determined using the aggregate of the  
8 merged utilities' capital spend reported in FERC Form 1 for the  
9 years 2008, 2009, and 2010. A participating utility may add  
10 reasonable construction ramp-up and ramp-down time to the  
11 investment periods specified in this subsection (b). For each  
12 such investment period, the ramp-up and ramp-down time shall  
13 not exceed a total of 6 months.

14 Within 60 days after filing a tariff under subsection (c)  
15 of this Section, a participating utility shall submit to the  
16 Commission its plan, including scope, schedule, and staffing,  
17 for satisfying its infrastructure investment program  
18 commitments pursuant to this subsection (b). The submitted plan  
19 shall include a schedule and staffing plan for the next  
20 calendar year. The plan shall also include a plan for the  
21 creation, operation, and administration of a Smart Grid test  
22 bed as described in subsection (c) of Section 16-108.8. The  
23 plan need not allocate the work equally over the respective  
24 periods, but should allocate material increments throughout  
25 such periods commensurate with the work to be undertaken. No  
26 later than April 1 of each subsequent year, the utility shall

1 submit to the Commission a report that includes any updates to  
2 the plan, a schedule for the next calendar year, the  
3 expenditures made for the prior calendar year and cumulatively,  
4 and the number of full-time equivalent jobs created for the  
5 prior calendar year and cumulatively. If the utility is  
6 materially deficient in satisfying a schedule or staffing plan,  
7 then the report must also include a corrective action plan to  
8 address the deficiency. The fact that the plan, implementation  
9 of the plan, or a schedule changes shall not imply the  
10 imprudence or unreasonableness of the infrastructure  
11 investment program, plan, or schedule. Further, no later than  
12 45 days following the last day of the first, second, and third  
13 quarters of each year of the plan, a participating utility  
14 shall submit to the Commission a verified quarterly report for  
15 the prior quarter that includes (i) the total number of  
16 full-time equivalent jobs created during the prior quarter,  
17 (ii) the total number of employees as of the last day of the  
18 prior quarter, (iii) the total number of full-time equivalent  
19 hours in each job classification or job title, (iv) the total  
20 number of incremental employees and contractors in support of  
21 the investments undertaken pursuant to this subsection (b) for  
22 the prior quarter, and (v) any other information that the  
23 Commission may require by rule.

24 With respect to the participating utility's peak job  
25 commitment, if, after considering the utility's corrective  
26 action plan and compliance thereunder, the Commission enters an

1 order finding, after notice and hearing, that a participating  
2 utility did not satisfy its peak job commitment described in  
3 this subsection (b) for reasons that are reasonably within its  
4 control, then the Commission shall also determine, after  
5 consideration of the evidence, including, but not limited to,  
6 evidence submitted by the Department of Commerce and Economic  
7 Opportunity and the utility, the deficiency in the number of  
8 full-time equivalent jobs during the peak program year due to  
9 such failure. The Commission shall notify the Department of any  
10 proceeding that is initiated pursuant to this paragraph. For  
11 each full-time equivalent job deficiency during the peak  
12 program year that the Commission finds as set forth in this  
13 paragraph, the participating utility shall, within 30 days  
14 after the entry of the Commission's order, pay \$6,000 to a fund  
15 for training grants administered under Section 605-800 of the  
16 Department of Commerce and Economic Opportunity Law, which  
17 shall not be a recoverable expense.

18 With respect to the participating utility's investment  
19 amount commitments, if, after considering the utility's  
20 corrective action plan and compliance thereunder, the  
21 Commission enters an order finding, after notice and hearing,  
22 that a participating utility is not satisfying its investment  
23 amount commitments described in this subsection (b), then the  
24 utility shall no longer be eligible to annually update the  
25 performance-based formula rate tariff pursuant to subsection  
26 (d) of this Section. In such event, the then current rates

1 shall remain in effect until such time as new rates are set  
2 pursuant to Article IX of this Act, subject to retroactive  
3 adjustment, with interest, to reconcile rates charged with  
4 actual costs.

5 If the Commission finds that a participating utility is no  
6 longer eligible to update the performance-based formula rate  
7 tariff pursuant to subsection (d) of this Section, or the  
8 performance-based formula rate is otherwise terminated, then  
9 the participating utility's voluntary commitments and  
10 obligations under this subsection (b) shall immediately  
11 terminate, except for the utility's obligation to pay an amount  
12 already owed to the fund for training grants pursuant to a  
13 Commission order.

14 In meeting the obligations of this subsection (b), to the  
15 extent feasible and consistent with State and federal law, the  
16 investments under the infrastructure investment program should  
17 provide employment opportunities for all segments of the  
18 population and workforce, including minority-owned and  
19 female-owned business enterprises, and shall not, consistent  
20 with State and federal law, discriminate based on race or  
21 socioeconomic status.

22 (b-5) Nothing in this Section shall prohibit the Commission  
23 from investigating the prudence and reasonableness of the  
24 expenditures made under the infrastructure investment program  
25 during the annual review required by subsection (d) of this  
26 Section and shall, as part of such investigation, determine



1 whether the utility's actual costs under the program are  
2 prudent and reasonable. The fact that a participating utility  
3 invests more than the minimum amounts specified in subsection  
4 (b) of this Section or its plan shall not imply imprudence or  
5 unreasonableness.

6 If the participating utility finds that it is implementing  
7 its plan for satisfying the infrastructure investment program  
8 commitments described in subsection (b) of this Section at a  
9 cost below the estimated amounts specified in subsection (b) of  
10 this Section, then the utility may file a petition with the  
11 Commission requesting that it be permitted to satisfy its  
12 commitments by spending less than the estimated amounts  
13 specified in subsection (b) of this Section. The Commission  
14 shall, after notice and hearing, enter its order approving, or  
15 approving as modified, or denying each such petition within 150  
16 days after the filing of the petition.

17 In no event, absent General Assembly approval, shall the  
18 capital investment costs incurred by a participating utility  
19 other than a combination utility in satisfying its  
20 infrastructure investment program commitments described in  
21 subsection (b) of this Section exceed \$3,000,000,000 or, for a  
22 participating utility that is a combination utility,  
23 \$720,000,000. If the participating utility's updated cost  
24 estimates for satisfying its infrastructure investment program  
25 commitments described in subsection (b) of this Section exceed  
26 the limitation imposed by this subsection (b-5), then it shall

1 submit a report to the Commission that identifies the increased  
2 costs and explains the reason or reasons for the increased  
3 costs no later than the year in which the utility estimates it  
4 will exceed the limitation. The Commission shall review the  
5 report and shall, within 90 days after the participating  
6 utility files the report, report to the General Assembly its  
7 findings regarding the participating utility's report. If the  
8 General Assembly does not amend the limitation imposed by this  
9 subsection (b-5), then the utility may modify its plan so as  
10 not to exceed the limitation imposed by this subsection (b-5)  
11 and may propose corresponding changes to the metrics  
12 established pursuant to subparagraphs (5) through (8) of  
13 subsection (f) of this Section, and the Commission may modify  
14 the metrics and incremental savings goals established pursuant  
15 to subsection (f) of this Section accordingly.

16 (b-10) All participating utilities shall make  
17 contributions for an energy low-income and support program in  
18 accordance with this subsection. Beginning no later than 180  
19 days after a participating utility files a performance-based  
20 formula rate tariff pursuant to subsection (c) of this Section,  
21 or beginning no later than January 1, 2012 if such utility  
22 files such performance-based formula rate tariff within 14 days  
23 of December 30, 2011 (the effective date of Public Act 97-646),  
24 and without obtaining any approvals from the Commission or any  
25 other agency other than as set forth in this Section,  
26 regardless of whether any such approval would otherwise be

1 required, a participating utility other than a combination  
2 utility shall pay \$10,000,000 per year for 5 years and a  
3 participating utility that is a combination utility shall pay  
4 \$1,000,000 per year for 10 years to the energy low-income and  
5 support program, which is intended to fund customer assistance  
6 programs with the primary purpose being avoidance of imminent  
7 disconnection. Such programs may include:

8 (1) a residential hardship program that may partner  
9 with community-based organizations, including senior  
10 citizen organizations, and provides grants to low-income  
11 residential customers, including low-income senior  
12 citizens, who demonstrate a hardship;

13 (2) a program that provides grants and other bill  
14 payment concessions to veterans with disabilities who  
15 demonstrate a hardship and members of the armed services or  
16 reserve forces of the United States or members of the  
17 Illinois National Guard who are on active duty pursuant to  
18 an executive order of the President of the United States,  
19 an act of the Congress of the United States, or an order of  
20 the Governor and who demonstrate a hardship;

21 (3) a budget assistance program that provides tools and  
22 education to low-income senior citizens to assist them with  
23 obtaining information regarding energy usage and effective  
24 means of managing energy costs;

25 (4) a non-residential special hardship program that  
26 provides grants to non-residential customers such as small

1 businesses and non-profit organizations that demonstrate a  
2 hardship, including those providing services to senior  
3 citizen and low-income customers; and

4 (5) a performance-based assistance program that  
5 provides grants to encourage residential customers to make  
6 on-time payments by matching a portion of the customer's  
7 payments or providing credits towards arrearages.

8 The payments made by a participating utility pursuant to  
9 this subsection (b-10) shall not be a recoverable expense. A  
10 participating utility may elect to fund either new or existing  
11 customer assistance programs, including, but not limited to,  
12 those that are administered by the utility.

13 Programs that use funds that are provided by a  
14 participating utility to reduce utility bills may be  
15 implemented through tariffs that are filed with and reviewed by  
16 the Commission. If a utility elects to file tariffs with the  
17 Commission to implement all or a portion of the programs, those  
18 tariffs shall, regardless of the date actually filed, be deemed  
19 accepted and approved, and shall become effective on December  
20 30, 2011 (the effective date of Public Act 97-646). The  
21 participating utilities whose customers benefit from the funds  
22 that are disbursed as contemplated in this Section shall file  
23 annual reports documenting the disbursement of those funds with  
24 the Commission. The Commission has the authority to audit  
25 disbursement of the funds to ensure they were disbursed  
26 consistently with this Section.

1        If the Commission finds that a participating utility is no  
2        longer eligible to update the performance-based formula rate  
3        tariff pursuant to subsection (d) of this Section, or the  
4        performance-based formula rate is otherwise terminated, then  
5        the participating utility's voluntary commitments and  
6        obligations under this subsection (b-10) shall immediately  
7        terminate.

8        (c) A participating utility may elect to recover its  
9        delivery services costs through a performance-based formula  
10       rate approved by the Commission, which shall specify the cost  
11       components that form the basis of the rate charged to customers  
12       with sufficient specificity to operate in a standardized manner  
13       and be updated annually with transparent information that  
14       reflects the utility's actual costs to be recovered during the  
15       applicable rate year, which is the period beginning with the  
16       first billing day of January and extending through the last  
17       billing day of the following December. In the event the utility  
18       recovers a portion of its costs through automatic adjustment  
19       clause tariffs on October 26, 2011 (the effective date of  
20       Public Act 97-616), the utility may elect to continue to  
21       recover these costs through such tariffs, but then these costs  
22       shall not be recovered through the performance-based formula  
23       rate. In the event the participating utility, prior to December  
24       30, 2011 (the effective date of Public Act 97-646), filed  
25       electric delivery services tariffs with the Commission  
26       pursuant to Section 9-201 of this Act that are related to the

1 recovery of its electric delivery services costs that are still  
2 pending on December 30, 2011 (the effective date of Public Act  
3 97-646), the participating utility shall, at the time it files  
4 its performance-based formula rate tariff with the Commission,  
5 also file a notice of withdrawal with the Commission to  
6 withdraw the electric delivery services tariffs previously  
7 filed pursuant to Section 9-201 of this Act. Upon receipt of  
8 such notice, the Commission shall dismiss with prejudice any  
9 docket that had been initiated to investigate the electric  
10 delivery services tariffs filed pursuant to Section 9-201 of  
11 this Act, and such tariffs and the record related thereto shall  
12 not be the subject of any further hearing, investigation, or  
13 proceeding of any kind related to rates for electric delivery  
14 services.

15 The performance-based formula rate shall be implemented  
16 through a tariff filed with the Commission consistent with the  
17 provisions of this subsection (c) that shall be applicable to  
18 all delivery services customers. The Commission shall initiate  
19 and conduct an investigation of the tariff in a manner  
20 consistent with the provisions of this subsection (c) and the  
21 provisions of Article IX of this Act to the extent they do not  
22 conflict with this subsection (c). Except in the case where the  
23 Commission finds, after notice and hearing, that a  
24 participating utility is not satisfying its investment amount  
25 commitments under subsection (b) of this Section, the  
26 performance-based formula rate shall remain in effect at the

1 discretion of the utility. The performance-based formula rate  
2 approved by the Commission shall do the following:

3 (1) Provide for the recovery of the utility's actual  
4 costs of delivery services that are prudently incurred and  
5 reasonable in amount consistent with Commission practice  
6 and law. The sole fact that a cost differs from that  
7 incurred in a prior calendar year or that an investment is  
8 different from that made in a prior calendar year shall not  
9 imply the imprudence or unreasonableness of that cost or  
10 investment.

11 (2) Reflect the utility's actual year-end capital  
12 structure for the applicable calendar year, excluding  
13 goodwill, subject to a determination of prudence and  
14 reasonableness consistent with Commission practice and  
15 law. To enable the financing of the incremental capital  
16 expenditures, including regulatory assets, for electric  
17 utilities that serve less than 3,000,000 retail customers  
18 but more than 500,000 retail customers in the State, a  
19 participating electric utility's actual year-end capital  
20 structure that includes a common equity ratio, excluding  
21 goodwill, of up to and including 50% of the total capital  
22 structure shall be deemed reasonable and used to set rates.

23 (3) Include a cost of equity, which shall be calculated  
24 as the sum of the following:

25 (A) the average for the applicable calendar year of  
26 the monthly average yields of 30-year U.S. Treasury

1 bonds published by the Board of Governors of the  
2 Federal Reserve System in its weekly H.15 Statistical  
3 Release or successor publication; and

4 (B) 580 basis points.

5 At such time as the Board of Governors of the Federal  
6 Reserve System ceases to include the monthly average yields  
7 of 30-year U.S. Treasury bonds in its weekly H.15  
8 Statistical Release or successor publication, the monthly  
9 average yields of the U.S. Treasury bonds then having the  
10 longest duration published by the Board of Governors in its  
11 weekly H.15 Statistical Release or successor publication  
12 shall instead be used for purposes of this paragraph (3).

13 (4) Permit and set forth protocols, subject to a  
14 determination of prudence and reasonableness consistent  
15 with Commission practice and law, for the following:

16 (A) recovery of incentive compensation expense  
17 that is based on the achievement of operational  
18 metrics, including metrics related to budget controls,  
19 outage duration and frequency, safety, customer  
20 service, efficiency and productivity, and  
21 environmental compliance. Incentive compensation  
22 expense that is based on net income or an affiliate's  
23 earnings per share shall not be recoverable under the  
24 performance-based formula rate;

25 (B) recovery of pension and other post-employment  
26 benefits expense, provided that such costs are



1 supported by an actuarial study;

2 (C) recovery of severance costs, provided that if  
3 the amount is over \$3,700,000 for a participating  
4 utility that is a combination utility or \$10,000,000  
5 for a participating utility that serves more than 3  
6 million retail customers, then the full amount shall be  
7 amortized consistent with subparagraph (F) of this  
8 paragraph (4);

9 (D) investment return at a rate equal to the  
10 utility's weighted average cost of long-term debt, on  
11 the pension assets as, and in the amount, reported in  
12 Account 186 (or in such other Account or Accounts as  
13 such asset may subsequently be recorded) of the  
14 utility's most recently filed FERC Form 1, net of  
15 deferred tax benefits;

16 (E) recovery of the expenses related to the  
17 Commission proceeding under this subsection (c) to  
18 approve this performance-based formula rate and  
19 initial rates or to subsequent proceedings related to  
20 the formula, provided that the recovery shall be  
21 amortized over a 3-year period; recovery of expenses  
22 related to the annual Commission proceedings under  
23 subsection (d) of this Section to review the inputs to  
24 the performance-based formula rate shall be expensed  
25 and recovered through the performance-based formula  
26 rate;

1           (F) amortization over a 5-year period of the full  
2           amount of each charge or credit that exceeds \$3,700,000  
3           for a participating utility that is a combination  
4           utility or \$10,000,000 for a participating utility  
5           that serves more than 3 million retail customers in the  
6           applicable calendar year and that relates to a  
7           workforce reduction program's severance costs, changes  
8           in accounting rules, changes in law, compliance with  
9           any Commission-initiated audit, or a single storm or  
10          other similar expense, provided that any unamortized  
11          balance shall be reflected in rate base. For purposes  
12          of this subparagraph (F), changes in law includes any  
13          enactment, repeal, or amendment in a law, ordinance,  
14          rule, regulation, interpretation, permit, license,  
15          consent, or order, including those relating to taxes,  
16          accounting, or to environmental matters, or in the  
17          interpretation or application thereof by any  
18          governmental authority occurring after October 26,  
19          2011 (the effective date of Public Act 97-616);

20          (G) recovery of existing regulatory assets over  
21          the periods previously authorized by the Commission;

22          (H) historical weather normalized billing  
23          determinants; and

24          (I) allocation methods for common costs.

25          (5) Provide that if the participating utility's earned  
26          rate of return on common equity related to the provision of

1 delivery services for the prior rate year (calculated using  
2 costs and capital structure approved by the Commission as  
3 provided in subparagraph (2) of this subsection (c),  
4 consistent with this Section, in accordance with  
5 Commission rules and orders, including, but not limited to,  
6 adjustments for goodwill, and after any Commission-ordered  
7 disallowances and taxes) is more than 50 basis points  
8 higher than the rate of return on common equity calculated  
9 pursuant to paragraph (3) of this subsection (c) (after  
10 adjusting for any penalties to the rate of return on common  
11 equity applied pursuant to the performance metrics  
12 provision of subsection (f) of this Section), then the  
13 participating utility shall apply a credit through the  
14 performance-based formula rate that reflects an amount  
15 equal to the value of that portion of the earned rate of  
16 return on common equity that is more than 50 basis points  
17 higher than the rate of return on common equity calculated  
18 pursuant to paragraph (3) of this subsection (c) (after  
19 adjusting for any penalties to the rate of return on common  
20 equity applied pursuant to the performance metrics  
21 provision of subsection (f) of this Section) for the prior  
22 rate year, adjusted for taxes. If the participating  
23 utility's earned rate of return on common equity related to  
24 the provision of delivery services for the prior rate year  
25 (calculated using costs and capital structure approved by  
26 the Commission as provided in subparagraph (2) of this

1 subsection (c), consistent with this Section, in  
2 accordance with Commission rules and orders, including,  
3 but not limited to, adjustments for goodwill, and after any  
4 Commission-ordered disallowances and taxes) is more than  
5 50 basis points less than the return on common equity  
6 calculated pursuant to paragraph (3) of this subsection (c)  
7 (after adjusting for any penalties to the rate of return on  
8 common equity applied pursuant to the performance metrics  
9 provision of subsection (f) of this Section), then the  
10 participating utility shall apply a charge through the  
11 performance-based formula rate that reflects an amount  
12 equal to the value of that portion of the earned rate of  
13 return on common equity that is more than 50 basis points  
14 less than the rate of return on common equity calculated  
15 pursuant to paragraph (3) of this subsection (c) (after  
16 adjusting for any penalties to the rate of return on common  
17 equity applied pursuant to the performance metrics  
18 provision of subsection (f) of this Section) for the prior  
19 rate year, adjusted for taxes.

20 (6) Provide for an annual reconciliation, as described  
21 in subsection (d) of this Section, with interest, of the  
22 revenue requirement reflected in rates for each calendar  
23 year, beginning with the calendar year in which the utility  
24 files its performance-based formula rate tariff pursuant  
25 to subsection (c) of this Section, with what the revenue  
26 requirement would have been had the actual cost information

1       for the applicable calendar year been available at the  
2       filing date.

3       The utility shall file, together with its tariff, final  
4       data based on its most recently filed FERC Form 1, plus  
5       projected plant additions and correspondingly updated  
6       depreciation reserve and expense for the calendar year in which  
7       the tariff and data are filed, that shall populate the  
8       performance-based formula rate and set the initial delivery  
9       services rates under the formula. For purposes of this Section,  
10      "FERC Form 1" means the Annual Report of Major Electric  
11      Utilities, Licensees and Others that electric utilities are  
12      required to file with the Federal Energy Regulatory Commission  
13      under the Federal Power Act, Sections 3, 4(a), 304 and 209,  
14      modified as necessary to be consistent with 83 Ill. Admin. Code  
15      Part 415 as of May 1, 2011. Nothing in this Section is intended  
16      to allow costs that are not otherwise recoverable to be  
17      recoverable by virtue of inclusion in FERC Form 1.

18      After the utility files its proposed performance-based  
19      formula rate structure and protocols and initial rates, the  
20      Commission shall initiate a docket to review the filing. The  
21      Commission shall enter an order approving, or approving as  
22      modified, the performance-based formula rate, including the  
23      initial rates, as just and reasonable within 270 days after the  
24      date on which the tariff was filed, or, if the tariff is filed  
25      within 14 days after October 26, 2011 (the effective date of  
26      Public Act 97-616), then by May 31, 2012. Such review shall be

1 based on the same evidentiary standards, including, but not  
2 limited to, those concerning the prudence and reasonableness of  
3 the costs incurred by the utility, the Commission applies in a  
4 hearing to review a filing for a general increase in rates  
5 under Article IX of this Act. The initial rates shall take  
6 effect within 30 days after the Commission's order approving  
7 the performance-based formula rate tariff.

8       Until such time as the Commission approves a different rate  
9 design and cost allocation pursuant to subsection (e) of this  
10 Section, rate design and cost allocation across customer  
11 classes shall be consistent with the Commission's most recent  
12 order regarding the participating utility's request for a  
13 general increase in its delivery services rates.

14       Subsequent changes to the performance-based formula rate  
15 structure or protocols shall be made as set forth in Section  
16 9-201 of this Act, but nothing in this subsection (c) is  
17 intended to limit the Commission's authority under Article IX  
18 and other provisions of this Act to initiate an investigation  
19 of a participating utility's performance-based formula rate  
20 tariff, provided that any such changes shall be consistent with  
21 paragraphs (1) through (6) of this subsection (c). Any change  
22 ordered by the Commission shall be made at the same time new  
23 rates take effect following the Commission's next order  
24 pursuant to subsection (d) of this Section, provided that the  
25 new rates take effect no less than 30 days after the date on  
26 which the Commission issues an order adopting the change.

1       A participating utility that files a tariff pursuant to  
2       this subsection (c) must submit a one-time \$200,000 filing fee  
3       at the time the Chief Clerk of the Commission accepts the  
4       filing, which shall be a recoverable expense.

5       In the event the performance-based formula rate is  
6       terminated, the then current rates shall remain in effect until  
7       such time as new rates are set pursuant to Article IX of this  
8       Act, subject to retroactive rate adjustment, with interest, to  
9       reconcile rates charged with actual costs. At such time that  
10      the performance-based formula rate is terminated, the  
11      participating utility's voluntary commitments and obligations  
12      under subsection (b) of this Section shall immediately  
13      terminate, except for the utility's obligation to pay an amount  
14      already owed to the fund for training grants pursuant to a  
15      Commission order issued under subsection (b) of this Section.

16      (d) Subsequent to the Commission's issuance of an order  
17      approving the utility's performance-based formula rate  
18      structure and protocols, and initial rates under subsection (c)  
19      of this Section, the utility shall file, on or before May 1 of  
20      each year, with the Chief Clerk of the Commission its updated  
21      cost inputs to the performance-based formula rate for the  
22      applicable rate year and the corresponding new charges. Each  
23      such filing shall conform to the following requirements and  
24      include the following information:

25           (1) The inputs to the performance-based formula rate  
26           for the applicable rate year shall be based on final

1 historical data reflected in the utility's most recently  
2 filed annual FERC Form 1 plus projected plant additions and  
3 correspondingly updated depreciation reserve and expense  
4 for the calendar year in which the inputs are filed. The  
5 filing shall also include a reconciliation of the revenue  
6 requirement that was in effect for the prior rate year (as  
7 set by the cost inputs for the prior rate year) with the  
8 actual revenue requirement for the prior rate year  
9 (determined using a year-end rate base) that uses amounts  
10 reflected in the applicable FERC Form 1 that reports the  
11 actual costs for the prior rate year. Any over-collection  
12 or under-collection indicated by such reconciliation shall  
13 be reflected as a credit against, or recovered as an  
14 additional charge to, respectively, with interest  
15 calculated at a rate equal to the utility's weighted  
16 average cost of capital approved by the Commission for the  
17 prior rate year, the charges for the applicable rate year.  
18 Provided, however, that the first such reconciliation  
19 shall be for the calendar year in which the utility files  
20 its performance-based formula rate tariff pursuant to  
21 subsection (c) of this Section and shall reconcile (i) the  
22 revenue requirement or requirements established by the  
23 rate order or orders in effect from time to time during  
24 such calendar year (weighted, as applicable) with (ii) the  
25 revenue requirement determined using a year-end rate base  
26 for that calendar year calculated pursuant to the



1 performance-based formula rate using (A) actual costs for  
2 that year as reflected in the applicable FERC Form 1, and  
3 (B) for the first such reconciliation only, the cost of  
4 equity, which shall be calculated as the sum of 590 basis  
5 points plus the average for the applicable calendar year of  
6 the monthly average yields of 30-year U.S. Treasury bonds  
7 published by the Board of Governors of the Federal Reserve  
8 System in its weekly H.15 Statistical Release or successor  
9 publication. The first such reconciliation is not intended  
10 to provide for the recovery of costs previously excluded  
11 from rates based on a prior Commission order finding of  
12 imprudence or unreasonableness. Each reconciliation shall  
13 be certified by the participating utility in the same  
14 manner that FERC Form 1 is certified. The filing shall also  
15 include the charge or credit, if any, resulting from the  
16 calculation required by paragraph (6) of subsection (c) of  
17 this Section.

18 Notwithstanding anything that may be to the contrary,  
19 the intent of the reconciliation is to ultimately reconcile  
20 the revenue requirement reflected in rates for each  
21 calendar year, beginning with the calendar year in which  
22 the utility files its performance-based formula rate  
23 tariff pursuant to subsection (c) of this Section, with  
24 what the revenue requirement determined using a year-end  
25 rate base for the applicable calendar year would have been  
26 had the actual cost information for the applicable calendar

1 year been available at the filing date.

2 (2) The new charges shall take effect beginning on the  
3 first billing day of the following January billing period  
4 and remain in effect through the last billing day of the  
5 next December billing period regardless of whether the  
6 Commission enters upon a hearing pursuant to this  
7 subsection (d).

8 (3) The filing shall include relevant and necessary  
9 data and documentation for the applicable rate year that is  
10 consistent with the Commission's rules applicable to a  
11 filing for a general increase in rates or any rules adopted  
12 by the Commission to implement this Section. Normalization  
13 adjustments shall not be required. Notwithstanding any  
14 other provision of this Section or Act or any rule or other  
15 requirement adopted by the Commission, a participating  
16 utility that is a combination utility with more than one  
17 rate zone shall not be required to file a separate set of  
18 such data and documentation for each rate zone and may  
19 combine such data and documentation into a single set of  
20 schedules.

21 Within 45 days after the utility files its annual update of  
22 cost inputs to the performance-based formula rate, the  
23 Commission shall have the authority, either upon complaint or  
24 its own initiative, but with reasonable notice, to enter upon a  
25 hearing concerning the prudence and reasonableness of the costs  
26 incurred by the utility to be recovered during the applicable

1 rate year that are reflected in the inputs to the  
2 performance-based formula rate derived from the utility's FERC  
3 Form 1. During the course of the hearing, each objection shall  
4 be stated with particularity and evidence provided in support  
5 thereof, after which the utility shall have the opportunity to  
6 rebut the evidence. Discovery shall be allowed consistent with  
7 the Commission's Rules of Practice, which Rules shall be  
8 enforced by the Commission or the assigned administrative law  
9 judge. The Commission shall apply the same evidentiary  
10 standards, including, but not limited to, those concerning the  
11 prudence and reasonableness of the costs incurred by the  
12 utility, in the hearing as it would apply in a hearing to  
13 review a filing for a general increase in rates under Article  
14 IX of this Act. The Commission shall not, however, have the  
15 authority in a proceeding under this subsection (d) to consider  
16 or order any changes to the structure or protocols of the  
17 performance-based formula rate approved pursuant to subsection  
18 (c) of this Section. In a proceeding under this subsection (d),  
19 the Commission shall enter its order no later than the earlier  
20 of 240 days after the utility's filing of its annual update of  
21 cost inputs to the performance-based formula rate or December  
22 31. The Commission's determinations of the prudence and  
23 reasonableness of the costs incurred for the applicable  
24 calendar year shall be final upon entry of the Commission's  
25 order and shall not be subject to reopening, reexamination, or  
26 collateral attack in any other Commission proceeding, case,

1 docket, order, rule or regulation, provided, however, that  
2 nothing in this subsection (d) shall prohibit a party from  
3 petitioning the Commission to rehear or appeal to the courts  
4 the order pursuant to the provisions of this Act.

5 In the event the Commission does not, either upon complaint  
6 or its own initiative, enter upon a hearing within 45 days  
7 after the utility files the annual update of cost inputs to its  
8 performance-based formula rate, then the costs incurred for the  
9 applicable calendar year shall be deemed prudent and  
10 reasonable, and the filed charges shall not be subject to  
11 reopening, reexamination, or collateral attack in any other  
12 proceeding, case, docket, order, rule, or regulation.

13 A participating utility's first filing of the updated cost  
14 inputs, and any Commission investigation of such inputs  
15 pursuant to this subsection (d) shall proceed notwithstanding  
16 the fact that the Commission's investigation under subsection  
17 (c) of this Section is still pending and notwithstanding any  
18 other law, order, rule, or Commission practice to the contrary.

19 (e) Nothing in subsections (c) or (d) of this Section shall  
20 prohibit the Commission from investigating, or a participating  
21 utility from filing, revenue-neutral tariff changes related to  
22 rate design of a performance-based formula rate that has been  
23 placed into effect for the utility. Following approval of a  
24 participating utility's performance-based formula rate tariff  
25 pursuant to subsection (c) of this Section, the utility shall  
26 make a filing with the Commission within one year after the

1 effective date of the performance-based formula rate tariff  
2 that proposes changes to the tariff to incorporate the findings  
3 of any final rate design orders of the Commission applicable to  
4 the participating utility and entered subsequent to the  
5 Commission's approval of the tariff. The Commission shall,  
6 after notice and hearing, enter its order approving, or  
7 approving with modification, the proposed changes to the  
8 performance-based formula rate tariff within 240 days after the  
9 utility's filing. Following such approval, the utility shall  
10 make a filing with the Commission during each subsequent 3-year  
11 period that either proposes revenue-neutral tariff changes or  
12 re-files the existing tariffs without change, which shall  
13 present the Commission with an opportunity to suspend the  
14 tariffs and consider revenue-neutral tariff changes related to  
15 rate design.

16 (f) Within 30 days after the filing of a tariff pursuant to  
17 subsection (c) of this Section, each participating utility  
18 shall develop and file with the Commission multi-year metrics  
19 designed to achieve, ratably (i.e., in equal segments) over a  
20 10-year period, improvement over baseline performance values  
21 as follows:

22 (1) Twenty percent improvement in the System Average  
23 Interruption Frequency Index, using a baseline of the  
24 average of the data from 2001 through 2010.

25 (2) Fifteen percent improvement in the system Customer  
26 Average Interruption Duration Index, using a baseline of

1 the average of the data from 2001 through 2010.

2 (3) For a participating utility other than a  
3 combination utility, 20% improvement in the System Average  
4 Interruption Frequency Index for its Southern Region,  
5 using a baseline of the average of the data from 2001  
6 through 2010. For purposes of this paragraph (3), Southern  
7 Region shall have the meaning set forth in the  
8 participating utility's most recent report filed pursuant  
9 to Section 16-125 of this Act.

10 (3.5) For a participating utility other than a  
11 combination utility, 20% improvement in the System Average  
12 Interruption Frequency Index for its Northeastern Region,  
13 using a baseline of the average of the data from 2001  
14 through 2010. For purposes of this paragraph (3.5),  
15 Northeastern Region shall have the meaning set forth in the  
16 participating utility's most recent report filed pursuant  
17 to Section 16-125 of this Act.

18 (4) Seventy-five percent improvement in the total  
19 number of customers who exceed the service reliability  
20 targets as set forth in subparagraphs (A) through (C) of  
21 paragraph (4) of subsection (b) of 83 Ill. Admin. Code Part  
22 411.140 as of May 1, 2011, using 2010 as the baseline year.

23 (5) Reduction in issuance of estimated electric bills:  
24 90% improvement for a participating utility other than a  
25 combination utility, and 56% improvement for a  
26 participating utility that is a combination utility, using

1 a baseline of the average number of estimated bills for the  
2 years 2008 through 2010.

3 (6) Consumption on inactive meters: 90% improvement  
4 for a participating utility other than a combination  
5 utility, and 56% improvement for a participating utility  
6 that is a combination utility, using a baseline of the  
7 average unbilled kilowatthours for the years 2009 and 2010.

8 (7) Unaccounted for energy: 50% improvement for a  
9 participating utility other than a combination utility  
10 using a baseline of the non-technical line loss unaccounted  
11 for energy kilowatthours for the year 2009.

12 (8) Uncollectible expense: reduce uncollectible  
13 expense by at least \$30,000,000 for a participating utility  
14 other than a combination utility and by at least \$3,500,000  
15 for a participating utility that is a combination utility,  
16 using a baseline of the average uncollectible expense for  
17 the years 2008 through 2010.

18 (9) Opportunities for minority-owned and female-owned  
19 business enterprises: design a performance metric  
20 regarding the creation of opportunities for minority-owned  
21 and female-owned business enterprises consistent with  
22 State and federal law using a base performance value of the  
23 percentage of the participating utility's capital  
24 expenditures that were paid to minority-owned and  
25 female-owned business enterprises in 2010.

26 The definitions set forth in 83 Ill. Admin. Code Part

1 411.20 as of May 1, 2011 shall be used for purposes of  
2 calculating performance under paragraphs (1) through (3.5) of  
3 this subsection (f), provided, however, that the participating  
4 utility may exclude up to 9 extreme weather event days from  
5 such calculation for each year, and provided further that the  
6 participating utility shall exclude 9 extreme weather event  
7 days when calculating each year of the baseline period to the  
8 extent that there are 9 such days in a given year of the  
9 baseline period. For purposes of this Section, an extreme  
10 weather event day is a 24-hour calendar day (beginning at 12:00  
11 a.m. and ending at 11:59 p.m.) during which any weather event  
12 (e.g., storm, tornado) caused interruptions for 10,000 or more  
13 of the participating utility's customers for 3 hours or more.  
14 If there are more than 9 extreme weather event days in a year,  
15 then the utility may choose no more than 9 extreme weather  
16 event days to exclude, provided that the same extreme weather  
17 event days are excluded from each of the calculations performed  
18 under paragraphs (1) through (3.5) of this subsection (f).

19 The metrics shall include incremental performance goals  
20 for each year of the 10-year period, which shall be designed to  
21 demonstrate that the utility is on track to achieve the  
22 performance goal in each category at the end of the 10-year  
23 period. The utility shall elect when the 10-year period shall  
24 commence for the metrics set forth in subparagraphs (1) through  
25 (4) and (9) of this subsection (f), provided that it begins no  
26 later than 14 months following the date on which the utility



1 begins investing pursuant to subsection (b) of this Section,  
2 and when the 10-year period shall commence for the metrics set  
3 forth in subparagraphs (5) through (8) of this subsection (f),  
4 provided that it begins no later than 14 months following the  
5 date on which the Commission enters its order approving the  
6 utility's Advanced Metering Infrastructure Deployment Plan  
7 pursuant to subsection (c) of Section 16-108.6 of this Act.

8 The metrics and performance goals set forth in  
9 subparagraphs (5) through (8) of this subsection (f) are based  
10 on the assumptions that the participating utility may fully  
11 implement the technology described in subsection (b) of this  
12 Section, including utilizing the full functionality of such  
13 technology and that there is no requirement for personal  
14 on-site notification. If the utility is unable to meet the  
15 metrics and performance goals set forth in subparagraphs (5)  
16 through (8) of this subsection (f) for such reasons, and the  
17 Commission so finds after notice and hearing, then the utility  
18 shall be excused from compliance, but only to the limited  
19 extent achievement of the affected metrics and performance  
20 goals was hindered by the less than full implementation.

21 (f-5) The financial penalties applicable to the metrics  
22 described in subparagraphs (1) through (8) of subsection (f) of  
23 this Section, as applicable, shall be applied through an  
24 adjustment to the participating utility's return on equity of  
25 no more than a total of 30 basis points in each of the first 3  
26 years, of no more than a total of 34 basis points in each of the

1 3 years thereafter, and of no more than a total of 38 basis  
2 points in each of the 4 years thereafter, as follows:

3 (1) With respect to each of the incremental annual  
4 performance goals established pursuant to paragraph (1) of  
5 subsection (f) of this Section,

6 (A) for each year that a participating utility  
7 other than a combination utility does not achieve the  
8 annual goal, the participating utility's return on  
9 equity shall be reduced as follows: during years 1  
10 through 3, by 5 basis points; during years 4 through 6,  
11 by 6 basis points; and during years 7 through 10, by 7  
12 basis points; and

13 (B) for each year that a participating utility that  
14 is a combination utility does not achieve the annual  
15 goal, the participating utility's return on equity  
16 shall be reduced as follows: during years 1 through 3,  
17 by 10 basis points; during years 4 through 6, by 12  
18 basis points; and during years 7 through 10, by 14  
19 basis points.

20 (2) With respect to each of the incremental annual  
21 performance goals established pursuant to paragraph (2) of  
22 subsection (f) of this Section, for each year that the  
23 participating utility does not achieve each such goal, the  
24 participating utility's return on equity shall be reduced  
25 as follows: during years 1 through 3, by 5 basis points;  
26 during years 4 through 6, by 6 basis points; and during

1 years 7 through 10, by 7 basis points.

2 (3) With respect to each of the incremental annual  
3 performance goals established pursuant to paragraphs (3)  
4 and (3.5) of subsection (f) of this Section, for each year  
5 that a participating utility other than a combination  
6 utility does not achieve both such goals, the participating  
7 utility's return on equity shall be reduced as follows:  
8 during years 1 through 3, by 5 basis points; during years 4  
9 through 6, by 6 basis points; and during years 7 through  
10 10, by 7 basis points.

11 (4) With respect to each of the incremental annual  
12 performance goals established pursuant to paragraph (4) of  
13 subsection (f) of this Section, for each year that the  
14 participating utility does not achieve each such goal, the  
15 participating utility's return on equity shall be reduced  
16 as follows: during years 1 through 3, by 5 basis points;  
17 during years 4 through 6, by 6 basis points; and during  
18 years 7 through 10, by 7 basis points.

19 (5) With respect to each of the incremental annual  
20 performance goals established pursuant to subparagraph (5)  
21 of subsection (f) of this Section, for each year that the  
22 participating utility does not achieve at least 95% of each  
23 such goal, the participating utility's return on equity  
24 shall be reduced by 5 basis points for each such unachieved  
25 goal.

26 (6) With respect to each of the incremental annual

1 performance goals established pursuant to paragraphs (6),  
2 (7), and (8) of subsection (f) of this Section, as  
3 applicable, which together measure non-operational  
4 customer savings and benefits relating to the  
5 implementation of the Advanced Metering Infrastructure  
6 Deployment Plan, as defined in Section 16-108.6 of this  
7 Act, the performance under each such goal shall be  
8 calculated in terms of the percentage of the goal achieved.  
9 The percentage of goal achieved for each of the goals shall  
10 be aggregated, and an average percentage value calculated,  
11 for each year of the 10-year period. If the utility does  
12 not achieve an average percentage value in a given year of  
13 at least 95%, the participating utility's return on equity  
14 shall be reduced by 5 basis points.

15 The financial penalties shall be applied as described in  
16 this subsection (f-5) for the 12-month period in which the  
17 deficiency occurred through a separate tariff mechanism, which  
18 shall be filed by the utility together with its metrics. In the  
19 event the formula rate tariff established pursuant to  
20 subsection (c) of this Section terminates, the utility's  
21 obligations under subsection (f) of this Section and this  
22 subsection (f-5) shall also terminate, provided, however, that  
23 the tariff mechanism established pursuant to subsection (f) of  
24 this Section and this subsection (f-5) shall remain in effect  
25 until any penalties due and owing at the time of such  
26 termination are applied.

1       The Commission shall, after notice and hearing, enter an  
2       order within 120 days after the metrics are filed approving, or  
3       approving with modification, a participating utility's tariff  
4       or mechanism to satisfy the metrics set forth in subsection (f)  
5       of this Section. On June 1 of each subsequent year, each  
6       participating utility shall file a report with the Commission  
7       that includes, among other things, a description of how the  
8       participating utility performed under each metric and an  
9       identification of any extraordinary events that adversely  
10      impacted the utility's performance. Whenever a participating  
11      utility does not satisfy the metrics required pursuant to  
12      subsection (f) of this Section, the Commission shall, after  
13      notice and hearing, enter an order approving financial  
14      penalties in accordance with this subsection (f-5). The  
15      Commission-approved financial penalties shall be applied  
16      beginning with the next rate year. Nothing in this Section  
17      shall authorize the Commission to reduce or otherwise obviate  
18      the imposition of financial penalties for failing to achieve  
19      one or more of the metrics established pursuant to subparagraph  
20      (1) through (4) of subsection (f) of this Section.

21      (f-10) Within 180 days after the effective date of this  
22      amendatory Act of the 101st General Assembly, or no later than  
23      June 1, 2020, whichever comes first, participating utilities  
24      shall file updated tariffs pursuant to this paragraph (f-10) to  
25      put in place additional performance metrics designed to support  
26      Illinois clean energy goals. Those performance metrics shall be

1 based on historical performance data and national best  
2 practices and align economic incentives for the utility with  
3 the achievement of affordable decarbonization, grid  
4 optimization, and cost containment goals. They shall be  
5 designed to achieve performance ratably over the life of the  
6 formula rate tariff created pursuant to this section 16-108.5.  
7 Performance metrics under this paragraph (f-10) shall include  
8 metrics in all of the following categories:

9 (1) Decarbonization. Metrics shall be established to  
10 measure the carbon intensity of energy delivered to retail  
11 customers on a lbs per kWh basis; peak demand reductions;  
12 changes in load shape needed to cost-effectively integrate  
13 distributed energy and renewable energy resources; and the  
14 time it takes to interconnect distributed energy and  
15 renewable energy resources.

16 (2) Grid optimization. Metrics shall be established to  
17 measure: instances of curtailment of distributed energy  
18 and renewable energy resources; numbers and duration of  
19 distribution system reliability events; use of non-utility  
20 devices to respond to reliability events; and the use of  
21 non-wires alternative investments to respond to  
22 distribution infrastructure needs.

23 (3) Beneficial electrification. Metrics shall be  
24 established to measure the adoption of electric vehicles,  
25 the charging of electric vehicles, and the impact of  
26 electric vehicle charging on the distribution grid.

1           (4) Customer engagement and satisfaction. Metrics  
2           shall be established to measure the enrollment and response  
3           of customers on time-of-use, dynamic, or real-time pricing  
4           programs.

5           Once the participating utilities file the tariff or tariffs  
6           required by this subsection, the Commission shall open an  
7           investigation into the proposed metrics. Such investigation  
8           shall be to establish the baseline of performance for each  
9           metric and the financial incentives and penalties which shall  
10          be associated with metrics approved for each category. During  
11          the course of the investigation, the Commission may approve  
12          additional metrics to the extent such metrics will support  
13          achievement of Illinois energy policy goals and the provision  
14          of affordable service. The Commission investigation pursuant  
15          to this subsection (f-10) shall be concluded by December 31,  
16          2020, and the first year of performance measured shall be the  
17          calendar year 2021.

18          (g) On or before July 31, 2014, each participating utility  
19          shall file a report with the Commission that sets forth the  
20          average annual increase in the average amount paid per  
21          kilowatthour for residential eligible retail customers,  
22          exclusive of the effects of energy efficiency programs,  
23          comparing the 12-month period ending May 31, 2012; the 12-month  
24          period ending May 31, 2013; and the 12-month period ending May  
25          31, 2014. For a participating utility that is a combination  
26          utility with more than one rate zone, the weighted average

1 aggregate increase shall be provided. The report shall be filed  
2 together with a statement from an independent auditor attesting  
3 to the accuracy of the report. The cost of the independent  
4 auditor shall be borne by the participating utility and shall  
5 not be a recoverable expense. "The average amount paid per  
6 kilowatthour" shall be based on the participating utility's  
7 tariffed rates actually in effect and shall not be calculated  
8 using any hypothetical rate or adjustments to actual charges  
9 (other than as specified for energy efficiency) as an input.

10 In the event that the average annual increase exceeds 2.5%  
11 as calculated pursuant to this subsection (g), then Sections  
12 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act, other  
13 than this subsection, shall be inoperative as they relate to  
14 the utility and its service area as of the date of the report  
15 due to be submitted pursuant to this subsection and the utility  
16 shall no longer be eligible to annually update the  
17 performance-based formula rate tariff pursuant to subsection  
18 (d) of this Section. In such event, the then current rates  
19 shall remain in effect until such time as new rates are set  
20 pursuant to Article IX of this Act, subject to retroactive  
21 adjustment, with interest, to reconcile rates charged with  
22 actual costs, and the participating utility's voluntary  
23 commitments and obligations under subsection (b) of this  
24 Section shall immediately terminate, except for the utility's  
25 obligation to pay an amount already owed to the fund for  
26 training grants pursuant to a Commission order issued under



1 subsection (b) of this Section.

2 In the event that the average annual increase is 2.5% or  
3 less as calculated pursuant to this subsection (g), then the  
4 performance-based formula rate shall remain in effect as set  
5 forth in this Section.

6 For purposes of this Section, the amount per kilowatthour  
7 means the total amount paid for electric service expressed on a  
8 per kilowatthour basis, and the total amount paid for electric  
9 service includes without limitation amounts paid for supply,  
10 transmission, distribution, surcharges, and add-on taxes  
11 exclusive of any increases in taxes or new taxes imposed after  
12 October 26, 2011 (the effective date of Public Act 97-616). For  
13 purposes of this Section, "eligible retail customers" shall  
14 have the meaning set forth in Section 16-111.5 of this Act.

15 The fact that this Section becomes inoperative as set forth  
16 in this subsection shall not be construed to mean that the  
17 Commission may reexamine or otherwise reopen prudence or  
18 reasonableness determinations already made.

19 (h) By December 31, 2017, the Commission shall prepare and  
20 file with the General Assembly a report on the infrastructure  
21 program and the performance-based formula rate. The report  
22 shall include the change in the average amount per kilowatthour  
23 paid by residential customers between June 1, 2011 and May 31,  
24 2017. If the change in the total average rate paid exceeds 2.5%  
25 compounded annually, the Commission shall include in the report  
26 an analysis that shows the portion of the change due to the

1 delivery services component and the portion of the change due  
2 to the supply component of the rate. The report shall include  
3 separate sections for each participating utility.

4 Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of  
5 this Act, other than this subsection (h), are inoperative after  
6 December 31, 2022 for every participating utility, after which  
7 time a participating utility shall no longer be eligible to  
8 annually update the performance-based formula rate tariff  
9 pursuant to subsection (d) of this Section. At such time, the  
10 then current rates shall remain in effect until such time as  
11 new rates are set pursuant to Article IX of this Act, subject  
12 to retroactive adjustment, with interest, to reconcile rates  
13 charged with actual costs.

14 The fact that this Section becomes inoperative as set forth  
15 in this subsection shall not be construed to mean that the  
16 Commission may reexamine or otherwise reopen prudence or  
17 reasonableness determinations already made.

18 (i) While a participating utility may use, develop, and  
19 maintain broadband systems and the delivery of broadband  
20 services, voice-over-internet-protocol services,  
21 telecommunications services, and cable and video programming  
22 services for use in providing delivery services and Smart Grid  
23 functionality or application to its retail customers,  
24 including, but not limited to, the installation,  
25 implementation and maintenance of Smart Grid electric system  
26 upgrades as defined in Section 16-108.6 of this Act, a

1 participating utility is prohibited from offering to its retail  
2 customers broadband services or the delivery of broadband  
3 services, voice-over-internet-protocol services,  
4 telecommunications services, or cable or video programming  
5 services, unless they are part of a service directly related to  
6 delivery services or Smart Grid functionality or applications  
7 as defined in Section 16-108.6 of this Act, and from recovering  
8 the costs of such offerings from retail customers.

9 (j) Nothing in this Section is intended to legislatively  
10 overturn the opinion issued in Commonwealth Edison Co. v. Ill.  
11 Commerce Comm'n, Nos. 2-08-0959, 2-08-1037, 2-08-1137,  
12 1-08-3008, 1-08-3030, 1-08-3054, 1-08-3313 cons. (Ill. App.  
13 Ct. 2d Dist. Sept. 30, 2010). Public Act 97-616 shall not be  
14 construed as creating a contract between the General Assembly  
15 and the participating utility, and shall not establish a  
16 property right in the participating utility.

17 (k) The changes made in subsections (c) and (d) of this  
18 Section by Public Act 98-15 are intended to be a restatement  
19 and clarification of existing law, and intended to give binding  
20 effect to the provisions of House Resolution 1157 adopted by  
21 the House of Representatives of the 97th General Assembly and  
22 Senate Resolution 821 adopted by the Senate of the 97th General  
23 Assembly that are reflected in paragraph (3) of this  
24 subsection. In addition, Public Act 98-15 preempts and  
25 supersedes any final Commission orders entered in Docket Nos.  
26 11-0721, 12-0001, 12-0293, and 12-0321 to the extent

1 inconsistent with the amendatory language added to subsections  
2 (c) and (d).

3 (1) No earlier than 5 business days after May 22, 2013  
4 (the effective date of Public Act 98-15), each  
5 participating utility shall file any tariff changes  
6 necessary to implement the amendatory language set forth in  
7 subsections (c) and (d) of this Section by Public Act 98-15  
8 and a revised revenue requirement under the participating  
9 utility's performance-based formula rate. The Commission  
10 shall enter a final order approving such tariff changes and  
11 revised revenue requirement within 21 days after the  
12 participating utility's filing.

13 (2) Notwithstanding anything that may be to the  
14 contrary, a participating utility may file a tariff to  
15 retroactively recover its previously unrecovered actual  
16 costs of delivery service that are no longer subject to  
17 recovery through a reconciliation adjustment under  
18 subsection (d) of this Section. This retroactive recovery  
19 shall include any derivative adjustments resulting from  
20 the changes to subsections (c) and (d) of this Section by  
21 Public Act 98-15. Such tariff shall allow the utility to  
22 assess, on current customer bills over a period of 12  
23 monthly billing periods, a charge or credit related to  
24 those unrecovered costs with interest at the utility's  
25 weighted average cost of capital during the period in which  
26 those costs were unrecovered. A participating utility may

1 file a tariff that implements a retroactive charge or  
2 credit as described in this paragraph for amounts not  
3 otherwise included in the tariff filing provided for in  
4 paragraph (1) of this subsection (k). The Commission shall  
5 enter a final order approving such tariff within 21 days  
6 after the participating utility's filing.

7 (3) The tariff changes described in paragraphs (1) and  
8 (2) of this subsection (k) shall relate only to, and be  
9 consistent with, the following provisions of Public Act  
10 98-15: paragraph (2) of subsection (c) regarding year-end  
11 capital structure, subparagraph (D) of paragraph (4) of  
12 subsection (c) regarding pension assets, and subsection  
13 (d) regarding the reconciliation components related to  
14 year-end rate base and interest calculated at a rate equal  
15 to the utility's weighted average cost of capital.

16 (4) Nothing in this subsection is intended to effect a  
17 dismissal of or otherwise affect an appeal from any final  
18 Commission orders entered in Docket Nos. 11-0721, 12-0001,  
19 12-0293, and 12-0321 other than to the extent of the  
20 amendatory language contained in subsections (c) and (d) of  
21 this Section of Public Act 98-15.

22 (1) Each participating utility shall be deemed to have been  
23 in full compliance with all requirements of subsection (b) of  
24 this Section, subsection (c) of this Section, Section 16-108.6  
25 of this Act, and all Commission orders entered pursuant to  
26 Sections 16-108.5 and 16-108.6 of this Act, up to and including

1 May 22, 2013 (the effective date of Public Act 98-15). The  
2 Commission shall not undertake any investigation of such  
3 compliance and no penalty shall be assessed or adverse action  
4 taken against a participating utility for noncompliance with  
5 Commission orders associated with subsection (b) of this  
6 Section, subsection (c) of this Section, and Section 16-108.6  
7 of this Act prior to such date. Each participating utility  
8 other than a combination utility shall be permitted, without  
9 penalty, a period of 12 months after such effective date to  
10 take actions required to ensure its infrastructure investment  
11 program is in compliance with subsection (b) of this Section  
12 and with Section 16-108.6 of this Act. Provided further, the  
13 following subparagraphs shall apply to a participating utility  
14 other than a combination utility:

15 (A) if the Commission has initiated a proceeding  
16 pursuant to subsection (e) of Section 16-108.6 of this Act  
17 that is pending as of May 22, 2013 (the effective date of  
18 Public Act 98-15), then the order entered in such  
19 proceeding shall, after notice and hearing, accelerate the  
20 commencement of the meter deployment schedule approved in  
21 the final Commission order on rehearing entered in Docket  
22 No. 12-0298;

23 (B) if the Commission has entered an order pursuant to  
24 subsection (e) of Section 16-108.6 of this Act prior to May  
25 22, 2013 (the effective date of Public Act 98-15) that does  
26 not accelerate the commencement of the meter deployment

1 schedule approved in the final Commission order on  
2 rehearing entered in Docket No. 12-0298, then the utility  
3 shall file with the Commission, within 45 days after such  
4 effective date, a plan for accelerating the commencement of  
5 the utility's meter deployment schedule approved in the  
6 final Commission order on rehearing entered in Docket No.  
7 12-0298; the Commission shall reopen the proceeding in  
8 which it entered its order pursuant to subsection (e) of  
9 Section 16-108.6 of this Act and shall, after notice and  
10 hearing, enter an amendatory order that approves or  
11 approves as modified such accelerated plan within 90 days  
12 after the utility's filing; or

13 (C) if the Commission has not initiated a proceeding  
14 pursuant to subsection (e) of Section 16-108.6 of this Act  
15 prior to May 22, 2013 (the effective date of Public Act  
16 98-15), then the utility shall file with the Commission,  
17 within 45 days after such effective date, a plan for  
18 accelerating the commencement of the utility's meter  
19 deployment schedule approved in the final Commission order  
20 on rehearing entered in Docket No. 12-0298 and the  
21 Commission shall, after notice and hearing, approve or  
22 approve as modified such plan within 90 days after the  
23 utility's filing.

24 Any schedule for meter deployment approved by the  
25 Commission pursuant to this subsection (1) shall take into  
26 consideration procurement times for meters and other equipment

1 and operational issues. Nothing in Public Act 98-15 shall  
2 shorten or extend the end dates for the 5-year or 10-year  
3 periods set forth in subsection (b) of this Section or Section  
4 16-108.6 of this Act. Nothing in this subsection is intended to  
5 address whether a participating utility has, or has not,  
6 satisfied any or all of the metrics and performance goals  
7 established pursuant to subsection (f) of this Section.

8 (m) The provisions of Public Act 98-15 are severable under  
9 Section 1.31 of the Statute on Statutes.

10 (Source: P.A. 99-143, eff. 7-27-15; 99-642, eff. 7-28-16;  
11 99-906, eff. 6-1-17; 100-840, eff. 8-13-18.)

12 (220 ILCS 5/16-108.9 new)

13 Sec. 16-108.9. Clean Energy Empowerment Zone pilot  
14 projects.

15 (a) The General Assembly finds that it is important to  
16 support the rapid transition in the energy sector to put  
17 Illinois on a path to 100% renewable energy. This will require  
18 leveraging new technologies and solutions to support grid  
19 reliability to address issues such as the shift from large,  
20 centralized, fossil generation to wind, solar, and distributed  
21 energy resources. To that end, the General Assembly sees the  
22 need for developing pilot projects in Clean Energy Empowerment  
23 Zones that enhance reliability while facilitating the  
24 transition toward clean energy.

25 (b) An electric utility serving more than 100,000 retail



1 customers may propose one or more Clean Energy Empowerment Zone  
2 pilot projects to the Illinois Commerce Commission to conduct a  
3 competitive procurement for independently owned energy storage  
4 systems to be located in Clean Energy Empowerment Zones. The  
5 Commission shall evaluate the projects based on their ability  
6 to address present and future reliability needs identified by  
7 the Midcontinent Independent System Operator, PJM  
8 Interconnection, electric utilities, or independent analysts.  
9 In addition to supporting reliability, a qualifying project  
10 must support the transition toward or development of clean  
11 energy.

12 (c) The Clean Energy Empowerment Zones described in this  
13 Section shall be the same as defined by the Department of  
14 Commerce and Economic Opportunity in the Clean Energy  
15 Empowerment Zones Act.

16 (d) The Clean Energy Empowerment Zone pilot projects shall  
17 closely coordinate with actual and expected development of new  
18 wind projects and new solar projects as described in Section  
19 1-75 of the Illinois Power Agency Act, electric vehicle  
20 adopted, and Community Energy and Climate Plans as defined in  
21 the Community Energy and Climate Planning Act.

22 (e) Upon approval of a Clean Energy Empowerment Zone pilot  
23 project by the Illinois Commerce Commission, an electric  
24 utility is authorized to enter into a distribution services  
25 contract with new energy storage system projects in accordance  
26 with the approved project. Nothing in this Section or in the

1 distribution services contract shall preclude the energy  
2 storage project from providing additional wholesale market  
3 services.

4 (f) An electric utility that elects to undertake the  
5 investment described in subsection (b) of this Section may, at  
6 its election, recover the costs of such investment through an  
7 automatic adjustment clause tariff or through a delivery  
8 services charge regardless of how the costs are classified on  
9 the utility's books and records of account.

10 (g) To the extent feasible and consistent with State and  
11 federal law, the investments made pursuant to this Section  
12 shall provide employment opportunities for former workers in  
13 fossil fuel industries and participants in the Clean Jobs  
14 Workforce Hubs as defined in the Clean Jobs Workforce Hubs Act.

15 (h) Nothing in this Section is intended to limit the  
16 ability of any other entity to develop, construct, or install  
17 an energy storage system. In addition, nothing in this Section  
18 is intended to limit or alter otherwise applicable  
19 interconnection requirements.

20 (220 ILCS 5/16-108.17 new)

21 Sec. 16-108.17. Distribution system planning.

22 (a) It is the policy of the State of Illinois to promote  
23 cost-effective distribution system planning that minimizes  
24 long-term costs for Illinois utility customers and supports the  
25 achievement of State carbon reduction and energy policy goals.

1 The General Assembly makes the following findings:

2 (1) Investment in infrastructure to support existing  
3 and new distributed energy resources creates significant  
4 economic development, environmental, and public health  
5 benefits in the State of Illinois.

6 (2) Distribution system planning is an important tool  
7 for the Commission, electric utilities, and stakeholders  
8 to identify and support opportunities to maintain and  
9 enhance the safety, security, reliability, and resilience  
10 of the electricity grid, at fair and reasonable costs,  
11 consistent with the state's energy policies.

12 (3) A distribution system planning process can  
13 minimize distribution system costs to consumers while  
14 advancing other Illinois energy policy goals by supporting  
15 integration of distributed energy resources and the  
16 procurement of non-wires alternatives to capital  
17 investments. It can identify areas in need of investment  
18 and utilize distributed energy resources to meet those  
19 needs. This can assist in the development of opportunities  
20 for investment that can lower system costs for all  
21 customers. Where possible, utilization of all system  
22 resources can result in a more efficient and optimized  
23 planning and operation of the distribution grid.

24 (4) The planning process should maximize the sharing of  
25 information, minimize overlap with existing filing  
26 requirements to ensure robust stakeholder participation,

1 and recognize the responsibility of the utility to  
2 ultimately manage the grid in a safe, reliable manner.

3 (b) Terms used in this Section have the same meanings as  
4 defined in Sections 16-102, 16-107.6, and 16-108.

5 (c) An electric utility serving more than 100,000 customers  
6 on January 1, 2009 shall prepare and file a distribution system  
7 investment plan no later than June 1, 2020. Within 45 days  
8 after the filing, the Commission shall, with reasonable notice,  
9 open an investigation to consider whether the plan meets the  
10 objectives described in subsection (d) and contains the  
11 information required by subsection (e). The Commission shall  
12 issue a final order approving the plan, with any modifications  
13 the Commission deems reasonable and appropriate to achieve the  
14 goals of this Section, within 270 days of the plan filing. The  
15 final approved plan shall be part of the record used in the  
16 Commission proceeding referenced in subsection (e) of Section  
17 16-107.6, provided that investigation has not been completed  
18 prior to the initial filing date referenced in this subsection.  
19 The utility shall work with stakeholders in advance of the plan  
20 filing to further develop the organization, content, and  
21 composition of the plan consistent with the requirements  
22 described in this Section.

23 (d) The plan shall be designed to:

24 (1) identify optimal locations for the deployment of  
25 distributed resources;

26 (2) evaluate locational benefits and costs of

1 distributed resources located on the distribution system;  
2 this evaluation shall be based on reductions or increases  
3 in local generation capacity needs, avoided or increased  
4 investments in distribution infrastructure, safety  
5 benefits, reliability benefits, and any other savings the  
6 distributed resources provide to the electrical grid or  
7 costs to ratepayers of the electrical corporation;

8 (3) ensure optimized utilization of electricity grid  
9 assets and resources to minimize total system costs;

10 (4) enable greater customer engagement, empowerment,  
11 and options for energy services;

12 (5) move toward the creation of efficient,  
13 cost-effective, accessible grid platforms for new  
14 products, new services, and opportunities for adoption of  
15 new distributed technologies;

16 (6) bring the benefits of grid modernization and the  
17 deployment of distributed energy resources to all  
18 communities, including economically disadvantaged  
19 communities, throughout Illinois;

20 (7) reduce grid congestion to facilitate availability  
21 and development of distributed energy resources;

22 (8) support investment in non-wires alternatives where  
23 cost-effective;

24 (9) provide analysis of the cost-effectiveness of  
25 proposed system investments relative to alternatives  
26 considered;

1           (10) to the maximum extent possible, achieve or support  
2           the achievement of greenhouse gas emission reductions, as  
3           defined in Section 9.10 of the Environmental Protection  
4           Act;

5           (11) support existing Illinois policy goals promoting  
6           the steady long-term growth of energy efficiency, demand  
7           response, and investments in renewable energy resources;  
8           and

9           (12) provide sufficient information to stakeholders  
10          and market participants to better understand the planning  
11          and operations of the distribution system so that the  
12          creation and offering of innovative products and services  
13          are supported.

14          For the purposes of this Section, "cost-effectiveness"  
15          means a comparison between the costs of a proposed investment  
16          and the benefits of avoided energy costs, avoided system  
17          capacity costs, avoided transmission costs, avoided costs of  
18          compliance with future carbon emission regulations, and any  
19          other quantifiable avoided utility system costs.

20          (e) The plan shall contain the following information:

21               (1) Distribution system planning processes: A  
22               description of the utility's distribution system planning  
23               process, including:

24                       (A) an overview of the current process, including  
25                       frequency and duration of the process, and the roles  
26                       and responsibilities of individuals and organizations

1 involved;

2 (B) a description of internal organizational  
3 alignment of the process with other internal planning  
4 processes, such as load forecasting, interconnection  
5 and hosting capacity projections, and information  
6 technology investments;

7 (C) a description of process alignment with any  
8 other external planning process, such as those  
9 required by a regional transmission operator; and

10 (D) a description of how current planning will  
11 respond to the growth and utilization of distributed  
12 energy resources and future technologies.

13 (2) Baseline distribution system data: A discussion  
14 detailing the current operating conditions for the  
15 distribution utility system, including a detailed  
16 description, with supporting data, of system conditions,  
17 including asset age and useful life, ratings, loadings, and  
18 other characteristics, as well as:

19 (A) the distribution system annual loss percentage  
20 for the prior year (average of 12 monthly loss  
21 percentages);

22 (B) the maximum hourly coincident load (kW) for the  
23 distribution system as measured at the interface  
24 between the transmission and distribution system;

25 (C) total distribution substation capacity in kVA;

26 (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:



1           (A) historical distribution system spending for  
2           the past 5 years, in each category: age-related  
3           replacements and asset renewal; system expansion or  
4           upgrades for capacity; system expansion or upgrades  
5           for reliability and power quality; and

6           (B) projected distribution system spending for 10  
7           years into the future for the categories listed in  
8           items (1) and (2) of this subsection, itemizing any  
9           non-traditional distribution projects, including:  
10          planned distribution capital projects, including  
11          drivers for the project, and summary of anticipated  
12          changes in historic spending; and provide any  
13          available cost-benefit analysis in which the company  
14          evaluated a non-traditional distribution system  
15          solution to either a capital or operating upgrade or  
16          replacement.

17          (4) Distributed energy resource deployment:

18               (A) a discussion of how the impacts of the  
19               utility's energy efficiency program impacts are  
20               factored into load forecasts at the substation or  
21               circuit level;

22               (B) a discussion of how other distributed energy  
23               resources are considered in load forecasting and any  
24               expected changes in load forecasting methodology;

25               (C) total costs spent on distributed energy  
26               resource generation installation in the prior year

1       (including application review, responding to  
2       inquiries, metering, testing, and make-ready costs);

3       (D) total charges to customers and installers of  
4       distributed energy resources for the prior year,  
5       including application, metering, and make-ready fees;

6       (E) total number and nameplate kW of distributed  
7       energy resources that completed interconnection to the  
8       system in the prior year, including average time to  
9       process interconnection applications;

10       (F) the current distributed energy resource  
11       deployment by type, size, and geographic dispersion  
12       (as useful for planning purposes, such as by planning  
13       areas, operation/service/work areas, zip codes, and  
14       municipal boundaries);

15       (G) information on areas of existing or forecasted  
16       low, moderate, and high distributed energy resource  
17       penetration;

18       (H) a list of areas with existing or forecasted  
19       abnormal voltage or frequency issues that may benefit  
20       from the utilization of advanced inverter technology;

21       (I) a list of areas where distributed generation  
22       can create savings and value on the distribution system  
23       by being co-located or in close proximity to electric  
24       vehicle charging infrastructure that: (i) is used by  
25       medium-duty and heavy-duty vehicles; (ii) primarily  
26       serves environmental justice communities; and (iii) is

1 part of an optimized charging program, time-of-use  
2 program, or other beneficial electrification program,  
3 as described in Section 16-107.8 of this Act,  
4 reflecting the value of the additional benefits  
5 created by locating the project near and supporting  
6 adoption of electric vehicle infrastructure that is  
7 helping to reduce pollution from the transportation  
8 sector; and

9 (J) a list of areas where non-wires alternative  
10 investments may be developed to defer or avoid  
11 traditional infrastructure investments along with the  
12 criteria used to make such determinations, in  
13 conjunction with the analysis required by paragraph  
14 (7) of this subsection (e).

15 (5) Hosting capacity and interconnection requirements:

16 A hosting capacity analysis, made available to the public  
17 on a website with mapping and GIS capability, and with  
18 detail at the block level, that includes a detailed and  
19 current analysis of how much capacity is available on each  
20 substation, circuit, and node for integrating new  
21 distributed energy resources as allowed by thermal  
22 ratings, protection system limits, power quality  
23 standards, and safety standards. The analysis must also  
24 include:

25 (A) circuit level maps and downloadable data sets  
26 for public use;

1           (B) an assessment of how utility planned  
2           investments over the next 5 years will impact the  
3           analysis; and

4           (C) a narrative discussion on how the hosting  
5           capacity analysis advances customer-sited distributed  
6           energy resources (in particular photovoltaic and  
7           electric storage systems); how the utility anticipates  
8           using the analysis to identify necessary distribution  
9           upgrades to support the continued development of  
10          distributed generation resources; and how distributed  
11          energy resources, including energy efficiency, demand  
12          response, and storage, can be used to enhance hosting  
13          capacity.

14          (6) Scenario analysis and forecasting: The plan shall  
15          include load forecasts over the next 10 years at the  
16          substation and circuit level using dynamic load  
17          forecasting utilizing multiple scenarios and probabilistic  
18          planning. In particular, the plan shall include the  
19          following:

20               (A) definitions and a discussion of the  
21               development of base-case, medium, and high scenarios  
22               regarding increased distributed energy resource  
23               deployment. Scenarios shall reflect a reasonable mix  
24               of individual distributed energy resource adoption and  
25               aggregated or bundled distributed energy resource  
26               service types, and shall include the projected load

1 forecast impacts of distributed energy resource  
2 investments, including investments in energy  
3 efficiency, demand response, and storage. The scenario  
4 analysis shall include information on the  
5 methodologies used to develop the low, medium, and high  
6 scenarios, including adoption rates, geographic  
7 deployment assumptions, expected load profiles, and  
8 any other relevant assumptions factored into the  
9 scenario discussion;

10 (B) a discussion of the processes and tools that  
11 would be necessary to accommodate the specified levels  
12 of distributed energy resource adoption, including  
13 whether existing processes and tools would be  
14 sufficient. The utility shall provide a discussion of  
15 the system impacts that may arise from increased  
16 distributed energy resource adoption, potential  
17 barriers to distributed energy resource integration,  
18 and the types of system upgrades that may be necessary  
19 to accommodate the distributed energy resource at the  
20 listed penetration levels, and considerations of how  
21 such resources can be utilized as an alternative to  
22 system investments;

23 (C) a discussion of how present and projected  
24 reductions in the demand for energy may result from  
25 measures to improve energy efficiency;

26 (D) information on anticipated impacts from FERC

1 Order 841 (Electric Storage Participation in Markets  
2 Operated by Regional Transmission Organizations and  
3 Independent System Operators) and a discussion of  
4 potential impacts from the related FERC Docket No.  
5 RM18-9-000 (Participation of Distributed Energy  
6 Resource Aggregations in Markets Operated by Regional  
7 Transmission Organizations and Independent System  
8 Operators); and

9 (E) a discussion of how the distribution system  
10 planning is coordinated with Commission orders  
11 regarding the procurement of renewable resources as  
12 discussed in Section 16-111.5 of this Act; energy  
13 efficiency plans as discussed in Section 8-103B of this  
14 Act; distributed generation rebates as discussed in  
15 Section 16-107.6 of this Act; and any other order  
16 affecting the goals described in subsection (d) of this  
17 Section.

18 (7) Non-wires alternatives analysis:

19 (A) detailed discussion of all distribution system  
20 projects in the coming 10 years that are anticipated to  
21 have a total cost of greater than \$1,000,000. For these  
22 projects, an analysis of how non-wires alternatives,  
23 including increased local energy efficiency beyond  
24 what will occur through system-wide programs, demand  
25 response, distributed generation, and storage, compare  
26 in terms of viability and cost-effectiveness shall be

1 included. Such comparisons must include consideration  
2 of the benefits of distributed energy resources beyond  
3 meeting local reliability needs (for example, avoided  
4 energy costs, avoided system capacity costs, avoided  
5 transmission costs, and reduced exposure to future  
6 environmental regulations);

7 (B) identification of the project types that would  
8 lend themselves to non-traditional solutions (i.e.  
9 load relief or reliability);

10 (C) timelines needed to consider alternatives to  
11 any project types that would lend themselves to  
12 non-traditional solutions (allowing time for potential  
13 request for proposal, response, review, contracting  
14 and implementation); and

15 (D) the cost threshold of any project type that  
16 would need to be met to have a non-traditional solution  
17 reviewed may be updated by the Commission after  
18 receiving stakeholder input through the distribution  
19 system plan update process described in subsection (g)  
20 of this Section.

21 (8) Proposed distribution system investments. The plan  
22 shall identify proposed investments, including the reason  
23 for investment, projected costs, projected impacts on  
24 other elements of utility system costs, scope of work,  
25 prioritization and sequencing of investments, and  
26 explanations of how planned investments will support the

1 goals described in subsection (d) of this Section. For  
2 proposed traditional investments, the plan shall identify  
3 if non-wires alternatives were considered and justify why  
4 they were not chosen. The plan shall also identify  
5 investments in energy efficiency beyond what is provided  
6 for in Section 8-103B of this Act and other distributed  
7 energy resources as non-wires alternatives, including  
8 demand response, distributed generation, and storage.

9 (f) The Commission shall approve, approve with  
10 modifications, or reject the plan within 180 days. The  
11 Commission may approve the plan if it finds that the plan will  
12 achieve the goals described in subsection (d) of this Section.  
13 Proceedings under this Section shall proceed according to the  
14 rules provided under Section 9-201 of this Act. Information  
15 contained in the approved plan shall be considered part of the  
16 record in any Commission proceeding under subsection (e) of  
17 Section 16-107.6 of this Act. Approval of the plan shall not be  
18 construed as approval of any project or investment included in  
19 the plan, and approval of the plan does not constitute approval  
20 of costs associated with it. Costs associated with any project  
21 or investment associated with the plan shall be reviewed  
22 pursuant to Section 16-108.5 of this Act or Section 9-220 of  
23 this Act.

24 (g) Subsequent to the initial plan approval, the utility  
25 shall file an update to the plan on June 1, 2022, and every 24  
26 months thereafter. This update shall describe the distribution



1 system investments made during the prior plan period, the  
2 investments planned to be made in the following 24 months, and  
3 updates to the information required by subsection (e) of this  
4 Section. Within 35 days after the utility files its plan  
5 update, the Commission shall, upon complaint, petition, or its  
6 own initiative, but with reasonable notice, enter upon an  
7 investigation regarding the utility's plan update to ensure  
8 that the objectives described in subsection (d) of this Section  
9 are being achieved. If the Commission finds, after notice and  
10 hearing, that the utility's Plan is materially deficient in any  
11 way, the Commission shall issue an order requiring the  
12 participating utility to devise a corrective action plan,  
13 subject to Commission approval and oversight, to bring the plan  
14 into alignment with the goals of this Section. The Commission's  
15 order must be entered within 180 days after the utility files  
16 its annual report. The Commission shall have the authority to  
17 modify the information required by subsection (e) of this  
18 Section provided that modification does not impair the  
19 achievement of the goals described in subsection (d) of this  
20 Section.

21 (220 ILCS 5/16-111.5)

22 Sec. 16-111.5. Provisions relating to procurement.

23 (a) An electric utility that on December 31, 2005 served at  
24 least 100,000 customers in Illinois shall procure power and  
25 energy for its eligible retail customers in accordance with the

1 applicable provisions set forth in Section 1-75 of the Illinois  
2 Power Agency Act and this Section. Beginning with the delivery  
3 year commencing on June 1, 2017, such electric utility shall  
4 also procure zero emission credits from zero emission  
5 facilities in accordance with the applicable provisions set  
6 forth in Section 1-75 of the Illinois Power Agency Act, and,  
7 for years beginning on or after June 1, 2017, the utility shall  
8 procure renewable energy resources in accordance with the  
9 applicable provisions set forth in Section 1-75 of the Illinois  
10 Power Agency Act and this Section. Beginning with the delivery  
11 year commencing June 1, 2023, an electric utility that, on  
12 December 31, 2005, served at least 3,000,000 customers in  
13 Illinois shall procure capacity for its retail customers in  
14 accordance with the applicable provisions set forth in Section  
15 1-75 of the Illinois Power Agency Act and this Section. A small  
16 multi-jurisdictional electric utility that on December 31,  
17 2005 served less than 100,000 customers in Illinois may elect  
18 to procure power and energy for all or a portion of its  
19 eligible Illinois retail customers in accordance with the  
20 applicable provisions set forth in this Section and Section  
21 1-75 of the Illinois Power Agency Act. This Section shall not  
22 apply to a small multi-jurisdictional utility until such time  
23 as a small multi-jurisdictional utility requests the Illinois  
24 Power Agency to prepare a procurement plan for its eligible  
25 retail customers. "Eligible retail customers" for the purposes  
26 of this Section means those retail customers that purchase

1 power and energy from the electric utility under fixed-price  
2 bundled service tariffs, other than those retail customers  
3 whose service is declared or deemed competitive under Section  
4 16-113 and those other customer groups specified in this  
5 Section, including self-generating customers, customers  
6 electing hourly pricing, or those customers who are otherwise  
7 ineligible for fixed-price bundled tariff service. For those  
8 customers that are excluded from the procurement plan's  
9 electric supply service requirements, and the utility shall  
10 procure any supply requirements, including capacity, ancillary  
11 services, and hourly priced energy, in the applicable markets  
12 as needed to serve those customers, provided that the utility  
13 may include in its procurement plan load requirements for the  
14 load that is associated with those retail customers whose  
15 service has been declared or deemed competitive pursuant to  
16 Section 16-113 of this Act to the extent that those customers  
17 are purchasing power and energy during one of the transition  
18 periods identified in subsection (b) of Section 16-113 of this  
19 Act.

20 (b) A procurement plan shall be prepared for each electric  
21 utility consistent with the applicable requirements of the  
22 Illinois Power Agency Act and this Section. For purposes of  
23 this Section, Illinois electric utilities that are affiliated  
24 by virtue of a common parent company are considered to be a  
25 single electric utility. Small multi-jurisdictional utilities  
26 may request a procurement plan for a portion of or all of its

1 Illinois load. Each procurement plan shall analyze the  
2 projected balance of supply and demand for those retail  
3 customers to be included in the plan's electric supply service  
4 requirements over a 5-year period, with the first planning year  
5 beginning on June 1 of the year following the year in which the  
6 plan is filed. The plan shall specifically identify the  
7 carbon-free capacity to be procured, as described in Section  
8 1-75 of the Illinois Power Agency Act, and the wholesale  
9 products to be procured following plan approval, and shall  
10 follow all the requirements set forth in the Public Utilities  
11 Act and all applicable State and federal laws, statutes, rules,  
12 or regulations, as well as Commission orders. Nothing in this  
13 Section precludes consideration of contracts longer than 5  
14 years and related forecast data. Unless specified otherwise in  
15 this Section, in the procurement plan or in the implementing  
16 tariff, any procurement occurring in accordance with this plan  
17 shall be competitively bid through a request for proposals  
18 process. Approval and implementation of the procurement plan  
19 shall be subject to review and approval by the Commission  
20 according to the provisions set forth in this Section. A  
21 procurement plan shall include each of the following  
22 components:

23 (1) Hourly load analysis. This analysis shall include:

24 (i) multi-year historical analysis of hourly  
25 loads;

26 (ii) switching trends and competitive retail

1 market analysis;

2 (iii) known or projected changes to future loads;

3 and

4 (iv) growth forecasts by customer class.

5 (2) Analysis of the impact of any demand side and  
6 renewable energy initiatives. This analysis shall include:

7 (i) the impact of demand response programs and  
8 energy efficiency programs, both current and  
9 projected; for small multi-jurisdictional utilities,  
10 the impact of demand response and energy efficiency  
11 programs approved pursuant to Section 8-408 of this  
12 Act, both current and projected; and

13 (ii) supply side needs that are projected to be  
14 offset by purchases of renewable energy resources, if  
15 any.

16 (3) A plan for meeting the expected load requirements  
17 that will not be met through preexisting contracts. This  
18 plan shall include:

19 (i) definitions of the different Illinois retail  
20 customer classes for which supply is being purchased;

21 (ii) the proposed mix of demand-response products  
22 for which contracts will be executed during the next  
23 year. For small multi-jurisdictional electric  
24 utilities that on December 31, 2005 served fewer than  
25 100,000 customers in Illinois, these shall be defined  
26 as demand-response products offered in an energy

1 efficiency plan approved pursuant to Section 8-408 of  
2 this Act. The cost-effective demand-response measures  
3 shall be procured whenever the cost is lower than  
4 procuring comparable capacity products, provided that  
5 such products shall:

6 (A) be procured by a demand-response provider  
7 from those retail customers included in the plan's  
8 electric supply service requirements;

9 (B) at least satisfy the demand-response  
10 requirements of the regional transmission  
11 organization market in which the utility's service  
12 territory is located, including, but not limited  
13 to, any applicable capacity or dispatch  
14 requirements;

15 (C) provide for customers' participation in  
16 the stream of benefits produced by the  
17 demand-response products;

18 (D) provide for reimbursement by the  
19 demand-response provider of the utility for any  
20 costs incurred as a result of the failure of the  
21 supplier of such products to perform its  
22 obligations thereunder; and

23 (E) meet the same credit requirements as apply  
24 to suppliers of capacity, in the applicable  
25 regional transmission organization market;

26 (iii) monthly forecasted system supply

1 requirements, including expected minimum, maximum, and  
2 average values for the planning period;

3 (iv) the proposed mix and selection of standard  
4 wholesale products for which contracts will be  
5 executed during the next year, separately or in  
6 combination, to meet that portion of its load  
7 requirements not met through pre-existing contracts,  
8 including, but not limited to, monthly 5 x 16 peak  
9 period block energy, monthly off-peak wrap energy,  
10 monthly 7 x 24 energy, annual 5 x 16 energy, annual  
11 off-peak wrap energy, annual 7 x 24 energy, monthly  
12 capacity, annual capacity, peak load capacity  
13 obligations, capacity purchase plan, and ancillary  
14 services;

15 (v) proposed term structures for each wholesale  
16 product type included in the proposed procurement plan  
17 portfolio of products; ~~and~~

18 (vi) an assessment of the price risk, load  
19 uncertainty, and other factors that are associated  
20 with the proposed procurement plan; this assessment,  
21 to the extent possible, shall include an analysis of  
22 the following factors: contract terms, time frames for  
23 securing products or services, fuel costs, weather  
24 patterns, transmission costs, market conditions, and  
25 the governmental regulatory environment; the proposed  
26 procurement plan shall also identify alternatives for

1           those portfolio measures that are identified as having  
2           significant price risk; and -

3           (vii) the amount of capacity procured for each year  
4           through the procurements in subsection (k) of Section  
5           1-75 of the Illinois Power Agency Act and this Section,  
6           and the amount of capacity to be procured from each  
7           procurement during the next year.

8           (4) Proposed procedures for balancing loads. The  
9           procurement plan shall include, for load requirements  
10          included in the procurement plan, the process for (i)  
11          hourly balancing of supply and demand and (ii) the criteria  
12          for portfolio re-balancing in the event of significant  
13          shifts in load.

14          (5) Long-Term Renewable Resources Procurement Plan.  
15          The Agency shall prepare a long-term renewable resources  
16          procurement plan for the procurement of renewable energy  
17          credits under Sections 1-56 and 1-75 of the Illinois Power  
18          Agency Act for delivery beginning in the 2017 delivery  
19          year.

20                 (i) The initial long-term renewable resources  
21          procurement plan and all subsequent revisions shall be  
22          subject to review and approval by the Commission. For  
23          the purposes of this Section, "delivery year" has the  
24          same meaning as in Section 1-10 of the Illinois Power  
25          Agency Act. For purposes of this Section, "Agency"  
26          shall mean the Illinois Power Agency.



1           (ii) The long-term renewable resources planning  
2 process shall be conducted as follows:

3           (A) Electric utilities shall provide a range  
4 of load forecasts to the Illinois Power Agency  
5 within 45 days of the Agency's request for  
6 forecasts, which request shall specify the length  
7 and conditions for the forecasts including, but  
8 not limited to, the quantity of distributed  
9 generation expected to be interconnected for each  
10 year.

11           (B) The Agency shall publish for comment the  
12 initial long-term renewable resources procurement  
13 plan no later than 120 days after the effective  
14 date of this amendatory Act of the 99th General  
15 Assembly and shall review, and may revise, the plan  
16 at least every 2 years thereafter. To the extent  
17 practicable, the Agency shall review and propose  
18 any revisions to the long-term renewable energy  
19 resources procurement plan in conjunction with the  
20 Agency's other planning and approval processes  
21 conducted under this Section. The initial  
22 long-term renewable resources procurement plan  
23 shall:

24           (aa) Identify the procurement programs and  
25 competitive procurement events consistent with  
26 the applicable requirements of the Illinois

1 Power Agency Act and shall be designed to  
2 achieve the goals set forth in subsection (c)  
3 of Section 1-75 of that Act.

4 (bb) Include a schedule for procurements  
5 for renewable energy credits from  
6 utility-scale wind projects, utility-scale  
7 solar projects, and brownfield site  
8 photovoltaic projects consistent with  
9 subparagraph (G) of paragraph (1) of  
10 subsection (c) of Section 1-75 of the Illinois  
11 Power Agency Act.

12 (cc) Identify the process whereby the  
13 Agency will submit to the Commission for review  
14 and approval the proposed contracts to  
15 implement the programs required by such plan.

16 Copies of the initial long-term renewable  
17 resources procurement plan and all subsequent  
18 revisions shall be posted and made publicly  
19 available on the Agency's and Commission's  
20 websites, and copies shall also be provided to each  
21 affected electric utility. An affected utility and  
22 other interested parties shall have 45 days  
23 following the date of posting to provide comment to  
24 the Agency on the initial long-term renewable  
25 resources procurement plan and all subsequent  
26 revisions. All comments submitted to the Agency

1 shall be specific, supported by data or other  
2 detailed analyses, and, if objecting to all or a  
3 portion of the procurement plan, accompanied by  
4 specific alternative wording or proposals. All  
5 comments shall be posted on the Agency's and  
6 Commission's websites. During this 45-day comment  
7 period, the Agency shall hold at least one public  
8 hearing within each utility's service area that is  
9 subject to the requirements of this paragraph (5)  
10 for the purpose of receiving public comment.  
11 Within 21 days following the end of the 45-day  
12 review period, the Agency may revise the long-term  
13 renewable resources procurement plan based on the  
14 comments received and shall file the plan with the  
15 Commission for review and approval.

16 (C) Within 14 days after the filing of the  
17 initial long-term renewable resources procurement  
18 plan or any subsequent revisions, any person  
19 objecting to the plan may file an objection with  
20 the Commission. Within 21 days after the filing of  
21 the plan, the Commission shall determine whether a  
22 hearing is necessary. The Commission shall enter  
23 its order confirming or modifying the initial  
24 long-term renewable resources procurement plan or  
25 any subsequent revisions within 120 days after the  
26 filing of the plan by the Illinois Power Agency.

1           (D) The Commission shall approve the initial  
2           long-term renewable resources procurement plan and  
3           any subsequent revisions, including expressly the  
4           forecast used in the plan and taking into account  
5           that funding will be limited to the amount of  
6           revenues actually collected by the utilities, if  
7           the Commission determines that the plan will  
8           reasonably and prudently accomplish the  
9           requirements of Section 1-56 and subsection (c) of  
10          Section 1-75 of the Illinois Power Agency Act. The  
11          Commission shall also approve the process for the  
12          submission, review, and approval of the proposed  
13          contracts to procure renewable energy credits or  
14          implement the programs authorized by the  
15          Commission pursuant to a long-term renewable  
16          resources procurement plan approved under this  
17          Section.

18          (iii) The Agency or third parties contracted by the  
19          Agency shall implement all programs authorized by the  
20          Commission in an approved long-term renewable  
21          resources procurement plan without further review and  
22          approval by the Commission. Third parties shall not  
23          begin implementing any programs or receive any payment  
24          under this Section until the Commission has approved  
25          the contract or contracts under the process authorized  
26          by the Commission in item (D) of subparagraph (ii) of

1 paragraph (5) of this subsection (b) and the third  
2 party and the Agency or utility, as applicable, have  
3 executed the contract. For those renewable energy  
4 credits subject to procurement through a competitive  
5 bid process under the plan or under the initial forward  
6 procurements for wind and solar resources described in  
7 subparagraph (G) of paragraph (1) of subsection (c) of  
8 Section 1-75 of the Illinois Power Agency Act, the  
9 Agency shall follow the procurement process specified  
10 in the provisions relating to electricity procurement  
11 in subsections (e) through (i) of this Section.

12 (iv) An electric utility shall recover its costs  
13 associated with the procurement of renewable energy  
14 credits under this Section through an automatic  
15 adjustment clause tariff under subsection (k) of  
16 Section 16-108 of this Act. A utility shall not be  
17 required to advance any payment or pay any amounts  
18 under this Section that exceed the actual amount of  
19 revenues collected by the utility under paragraph (6)  
20 of subsection (c) of Section 1-75 of the Illinois Power  
21 Agency Act and subsection (k) of Section 16-108 of this  
22 Act, and contracts executed under this Section shall  
23 expressly incorporate this limitation.

24 (v) For the public interest, safety, and welfare,  
25 the Agency and the Commission may adopt rules to carry  
26 out the provisions of this Section on an emergency

1 basis immediately following the effective date of this  
2 amendatory Act of the 99th General Assembly.

3 (vi) On or before July 1 of each year, the  
4 Commission shall hold an informal hearing for the  
5 purpose of receiving comments on the prior year's  
6 procurement process and any recommendations for  
7 change.

8 (c) The procurement process set forth in Section 1-75 of  
9 the Illinois Power Agency Act and subsection (e) of this  
10 Section shall be administered by a procurement administrator  
11 and monitored by a procurement monitor.

12 (1) The procurement administrator shall:

13 (i) design the final procurement process in  
14 accordance with Section 1-75 of the Illinois Power  
15 Agency Act and subsection (e) of this Section following  
16 Commission approval of the procurement plan;

17 (ii) develop benchmarks in accordance with  
18 subsection (e)(3) to be used to evaluate bids; these  
19 benchmarks shall be submitted to the Commission for  
20 review and approval on a confidential basis prior to  
21 the procurement event;

22 (iii) serve as the interface between the electric  
23 utility and suppliers;

24 (iv) manage the bidder pre-qualification and  
25 registration process;

26 (v) obtain the electric utilities' agreement to

1 the final form of all supply contracts and credit  
2 collateral agreements;

3 (vi) administer the request for proposals process;

4 (vii) have the discretion to negotiate to  
5 determine whether bidders are willing to lower the  
6 price of bids that meet the benchmarks approved by the  
7 Commission; any post-bid negotiations with bidders  
8 shall be limited to price only and shall be completed  
9 within 24 hours after opening the sealed bids and shall  
10 be conducted in a fair and unbiased manner; in  
11 conducting the negotiations, there shall be no  
12 disclosure of any information derived from proposals  
13 submitted by competing bidders; if information is  
14 disclosed to any bidder, it shall be provided to all  
15 competing bidders;

16 (viii) maintain confidentiality of supplier and  
17 bidding information in a manner consistent with all  
18 applicable laws, rules, regulations, and tariffs;

19 (ix) submit a confidential report to the  
20 Commission recommending acceptance or rejection of  
21 bids;

22 (x) notify the utility of contract counterparties  
23 and contract specifics; and

24 (xi) administer related contingency procurement  
25 events.

26 (2) The procurement monitor, who shall be retained by

1 the Commission, shall:

2 (i) monitor interactions among the procurement  
3 administrator, suppliers, and utility;

4 (ii) monitor and report to the Commission on the  
5 progress of the procurement process;

6 (iii) provide an independent confidential report  
7 to the Commission regarding the results of the  
8 procurement event;

9 (iv) assess compliance with the procurement plans  
10 approved by the Commission for each utility that on  
11 December 31, 2005 provided electric service to at least  
12 100,000 customers in Illinois and for each small  
13 multi-jurisdictional utility that on December 31, 2005  
14 served less than 100,000 customers in Illinois;

15 (v) preserve the confidentiality of supplier and  
16 bidding information in a manner consistent with all  
17 applicable laws, rules, regulations, and tariffs;

18 (vi) provide expert advice to the Commission and  
19 consult with the procurement administrator regarding  
20 issues related to procurement process design, rules,  
21 protocols, and policy-related matters; and

22 (vii) consult with the procurement administrator  
23 regarding the development and use of benchmark  
24 criteria, standard form contracts, credit policies,  
25 and bid documents.

26 (d) Except as provided in subsection (j), the planning



1 process shall be conducted as follows:

2 (1) Beginning in 2008, each Illinois utility procuring  
3 power pursuant to this Section shall annually provide a  
4 range of load forecasts to the Illinois Power Agency by  
5 July 15 of each year, or such other date as may be required  
6 by the Commission or Agency. The load forecasts shall cover  
7 the 5-year procurement planning period for the next  
8 procurement plan and shall include hourly data  
9 representing a high-load, low-load, and expected-load  
10 scenario for the load of those retail customers included in  
11 the plan's electric supply service requirements. The  
12 utility shall provide supporting data and assumptions for  
13 each of the scenarios.

14 (2) Beginning in 2008, the Illinois Power Agency shall  
15 prepare a procurement plan by August 15th of each year, or  
16 such other date as may be required by the Commission. The  
17 procurement plan shall identify the portfolio of  
18 demand-response and power and energy products to be  
19 procured. Cost-effective demand-response measures shall be  
20 procured as set forth in item (iii) of subsection (b) of  
21 this Section. Copies of the procurement plan shall be  
22 posted and made publicly available on the Agency's and  
23 Commission's websites, and copies shall also be provided to  
24 each affected electric utility. An affected utility shall  
25 have 30 days following the date of posting to provide  
26 comment to the Agency on the procurement plan. Other

1 interested entities also may comment on the procurement  
2 plan. All comments submitted to the Agency shall be  
3 specific, supported by data or other detailed analyses,  
4 and, if objecting to all or a portion of the procurement  
5 plan, accompanied by specific alternative wording or  
6 proposals. All comments shall be posted on the Agency's and  
7 Commission's websites. During this 30-day comment period,  
8 the Agency shall hold at least one public hearing within  
9 each utility's service area for the purpose of receiving  
10 public comment on the procurement plan. Within 14 days  
11 following the end of the 30-day review period, the Agency  
12 shall revise the procurement plan as necessary based on the  
13 comments received and file the procurement plan with the  
14 Commission and post the procurement plan on the websites.

15 (3) Within 5 days after the filing of the procurement  
16 plan, any person objecting to the procurement plan shall  
17 file an objection with the Commission. Within 10 days after  
18 the filing, the Commission shall determine whether a  
19 hearing is necessary. The Commission shall enter its order  
20 confirming or modifying the procurement plan within 90 days  
21 after the filing of the procurement plan by the Illinois  
22 Power Agency.

23 (4) The Commission shall approve the procurement plan,  
24 including expressly the forecast used in the procurement  
25 plan, if the Commission determines that it will ensure  
26 adequate, reliable, affordable, efficient, and

1 environmentally sustainable electric service at the lowest  
2 total cost over time, taking into account any benefits of  
3 price stability.

4 (e) The procurement process shall include each of the  
5 following components:

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

25 (2) Standard contract forms and credit terms and  
26 instruments. The procurement administrator, in

1 consultation with the utilities, the Commission, and other  
2 interested parties and subject to Commission oversight,  
3 shall develop and provide standard contract forms for the  
4 supplier contracts that meet generally accepted industry  
5 practices. Standard credit terms and instruments that meet  
6 generally accepted industry practices shall be similarly  
7 developed. The procurement administrator shall make  
8 available to the Commission all written comments it  
9 receives on the contract forms, credit terms, or  
10 instruments. If the procurement administrator cannot reach  
11 agreement with the applicable electric utility as to the  
12 contract terms and conditions, the procurement  
13 administrator must notify the Commission of any disputed  
14 terms and the Commission shall resolve the dispute. The  
15 terms of the contracts shall not be subject to negotiation  
16 by winning bidders, and the bidders must agree to the terms  
17 of the contract in advance so that winning bids are  
18 selected solely on the basis of price.

19 (3) Establishment of a market-based price benchmark.  
20 As part of the development of the procurement process, the  
21 procurement administrator, in consultation with the  
22 Commission staff, Agency staff, and the procurement  
23 monitor, shall establish benchmarks for evaluating the  
24 final prices in the contracts for each of the products that  
25 will be procured through the procurement process. The  
26 benchmarks shall be based on price data for similar

1 products for the same delivery period and same delivery  
2 hub, or other delivery hubs after adjusting for that  
3 difference. The price benchmarks may also be adjusted to  
4 take into account differences between the information  
5 reflected in the underlying data sources and the specific  
6 products and procurement process being used to procure  
7 power for the Illinois utilities. The benchmarks shall be  
8 confidential but shall be provided to, and will be subject  
9 to Commission review and approval, prior to a procurement  
10 event.

11 (4) Request for proposals competitive procurement  
12 process. The procurement administrator shall design and  
13 issue a request for proposals to supply electricity in  
14 accordance with each utility's procurement plan, as  
15 approved by the Commission. The request for proposals shall  
16 set forth a procedure for sealed, binding commitment  
17 bidding with pay-as-bid settlement, and provision for  
18 selection of bids on the basis of price.

19 (5) A plan for implementing contingencies in the event  
20 of supplier default or failure of the procurement process  
21 to fully meet the expected load requirement due to  
22 insufficient supplier participation, Commission rejection  
23 of results, or any other cause.

24 (i) Event of supplier default: In the event of  
25 supplier default, the utility shall review the  
26 contract of the defaulting supplier to determine if the

1 amount of supply is 200 megawatts or greater, and if  
2 there are more than 60 days remaining of the contract  
3 term. If both of these conditions are met, and the  
4 default results in termination of the contract, the  
5 utility shall immediately notify the Illinois Power  
6 Agency that a request for proposals must be issued to  
7 procure replacement power, and the procurement  
8 administrator shall run an additional procurement  
9 event. If the contracted supply of the defaulting  
10 supplier is less than 200 megawatts or there are less  
11 than 60 days remaining of the contract term, the  
12 utility shall procure power and energy from the  
13 applicable regional transmission organization market,  
14 including ancillary services, capacity, and day-ahead  
15 or real time energy, or both, for the duration of the  
16 contract term to replace the contracted supply;  
17 provided, however, that if a needed product is not  
18 available through the regional transmission  
19 organization market it shall be purchased from the  
20 wholesale market.

21 (ii) Failure of the procurement process to fully  
22 meet the expected load requirement: If the procurement  
23 process fails to fully meet the expected load  
24 requirement due to insufficient supplier participation  
25 or due to a Commission rejection of the procurement  
26 results, the procurement administrator, the

1 procurement monitor, and the Commission staff shall  
2 meet within 10 days to analyze potential causes of low  
3 supplier interest or causes for the Commission  
4 decision. If changes are identified that would likely  
5 result in increased supplier participation, or that  
6 would address concerns causing the Commission to  
7 reject the results of the prior procurement event, the  
8 procurement administrator may implement those changes  
9 and rerun the request for proposals process according  
10 to a schedule determined by those parties and  
11 consistent with Section 1-75 of the Illinois Power  
12 Agency Act and this subsection. In any event, a new  
13 request for proposals process shall be implemented by  
14 the procurement administrator within 90 days after the  
15 determination that the procurement process has failed  
16 to fully meet the expected load requirement.

17 (iii) In all cases where there is insufficient  
18 supply provided under contracts awarded through the  
19 procurement process to fully meet the electric  
20 utility's load requirement, the utility shall meet the  
21 load requirement by procuring power and energy from the  
22 applicable regional transmission organization market,  
23 including ancillary services, capacity, and day-ahead  
24 or real time energy, or both; provided, however, that  
25 if a needed product is not available through the  
26 regional transmission organization market it shall be

1 purchased from the wholesale market.

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

5 (f) Within 2 business days after opening the sealed bids,  
6 the procurement administrator shall submit a confidential  
7 report to the Commission. The report shall contain the results  
8 of the bidding for each of the products along with the  
9 procurement administrator's recommendation for the acceptance  
10 and rejection of bids based on the price benchmark criteria and  
11 other factors observed in the process. The procurement monitor  
12 also shall submit a confidential report to the Commission  
13 within 2 business days after opening the sealed bids. The  
14 report shall contain the procurement monitor's assessment of  
15 bidder behavior in the process as well as an assessment of the  
16 procurement administrator's compliance with the procurement  
17 process and rules. The Commission shall review the confidential  
18 reports submitted by the procurement administrator and  
19 procurement monitor, and shall accept or reject the  
20 recommendations of the procurement administrator within 2  
21 business days after receipt of the reports.

22 (g) Within 3 business days after the Commission decision  
23 approving the results of a procurement event, the utility shall  
24 enter into binding contractual arrangements with the winning  
25 suppliers using the standard form contracts; except that the  
26 utility shall not be required either directly or indirectly to



1 execute the contracts if a tariff that is consistent with  
2 subsection (1) of this Section has not been approved and placed  
3 into effect for that utility.

4 (h) The names of the successful bidders and the load  
5 weighted average of the winning bid prices for each contract  
6 type and for each contract term shall be made available to the  
7 public at the time of Commission approval of a procurement  
8 event. The Commission, the procurement monitor, the  
9 procurement administrator, the Illinois Power Agency, and all  
10 participants in the procurement process shall maintain the  
11 confidentiality of all other supplier and bidding information  
12 in a manner consistent with all applicable laws, rules,  
13 regulations, and tariffs. Confidential information, including  
14 the confidential reports submitted by the procurement  
15 administrator and procurement monitor pursuant to subsection  
16 (f) of this Section, shall not be made publicly available and  
17 shall not be discoverable by any party in any proceeding,  
18 absent a compelling demonstration of need, nor shall those  
19 reports be admissible in any proceeding other than one for law  
20 enforcement purposes.

21 (i) Within 2 business days after a Commission decision  
22 approving the results of a procurement event or such other date  
23 as may be required by the Commission from time to time, the  
24 utility shall file for informational purposes with the  
25 Commission its actual or estimated retail supply charges, as  
26 applicable, by customer supply group reflecting the costs

1 associated with the procurement and computed in accordance with  
2 the tariffs filed pursuant to subsection (1) of this Section  
3 and approved by the Commission.

4 (j) Within 60 days following August 28, 2007 (the effective  
5 date of Public Act 95-481), each electric utility that on  
6 December 31, 2005 provided electric service to at least 100,000  
7 customers in Illinois shall prepare and file with the  
8 Commission an initial procurement plan, which shall conform in  
9 all material respects to the requirements of the procurement  
10 plan set forth in subsection (b); provided, however, that the  
11 Illinois Power Agency Act shall not apply to the initial  
12 procurement plan prepared pursuant to this subsection. The  
13 initial procurement plan shall identify the portfolio of power  
14 and energy products to be procured and delivered for the period  
15 June 2008 through May 2009, and shall identify the proposed  
16 procurement administrator, who shall have the same experience  
17 and expertise as is required of a procurement administrator  
18 hired pursuant to Section 1-75 of the Illinois Power Agency  
19 Act. Copies of the procurement plan shall be posted and made  
20 publicly available on the Commission's website. The initial  
21 procurement plan may include contracts for renewable resources  
22 that extend beyond May 2009.

23 (i) Within 14 days following filing of the initial  
24 procurement plan, any person may file a detailed objection  
25 with the Commission contesting the procurement plan  
26 submitted by the electric utility. All objections to the

1 electric utility's plan shall be specific, supported by  
2 data or other detailed analyses. The electric utility may  
3 file a response to any objections to its procurement plan  
4 within 7 days after the date objections are due to be  
5 filed. Within 7 days after the date the utility's response  
6 is due, the Commission shall determine whether a hearing is  
7 necessary. If it determines that a hearing is necessary, it  
8 shall require the hearing to be completed and issue an  
9 order on the procurement plan within 60 days after the  
10 filing of the procurement plan by the electric utility.

11 (ii) The order shall approve or modify the procurement  
12 plan, approve an independent procurement administrator,  
13 and approve or modify the electric utility's tariffs that  
14 are proposed with the initial procurement plan. The  
15 Commission shall approve the procurement plan if the  
16 Commission determines that it will ensure adequate,  
17 reliable, affordable, efficient, and environmentally  
18 sustainable electric service at the lowest total cost over  
19 time, taking into account any benefits of price stability.

20 (k) (Blank).

21 (k-5) (Blank).

22 (l) An electric utility shall recover its costs incurred  
23 under this Section, including, but not limited to, the costs of  
24 procuring power and energy demand-response resources under  
25 this Section. The utility shall file with the initial  
26 procurement plan its proposed tariffs through which its costs

1 of procuring power that are incurred pursuant to a  
2 Commission-approved procurement plan and those other costs  
3 identified in this subsection (1), will be recovered. The  
4 tariffs shall include a formula rate or charge designed to pass  
5 through both the costs incurred by the utility in procuring a  
6 supply of electric power and energy for the applicable customer  
7 classes with no mark-up or return on the price paid by the  
8 utility for that supply, plus any just and reasonable costs  
9 that the utility incurs in arranging and providing for the  
10 supply of electric power and energy. The formula rate or charge  
11 shall also contain provisions that ensure that its application  
12 does not result in over or under recovery due to changes in  
13 customer usage and demand patterns, and that provide for the  
14 correction, on at least an annual basis, of any accounting  
15 errors that may occur. A utility shall recover through the  
16 tariff all reasonable costs incurred to implement or comply  
17 with any procurement plan that is developed and put into effect  
18 pursuant to Section 1-75 of the Illinois Power Agency Act and  
19 this Section, including any fees assessed by the Illinois Power  
20 Agency, costs associated with load balancing, and contingency  
21 plan costs. The electric utility shall also recover its full  
22 costs of procuring electric supply for which it contracted  
23 before the effective date of this Section in conjunction with  
24 the provision of full requirements service under fixed-price  
25 bundled service tariffs subsequent to December 31, 2006. All  
26 such costs shall be deemed to have been prudently incurred. The

1 pass-through tariffs that are filed and approved pursuant to  
2 this Section shall not be subject to review under, or in any  
3 way limited by, Section 16-111(i) of this Act. All of the costs  
4 incurred by the electric utility associated with the purchase  
5 of zero emission credits in accordance with subsection (d-5) of  
6 Section 1-75 of the Illinois Power Agency Act and, beginning  
7 June 1, 2017, all of the costs incurred by the electric utility  
8 associated with the purchase of renewable energy resources in  
9 accordance with Sections 1-56 and 1-75 of the Illinois Power  
10 Agency Act, shall be recovered through the electric utility's  
11 tariffed charges applicable to all of its retail customers, as  
12 specified in subsection (k) of Section 16-108 of this Act, and  
13 shall not be recovered through the electric utility's tariffed  
14 charges for electric power and energy supply to its eligible  
15 retail customers.

16 (m) The Commission has the authority to adopt rules to  
17 carry out the provisions of this Section. For the public  
18 interest, safety, and welfare, the Commission also has  
19 authority to adopt rules to carry out the provisions of this  
20 Section on an emergency basis immediately following August 28,  
21 2007 (the effective date of Public Act 95-481).

22 (n) Notwithstanding any other provision of this Act, any  
23 affiliated electric utilities that submit a single procurement  
24 plan covering their combined needs may procure for those  
25 combined needs in conjunction with that plan, and may enter  
26 jointly into power supply contracts, purchases, and other

1 procurement arrangements, and allocate capacity and energy and  
2 cost responsibility therefor among themselves in proportion to  
3 their requirements.

4 (o) On or before June 1 of each year, the Commission shall  
5 hold an informal hearing for the purpose of receiving comments  
6 on the prior year's procurement process and any recommendations  
7 for change.

8 (p) An electric utility subject to this Section may propose  
9 to invest, lease, own, or operate an electric generation  
10 facility as part of its procurement plan, provided the utility  
11 demonstrates that such facility is the least-cost option to  
12 provide electric service to those retail customers included in  
13 the plan's electric supply service requirements. If the  
14 facility is shown to be the least-cost option and is included  
15 in a procurement plan prepared in accordance with Section 1-75  
16 of the Illinois Power Agency Act and this Section, then the  
17 electric utility shall make a filing pursuant to Section 8-406  
18 of this Act, and may request of the Commission any statutory  
19 relief required thereunder. If the Commission grants all of the  
20 necessary approvals for the proposed facility, such supply  
21 shall thereafter be considered as a pre-existing contract under  
22 subsection (b) of this Section. The Commission shall in any  
23 order approving a proposal under this subsection specify how  
24 the utility will recover the prudently incurred costs of  
25 investing in, leasing, owning, or operating such generation  
26 facility through just and reasonable rates charged to those

1 retail customers included in the plan's electric supply service  
2 requirements. Cost recovery for facilities included in the  
3 utility's procurement plan pursuant to this subsection shall  
4 not be subject to review under or in any way limited by the  
5 provisions of Section 16-111(i) of this Act. Nothing in this  
6 Section is intended to prohibit a utility from filing for a  
7 fuel adjustment clause as is otherwise permitted under Section  
8 9-220 of this Act.

9 (q) If the Illinois Power Agency filed with the Commission,  
10 under Section 16-111.5 of this Act, its proposed procurement  
11 plan for the period commencing June 1, 2017, and the Commission  
12 has not yet entered its final order approving the plan on or  
13 before the effective date of this amendatory Act of the 99th  
14 General Assembly, then the Illinois Power Agency shall file a  
15 notice of withdrawal with the Commission, after the effective  
16 date of this amendatory Act of the 99th General Assembly, to  
17 withdraw the proposed procurement of renewable energy  
18 resources to be approved under the plan, other than the  
19 procurement of renewable energy credits from distributed  
20 renewable energy generation devices using funds previously  
21 collected from electric utilities' retail customers that take  
22 service pursuant to electric utilities' hourly pricing tariff  
23 or tariffs and, for an electric utility that serves less than  
24 100,000 retail customers in the State, other than the  
25 procurement of renewable energy credits from distributed  
26 renewable energy generation devices. Upon receipt of the

1 notice, the Commission shall enter an order that approves the  
2 withdrawal of the proposed procurement of renewable energy  
3 resources from the plan. The initially proposed procurement of  
4 renewable energy resources shall not be approved or be the  
5 subject of any further hearing, investigation, proceeding, or  
6 order of any kind.

7 This amendatory Act of the 99th General Assembly preempts  
8 and supersedes any order entered by the Commission that  
9 approved the Illinois Power Agency's procurement plan for the  
10 period commencing June 1, 2017, to the extent it is  
11 inconsistent with the provisions of this amendatory Act of the  
12 99th General Assembly. To the extent any previously entered  
13 order approved the procurement of renewable energy resources,  
14 the portion of that order approving the procurement shall be  
15 void, other than the procurement of renewable energy credits  
16 from distributed renewable energy generation devices using  
17 funds previously collected from electric utilities' retail  
18 customers that take service under electric utilities' hourly  
19 pricing tariff or tariffs and, for an electric utility that  
20 serves less than 100,000 retail customers in the State, other  
21 than the procurement of renewable energy credits for  
22 distributed renewable energy generation devices.

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

24 (220 ILCS 5/16-111.10 new)

25 Sec. 16-111.10. Equitable Energy Financing Program.



1       (a) The General Assembly finds and declares that Illinois  
2 homes and businesses can contribute to the creation of a clean  
3 energy economy, conservation of natural resources, and  
4 reliability of the electricity grid through the installation of  
5 cost-effective renewable energy generation, energy efficiency,  
6 and energy storage systems. Further, a large portion of  
7 Illinois residents and businesses that would benefit from the  
8 installation of energy efficiency, storage, and renewable  
9 energy generation systems are unable to purchase systems due to  
10 capital or credit barriers. This State should pursue options to  
11 enable many more Illinoisans to access the health,  
12 environmental, and financial benefits of new clean energy  
13 technology.

14       (b) As used in this Section:

15       "Commission" means the Illinois Commerce Commission.

16       "Energy project" means renewable energy generation  
17 systems, including solar projects, energy efficiency upgrades,  
18 energy storage systems, or any combination thereof.

19       "Program" means the Equitable Energy Financing Program  
20 established under subsection (c).

21       "Utility" means electric utilities providing services  
22 under this Act.

23       (c) The Illinois Commerce Commission shall open an  
24 investigation into and direct all electric utilities in this  
25 State to adopt an Equitable Energy Financing Program that  
26 permits customers to finance the construction of energy

1 projects through an optional tariff payable directly through  
2 their utility bill, modeled after the PAYS, or Pay-As-You-Save  
3 system, developed by the Energy Efficiency Institute. The  
4 Program model shall offer to make investments in energy  
5 projects to customer properties with low-cost capital and use  
6 an opt-in tariff to recover the costs. The Program shall be  
7 designed to provide customers with financial savings if they  
8 choose to participate. The Program will allow residential  
9 electric utility customers that own the property, or renters  
10 that have permission of the property owner, for which they  
11 subscribe to utility service to purchase an energy project. The  
12 Program will ensure:

13 (1) eligible projects do not require upfront payments;  
14 however, customers may pay down the costs for projects with  
15 a payment to the installing contractor in order to qualify  
16 projects that would otherwise require upfront payments;

17 (2) eligible projects have an estimated lifecycle  
18 savings that exceeds the cost of the project, subject to  
19 PAYS program requirements;

20 (3) participants will finance the projects by paying  
21 for the project through an optional tariff directly through  
22 the participant's electricity bill, allowing participants  
23 to invest in energy projects without traditional loans;

24 (4) accessibility by lower income residents and  
25 environmental justice community residents; and

26 (5) administration is in coordination with the energy

1 efficiency on-bill financing program established under  
2 Section 16-111.7 to maximize access and financial savings  
3 by residents.

4 (d) Program rollout. The Commission shall establish  
5 Program guidelines with the anticipated schedule of Program  
6 availability as follows:

7 (1) Year 1. During the first year of operation, each  
8 utility is required to obtain capital of at least  
9 \$20,000,000 annually for investments in energy projects.

10 (2) Year 2. Beginning in the second year, each utility  
11 is required to obtain capital for investments in energy  
12 projects of at least \$40,000,000 annually.

13 (3) Year 3. Beginning in the third year of programming,  
14 each utility is required to obtain capital for investments  
15 in as many systems as customers demand, subject to  
16 available capital provided by the utility, State, or other  
17 lenders.

18 (e) In the design of the Equitable Energy Financing  
19 Program, the Commission shall:

20 (1) Within 270 days after the effective date of this  
21 amendatory Act of the 101st General Assembly, convene a  
22 workshop process during which interested participants may  
23 discuss issues and submit comments related to the Program.

24 (2) Establish Program guidelines modeled after PAYS  
25 program guidelines that electric utilities will abide by  
26 when designing their plan to participate in the Program.

1 Program guidelines established by the Commission shall  
2 include the following elements:

3 (A) Capital funds. The Commission shall establish  
4 conditions under which utilities secure capital to  
5 fund the energy projects. The Commission may allow  
6 utilities to raise capital independently, work with  
7 third-party lenders to secure the capital for  
8 participants, or a combination thereof. Any process  
9 the Commission approves must use a market mechanism to  
10 identify the least costly sources of capital funds so  
11 as to pass on maximum savings to participants. The  
12 State of Illinois may also choose to provide capital  
13 for this Program.

14 (B) Customer protections. Customer protection  
15 guidelines should be designed based on the principles  
16 established in subsection (i), subject to model PAYS  
17 essential elements and minimum program requirements.

18 (C) Energy project vendors. The Commission shall  
19 establish conditions by which utilities may connect  
20 Program participants to energy project vendors. In  
21 setting conditions for connection, the Commission may  
22 prioritize vendors that have a history of good  
23 relations with the State including vendors that have  
24 hired participants from State-created job training  
25 programs.

26 (D) Guarantee that conservative estimates of

1           financial savings will immediately and significantly  
2           exceed Program costs for Program participants.

3           (f) Within 120 days after the Commission releases the  
4           Program conditions established under this Section, each  
5           utility subject to the requirements of this Section shall  
6           submit an informational filing to the Commission that describes  
7           its plan for implementing the provisions of this Section. If  
8           the Commission finds that the submission does not properly  
9           comply with the statutory or regulatory requirements of the  
10          Program, the Commission may require that the utility make  
11          modifications to its filing.

12          (g) An independent process evaluation shall be conducted  
13          after one year of the Program operation. An independent impact  
14          evaluation shall be conducted after 2 years of operation,  
15          excluding one-time startup costs and results from the first 6  
16          months of the Program. The Commission shall convene an advisory  
17          council of stakeholders, including representation of  
18          low-income and environmental justice community members to make  
19          recommendations in response to the findings of the independent  
20          evaluation.

21          (h) Participation in the Program by utilities shall be  
22          mandatory from Program launch through January 1, 2031.  
23          Following January 1, 2031, participation in the Program by  
24          utilities is voluntary.

25          (i) The Equitable Energy Financing Program shall be  
26          designed using PAYS system guidelines to be cost effective for

1 customers. Only projects that are deemed to be cost-effective  
2 and can be reasonably expected to ensure customer savings are  
3 eligible for funding through the Program, unless, as specified  
4 in paragraph (1) of subsection (c), customers able to make  
5 upfront copayments to installers buy down the cost of projects  
6 so they can be deemed cost effective.

7 (j) Eligible customers must be:

8 (1) property renters with permission of the property  
9 owner; or

10 (2) property owners.

11 (k) Calculation of project cost effectiveness shall be  
12 based upon PAYS system requirements.

13 (1) The calculation of cost effectiveness must be  
14 conducted by an objective process established by the  
15 Commission and based on rates in effect at the time of  
16 installation.

17 (2) A project shall be considered cost effective only  
18 if it complies with the PAYS 80% rule, not counting  
19 copayments voluntarily made by customers. The Commission  
20 may establish guidelines by which this required savings is  
21 measured.

22 (1) The Equitable Energy Financing Program should be  
23 modeled after the PAYS, or Pay-As-You-Save system, by which  
24 Program participants finance energy projects using the savings  
25 that the energy project creates with a tariffed on-bill  
26 financing program. Eligible projects shall not create personal

1 debt for the customer, result in a lien in the event of  
2 nonpayment, or require customers to pay for defective energy  
3 projects.

4 (m) Any energy project that is defective or damaged due to  
5 no fault of the participant must be either replaced or repaired  
6 with parts that meet industry standards at the cost of the  
7 utility or vendor as specified by the Commission and charges  
8 will be suspended until repairs or replacement are completed.  
9 The Commission may establish, increase, or replace the  
10 requirements imposed in this subsection (m). The Commission may  
11 determine that this responsibility is best handled by  
12 participating project vendors in the form of insurance,  
13 contractual guarantees, or other mechanisms, and issue rules  
14 detailing this requirement.

15 (n) In the event of nonpayment, the remaining balance due  
16 to pay off the system shall remain with the utility meter at an  
17 upgraded location. The Commission shall establish conditions  
18 subject to this constraint in the event of nonpayment that are  
19 in accordance with the PAYS system.

20 (o) If the demand by utility customers exceeds the Program  
21 capital supply in a given year, utilities shall ensure that 50%  
22 of participants are:(1) customers in neighborhoods where a  
23 majority of households make 150% or less of area median income;  
24 or (2) residents of environmental justice communities.

25 (p) Utilities shall endeavor to inform customers about the  
26 availability of the Program, their potential eligibility for

1 participation in the Program, and whether they are likely to  
2 save money on the basis of an estimate conducted using  
3 variables consistent with the Program that the utility has at  
4 its disposal. The Commission may establish guidelines by which  
5 utilities must abide by this directive and alternatives if the  
6 Commission deems utilities' efforts as inadequate.

7 (q) Subject to Commission specifications established in  
8 subsection (c), each utility shall work with certified project  
9 vendors selected using a request for proposals process to  
10 establish the terms and processes under which a participant can  
11 purchase eligible renewable energy generation and energy  
12 storage systems using the financing obtained from the lender  
13 through a program designed to fit the Equitable Energy  
14 Financing Program model. The certified project vendor shall  
15 explain and offer the approved financing packaging to customers  
16 and shall assist customers in applying for financing through  
17 the Equitable Energy Financing Program. As part of the process,  
18 vendors shall also provide participants with information about  
19 any other relevant incentives that may be available.

20 (r) An electric utility shall recover all of the prudently  
21 incurred costs of offering a program approved by the Commission  
22 under this Section.

23 (s) The Illinois Commerce Commission shall adopt all rules  
24 necessary for the administration of this Section.



1       Sec. 16-115E. Carbon-free supply for alternative retail  
2       electric suppliers and electric utilities operating outside  
3       their service territories.

4       (a) Beginning in the delivery year that commences on June  
5       1, 2021, an alternative retail electric supplier shall be  
6       responsible for procuring cost-effective electricity that has  
7       an annual carbon dioxide emissions rate, in pounds of CO<sub>2</sub>  
8       emissions per megawatt-hour, that is no greater than average of  
9       the total resources procured in subsection (k) of Section 1-75  
10      of the Illinois Power Agency Act.

11      (b) Each alternative retail electric supplier shall, by  
12      September 1, 2021 and by September 1 of each year thereafter,  
13      prepare and submit to the Commission a public report, in a  
14      format to be specified by the Commission, that provides  
15      information certifying compliance by the alternative retail  
16      electric supplier with this Section, including the source,  
17      quantity and hourly CO<sub>2</sub> emissions of supplied electricity, and  
18      any other information that the Commission determines necessary  
19      to ensure compliance with this Section.

20       (220 ILCS 5/16-128B)

21       Sec. 16-128B. Qualified energy efficiency installers.

22       (a) Within 18 months after the effective date of this  
23       amendatory Act of the 99th General Assembly, the Commission  
24       shall adopt rules, including emergency rules, establishing a  
25       process for entities installing energy efficiency measures to

1 certify compliance with the requirements of this Section.

2 The process shall include an option to complete the  
3 certification electronically by completing forms on-line. An  
4 entity installing energy efficiency measures shall be  
5 permitted to complete the certification after the subject work  
6 has been completed.

7 The Commission shall maintain on its website a list of  
8 entities installing energy efficiency measures that have  
9 successfully completed the certification process.

10 (b) In addition to any authority granted to the Commission  
11 under this Act, the Commission may:

12 (1) determine which entities are subject to  
13 certification under this Section;

14 (2) impose reasonable certification fees and  
15 penalties;

16 (3) adopt disciplinary procedures;

17 (4) investigate any and all activities subject to this  
18 Section, including violations thereof;

19 (5) adopt procedures to issue or renew, or to refuse to  
20 issue or renew, a certification or to revoke, suspend,  
21 place on probation, reprimand, or otherwise discipline a  
22 certified entity under this Act or take other enforcement  
23 action against an entity subject to this Section; and

24 (6) prescribe forms to be issued for the administration  
25 and enforcement of this Section.

26 (c) An electric utility may not provide a retail customer

1 with a rebate or other energy efficiency incentive for a  
2 measure that exceeds a minimal amount determined by the  
3 Commission unless the customer provides the electric utility  
4 with (1) a certification that the person installing the energy  
5 efficiency measure was a self-installer; or (2) evidence that  
6 the energy efficiency measure was installed by an entity  
7 certified under this Section that is also in good standing with  
8 the Commission.

9 (d) The Commission shall:

10 (1) require entities installing energy efficiency  
11 measures to be certified to do business and to be bonded in  
12 this State;

13 (2) ensure that entities installing energy efficiency  
14 measures have the requisite knowledge, skill, training,  
15 experience, and competence to perform functions in a safe  
16 and reliable manner as required under subsection (a) of  
17 Section 16-128 of this Act;

18 (3) ensure that entities installing energy efficiency  
19 measures conform to applicable building and electrical  
20 codes;

21 (4) ensure that all entities installing energy  
22 efficiency measures meet recognized industry standards as  
23 the Commission deems appropriate;

24 (5) include any additional requirements that the  
25 Commission deems reasonable to ensure that entities  
26 installing energy efficiency measures meet adequate

1 training, financial, and competency requirements;

2 (6) ensure that all entities installing energy  
3 efficiency measures obtain certificates of insurance in  
4 sufficient amounts and coverages that the Commission so  
5 determines; and

6 (7) identify and determine the training or other  
7 programs by which persons or entities may obtain the  
8 requisite training, skill, or experience necessary to  
9 achieve and maintain compliance with the requirements of  
10 this Section.

11 (e) Fees and penalties collected under this Section shall  
12 be deposited into the Public Utility Fund and used to fund the  
13 Commission's compliance with the obligations imposed by this  
14 Section.

15 (f) The rules adopted under this Section shall specify the  
16 initial dates for compliance with the rules.

17 (g) For purposes of this Section, entities installing  
18 energy efficiency measures shall endeavor to support the  
19 diversity goals of this State by attracting, developing,  
20 retaining, and providing opportunities to employees of all  
21 backgrounds and by supporting women-owned ~~female-owned~~,  
22 minority-owned, and veteran-owned, ~~and~~ small businesses, and  
23 nonprofit organizations, worker cooperatives, and other  
24 entities.

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

1       Section 90-45. The Environmental Protection Act is amended  
2       by changing Section 9.10 and by adding Section 9.16 as follows:

3       (415 ILCS 5/9.10)

4       Sec. 9.10. Fossil fuel-fired electric generating plants.

5       (a) As used in this Section:

6       "Board" means the Illinois Pollution Control Board.

7       "Emissions" means greenhouse gases, particulate matter,  
8       mercury, nitrogen oxides, sulfur dioxide, and any other  
9       pollutant that the Agency deems appropriate for regulation to  
10       protect health or land in the State.

11       "Frontline community" means any community or municipality  
12       within a 3 mile radius of a fossil-fuel power plant.

13       "Meaningful involvement" means: (1) potentially affected  
14       populations have an appropriate opportunity to participate in  
15       decisions about a proposed regulatory action that may affect  
16       their environment and/or health; (2) the populations'  
17       contributions can influence the EPA's rulemaking decisions;  
18       (3) the concerns of all participants involved will be  
19       considered in the decision-making process; and (4) the IEPA  
20       will seek out and facilitate the involvement of populations  
21       potentially affected by the IEPA's proposed regulatory action.

22       (a-1) ~~(a)~~ The General Assembly finds and declares that:

23               (1) fossil fuel-fired electric generating plants are a  
24       significant source of air emissions in this State and have  
25       become the subject of a number of important new studies of

1       their effects on the public health;

2           (2) existing state and federal policies, that allow  
3       older plants that meet federal standards to operate without  
4       meeting the more stringent requirements applicable to new  
5       plants, are being questioned on the basis of their  
6       environmental impacts and the economic distortions such  
7       policies cause in a deregulated energy market;

8           (3) fossil fuel-fired electric generating plants are,  
9       or may be, affected by a number of regulatory programs,  
10      some of which are under review or development on the state  
11      and national levels, and to a certain extent the  
12      international level, including the federal acid rain  
13      program, tropospheric ozone, mercury and other hazardous  
14      pollutant control requirements, regional haze, and global  
15      warming;

16          (4) scientific uncertainty regarding the formation of  
17      certain components of regional haze and the air quality  
18      modeling that predict impacts of control measures requires  
19      careful consideration of the timing of the control of some  
20      of the pollutants from these facilities, particularly  
21      sulfur dioxides and nitrogen oxides that each interact with  
22      ammonia and other substances in the atmosphere;

23          (5) the development of energy policies to promote a  
24      safe, sufficient, reliable, and affordable energy supply  
25      on the state and national levels is being affected by the  
26      on-going deregulation of the power generation industry and

1 the evolving energy markets;

2 (6) the Governor's formation of an Energy Cabinet and  
3 the development of a State energy policy calls for actions  
4 by the Agency and the Board that are in harmony with the  
5 energy needs and policy of the State, while protecting the  
6 public health and the environment;

7 (7) reducing greenhouse gas emissions and other air  
8 pollutants such as particulate matter, sulfur dioxide, and  
9 nitrogen oxide is critical to improving the health and  
10 welfare of Illinois residents by decreasing respiratory  
11 diseases, cardiovascular diseases, and related  
12 mortalities; lowering customers' energy costs; and  
13 responding to the growing impacts of climate change from  
14 fossil-fuel generation;

15 (8) through reductions in harmful emissions and  
16 strategic planning for Illinois citizens currently  
17 employed by and communities reliant on fossil-fuel  
18 electricity generation units, eliminating greenhouse gas  
19 emissions from the electricity generation sector is a  
20 priority for the State;

21 (9) The House of Representatives of the 100th General  
22 Assembly recognized this problem and, in adopting House  
23 Resolution 490 on June 26, 2017, it supported the Paris  
24 Climate Agreement and urged the State of Illinois to join  
25 the United States Climate Alliance and develop a plan to  
26 achieve 100% clean energy by 2045;

1           ~~(7) Illinois coal is an abundant resource and an~~  
2           ~~important component of Illinois' economy whose use should~~  
3           ~~be encouraged to the greatest extent possible consistent~~  
4           ~~with protecting the public health and the environment;~~

5           ~~(8) renewable forms of energy should be promoted as an~~  
6           ~~important element of the energy and environmental policies~~  
7           ~~of the State and that it is a goal of the State that at~~  
8           ~~least 5% of the State's energy production and use be~~  
9           ~~derived from renewable forms of energy by 2010 and at least~~  
10          ~~15% from renewable forms of energy by 2020;~~

11          (10) ~~(9)~~ efforts on the state and federal levels are  
12          underway to consider the multiple environmental  
13          regulations affecting electric generating plants in order  
14          to improve the ability of government and the affected  
15          industry to engage in effective planning through the use of  
16          multi-pollutant strategies; and

17          (11) ~~(10)~~ these issues, taken together, call for a  
18          comprehensive review of the impact of these facilities on  
19          the public health, considering also the energy supply,  
20          reliability, and costs, the role of renewable forms of  
21          energy, and the developments in federal law and regulations  
22          that may affect any state actions, prior to making final  
23          decisions in Illinois.

24          (b) Taking into account the findings and declarations of  
25          the General Assembly contained in subsection (a) of this  
26          Section, the Agency shall, within 180 days after the effective



1 date of this amendatory Act of the 101st General Assembly,  
2 initiate a rulemaking to amend Title 35 of the Illinois  
3 Administrative Code to establish annual greenhouse gas  
4 pollution caps and further co-pollutant reductions beginning  
5 in 2021 from all fossil fuel electric generating units  
6 (including, but not limited to, coal-fired, coal-derived,  
7 oil-fired, combustion turbine, integrated gasification  
8 combined cycle, and cogeneration facilities above or below 25  
9 MW) and progressively eliminate all emissions of greenhouse  
10 gases, particulate matter, mercury, nitrogen oxides, and  
11 sulfur dioxide from Illinois' electric sector by the year 2030.  
12 The Board shall adopt rules regulating greenhouse gases and  
13 further co-pollutant reductions, represented as emissions caps  
14 on individual plants, which can decline on independent  
15 schedules annually until reaching zero emissions from all  
16 plants by 2030, no later than one year after receipt of the  
17 Agency's proposal under this Section. As part of its rulemaking  
18 proposal, the Agency shall:

19 (1) ensure that power plants located near densely  
20 populated and environmental justice communities are  
21 prioritized for more rapid, mandatory, plant-specific  
22 emissions reductions for both greenhouse gases and  
23 co-pollutants;

24 (2) develop an environmental justice analysis, in  
25 partnership with the Illinois Commission on Environmental  
26 Justice and with frontline community feedback, to inform a

1 draft rule proposal and identification of power plants of  
2 particular concern requiring priority emissions  
3 reductions. This analysis shall include a cumulative  
4 impacts assessment and use existing methodologies and  
5 findings employed by the Illinois Power Agency and its  
6 Administrator in its Illinois Solar for All Program, taking  
7 into account the following factors:

8 (A) National-Scale Air Toxics Assessment (NATA)  
9 air toxics cancer risk;

10 (B) NATA respiratory hazard index;

11 (C) NATA diesel PM;

12 (D) particulate matter;

13 (E) ozone;

14 (F) traffic proximity and volume;

15 (G) lead paint indicator;

16 (H) proximity to Risk Management Plan sites;

17 (I) proximity to Hazardous Waste Treatment,  
18 Storage and Disposal Facilities;

19 (J) proximity to National Priorities List sites;

20 (K) Wastewater Dischargers Indicator;

21 (L) percent low-income;

22 (M) percent minority;

23 (N) percent less than a high school education;

24 (O) linguistic isolation;

25 (P) age (individuals under age 5 or over 64);

26 (Q) number of asthma-related emergency department

1 visits; and

2 (R) frequency of low birth weight infants;

3 (3) conduct a robust and inclusive stakeholder process  
4 prior to issuing a draft rule to the Illinois Pollution  
5 Control Board that ensures the meaningful participation of  
6 Illinois residents, especially those most impacted by  
7 fossil fuel power plants. To ensure meaningful involvement  
8 in its stakeholder process, the agency shall:

9 (A) include a formal public comment period with at  
10 least 4 public hearings located in communities  
11 geographically dispersed, where fossil fuel power  
12 plants are located;

13 (B) ensure full and fair access for working  
14 residents by providing opportunity for public comment  
15 outside the work day; and

16 (C) issue a responsiveness summary with a draft  
17 rulemaking briefly describing and responding to, at a  
18 minimum, all frontline community comments raised  
19 during the stakeholder process and public comment  
20 period;

21 (4) participate in strategic planning efforts with the  
22 Department of Commerce and Economic Opportunity to  
23 identify needs and initiatives for communities and workers  
24 economically impacted by the decline in fossil fuel  
25 generation; and

26 (5) evaluate individual units using the criteria above

1 and set appropriate annually-declining caps for emission  
2 reductions, which ultimately result in caps of zero  
3 emissions from all fossil-fuel electric generating units  
4 by January 1, 2030.

5 ~~before September 30, 2004, but not before September 30, 2003,~~  
6 ~~issue to the House and Senate Committees on Environment and~~  
7 ~~Energy findings that address the potential need for the control~~  
8 ~~or reduction of emissions from fossil fuel-fired electric~~  
9 ~~generating plants, including the following provisions:~~

10 ~~(1) reduction of nitrogen oxide emissions, as~~  
11 ~~appropriate, with consideration of maximum annual~~  
12 ~~emissions rate limits or establishment of an emissions~~  
13 ~~trading program and with consideration of the developments~~  
14 ~~in federal law and regulations that may affect any State~~  
15 ~~action, prior to making final decisions in Illinois;~~

16 ~~(2) reduction of sulfur dioxide emissions, as~~  
17 ~~appropriate, with consideration of maximum annual~~  
18 ~~emissions rate limits or establishment of an emissions~~  
19 ~~trading program and with consideration of the developments~~  
20 ~~in federal law and regulations that may affect any State~~  
21 ~~action, prior to making final decisions in Illinois;~~

22 ~~(3) incentives to promote renewable sources of energy~~  
23 ~~consistent with item (8) of subsection (a) of this Section;~~

24 ~~(4) reduction of mercury as appropriate, consideration~~  
25 ~~of the availability of control technology, industry~~  
26 ~~practice requirements, or incentive programs, or some~~

1 ~~combination of these approaches that are sufficient to~~  
2 ~~prevent unacceptable local impacts from individual~~  
3 ~~facilities and with consideration of the developments in~~  
4 ~~federal law and regulations that may affect any state~~  
5 ~~action, prior to making final decisions in Illinois; and~~

6 ~~(5) establishment of a banking system, consistent with~~  
7 ~~the United States Department of Energy's voluntary~~  
8 ~~reporting system, for certifying credits for voluntary~~  
9 ~~offsets of emissions of greenhouse gases, as identified by~~  
10 ~~the United States Environmental Protection Agency, or~~  
11 ~~other voluntary reductions of greenhouse gases. Such~~  
12 ~~reduction efforts may include, but are not limited to,~~  
13 ~~carbon sequestration, technology based control measures,~~  
14 ~~energy efficiency measures, and the use of renewable energy~~  
15 ~~sources.~~

16 The Agency shall consider the impact on the public health,  
17 considering also energy supply, reliability and costs, the role  
18 of renewable forms of energy, and developments in federal law  
19 and regulations that may affect any state actions, prior to  
20 making final decisions in Illinois.

21 (c) Nothing in this Section is intended to or should be  
22 interpreted in a manner to limit or restrict the authority of  
23 the Illinois Environmental Protection Agency to propose, or the  
24 Illinois Pollution Control Board to adopt, any regulations  
25 applicable or that may become applicable to the facilities  
26 covered by this Section that are required by federal law.

1 (d) The Agency may file proposed rules with the Board to  
2 effectuate the goals set forth in subsection (b). ~~its findings~~  
3 ~~provided to the Senate Committee on Environment and Energy and~~  
4 ~~the House Committee on Environment and Energy in accordance~~  
5 ~~with subsection (b) of this Section. Any such proposal shall~~  
6 ~~not be submitted sooner than 90 days after the issuance of the~~  
7 ~~findings provided for in subsection (b) of this Section. The~~  
8 Board shall take action on any such proposal within one year of  
9 the Agency's filing of the proposed rules.

10 ~~(c) This Section shall apply only to those electrical~~  
11 ~~generating units that are subject to the provisions of Subpart~~  
12 ~~W of Part 217 of Title 35 of the Illinois Administrative Code,~~  
13 ~~as promulgated by the Illinois Pollution Control Board on~~  
14 ~~December 21, 2000.~~

15 (Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

16 (415 ILCS 5/9.16 new)

17 Sec. 9.16. Energy community reinvestment fee.

18 (a) For the purposes of this Section, "fossil fuel  
19 generating plants" means an electric generating unit or a  
20 co-generating unit that produces electricity using fossil  
21 fuels.

22 (b) The General Assembly finds and declares that:

23 (1) the negative effects of fossil fuel generating  
24 plants on human health, environmental quality, and the  
25 climate of our planet require Illinois to swiftly retire

1 all such plants and shift to 100% renewable energy;

2 (2) communities located near fossil fuel-fired  
3 electric generating plants have experienced these health  
4 and environmental impacts most acutely;

5 (3) communities located near fossil fuel-fired  
6 electric generating plants will also experience economic  
7 challenges as these plants retire;

8 (4) it is in the general interest that communities  
9 located near fossil fuel-fired electric generating plants  
10 should receive support in the form of economic  
11 reinvestment, as recompense for the negative impacts of the  
12 operation of fossil fuel-fired electric generating plants,  
13 and as a means for creating new economic growth and  
14 opportunity which is needed when the plants retire; and

15 (5) this support should be paid for by the owners and  
16 operators of fossil fossil fuel-fired electric generating  
17 plants, the operation of which caused harm to the  
18 surrounding communities.

19 (c) Energy community reinvestment fee. The Agency shall  
20 establish procedures for the collection of energy community  
21 reinvestment fees. Energy community reinvestment fees shall be  
22 paid annually by owners of all fossil fuel generating plants in  
23 Illinois, based on their share of the total pollution burden  
24 from fossil fuel generating plants as determined by the Agency.

25 (1) No later than March 31, 2021, and by March 31 of  
26 each year thereafter, the Agency shall develop a metric of

1 the total pollution burden from fossil fuel generating  
2 plants in this State in the previous calendar year, based  
3 on the total greenhouse-gas emissions, co-pollutant  
4 emissions, and other factors as determined by the Agency.  
5 The Agency shall then determine the percentage  
6 contribution of each fossil fuel generating plant in this  
7 State to the overall metric, with the total equalling 100%.

8 (2) The Agency shall receive from the Department of  
9 Commerce and Economic Opportunity a notification of the  
10 total revenue required for programs and spending as  
11 described under the Energy Community Reinvestment Act for  
12 the upcoming fiscal year, as well as projected spending for  
13 all program years through Fiscal Year 2036.

14 (3) The Agency shall calculate the fee owed by each  
15 fossil fuel generating plant owner by multiplying the  
16 percentage contribution described under paragraph (1) of  
17 this subsection (c) by the total revenue required for the  
18 upcoming fiscal year, plus 20% of the projected spending in  
19 each of the following 5 fiscal years, as determined under  
20 paragraph (2) of this subsection (c).

21 (4) No later than May 1 of each year, the Agency shall  
22 notify each fossil fuel generating plant owner of the  
23 amount its fee.

24 (5) Plant owners shall remit payment of their fee to  
25 the Agency within 90 days after notification. Funds  
26 collected from the energy community reinvestment fee shall



1 be deposited into the Energy Community Reinvestment Fund.

2 (d) Clean Energy Empowerment Zone Task Force involvement.

3 If the Agency receives notification from the Department of  
4 Commerce and Economic Opportunity that a plant owner has failed  
5 to engage productively in stakeholder meetings and with Clean  
6 Energy Empowerment Zone Task Forces, as described in the Energy  
7 Community Reinvestment Act, an enforcement action may be  
8 brought under Section 31 of this Act. In addition to any other  
9 relief that may be obtained as part of the enforcement action,  
10 the Agency may seek to recover the avoided engagement fees. The  
11 avoided engagement fees shall be calculated as double the  
12 amount that is owed by the plant owner for the current year,  
13 and subsequent years, until the Department of Commerce and  
14 Economic Opportunity sends notification to the Agency that the  
15 plant owner is in compliance with the stakeholder engagement  
16 requirements of the Energy Community Reinvestment Act. Fees  
17 collected under this subsection (d) shall be deposited in the  
18 Energy Community Reinvestment Fund to be directed solely to  
19 support the local community's own planning efforts and  
20 investments, and the Agency shall transmit a notification to  
21 the Department of Commerce and Economic Opportunity of the  
22 amount collected, and the plant owner responsible.

23 (e) If a plant owner subject to a fee under this Section  
24 fails to pay the fee within 90 days after its due date, or  
25 makes the fee payment from an account with insufficient funds  
26 to cover the amount of the fee payment, the Agency shall notify

1 the plant owner of the failure to pay the fee. If the plant  
2 owner fails to pay the fee within 60 days after such  
3 notification, the Agency may, by written notice, immediately  
4 revoke the air pollution operating permit. Failure of the  
5 Agency to notify the plant owner of failure to pay a fee due  
6 under this Section, or the payment of the fee from an account  
7 with insufficient funds to cover the amount of the fee payment,  
8 does not excuse or alter the duty of the plant owner to comply  
9 with the provisions of this Section.

10 (f) No later than November 30 of each year, the Agency  
11 shall submit a report to the Department of Commerce and  
12 Economic Opportunity describing the amount of fees collected  
13 from each fossil fuel generating plant, the status of any  
14 delinquencies, and the total amount expected to be collected.  
15

16 (415 ILCS 5/9.15 rep.)

17 Section 90-50. The Environmental Protection Act is amended  
18 by repealing Section 9.15.

19 Section 90-55. The Prevailing Wage Act is amended by adding  
20 Section 3.3 as follows:

21 (820 ILCS 130/3.3 new)

22 Sec. 3.3. Job classifications. The Department of Labor  
23 must, within 60 days after the effective date of this

1 amendatory Act of the 101st General Assembly, identify job  
2 categories for laborers, mechanics, and other workers employed  
3 in the provision of programs created or altered by this Act,  
4 for which the Department has not already set a prevailing rate  
5 of wages.

6 The Department of Labor must, within 240 days after the  
7 effective date of this amendatory Act of the 101st General  
8 Assembly, set a prevailing rate of wages for each identified  
9 job category.

10 Article 99. Effective Date

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